

# MINIMUM WAGE

## Stop Shortchanging Tipped Workers: 10 Reasons Raising the Tipped Minimum Wage Is a Women's Issue

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### Today's reality:

1. The minimum cash wage for tipped workers is just \$2.13 per hour – and it hasn't changed in more than 20 years. The real value of the tipped minimum wage has declined 40 percent since its last increase in 1991.
2. Women represent nearly three-quarters of workers in tipped occupations, including restaurant servers and hairstylists.
3. The share of tipped workers who report receiving hourly wages below the full minimum wage – even with their tips included – is more than 2.5 times higher than workers overall, indicating they may be victims of wage theft.
4. Tipped workers are twice as likely to live in poverty as other workers – and restaurant servers, about 70 percent of whom are women, are nearly three times as likely to live in poverty.
5. Nearly one-third of female tipped workers are mothers – and nearly half of those mothers are single parents.

### If the Fair Minimum Wage Act were implemented:

6. Half of all tipped workers would see their earnings increase – and women in tipped occupations would make up three-quarters of those workers who would benefit.
7. Tipped workers would have a more stable and adequate base income, reducing their risk of poverty. In states without a tip credit, where workers like manicurists and bartenders are paid the regular state minimum wage, poverty among tipped workers is considerably lower than in states with a tip credit.
8. Raising the tipped wage would not adversely affect employment and would provide tipped workers with an overall earnings increase.
9. An increase in the minimum cash wage for tipped workers would level the playing field for employers who are already playing by the rules and ensuring their employees' tips make up the difference between the cash wage and the federal minimum wage.
10. Indexing the minimum wage and the minimum cash wage for tipped workers to inflation would ensure both wages keep pace with the cost of living – and help prevent tipped workers from being left behind as they have been in previous wage increases.

**The Fair Minimum Wage Act**  
(H.R. 1010/S. 460) and the  
**Minimum Wage Fairness Act**  
(S. 1737) would raise the  
federal minimum wage to  
\$10.10 per hour by 2016,  
gradually increase the tipped  
minimum cash wage to 70  
percent of the minimum wage,  
and index both wages to keep  
up with inflation.

**For more information, visit [www.nwlc.org/minimumwage](http://www.nwlc.org/minimumwage).**

1 The White House, The Impact of Raising the Minimum Wage on Women, at 1 (Mar. 2014), *available at* <http://www.whitehouse.gov/sites/default/files/docs/20140325minimumwageandwomenreportfinal.pdf> [*hereinafter* The White House, Impact of Raising the Minimum Wage].

2 NWLC calculations based on BLS, Current Population Survey (CPS), 2013, Table 11, *available at* <http://www.bls.gov/cps/cpsaat11.htm>.

3 The White House, Impact of Raising the Minimum Wage, *supra* note 1, at 6.

4 *Id.* at 5.

5 NWLC calculations based on Miriam King et al., Integrated Public Use Microdata Series, Current Population Survey: Version 3.0 (IPUMS-CPS), Minneapolis: University of Minnesota, 2010. Data are for 2012. Figures are for employed workers.

6 The White House, Impact of Raising the Minimum Wage, *supra* note 1, at 6.

7 *Id.* at 9–10.

8 *Id.* at 13.

9 *Id.* at 14.

10 See Sylvia Allegretto and Kai Filion, Waiting for Change: The \$2.13 Federal Subminimum Wage, (Feb. 2011) *available at* <http://s1.epi.org/files/page/-/BriefingPaper297.pdf>.