

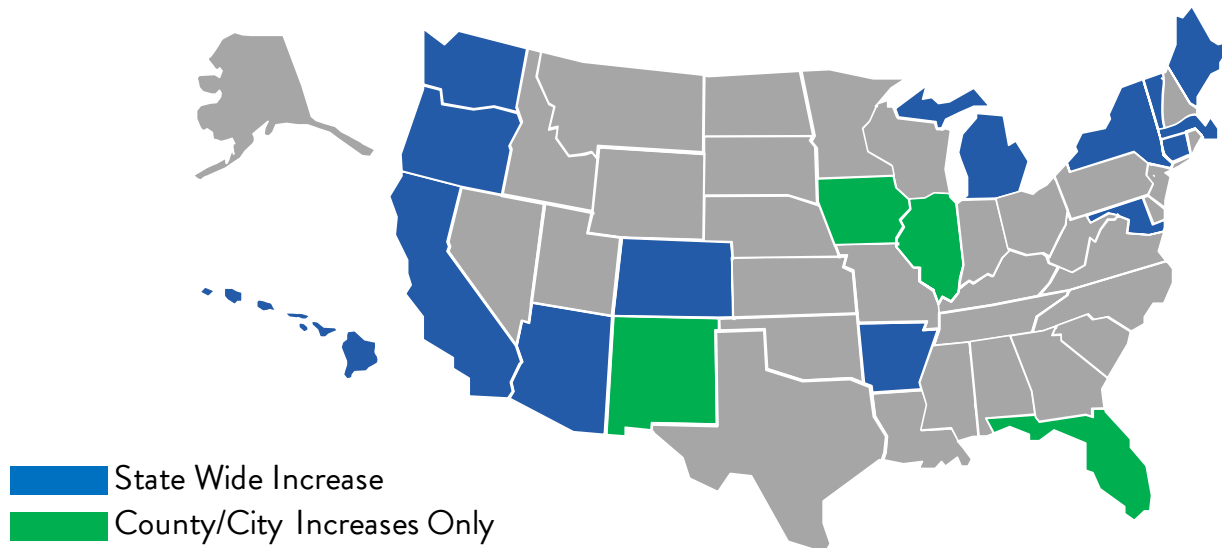
# Rise with the Raise: Linking Work to Financial Security



States, counties, and municipalities across the country have passed legislation to increase the minimum wage for 19 million workers, offering a once in a lifetime opportunity to build their financial security. At Commonwealth, we're looking at how we can partner with employees, employers, financial institutions, community organizations, and government to make sure that workers can seize the opportunity to rise with their raise.

Over the last six months, Commonwealth has sought to understand minimum wage workers' and employers' attitudes, knowledge, and beliefs about the minimum wage hikes and building financial security. We surveyed low wage workers, held focus groups, and met with leaders from employers of low wage workers, financial services, FinTech companies, non-profits, and human resources organizations. This brief highlights some of our key findings.

## STATES WITH MINIMUM WAGE INCREASES IN 2017/2018



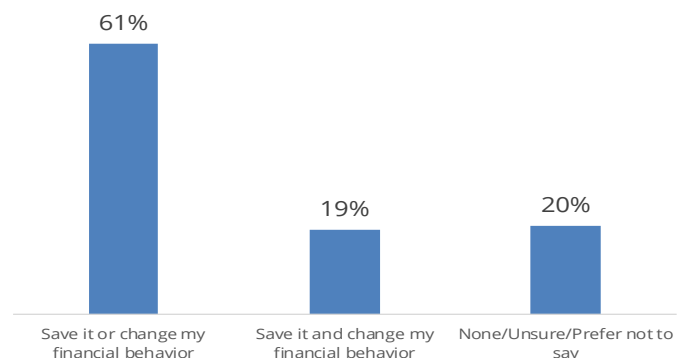
## THE IMPACT

**\$61 Billion**  
of total  
increased wages for all  
workers  
by 2023.

**19 Million  
workers**  
are or will be affected  
by the minimum  
wage hikes across the  
country.

Sources: National Law Project "Fight for \$15: Four Years, \$62 Billion."

What **would** you do with your  
minimum wage increase?



# Rise with the Raise: California

We talked with employers and employees in Los Angeles and San Francisco. A summary of our findings are below. It is clear that a productive and stable workforce improves a business's profitability. The minimum wage increase presents a unique opportunity to increase worker financial security by offering benefits that better meet the needs of workers. Commonwealth is looking for employers to pilot new approaches that improve worker financial security and employers' bottom line. Contact us today to see how we can work together.

## LOW-WAGE WORKERS FACE FINANCIAL CHALLENGES

Financial challenges around **housing, transportation, and family crisis** result in **high turnover**.

Employers have seen a **large volume of wage advance requests** as a result of employee financial challenges.

San Francisco employers face a **competitive minimum wage hiring market**. **Stand-out benefits** are important tools for **recruitment and retention**.

*"More raises means higher prices. My raise is going up \$1, but, for example, so will the cost of soy sauce."*

-Employee

## LOW-WAGE WORKERS TRUST THEIR EMPLOYERS

Many workers want to see **benefits that are tailored to their needs, and would use employer-sponsored savings and financial programs**.

## LOW-WAGE WORKERS DO NOT HAVE GOOD FINANCIAL TOOLS

At one employer partner, **0% of banks** used by workers offered low-bar savings accounts.

Many workers **distrust** mainstream financial services, citing **confusing policies and fees**.

Workers **want immediate access** to saved money, but **appreciate restrictions** that reduce the temptation to make withdrawals. Many have devised their own solutions to achieve this.

Workers understand the importance of long-term savings, but are focused on **short-term savings** goals.

*"I keep my saved money with my boss, who lives 4 hours away. I know I can access my money if I ever needed it, but the distance keeps me from the temptation to spend it."*

-Employee

If you are interested in partnering with us, please email us at [info@buildcommonwealth.org](mailto:info@buildcommonwealth.org)

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## Impact of CA 2017 Minimum Wage Increase

**6.3 Million**  
workers  
impacted statewide

**142,000**  
workers  
impacted in San Francisco

**609,000**  
workers  
impacted in Los Angeles

**71%** of impacted workers in San Francisco are people of color

**\$2.9 Billion**  
total income  
increase for all  
impacted  
workers by 2021.

Sources: National Law Project "Fight for \$15: Four Years, \$62 Billion."  
UC Berkeley Labor Center "2014 Minimum Wage Law Report"