



WORKPLACE JUSTICE

THE FIGHT FOR \$15 IS WINNING FOR WOMEN AND FAMILIES

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Across the country, millions of workers—mostly women, and disproportionately women of color—struggle to support themselves and their families on low wages. More than 53 million U.S. workers make less than \$15 per hour—a full 44 percent of the workforce.¹ Women make up more than half of this group² despite being a minority of the workforce overall.³ More than half (53 percent) of Black workers and 60 percent of Latinx workers make less than \$15 per hour.⁴ Women's overrepresentation in low-wage jobs is one factor driving the persistent gender wage gap: women working full time, year round typically are paid just 80 cents for every dollar paid to their male counterparts, and this gap is even wider for women of color compared to their white male counterparts.⁵

Fortunately, higher wages are on the horizon for millions of working women—due in large part to their own powerful organizing efforts. The movement now known collectively as the “Fight for \$15” began in late 2012 in New York City, with strikes by hundreds of fast food workers demanding a \$15 hourly wage and a union. The effort has since expanded nationwide to include retail workers at Walmart and other chains, home care and child care workers, convenience store and dollar store workers, adjunct university faculty, and other working women and men who have demanded at least \$15 an hour and the right to unionize without retaliation. Their strong and persistent call for \$15 has prompted a wide range of businesses to raise pay for their hourly employees and spurred legislative efforts around the country to establish a \$15 minimum wage.⁶

In 2014, Seattle and San Francisco became the first major cities in the country to approve a \$15 minimum wage, and Los Angeles and other cities in California followed suit in 2015.⁷ In 2016, California and New York became the first states to

enact a \$15 statewide minimum wage, and the District of Columbia soon followed.⁸ As a result, millions of women—and their families—will soon benefit from fairer pay.

California

- Nearly half (45 percent) of working women in California make less than \$15 per hour, compared to 39 percent of working men.⁹ Working people of color are also disproportionately likely to be paid low wages: 59 percent of Latinx workers, 41 percent of Black workers, and 33 percent of Asian workers in California make less than \$15 per hour, compared to 29 percent of white workers.¹⁰
- Overall, almost one in three workers in California (5.6 million) will get a raise under their state's new law,¹¹ which gradually increases the minimum wage from its current \$10 to \$15 per hour by 2022 (2023 for businesses with 25 or fewer employees), and increases it automatically based on inflation starting in 2024.
- Restaurant servers and other tipped workers will fully benefit from this increase: California is one of eight states in which employers must pay their tipped employees the regular minimum wage before tips (*see box, next page*).¹² About two-thirds of tipped workers in California are women.¹³
- Cities like San Francisco and Los Angeles that raised their minimum wages prior to the statewide increase will reach \$15 before 2022 and, thanks to indexing provisions, will continue to rise ahead of the statewide minimum wage. For example, San Francisco's minimum wage will reach \$15 per hour in 2018 and will be increased annually thereafter to keep pace with inflation.¹⁴

New York

- Four in ten working women in New York make less than \$15 per hour, compared to 35 percent of working men.¹⁵ Working people of color are also disproportionately likely to be paid low wages: 52 percent of Latinx workers, 41 percent



of Black workers, and 41 percent of Asian workers in New York make less than \$15 per hour, compared to 32 percent of white workers.¹⁶

- In New York, over 2.3 million workers will see bigger paychecks as the minimum wage rises from \$9 to \$15—by December 2018 in New York City (one year later for businesses with 10 or fewer employees), and by December 2021 in suburban Long Island and Westchester County.¹⁷ In upstate New York, the wage will rise to \$12.50 per hour by December 2020, then increase annually until it reaches \$15 per hour based on a formula to be set by the state budget agency.
- The tipped minimum cash wage in New York will also rise under the new law, but only to two-thirds of the regular minimum wage. More than half (53 percent) of tipped workers in New York are women.¹⁸

District of Columbia

- More than one in four (28 percent) working women in D.C. make less than \$15 per hour, compared to 22 percent of working men.¹⁹ Working people of color are also disproportionately likely to be paid low wages: 39 percent of Latinx workers, 36 percent of Black workers, and 20

percent of Asian workers in D.C. make less than \$15 per hour, compared to 12 percent of white workers.²⁰

- Under the new minimum wage law, more than 114,000 working people in D.C.—including at least 60,000 women—will get a raise by 2020, when the District’s minimum wage reaches \$15 per hour.²¹ Women of color, who are just over a quarter of D.C.’s workforce (28 percent), are 42 percent of workers who will benefit; one in five working women of color in D.C. will get a raise.²²
- The D.C. measure, however, did little to improve wages for tipped workers, raising the tipped minimum cash wage from \$2.77 to \$5.00 per hour by 2020, when it will be just one-third of the regular minimum wage. Although men outnumber women in D.C.’s tipped workforce, women tipped workers in the District face an especially high risk of economic insecurity: 22 percent live in poverty—double the rate for men tipped workers, and more than twice the rate for working women and men overall.²³ The median wage for tipped restaurant servers, the largest group of tipped workers in D.C.,²⁴ are the lowest of any occupation in the District²⁵—and women in tipped occupations make just 83 cents for every dollar paid to their male counterparts,²⁶ suggesting that they may be more likely than men tipped workers to be paid the tipped minimum wage.

The Fight for One Fair Wage

All too often—as in New York and the District of Columbia—tipped workers are left behind when the minimum wage rises. Under federal law, employers can pay their tipped workers just \$2.13 an hour—a rate that has not gone up in more than a quarter century. Although employers are legally required to make up the difference between the regular minimum wage and the lower wage they pay their tipped workers if the tips they receive fall short of this amount, this requirement is difficult to enforce and employers often fail to comply.²⁷ As a result, tipped workers frequently struggle to make ends meet on unpredictable tips with virtually no dependable income from a paycheck. Most of these workers are women.

Tipped workers fare notably better, however, in states like California where employers have to pay their tipped workers the regular minimum wage before tips. In these states, the average poverty rate for women tipped workers is 27 percent lower—and wage gaps for women tipped workers as well as women overall are smaller—than in states with a \$2.13 tipped minimum cash wage.²⁸ Women tipped workers are also much less likely to experience sexual harassment on the job in states where they can count on receiving the full minimum wage before tips, as they are less likely to feel forced to tolerate inappropriate behavior from customers just to make a living.²⁹ And these gains have not come at the expense of business; the states with one minimum wage for all workers have experienced higher restaurant sales per capita and greater growth in restaurant industry jobs than the states with lower minimum wages for tipped workers.³⁰

In tandem with the Fight for \$15, Restaurant Opportunities Centers United is leading national and local campaigns to achieve One Fair Wage for tipped workers across the country.³¹ Maine recently became the first state on the East coast to pass One Fair Wage, as a grassroots campaign led by the Maine People’s Alliance and other advocates mobilized to put the issue directly to voters,³² who resoundingly approved the measure on the November 2016 ballot.³³ (The fight is not over in Maine, however, as the minimum wage measure—and especially the tipped minimum wage component—has already come under attack in the legislature, with numerous bills introduced to repeal wage increases for workers.³⁴)



In two of the largest states in the country and in the nation's capital, millions of the hardest-working, lowest-paid workers—like home health aides, child care workers, retail staff, and food service workers—will soon see their annual incomes rise to about \$30,000 if they work full time, year round. For a mother with two children, that increase can mean the difference between hovering around the poverty line and having a real shot at economic security. Raising the minimum wage also can be expected to benefit communities and the broader economy as workers spend their higher earnings at local businesses³⁵—and evidence from cities like San Jose, San Francisco, and Seattle that have begun to

phase in a \$15 minimum wage indicates that employment has in fact grown along with workers' paychecks.³⁶

But this progress also puts in stark relief the urgent need for federal action to make sure many more millions of workers across the country aren't left behind. Today, the minimum wage in 21 states is still at just \$7.25 per hour—the minimum required by federal law—and the majority of states have a minimum cash wage for tipped workers that is less than \$4.00 per hour. It's past time for one fair minimum wage nationwide.

Private sector response to the Fight for \$15

Since 2015, companies ranging from Walmart to Facebook have announced plans to raise wages for their lowest-paid workers—largely in response to the public pressure exerted by the Fight for \$15 and other worker organizing efforts. While the increased wages announced by Walmart and several other large retailers (including Target, T.J. Maxx, and Gap) are in the \$9 to \$10 per hour range, many of the increased wages approach, or even exceed, \$15 per hour.³⁷ For example, in April 2015, Aetna—the third-largest health insurer in the U.S.—raised its minimum wage to \$16 per hour, benefiting an estimated 5,700 employees. Aetna's CEO Mark Bertolini explained, "We wanted people at the front lines who took care of our customers to not have the kind of stress associated with being able to provide . . . food for their families, worrying while they were on the job. . . . To make sure that they were bringing their best selves to work every day." And while the costs of the pay increase are significant, Bertolini believes they will be offset by the benefits to the company: "I think it's a pretty good bet that we're going to find a way to cover those costs in the long run. . . . We don't see it suffering at all."³⁸

- 1 Oxfam Am. & Econ. Policy Inst. (EPI), *Few Rewards: An Agenda to Give America's Working Poor a Raise*, at 3 (2016), available at https://www.oxfamamerica.org/static/media/files/Few_Rewards_Report_2016_web.pdf [hereinafter *Few Rewards*]. Demographic data in "Few Rewards" was calculated by Oxfam Am. and EPI from U.S. Census Bureau, 2014 American Community Survey. Black workers are those who self-identified in the survey as Black or African American. Asian workers are those who self-identified in the survey as Asian. Latinx workers are those who self-identified in the survey as being of Hispanic, Latino, or Spanish origin. Latinx workers may be of any race. For more information, see <https://www.census.gov/programs-surveys/acs/methodology/questionnaire-archive.html>.
- 2 Oxfam Am. & EPI, *Low-Wage America: Working Women*, at 1 (2016), available at https://www.oxfamamerica.org/static/media/files/few_rewards_women_workers.pdf.
- 3 Women represent 54 percent of workers making less than \$15 per hour and 49 percent of the overall workforce. *Few Rewards*, *supra* note 1, at 6.
- 4 *Id.*
- 5 NWLC, *The Wage Gap is Stagnant for a Decade* (Sept. 2016), available at <http://nwlc.org/wp-content/uploads/2016/09/Wage-Gap-Stagnant-2016-3.pdf>.
- 6 See generally Irene Tung, Yannet Lathrop, & Paul Sonn, Nat'l Employment Law Project (NELP), *The Growing Movement for \$15* (Nov. 2015), available at <http://www.nelp.org/content/uploads/Growing-Movement-for-15-Dollars.pdf>.
- 7 *Id.* at 26 (Table 3.2).
- 8 See 2016 Cal. Legis. Serv. Ch. 4 (S.B. 3) (West); N.Y. Lab. Law § 652 (McKinney 2016); Fair Shot Minimum Wage Amendment Act, D.C. Law No. L21-0144 (2016). In June 2016, New Jersey's legislature passed a bill (A. 15) to raise the state's minimum wage to \$15 per hour by 2021, but Governor Christie vetoed the bill in August.
- 9 Oxfam Am. & EPI, *State Scorecard: California*, <https://policy-practice.oxfamamerica.org/work/poverty-in-the-us/low-wage-map/scorecard/?state=CA> (last visited Apr. 24, 2017). Estimates are based on American Community Survey (ACS) 2014 data and refer to employed workers age 16 and older.
- 10 *Id.*
- 11 Ken Jacobs & Ian Perry, UC Berkeley Labor Ctr., *\$15 Minimum Wage in California: Who Would Be Affected by the Proposal to Raise California's*



- Minimum Wage?, at 4 (March 2016), *available at* <http://laborcenter.berkeley.edu/pdf/2016/CA-15-Minimum-Wage.pdf>.
- 12 See NWLC & Restaurant Opportunities Centers (ROC) United, *Raise the Wage: Women Fare Better in States with Equal Treatment for Tipped Workers* (Oct. 2016), *available at* <http://nwlc.org/wp-content/uploads/2016/10/Tipped-Wage-10.17.pdf>.
- 13 NWLC calculations based on ACS 2010-2014 five-year averages using Steven Ruggles et al., *Integrated Public Use Microdata Series: Version 5.0* [Machine-readable database]. Minneapolis: University of Minnesota, 2010. Figures are for employed workers. NWLC defines tipped workers as all workers in a set of predominantly tipped occupations identified in Sylvia A. Allegretto & David Cooper, *Ctr. on Wage & Employment Dynamics, Univ. of Ca., Berkeley & EPI, Twenty-Three Years and Still Waiting for Change*, at 20, 23 (2014), *available at* <http://s2.epi.org/files/2014/EPI-CWED-BP379.pdf>.
- 14 Tung, Lathrop, & Sonn, *supra* note 6, at 26 (Table 3.2).
- 15 Oxfam Am. & EPI, *State Scorecard: New York*, <https://policy-practice.oxfamamerica.org/work/poverty-in-the-us/low-wage-map/scorecard/?state=NY> (last visited Apr. 24, 2017). Estimates are based on ACS 2014 data and refer to employed workers age 16 and older.
- 16 *Id.*
- 17 See Press Release, Governor Andrew M. Cuomo, *Governor Cuomo Signs \$15 Minimum Wage Plan and 12 Week Paid Family Leave Policy into Law* (Apr. 4, 2016), *available at* <https://www.governor.ny.gov/news/governor-cuomo-signs-15-minimum-wage-plan-and-12-week-paid-family-leave-policy-law>.
- 18 NWLC calculations based on ACS 2010-2014 five-year averages, *supra* note 13.
- 19 Oxfam & EPI, *State Scorecard: District of Columbia*, <https://policy-practice.oxfamamerica.org/work/poverty-in-the-us/low-wage-map/scorecard/?state=DC> (last visited Apr. 24, 2017). Estimates are based on ACS 2014 data and refer to employed workers age 16 and older.
- 20 *Id.*
- 21 David Cooper, EPI, *Raising the D.C. Minimum Wage to \$15 by 2020 Would Lift Wages for 114,000 Working People*, at 2, 19-20 (May 2016), *available at* <http://www.epi.org/files/pdf/104915.pdf>. EPI's analysis estimates beneficiaries of a ballot initiative that would have raised the District's minimum wage to \$15 per hour by 2020, as the bill passed by the Council does. However, the ballot measure was required to exclude city employees, while the new law covers them—increasing the total number of beneficiaries by about 8,000 workers. *Id.* at 15-16.
- 22 *Id.* at 7, 20.
- 23 Julie Vogtman, NWLC, *Women in D.C. Need One Fair Minimum Wage* (May 2016), *available at* <https://nwlc.org/wp-content/uploads/2016/05/Women-in-DC-Need-One-Fair-Minimum-Wage-1.pdf>.
- 24 NWLC calculations based on ACS 2010-2014 five-year averages, *supra* note 13.
- 25 ROC United & NELP, *The Case for Eliminating the Tipped Minimum Wage in Washington, D.C.*, at 4-6 (May 2016), *available at* <http://nelp.org/content/uploads/Report-Case-Eliminating-Tipped-Minimum-Wage-Washington-DC.pdf>.
- 26 NWLC calculations based on ACS 2010-2014 five-year averages, *supra* note 13.
- 27 See *generally*, ROC United and NELP, *supra* note 25, and ROC United, *Tipped Over: Employer Liability in a Two-Tiered Wage State* (June 2016), *available at* http://rocunited.org/wp2015b/wp-content/uploads/2016/06/EmployerLiability_Report-2.pdf. See also Allegretto & Cooper, *supra* note 13, at 17-18.
- 28 NWLC & ROC United, *supra* note 12.
- 29 Women tipped workers in states with a \$2.13 tipped minimum wage are twice as likely to experience sexual harassment as their counterparts in states where employers are required to pay the regular minimum wage before tips. ROC United & Forward Together, et al., *The Glass Floor: Sexual Harassment in the Restaurant Industry*, at 14-16 (Oct. 2014), *available at* http://rocunited.org/wp-content/uploads/2014/10/REPORT_The-Glass-Floor-Sexual-Harassment-in-the-Restaurant-Industry2.pdf.
- 30 See ROC United, *The Impact of Raising the Subminimum Wage on Restaurant Sales & Employment* (March 2014), *available at* http://rocunited.org/wp-content/uploads/2014/03/ROC-United_FactSheet-on-TMW.pdf.
- 31 See *generally* ROC United, *One Fair Wage*, <http://rocunited.org/our-work/#one-fair-wage> (last visited Apr. 24, 2017).
- 32 See *generally* Fair Wage Maine & NWLC, *Women in Maine Need One Fair Minimum Wage* (Aug. 2016), *available at* <https://nwlc.org/wp-content/uploads/2016/08/Women-in-Maine-Need-One-Fair-Minimum-Wage-August-2016-2.pdf>.
- 33 J. Craig Anderson, *Maine Voters Approve Raising the Minimum Wage*, *Portland Press Herald* (Nov. 9, 2016), <http://www.pressherald.com/2016/11/08/minimum-wage-question-divides-voters/>.
- 34 See *Mainers Will Fight to Protect Minimum Wage Law*, *Maine Beacon* (March 27, 2017), <http://mainebeacon.com/mainers-will-fight-to-protect-minimum-wage-law/>.
- 35 See *generally* T. William Lester et al., *Ctr. for Amer. Progress, Raising the Minimum Wage Would Help, Not Hurt, Our Economy* (Dec. 2013), *available at* <https://www.americanprogressaction.org/issues/labor/news/2013/12/03/80222/raising-the-minimum-wage-would-help-not-hurt-our-economy/>. See also John Schmitt, *Ctr. for Econ. & Policy Research, Why Does the Minimum Wage Have No Discernible Effect on Employment?* (Feb. 2013), *available at* <https://cepr.net/documents/publications/min-wage-2013-02.pdf> (reviewing research demonstrating that minimum wage increases historically do not cause job loss, even during period of recession).
- 36 See NELP & Fiscal Policy Inst., *Myth vs. Fact on a \$15 Minimum Wage for New York*, at 6 (Feb. 2016), *available at* <http://nelp.org/content/uploads/NELP-FPI-Myth-vs-Fact-15-Minimum-Wage-New-York.pdf>.
- 37 Tung, Lathrop, & Sonn, *supra* note 6, at 27 (Table 3.4).
- 38 John Ydstie, *Health Insurer Aetna Raises Wages for Lowest-Paid Workers to \$16 An Hour*, *NPR* (Apr. 30, 2015), <http://www.npr.org/2015/04/30/403257223/health-insurer-aetna-raises-wages-for-lowest-paid-workers-to-16-an-hour>.

