April 7, 2026

Time for a higher minimum wage

Ohio workers can’t afford to wait

Heather Smith | Andrew McIlveen

It has been 20 years since Ohio voters amended the state constitution to set a minimum wage and index that wage to inflation so it maintains purchasing power over time.[1] As a result, Ohio's minimum wage is now $11 (as of January 2026), the inflation-adjusted equivalent of $6.85 when the amendment passed.

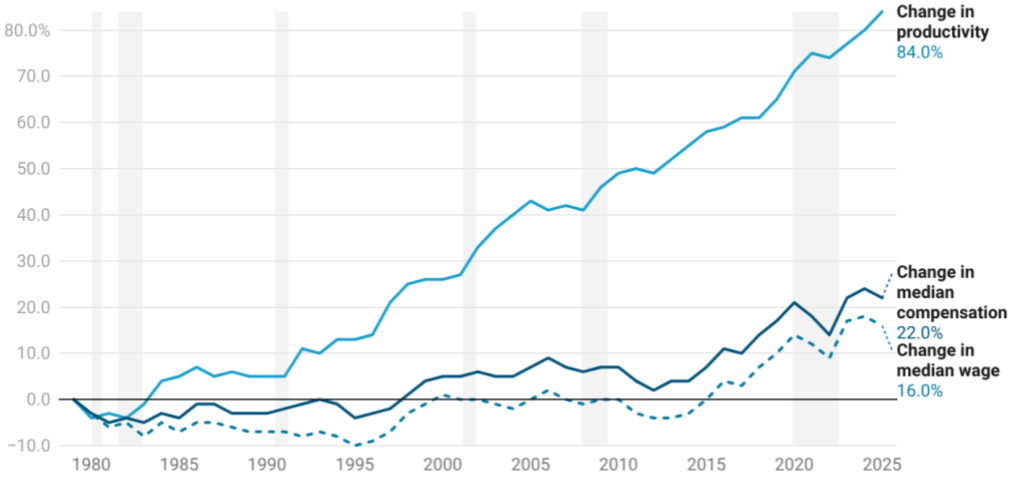
While that is a significant improvement over the federal minimum wage ($7.25 in 2026), it is not enough to support a family: An Ohioan working full-time, year-round, for minimum wage is paid just $22,880. That is $4,440 below the federal poverty level for a family of three.[2]

Even with the inflation protection offered by the 2006 amendment, Ohio's minimum wage is still below its peak value in 1968. Had the wage floor kept pace with inflation since that time, minimum-wage workers in the state would earn an additional $1.46 an hour.[3] This means that despite an **84%**[4] increase in productivity between 1979 and 2024,[5] the real wages received by Ohio's lowest-paid workers are less than they were nearly 60 years ago.

Figure 1

Ohio workers are more productive than ever, but it's not reflected in their compensation

Change in Ohio output per number of hours worked versus change in Ohio median wage and compensation, 1979-2025



Gray areas indicate recessions.
Source: EPI analysis of total economy data from Bureau of Labor Statistics, Labor Productivity and costs program; employment data from Bureau of Labor Statistics, Current Employment Statistics survey; wage data from the Current Population Survey and compensation data from the Bureau of Economic Analysis, State/National Income and Product Accounts public data series.

---

[1] Article II, Section 34a | Minimum Wage. *Ohio Constitution.* Effective December 8, 2006.
[2] "Federal Poverty Guidelines for FFY 2026," HHS Poverty Guidelines for 2026. Poverty guideline for a family of three in 2026 is $27,320.
[3] "Chained Consumer Price Index for All Urban Consumers: All Items in U.S. City Average," U.S. Bureau of Labor Statistics via FRED®. February 1968 to December 2025.
[4] Due to a calculation error in the source data, this number was incorrect in the initial release of this report. It has been updated here and in Figure 1.
[5] This productivity measure differs from the one Policy Matters has used in the past. See "New metrics in this report."

New metrics in this report

Data in this and future reports may not be comparable to data in previous Policy Matters reports. We now measure inflation and productivity with metrics that differ from those we used in the past.

Inflation

Consumer Price Indices (CPIs) measure changes in the cost of living by tracking the average cost of everyday expenses like food, clothes, and transportation. CPIs vary depending on how they weight the items they track. The most widespread price index is the Consumer Price Index for All Urban Consumers (CPI-U). The Bureau of Labor Statistics uses CPI-U to determine the inflation rate; it covers more than 90% of the population. CPI-U is based on the costs of a fixed basket of goods and services as purchased by an urban-dwelling consumer.[6] Policy Matters has typically used CPI-U to measure how well the minimum wage has kept pace with inflation. Using this measure, the 1968 minimum wage would be about $15.16 in 2025 dollars.[7]

Since 2017, federal tax brackets have been adjusted using a different index: Chained CPI-U. Also used in important Census supplements, Chained CPI-U reflects how consumers respond to relative changes in price compared to similar goods. For example, if the price of apples in one month were to increase while the price of oranges decreases, a family may opt to purchase more oranges than apples the following month. Chained CPI-U accounts for shifts in consumer behavior due to relative changes in price.

Chained CPI-U reports a slower rate of inflation than CPI-U does. Chained CPI-U finds that the value of Ohio's 1968 minimum wage in 2025 dollars is $12.46.

To ensure the most accurate account of how workers experience Ohio's economy, Policy Matters now uses Chained CPI-U as our standard in this and other reports. **As a result, data in this and future reports may not be comparable to previous reports.**

Productivity

In previous years, Policy Matters has measured change in productivity using the gross state product divided by the *number of workers* in the state. Going forward, we will align with the Economic Policy Institute's methodology, which divides the gross state product by the state's share of *hours worked.* In addition to better capturing the impact of part- and full-time workers on the state's productivity, the new methodology also incorporates capital depreciation, ensuring the change in productivity is not overstated.

Additionally, we now include the change in median compensation, not just change in median wage, to illustrate the impact of employment benefits like health care. See EPI analysis of total economy data from Bureau of Labor Statistics, Labor Productivity and costs program; employment data from Bureau of Labor Statistics, Current Employment Statistics survey; wage data from the Current Population Survey and compensation data from the Bureau of Economic Analysis, State/National Income and Product Accounts public data series.

---

[6] *See U.S. Bureau of Labor Statistics, Consumer Price Index, FAQs about the Chained Consumer Price Index for All Urban Consumers (C-CPI-U).*

[7] *Using CPI-U measured to Dec. 2025.*

The federal minimum wage is far lower than Ohio's, and has not increased in fifteen years.[8] As a result, the stagnant federal minimum wage has lost about 30% of its purchasing power over that time, the equivalent of $3.12 per hour.[9]

Many other states have already recognized how insufficient their wage floor is for working families. Florida, Alaska, Missouri, and Nebraska will all have $15-an-hour minimum wages in the next two years after passing ballot initiatives.[10] The table below notes recent initiatives.

Table 1
Voters across the country see the value of a $15 wage

State	Ballot Year	Starting wage	Target year	Target wage	Future changes	Other policies	% in favor
AK	2024	$11.91	2027	$15.00	Cost-of-living adjustment (COLA)	Paid sick leave, banned captive audience meetings	58%
MO	2024	$12.30	2026	$15.00	COLA	Paid sick leave	58%
NE	2022	$9.00	2026	$15.00	COLA		59%
FL	2020	$8.56	2026	$15.00	COLA		61%
AR	2018	$8.50	2021	$11.00	None		68%
MO	2018	$7.85	2023	$12.00	None		62%
AZ	2016	$8.05	2020	$12.00	COLA	Paid sick leave	58%

The cost of living, as determined by the Economic Policy Institute (EPI), represents a modest yet adequate standard of living, accounting for regional costs of housing, food, child care, health care, taxes, and more. According to this model, a single person in Ohio could cover the costs of everyday life with a full-time, year-round job that pays between $18.66 and $26.82 an hour, depending on the county.[11]

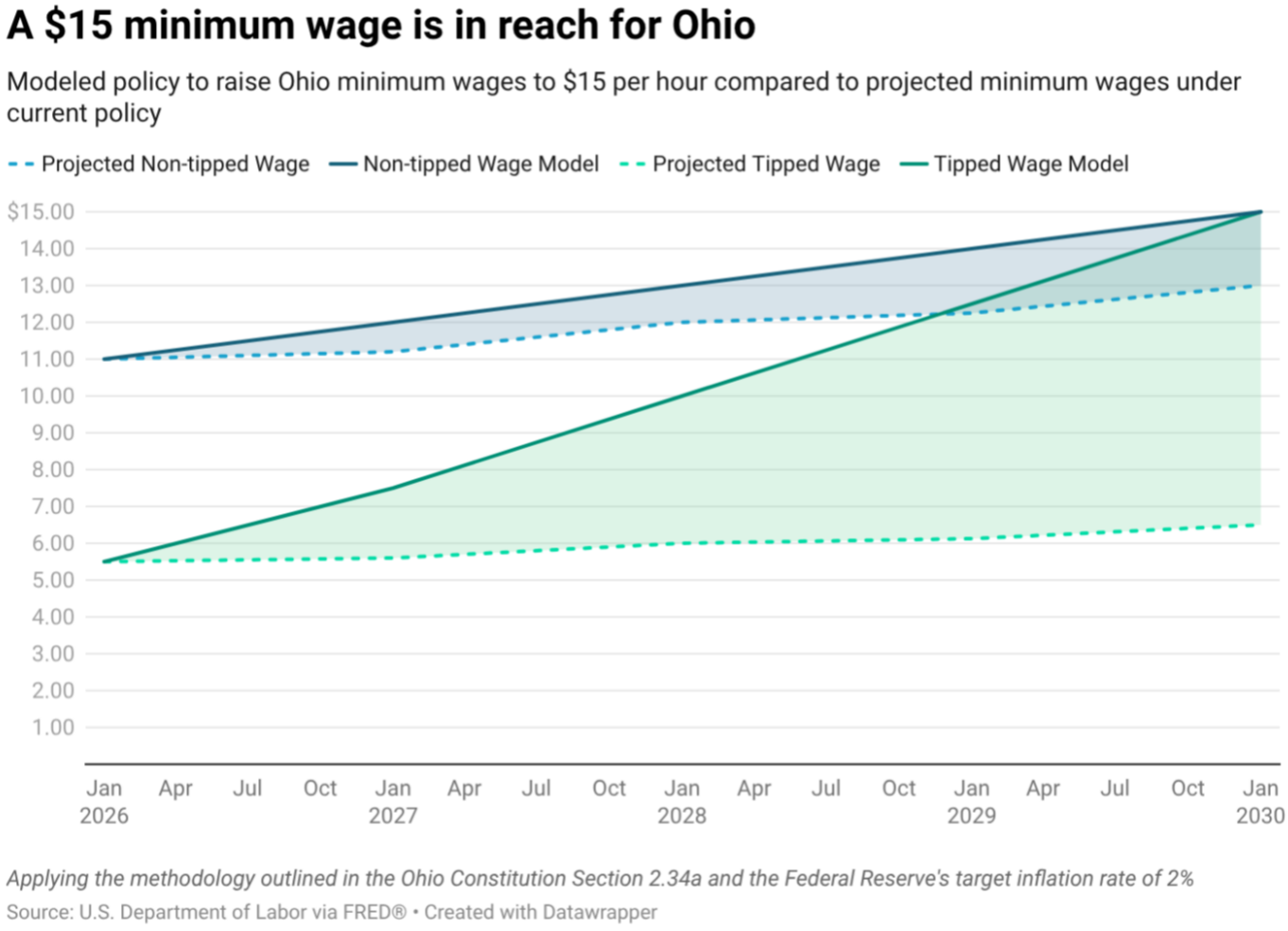
The lowest cost-of-living for a single adult is in Scioto County, where it's 1.7 times the minimum wage.[12] In other words, to get by for a year in Ohio's most modestly priced county, a worker paid minimum wage would have to work full time all year — and then another eight months. In Delaware County, where the cost of living for a single adult is

[8] "Changes in Basic Minimum Wages in Non-Farm Employment Under State Law: Selected Years 1968 to 2024," *U.S. Department of Labor Wage and Hour Division*. Updated January 2025.
[9] See *EPI*, Holding the Line: Minimum Wage.
[10] "Minimum Wage Tracker," EPI. July 1, 2025. For Alaska, Arkansas, Arizona, and Missouri's ballot campaigns, see: "Our Ballot Measure Campaigns," *The Fairness Project.* Accessed December 19, 2025. For Nebraska's ballot campaign, see: "Minimum wage rising to $12 an hour in Nebraska after voters approved gradual increases a year ago," Paul Hammel. *Nebraska Examiner.* December 20, 2023. For Florida, see: "Raising Florida's Minimum Wage," *Florida Department of State.* Made ballot November 8, 2019.
[11] "Family Budget Calculator," *EPI*. Accessed March 4, 2026.
[12] Based on Family Budget Calculator data: Annual wage needed for an adequate, yet modest standard-of-living in Scioto County is $38,818 for a single adult. That is approximately 1.7 times the $22,880 a minimum-wage Ohio worker would be paid a year of for full-time work. In Delaware County, is $55,781 — more than 2.4 times the annualized minimum wage.

highest, that worker would have to work full time for nearly **two and a half years** to cover just one year of expenses.

If Ohio continues with our current policy, workers will not see a $15 minimum wage until 2034 (assuming the Federal Reserve's target inflation rate of 2%).[13] Tipped workers would not see a $15 minimum wage until decades later, in **2064.**

Figure 2[14]



There is strong evidence that raising the wage floor increases earnings for workers without causing an increase in unemployment. Labor markets can handle minimum wages up to 60-70% of the median wage without negative economic impacts.[15] Ohio

[13] Applying the methodology outlined in the Ohio Constitution Section 2.34a. "2025 Statement on Longer-Run Goals and Monetary Policy Strategy," *Board of Governors of the Federal Reserve System.* August 22, 2025.
[14] The increase schedule used for modeling a minimum wage increase to $15 by 2030 is included in the Appendix.
[15] Depending on geographic region's economic situation, the extent to which the minimum wage rises in comparison to the median wage can have a stronger or weaker impact on employment. For locations with a greater

ranks above the middle of the pack in terms of median wages compared to other states,[16] in part due to its indexed minimum wage, suggesting the state can tolerate a larger minimum wage increase. If Ohio based its minimum wage at two-thirds of the 2025 Ohio median wage of $24.90, the minimum wage would rise to $16.60 an hour.[17] Targeting a $15 an hour minimum wage is a reasonable option for Ohio, and continuing to increase the minimum wage based on inflation will ensure that wage holds its value over time.

The benefits of a higher minimum wage

EPI modeling[18] finds that 616,700 Ohio workers would get a raise due to a state minimum wage increase targeting $15 an hour by 2030. That includes 321,500 Ohio workers who would get a direct pay raise; another 295,200 Ohio workers would indirectly benefit[19] from the minimum wage increase, a "ripple effect" resulting from employers raising pay for those workers earning slightly above the minimum wage to maintain morale, retain workers, and compete in hiring. Across all workers, a minimum wage increase to $15 per hour by 2030 would translate into an average wage increase of $1.62 an hour or $2,298 a year for affected workers who work full-time year-round. The lowest-paid workers would see the greatest benefit.

Table 2

median wage, an increase in the minimum wage would not be felt as strongly, since a smaller portion of the population would be earning the minimum wage. See: "Most minimum wage studies have found little or no job loss," Ben Zipperer. *EPI.* September 9, 2024. Also see "A '$30 by 2030' minimum wage in New York City is a bold proposal," Sebastian Martinez Hickey. *EPI.* August 28, 2025.

[16] EPI, State of Working America Data Library, "Hourly wage, median - Median real hourly wage (2024$)," 2026.

[17] Policy Matters analysis of EPI data: "Median nominal hourly wage," *State of Working America Data*. 2024.

[18] EPI Minimum Wage Simulation Model. 2015-2019 5-year ACS data pinned to 2025 CPS wage distribution. Employment scaled to match 2025 CPS labor force size. Technical Methodology by Dave Cooper, Zane Mokhiber, and Ben Zipperer.

[19] "Indirectly affected workers" combines workers earning 15% above the new minimum wage threshold and tipped workers. Modeled Ohio minimum wage policy also includes elimination of the tipped subminimum wage by 2030.

Minimum wage increase: Greatest benefit to lowest-paid Ohioans

Estimated effect of minimum wage increase to $15 by 2030. All values in 2025 dollars.

Family income category	Ohio wage-earning workforce	Total affected* by $15 hourly wage	Share affected* by $15 hourly wage	Average change in annual wages (FT, year-round)
All workers	5,172,900	616,700	11.9%	$2,298
<$25,000	585,900	215,200	36.7%	$2,369
$25,000 - $49,999	995,300	118,700	11.9%	$2,520
$50,000 - $74,999	955,200	84,600	8.9%	$2,208
$75,000 - $99,999	797,100	57,600	7.2%	$2,132
$100,000 - $149,999	1,013,000	67,200	6.6%	$2,232
$150,000+	773,100	45,200	5.9%	$2,067

Economic Policy Institute Minimum Wage Simulation Model; 2015-2019 5-year ACS data pinned to 2025 CPS wage distribution. Employment scaled to match 2025 CPS labor force size. For more details see Technical Methodology by Dave Cooper, Zane Mokhiber, and Ben Zipperer.
**Includes direct and indirect impacts.*

The increases in pay due to a minimum wage hike would reduce income inequality because most of the benefits would go to working people, particularly low-income households. Workers with the lowest family incomes tend to be the most affected by these wage increases, while workers with the highest family incomes tend to be the least affected. This is consistent with strong observational evidence that previous minimum wage increases have alleviated poverty and compressed the income distribution.[20]

A minimum wage increase would also promote gender and racial equity; working women are much more likely to be affected by these modeled Ohio minimum wage increases than working men.[21] Similarly, workers in every racial minority group except Asian non-Hispanic are affected by the modeled wage increases at roughly double the rate that white workers are affected. This aligns with research suggesting that minimum wages narrow gender[22] and racial[23] pay gaps stemming from occupational segregation and the undervaluation of labor done by women and people of color, with one study finding minimum wages reduced the Black-white wage gap by 10%.[24]

Table 3

[20] "Minimum Wages and the Distribution of Family Incomes," Arindrajit Dube. *American Economic Journal.* 2019.
[21] Modeling found that 15.2% of women would be directly or indirectly affected by a minimum wage increase to $15 per hour, while 8.7% of men would be affected.
[22] "Heterogeneous Impact of the Minimum Wage: Implications for Changes in Between- and Within-Group Inequality," Tatsushi Oka and Ken Yamada. *Journal of Human Resources.* January 2023.
[23] "Racial inequality in frictional labor markets: Evidence from minimum wages," Jesse Wursten and Michael Reich. *Labour Economics.* June 2023.
[24] Ibid.

A higher minimum wage would especially benefit Ohioans of color

Estimated effect of a minimum wage increase to $15 through 2030. All values in 2025 dollars.

Race/Ethnicity	Ohio wage-earning workforce	Total affected*	Share affected*	Average change in annual wages (FT, year-round)
White, non-Hispanic	4,147,200	434,600	10.5%	$2,347
Black, non-Hispanic	585,000	111,100	19.0%	$1,936
Hispanic, any race	199,000	35,800	18.0%	$2,515
Asian, non-Hispanic	132,900	12,800	9.7%	$2,747
Other race/ethnicity	108,800	22,200	20.4%	$2,529

Other race/ethnicity represents respondents who do not associate their racial or ethnic identity with any of the above listed major racial/ethnic categories. Economic Policy Institute Minimum Wage Simulation Model; 2015-2019 5-year ACS data pinned to 2025 CPS wage distribution. Employment scaled to match 2025 CPS labor force size. For more details see Technical Methodology by Dave Cooper, Zane Mokhiber, and Ben Zipperer.
**Includes direct and indirect impacts.*

Source: Economic Policy Institute • Created with Datawrapper

Debunking minimum wage myths

Opponents of raising the minimum wage often overstate the risk that doing so would cause layoffs or slowdowns in hiring. In fact, most minimum wage studies find little to no job loss. Some studies have even suggested that increasing wage floors boosts job growth.[25]

Higher wages lead to greater employee retention. After a minimum wage increase, fewer workers leave their jobs, so firms hire fewer new workers, leading to neutral impact on unemployment.[26]

So, while labor costs increase for businesses when there is a minimum wage increase, they are at least partially offset by reduced costs for training replacement hires.[27]

Better wages at the low end of the pay scale are especially helpful for reducing turnover, since low-paid workers are more likely to switch jobs, with as many as 10% leaving a job or finding a new one each month. This turnover is low-paid workers exercising their market power: choosing to find better paying employment rather than settle for inadequate wages. Raising the minimum wage gives workers more power without increasing unemployment.[28]

---

[25] "Most minimum wage studies have found little or no job loss," Ben Zipperer. *EPI*. Sept. 9, 2024. See also: "The Effects of Increasing the Minimum Wage on Prices: Analyzing the Incidence of Policy Design and Context," Daniel MacDonald and Eric Nilsson. *W.E. Upjohn Institute for Employment Research*. July 6, 2016. Also see "Inflation, Minimum Wages, and Profits," Josh Bivens. *EPI*. September 22, 2022.
[26] Low wage earners described as those in the "lowest predicted wage quantile" by author. "Turnover, Prices, and Reallocation: Why Minimum Wages Raise the Incomes of Low-Wage Workers," Ben Zipperer. *Journal of Law and Political Economy 3(1)*. 2022.
[27] Ibid.
[28] Ibid.

Recent research suggests that while minimum wage increases can put upward pressure on consumer prices, the impact is less significant than previously thought.[29] While prices may rise slightly after a minimum wage increase, much of the cost burden shifts to middle- and high-wage earners. The pay boost low-wage earners receive more than makes up for the small increase in everyday costs.[30] Even in an unrealistic worst-case scenario, where the impact of a national wage increase is entirely passed on to prices with no reduction in corporate profits and no increase in worker productivity, the yearly inflation rate would be just 0.1% higher, and only be during the initial period of wage increases.[31] Research finds that price increases resulting from a greater minimum wage are redistributive and temporary.

Subminimum wage for youth and disabled people

Workers under the age of 16 are exempt from Ohio's minimum wage, making the federal minimum wage of $7.25 an hour the effective "subminimum wage" for youth.[32]

Employers can also pay subminimum wages to disabled workers through permits from the Ohio Department of Commerce and U.S. Department of Labor.[33] In 2024, nearly half of U.S. workers whose employer filed a certificate for a disability-based subminimum wage made less than $3.50 an hour.[34]

Numerous states have eliminated subminimum wages for disabled workers with no evidence of negative effects on employment.[35] If an increase in the Ohio minimum wage was paired with the elimination of these subminimum wages, a huge swath of exploited Ohio youth and disabled Ohioans currently paid abysmally low wages would see an improvement in their bottom line.

Subminimum wage for tipped workers

Workers who receive tips must be paid at least $5.50 an hour in Ohio.[36] Employers of tipped employees are able to claim "tip credits," allowing them to pay tipped workers half of the state minimum wage, so long as the workers' take-home pay including tips meets or exceeds the full $11.00 minimum wage.[37] If tips are too low, employers are legally required to make up the difference, but enforcing this is difficult. As a result, tipped workers are routinely paid illegally low wages — a form of wage theft.[38]

---

[29] "The Effects of Increasing the Minimum Wage on Prices: Analyzing the Incidence of Policy Design and Context," Daniel MacDonald and Eric Nilsson. *W.E. Upjohn Institute for Employment Research.* July 6, 2016.
[30] "Turnover, Prices, and Reallocation: Why Minimum Wages Raise the Incomes of Low-Wage Workers," Ben Zipperer. *Journal of Law and Political Economy 3(1).* 2022
[31] "Inflation, Minimum Wages, and Profits," Josh Bivens. *EPI.* September 22, 2022.
[32] "Youth subminimum wages and why they should be eliminated," Nina Mast. *EPI.* Jan. 8, 2024.
[33] "Ohio's Sub-Minimum Wage Law Summary", Ohio Department of Commerce.
[34] "Employment of Workers With Disabilities Under Section 14(c) of the Fair Labor Standards Act," U.S. Department of Labor, Wage and Hour Division. *Federal Register.* December 4, 2024.
[35] "Repeal of Subminimum Wages and Social Determinants of Health Among People With Disabilities", Mihir Kahara, Elizabeth F Bair, and Atheendar S Venkataramani. *JAMA Health Forum.* November 1, 2024.
[36] "2025 Minimum Wage," Ohio Department of Commerce. 2025.
[37] "Raise the Wage," Michael Shields. *Policy Matters Ohio.* April 23, 2024.
[38] "Employers steal billions from workers' paychecks each year," David Cooper and Teresa Kroeger. *EPI.* May 10, 2017.

This also exposes workers to significant volatility in their pay, something that is especially harmful when those workers face sexual harassment from customers with leverage over their paycheck. A 2014 study found that women earning tips in states with a tipped subminimum wage like Ohio's experienced sexual harassment at twice the rate of their peers in states with a single minimum wage for all workers.[39]

Tipped industries continue to thrive in states that have eliminated the tipped subminimum; customers tip at roughly the same rate and tipped worker employment has remained strong.[40]

Because tipped workers are disproportionately women, people of color, and immigrants, ending the tipped subminimum wage would contribute to a more equitable economy. As a result of discrimination, social barriers against these groups, and tipped-wage theft, tipped jobs are also some of the lowest paid occupations in Ohio.[41] This combination of social and economic hardships presents an opportunity for Ohio to combat inequality and poverty by ending the subminimum wage for tipped workers.

Protecting working families

The U.S. Department of Labor is currently considering rolling back overtime and minimum wage protections for in-home care workers, reverting to the policy in place over ten years ago.[42] It has even withdrawn a proposed rule that would have eliminated subminimum wages for disabled workers making less than $7.25 an hour.[43] Ohio has an opportunity to push back against these anti-worker policies, lift working families out of poverty, and guarantee a living wage by:

- Raising the regular and tipped minimum wage to at least $15 per hour.
- Increasing funding for wage and hour enforcement to curtail wage theft.
- Eliminating the subminimum wage for youth, disabled workers, and tipped workers.
- Protect the value of the minimum wage by continuing to require annual adjustments for inflation.

---

[39] "The Glass Floor: Sexual Harassment in the Restaurant Industry," The Restaurant Opportunities Centers United and Forward Together. October 7, 2014.
[40] "Ending the Tipped Minimum Wage Will Reduce Poverty and Inequality," Justin Schweitzer. *Center for American Progress*. March 30, 2021.
[41] "Raise the Wage," Michael Shields. *Policy Matters Ohio*. April 23, 2024.
[42] Before the 2013 rule expanding protections, domestic service workers were considered "companions" to elderly and disabled individuals. See "A Better Balance's Public Comment on RIN 1235-AA51: Application of the Fair Labor Standards Act to Domestic Service," which states: "When Congress first extended the Fair Labor Standards Act to cooks, child care workers, house cleaners, and other domestic workers in 1974 and exempted 'companions' for the disabled and elderly, they were not thinking of the modern home care worker whose primary income is derived from backbreaking work in another's home." August 21, 2025.
[43] "Department of Labor announces deregulatory agenda to weaken wage standards, workplace safety, and other protections," *EPI*. July 11, 2025.

Appendix

Simulation models for raising Ohio's minimum wages (for tipped and non-tipped workers) are based on the following schedule.

Year	Minimum wage	Tipped minimum wage
2026	$11.00	$5.50
2027	$12.00	$7.50
2028	$13.00	$10.00
2029	$14.00	$12.50
2030	$15.00	$15.00

Acknowledgement: *Special thanks to Sebastian Martinez Hickey at the Economic Policy Institute.*