

Minimum wage not keeping up with productivity

By Caroline Fairchild, Huffington Post

President Obama's call to increase the federal minimum wage to \$9 an hour was one of the more significant proposals he laid out in his State of the Union address Tuesday night. But \$9 an hour is still a far cry from what workers really deserve, a 2012 study finds.



The minimum wage should have reached \$21.72 an hour in 2012 if it kept up with increases in worker productivity, according to a study by the Center for Economic and Policy Research. While advancements in technology have increased the amount of

goods and services that can be produced in a set amount of time, wages have remained relatively flat, the study points out.

Even if the minimum wage kept up with inflation since it peaked in real value in the late 1960s, low-wage workers should be earning a minimum of \$10.52 an hour, according to the study.

Between the end of World War II and the late 1960s, productivity and wages grew steadily. Since the minimum wage peaked in 1968, increases in productivity have outpaced the minimum wage growth.

The current minimum wage stands at \$7.25 an hour. In 2011, more than 66 percent of Americans surveyed by the Public Religion Research Institute supported raising this figure to \$10.

The last time the federal minimum wage increased was in 2009. Currently observed in 31 states, the federal minimum wage translates to an annual income of about \$15,000 a year for someone working 40 hours per week.