

# At the wage floor <sup>[1]</sup>

Covering homecare and early care and education workers in the new generation of minimum wage laws

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## AVAILABILITY

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## Introduction

In November 2012, fast-food workers in New York went on strike and the Fight for \$15 was born. Over the last five years, the movement has lifted wages for more than 17 million workers across the nation by fighting for and winning numerous minimum wage policies (National Employment Law Project 2016). Substantial minimum wage increases are underway in California, New York, Oregon, and more than 30 cities and counties around the country. In states and cities covered by them, these new minimum wages will increase earnings for 25 to 40 percent of workers (Reich, Allegretto, and Montialoux 2017; Reich et al. 2016). After four decades of wage stagnation and rising inequality, the movement has delivered real, much needed, and meaningful progress in a remarkably short period of time.

Fast food has been iconic in the discussions of the minimum wage, from the influential mid-1990s research that found no negative employment impact of wage increases in the industry, to the fast-food workers who have walked out on strike in cities across the country in recent years (Card and Kruger 1995). But of course the reach of these wage increases extends well beyond fast food to underpaid workers in multiple industries. The dynamics of minimum wage increases vary across industries based on each industry's specific structure.

Nowhere are the distinct dynamics more pronounced and challenging than for those employed in human services industries. This paper focuses on an important subset of these workers: those who provide homecare and early care and education services to the very young, people with disabilities,

and those who are frail due to age or illness. We explain the pressing need to raise these workers' wages and the unique structure of their industries that results in a funding squeeze for wage increases—at the root of this is the fact that most families are unable to afford all of the homecare and child care they need, never mind pay enough to ensure that workers earn a living wage, and public human services are chronically underfunded.

These workers provide a critical (but too often unrecognized) public good; as such, we argue that a significant public investment is a necessary part of the solution, both to deliver minimum wage increases to these workers and to cover the significant unmet need for care. We provide background about the shared and divergent challenges in the homecare and early care and education industries, as well as review emerging policy initiatives to fund wage increases for homecare and early care and education workers and identify principles for public policy going forward.

**Related link:** Working for worthy wages: The child care compensation movement, 1970-2001 <sup>[4]</sup>

**Region:** United States <sup>[5]</sup>

**Source URL (modified on 27 Jan 2022):** <https://childcarecanada.org/documents/research-policy-practice/18/06/wage-floor>

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