

THE FACTS

Often referred to as “living wage,” family sustaining wage (FSW) is defined as *the income needed for a family to cover minimum necessary expenses, including food, childcare, healthcare, housing, and transportation.*

Wages below this standard are very common, with a 2021 analysis by the Brookings Institution finding that FSW is higher than the regional median standard wage in nearly all US metro areas.

The family sustaining wage varies based on local cost of living and the number of working adults in a given family. In Minnesota, for a family of four with two wage-earning adults, FSW is \$24.98. FSW is much higher for single parent households: for a family of three with one wage-earning adult, FSW is \$45.87.

Reviewing the Center’s [Indicators for an Inclusive Regional Economy](#), 75% of White full-time workers in the MSP region earn a wage above the FSW threshold, whereas this target is only met for 62% of Asian workers, 49% of Black workers, and 44% of Latine workers.

The Center for Economic Inclusion promotes the provision of family sustaining wages through our policy advocacy and consulting services as an important lever in pursuit of a racially equitable economy that works for all people.

THE BUSINESS CASE

MIT Professor Zeynep Ton’s Good Jobs Strategy articulates how companies that embrace family sustaining wages as a strategy and make long-term investments in employees through higher wages, more benefits, and internal promotion experience:

- Reduced turnover
- Improved productivity
- Increased employee motivation

This model presents a compelling, and profitable, alternative to the dominant strategy of minimizing employee investment to encourage profits.

PROMISING PRACTICES

1. In 2022, **Bank of America** raised the wage for all frontline positions to a minimum of \$22 per hour, with commitments to increase wages to \$25 per hour by 2025.
2. New full-time employees at **QuikTrip** earn close to \$40,000 annually, and all store managers are internally promoted. *“Paying people more than they expect has been one of [our] secrets to success, even though it’s never been secret at all.”* – co-founder Chester Cadieux.
3. Before **Aetna** raised their minimum wage from \$12 to \$16, they determined that employee turnover had a cumulative cost of \$120 million annually. Wage increases amounted to \$10.5 million, substantially less than turnover costs.



LET US HELP YOU BUILD AN ANTI-RACIST, ECONOMICALLY INCLUSIVE WORKPLACE!

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