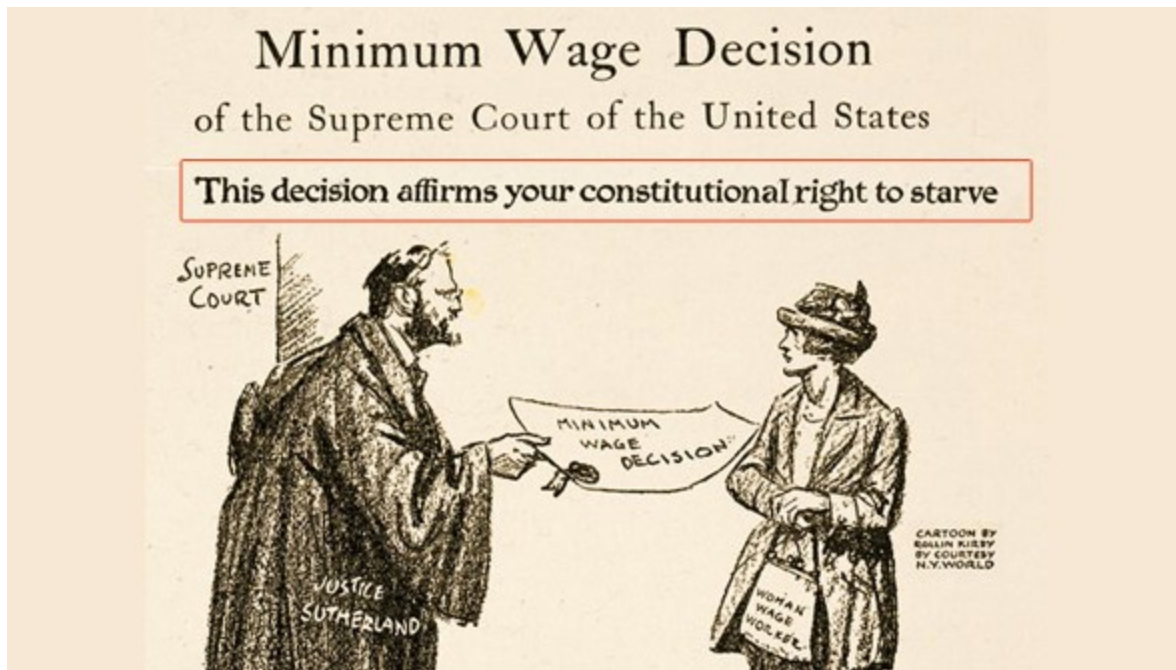


How Well Can You Live on Minimum Wage?



By LEAH KONEN,
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Raise it? Don't raise it? The state of the [minimum wage](#) has long been a hot-button political issue, but in a struggling economy, an [election year](#), and with many states proposing changes, it's only getting hotter.

This month, the New Jersey General Assembly's Labor Committee approved

legislation that would set a minimum wage of \$5 an hour by June 2013 for tipped employees (the current rate is the federal minimum of \$2.13). Also making headlines is the city of [San Francisco](#), which raised its minimum wage to \$10.24 in February—that's nearly \$3 above the federal minimum of \$7.25, which hasn't risen since 2009. Many states, including New York and Massachusetts, are also considering increases, to much praise and outcry.

Approximately 4.4 million Americans, or 6 percent of all hourly workers, earned wages at or below the federal minimum in 2010, and workers under age 25 made up about half of them. Many [fiscal conservatives](#) and economists argue that an increase could further raise unemployment, while others, especially at the state and local level, claim minimum wage is in serious need of a hike. Even the Republican candidates are divided. Mitt Romney said at a trip to New Hampshire that the minimum wage should naturally raise according to inflation clocked by the Consumer Price Index—and was soon lambasted by radio host Rush Limbaugh. Rick Santorum has also taken flak for supporting a minimum wage increase in a 2006 campaign commercial (Newt Gingrich and Ron Paul are both adamantly oppose

[Minimum Wage and What It Buys You: 1950s to Now](#)

1950

Often looked to as a model era, the 1950s may have been nearly as picture-perfect as *Leave it to Beaver* seemed to suggest—minimum wage workers could pay rent for a month for less than a week and a half of full-time work—or catch Disney's *Cinderella* for just over a half-hour of labor.

Minimum wage: \$0.75/hour

Gas: \$0.27 or 22m

Movie ticket: \$0.48 or 38m

Rent: \$42 or 56hrs

(All figures represent the average cost of a movie ticket, a gallon of gas, and the median rent.)

1960

By 1960, the minimum wage of \$1 had not quite kept up with inflation, making rent a bit less affordable—though still not quite two weeks of minimum-wage work. On the other hand, filling up the Corvette was actually relatively cheaper—it took just under twenty minutes of work to get a gallon of gas.

Minimum wage: \$1/hour
Gas: \$0.31 or 19m
Movie ticket: \$0.69 or 41m
Rent: \$71 or 71hrs

1970

In 1970, the outlook for minimum-wage workers was about as bright as a spinning disco ball. Compared to ten years before, the cost of rent and gas actually decreased. Movie tickets were the one exception—gaining in popularity and breadth (31 movies were released in 1970, compared to just 19 in 1960 and 11 in 1950), the cost of a ticket saw a big hike, and was the equivalent of a near hour of work.

Minimum wage: \$1.60/hour
Gas: \$0.36 or 14m
Movie ticket: \$1.55 or 58m
Rent: \$108 or 67.5hrs

1980

The beginning of Reagan's era marked the last in which paying the median rent was semi-feasible on a single minimum-wage income. A minimum wage worker could still pay rent with just under two weeks of work (but that's still double the ratio that HUD recommends). Of course, if you lived in a more affordable area, you'd be in better shape. In Mississippi, for example, you'd only have to put in 58 hours of work to pay the median rent there.



Minimum wage: \$3.10/hour
Gas: \$1.25 or 24m
Movie ticket: \$2.60 or 50m
Rent: \$243 or 78hrs
Read more at

1990

By 1990, renting an average place on minimum-wage pay became near impossible. Employees would need to work 118 hours (that's nearly 70 percent of gross monthly pay) to get shelter. And entertainment was no easier. You'd have to work over an hour to see

Home Alone or *Pretty Woman*. The one bright spot was gas—prices were actually down from ten years prior, meaning earners only had to put in about a third of an hour of work to afford a gallon.

Minimum wage: \$3.80/hour

Gas: \$1.13 or 18m
Movie ticket: \$4.23 or 1hr, 7m
Rent: \$447 or 118hrs

2000

By the time George W. Bush got to office, things were no better—though arguably, no worse. With a minimum wage of only \$5.15 (it hadn't raised since 1995, and wouldn't again until eight years later in 2008) workers still had to work nearly 120 hours to afford median rent and more than an hour for a trip to the cinema.

Minimum wage: \$5.15/hour
Gas: \$1.49 or 17m
Movie ticket: \$5.39 or 1hr, 3m
Rent: \$602 or 117hrs

2010

Though the housing crash actually made rent more affordable, minimum-wage workers still had to put in 109 hours of work (or more than 60% of monthly income) in 2010. Of course, in cities like New York, the numbers are much higher. In 2010, the NY-Northern NJ-Long Island area had a median gross rent of \$1,125, which equals 155 hours of work. Basically, if you worked full-time, didn't eat, commute, or pay utilities, and gave nearly every penny to your landlord, you could just make it in the Big Apple.

Minimum wage: \$7.25/hour
Gas: \$2.78 or 23m
Movie ticket: \$7.95 or 1hr, 6m
Rent: \$790 or 109hrs