LABOR DAY FACT SHEET

Iowa: Once a Leader, Now a Laggard on Minimum Wage
Outdated Policy Compounds Status as Low-Wage State

Iowa was once a leader among states on the minimum wage. In 2007, lawmakers passed a two-step increase in the state minimum wage that took effect a year-and-a-half before the federal wage.

- Iowa’s minimum wage rose to $7.25 on January 1, 2008. The federal minimum wage finally reached that level in late July 2009.
- At the time Iowa moved to $7.25, only Illinois among neighboring states was higher.
- Iowa has now remained at $7.25 for 6 1/2 years — that’s 6 1/2 years of price increases in gas, housing, utilities, groceries, clothes — and no increase in pay.
- To date 23 states and Washington, D.C., have a minimum wage above the federal wage.*

Increasing the minimum wage to $10.10 would have a positive impact on 306,000 Iowans — or about about one-tenth of Iowa’s population.

- Of those affected, almost 4 out of 5 workers — 78 percent — are age 20 or over. Don’t be fooled by the old myth that this is about teen-agers.**
- Of those affected, 43 percent work full time.**
- Of those affected, 58 percent are women.**
- More than 4 in 10 who would be affected have at least some college education (43 percent). In fact, 9.2 percent have at least a Bachelor’s degree.**

In many cases, those who would be affected by an increase in the minimum wage have families to support and are barely making ends meet.

- Of those affected, 20 percent are parents.**
- Over 25 percent have a family income that is less than $20,000.**
- For all workers affected, minimum wage on average accounts for 46 percent of family income.**
- Almost 18 percent of those affected are the sole providers of family income; among those who are parents 20 percent are the sole providers of family income.**
- As we have shown in our most recent Cost of Living in Iowa report, the minimum wage doesn’t even come close to paying the bills — a single parent who has two children and is working a full-time job would need to make $28.11 per hour just to be able to pay for a basic, no-frills monthly budget; $56,212 annually before taxes and credits.*** Minimum wage pays less than $15,000.

Iowa is a low-wage state.

- The Iowa median wage tracks below national trends and below regional trends.****

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** Iowa Policy Project, The Cost of Living in Iowa 2014, [http://www.iowapolicyproject.org/2014Research/140810-CostOfLiving.html](http://www.iowapolicyproject.org/2014Research/140810-CostOfLiving.html); assumes no work supports such as child care, housing, food or energy assistance.


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