

MINIMUM WAGE

12 Reasons Raising the Minimum Wage to \$12.00 Is a Women's Issue

May 2015

Today's reality:

1. Nearly two-thirds of minimum wage workers are women. The federal minimum wage is just \$7.25 per hour.
2. Women are two-thirds of tipped workers, for whom the federal minimum cash wage is just \$2.13 per hour. The poverty rate for tipped workers is nearly double the rate for the workforce as a whole.
3. 23 percent of minimum wage workers are women of color (compared to 16 percent of workers overall).
4. Over half of women earning the minimum wage are age 25 or older, and most do not have a spouse's income to rely on.
5. Women working full time are typically paid only 78 cents for every dollar paid to their male counterparts—a 22-cent wage gap.
6. The wage gap is even wider for women of color: Black women working full time made only 64 cents, and Hispanic women only 56 cents, for every dollar paid to their white, non-Hispanic male counterparts.

The Raise the Wage Act would raise the federal minimum wage to \$12.00 per hour by 2020, index it to the median wage beginning in 2021, and phase out the tipped minimum cash wage by gradually increasing it until it is equal to the regular minimum wage.

If the Raise the Wage Act were implemented:

7. Nearly 20 million women—30 percent of all working women in the U.S.—would get a raise.
8. 37 percent of working women of color would get a raise.
9. More than 1 in 4 working mothers—and 40 percent of working single mothers—would get a raise.
10. A mother with two children working full time at the minimum wage would earn enough to pull her family out of poverty, instead of falling more than \$4,500 below the poverty line.
11. Women would, on average, see larger increases in their pay relative to men who would get a raise under the bill, since women are especially concentrated in the very lowest-paying jobs (and paid less, even within these jobs).
12. It would help shrink the wage gap. The average wage gap in states with a minimum wage at or above \$8.00 is 22 percent smaller than the average wage gap in states with a \$7.25 minimum wage—and in states where tipped workers must be paid the regular minimum wage before tips, the average wage gap is 14 percent smaller than in states where employers can pay tipped workers just \$2.13 per hour.

For more information, visit www.nwlc.org/minimumwage.

- 1 NWLC calculations based on Bureau of Labor Statistics (BLS), Characteristics of Minimum Wage Workers, 2014, *available at* <http://www.bls.gov/opub/reports/cps/characteristics-of-minimum-wage-workers-2014.pdf> [hereinafter BLS Min. Wage Characteristics] (Table 1). This is true for both those 16 and older (63 percent) and 25 and older (65 percent). The term “minimum wage workers” refers to workers making the federal minimum wage or less.
- 2 Sylvia A. Allegretto & David Cooper, Econ. Policy Inst. (EPI), Twenty-Three Years and Still Waiting for Change, at 14, 23 (July 2014), *available at* <http://s2.epi.org/files/2014/EPI-CWED-BP379.pdf>.
- 3 NWLC calculations of minimum wage workers are based on BLS Min. Wage Characteristics, *supra* note 1 (Table 1). This figure assumes 17.0 percent of white women are Hispanic, based on NWLC calculations using U.S. Census Bureau CPS Table Creator, <http://www.census.gov/cps/data/cpstablecreator.html> (last visited Apr. 27, 2015) (2014 ASEC data). NWLC calculations of overall workers are based on U.S. Census Bureau, CPS, 2014 ASEC, Table PINC-05, *available at* http://www.census.gov/hhes/www/cpstables/032014/perinc/pinc05_000.htm (last visited Apr. 27, 2015).
- 4 NWLC calculations based on BLS Min. Wage Characteristics, *supra* note 1 (Tables 7 & 8). Fifty-four percent of female minimum wage workers are 25 or older. More than three-quarters of women 16 and older and 60 percent of women over 25 earning the minimum wage do not have household income from a spouse.
- 5 Joan Entmacher et al., NWLC, Insecure and Unequal: Poverty Among Women & Families 2000-2013 (2014), *available at* http://www.nwlc.org/sites/default/files/pdfs/final_2014_nwlc_poverty_report.pdf. Figures are for year-round workers.
- 6 *Id.*
- 7 EPI, Data Tables: Raising the Minimum Wage to \$12 by 2020 Would Lift Wages for 35 Million Workers (May 2015), *available at* <http://www.epi.org/publication/data-tables-raising-the-minimum-wage-to-12-by-2020-would-lift-wages-for-35-million-workers/> (Table 2A).
- 8 *Id.* (Table 2F).
- 9 *Id.* (Table 2A).
- 10 NWLC calculation assuming 40 hours per week, 50 weeks per year at \$7.25 per hour and \$12.00 per hour. U.S. Census Bureau, Poverty Thresholds for 2014 <https://www.census.gov/hhes/www/poverty/data/threshld/index.html> (last visited May 8, 2015). Twenty-four thousand dollars is above both today's poverty line for a family of three (\$19,073) as well as the estimated poverty line for 2020, which NWLC calculates to be less than \$22,000 based on the Congressional Budget Office's predictions regarding the CPI-U (the inflation measure used to increase the Census Bureau's poverty thresholds annually) for 2015 through 2020.
- 11 *See generally* NWLC, Underpaid and Overloaded: Women in Low-Wage Jobs (July 2014), *available at* <http://www.nwlc.org/resource/underpaid-overloaded-women-low-wage-jobs>.
- 12 Julie Vogtman & Katherine Gallagher Robbins, NWLC, Higher State Minimum Wages Promote Fair Pay for Women (May 2015), *available at* http://www.nwlc.org/sites/default/files/pdfs/higher_state_minimum_wages_promote_fair_pay_for_women_may_2015.pdf, and Katherine Gallagher Robbins et al., NWLC, States with Equal Minimum Wages for Tipped Workers Have Smaller Wage Gaps for Women Overall and Lower Poverty Rates for Tipped Workers (Nov. 2014), *available at* http://www.nwlc.org/sites/default/files/pdfs/tipped_minimum_wage_worker_wage_gap_nov_2014.pdf. Figures are for 2013.