

CITY OF MINNEAPOLIS

RFP for a Minimum Wage Study

A City and Regional Approach

Background

Staff direction in April 2015

- Develop a recommendation for a study of the effects of establishing a minimum wage regionally and locally, including scope, funding, and development of such study, no later than third quarter 2015.
- Report to Committee of the Whole and other Council Committees as needed.



Workgroup Design

- Four City Council Members + staff
- Mayor's Office
- Staff work team from:
 - Community Planning and Economic Development
 - Health Department
 - Human Resources
 - Civil Rights
 - City Attorney's Office
 - City Coordinator
 - Intergovernmental Relations
 - Human Resources



Initial Research - Launch Tableau

- The initial data provided a baseline from which to start the conversation about economic conditions in Minneapolis and the Twin Cities
- Research supports long held belief that low-wage jobs are concentrated in certain industry sectors including:
 - food preparation & serving related occupations
 - Sales and related occupations
 - Personal care and related occupations
- Although Minneapolis has the single greatest number of jobs in the Twin Cities, overall it represents less than 17% of all jobs across the 7-County metro area.
- Among major cities considering minimum wage ordinances, Minneapolis has the lowest percentage of its residents working inside its city limits. Of all workers that *live* in Minneapolis, only 24% also *work* in Minneapolis. Of low-wage workers that *live* in Minneapolis, 33% *work* in Minneapolis.

What we need to know

- What our data and research does not provide:
 - Economic impact analysis of a change of the minimum wage locally on Minneapolis or the Twin Cities economy
 - Analysis of the workers in the local economy most impacted by a wage increase – including industry/occupations, worker demographics, and share of local workforce
 - Analysis of potential job creation/job loss and business retention/business loss
 - Impact analysis on specific industries/occupations in Minneapolis



Scope of the study

- Provide a study of the impacts of a minimum wage increase in the City of Minneapolis, and separately the impacts of a minimum wage increase in Hennepin and Ramsey Counties, with the intention of evaluating the effects and implications of both a \$12.00 minimum wage phased in over five years and a \$15.00 minimum wage phased in over five years. Further, study the effects of the minimum wage in Minneapolis, and separately in Hennepin and Ramsey Counties, once the minimum wage is annually indexed to inflation.

Comparative Studies and Implementing Cities

- Recent Studies:
 - Sacramento
 - Los Angeles
 - San Francisco
 - San Diego
- Cities which have implemented a minimum wage increase:
 - Seattle
 - Los Angeles
 - San Francisco
 - Chicago
 - New York City



RFP Mechanics

- Seeking one proposal
- RFP Release Date: October 8, 2015
- RFP Due Date: December 1, 2015
- Estimated Study Start Date: January 1, 2016
- Estimated Study Due Date: March 31, 2016
- Return to Council 2nd Quarter 2016 with completed study

