Strengthening Iowa’s Workforce
Iowa’s economy fails too many workers
A healthy economy is built on widespread prosperity, not prosperity for only the privileged few.

Good news: There are policies that work
Top workforce priorities

- **Boost wages**
- **Restore unemployment insurance**
- **Fight wage theft**
- **Bolster public-sector bargaining**
Boost wages
Iowa’s minimum wage: STILL $7.25 (since 2008)
Minimum Wage
30 states have raised it – including most neighbors
Federal minimum wage worth less than in 1956

|$12.12|

Minimum wage established

Peak value

|$9.99|

Last increase

|$7.25|

Today
Federal minimum wage is worth

1968 Peak value of minimum wage
$12.12/hr ($25,210/yr)

2009 Last minimum wage increase
$9.99 ($20,779)

2022 Today
$7.25 ($15,080)
Direct care workers are among the lowest paid.

Average weekly wage:
Nursing: $675
Social assistance: $489 (includes child care)
Lawmakers should:

- Set $15 minimum wage
- Restore local authority
- Eliminate tipped subminimum wage
- Increase reimbursement rates
Restore unemployment insurance
Unemployment insurance is an earned benefit.

<table>
<thead>
<tr>
<th>Employer benefit ratio rank</th>
<th>Contribution rate</th>
<th>Per-employee cost (wage base $34,800)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-3</td>
<td>0.0%</td>
<td>$0</td>
</tr>
<tr>
<td>4-5</td>
<td>0.1%</td>
<td>$35</td>
</tr>
<tr>
<td>6</td>
<td>0.2%</td>
<td>$70</td>
</tr>
<tr>
<td>7-8</td>
<td>0.3%</td>
<td>$104</td>
</tr>
<tr>
<td>9</td>
<td>0.4%</td>
<td>$139</td>
</tr>
<tr>
<td>10-11</td>
<td>0.5%</td>
<td>$174</td>
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<tr>
<td>12</td>
<td>0.6%</td>
<td>$209</td>
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<tr>
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<td>$348</td>
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<tr>
<td>15</td>
<td>1.1%</td>
<td>$383</td>
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<tr>
<td>16</td>
<td>1.4%</td>
<td>$487</td>
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<tr>
<td>17</td>
<td>1.7%</td>
<td>$592</td>
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<tr>
<td>18</td>
<td>2.3%</td>
<td>$800</td>
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<tr>
<td>19</td>
<td>3.1%</td>
<td>$1,079</td>
</tr>
<tr>
<td>20</td>
<td>4.3%</td>
<td>$1,496</td>
</tr>
<tr>
<td>21</td>
<td>7.5%</td>
<td>$2,610</td>
</tr>
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</table>
2022 Legislature cut unemployment benefits
$70+ million

UI TAX RATE FOR AN AVERAGE EMPLOYER

<table>
<thead>
<tr>
<th>UI Tax Rate</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.2</td>
<td>1.23%</td>
<td>1.19%</td>
<td>1.19%</td>
</tr>
<tr>
<td>1.1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

PERCENT EMPLOYERS WITH UI TAX RATE OF 0% (DO NOT PAY TAXES)

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>44.7%</td>
<td>45.72%</td>
<td>44.79%</td>
</tr>
</tbody>
</table>
Within weeks, a worker who had made a family-supporting wage would be forced to accept a job paying much less

Proposed UI benefit eligibility cut-offs for job offer rejections

<table>
<thead>
<tr>
<th>Weeks unemployed</th>
<th>Offered wage as percent of prior wage</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>100%</td>
<td>$25/hr</td>
</tr>
<tr>
<td>2-3</td>
<td>90%</td>
<td>$22.50/hr</td>
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<tr>
<td>4-5</td>
<td>80%</td>
<td>$20/hr</td>
</tr>
<tr>
<td>6-8</td>
<td>70%</td>
<td>$17.50/hr</td>
</tr>
<tr>
<td>8+</td>
<td>60%</td>
<td>$15/hr</td>
</tr>
</tbody>
</table>
Lawmakers should:

- **Restore** unemployment benefits
- **Expand** eligibility
- **Increase** the taxable wage base
Fight wage theft
Employers steal $ from 1 in 7 Iowa workers

- Min. wage violations: $241 mil
- Overtime violations: $501 mil
- Other violations: $163 mil
- Total: $904 mil

$904 million

Min. wage violations

Overtime violations

Other violations

Total

$904 million
Wage theft costs Iowans 10x more than all other types of theft combined.
WAGE THEFT in Iowa

Just $2 is recovered for every $1,000 stolen

Department of Labor is understaffed & backlogged

Iowa Workforce Development has just 2 investigators for 1.4 M workers
Lawmakers should:

- Hire investigators and educate workers
- Increase penalties and require fines
- Remove state preemptions
Bolster public-sector bargaining
2017 Legislature barred important negotiation topics

- Health insurance
- Leaves of absence
- Supplemental pay
- Transfers & evaluations
Union representation in Iowa has halved over the past 20 years
Percent of total employment represented by a union in Iowa, 1989-2021

Lawmakers should:

- Restore collective bargaining rights
- Protect worker rights moving forward
Thank you

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Agenda for the common good

Strengthening Iowa’s workforce

Iowa voters and lawmakers alike agree that building a strong economy is a high priority. But in recent years, lawmakers have prioritized passing tax cuts for the wealthiest and most powerful over policies that ensure meaningful opportunities for working Iowans. That short-sightedness is bad. In truth, a healthy economy is built on widespread prosperity, not prosperity for only the privileged few.

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Expanding economic opportunity for Iowa families depends on focused action, including constructing class-minority embedded in our employment, housing and education systems.

No matter our ZIP code or color, all Iowans should have the chance at a good job to support our families.

The good news? We know policies that work:

**Boost wages**

Iowa’s minimum wage has held at $7.25 since Jan. 2008, and the minimum wage is worth only its lowest buying power since 1990. Increasing the minimum wage to $15 would help as estimated 460,000 Iowa workers, or 10 percent of the workforce, including workers paid $15 who would get a raise as employers adjust overall pay scales.

Some lawmakers have failed to fully acknowledge the importance of state reimbursement for caring-economy workers. We work in child care and in a mix of healthcare settings performing essential services just paying the lowest paid — even as families who need care often struggle to pay for it.

Lawmakers should:

- **Set a $15 minimum wage and index it to changes in the median wage.**
- Eliminate the lower minimum wage of $4.35 for tipped workers.

Fact sheets, slides and recordings at www.commongoodiowa.org
Next week: Child care

- September 14 | Renewing Iowa’s commitment to great public schools, colleges and universities
- September 21 | Supporting Iowans’ health and well-being
- September 28 | Gaps in the Economy: Ensuring support for Iowans in times of need
- October 5 | Examining Taxes: Steps to a fair, equitable tax system
“We cannot seek achievement for ourselves and forget about progress and prosperity for our community. Our ambitions must be broad enough to include the aspirations and needs of others, for their sakes and for our own.”

- César Chávez, labor leader