

MINIMUM WAGE

10 Reasons Raising the Minimum Wage to \$10.10 Is a Women's Issue

March 2014

Today's reality:

1. About two-thirds of minimum wage workers are women. The federal minimum wage is just \$7.25 per hour.
2. \$2.13 per hour is the minimum cash wage for tipped workers. Seventy percent of restaurant servers are women – and the poverty rate of servers is nearly 3 times higher than the rate for the workforce as a whole.
3. 22 percent of minimum wage workers are women of color (compared to less than 16 percent of workers overall).
4. More than 3 out of 4 women earning the minimum wage are age 20 or older, and most do not have a spouse's income to rely on.
5. Women working full time, year round are typically paid only 77 cents for every dollar paid to their male counterparts – a 23 cent wage gap.

If the Fair Minimum Wage Act were implemented:

6. More than 15 million women would get a raise, including more than 1 in 5 working mothers.
7. 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 \$4,000 below the poverty line.
8. The wage gap could shrink by 5 percent. The average wage gap in states with a minimum wage at or above \$8.00 (18.1 cents) is 22 percent smaller than the average wage gap in states with a \$7.25 minimum wage (23.3 cents).
9. Workers in tipped occupations, nearly three-quarters of whom are women, would have a more adequate and stable base income.
10. The higher wage floor would improve job quality in the low-wage jobs that are disproportionately filled by women and account for much of the job growth during the economic recovery. It would also spur new job growth by adding billions of dollars to the economy.

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.

- 1 NWLC calculations based on Bureau of Labor Statistics (BLS), Characteristics of Minimum Wage Workers, 2013, *available at* <http://www.bls.gov/cps/minwage2013.pdf> [hereinafter BLS Min. Wage Characteristics] (Table 1) (last visited Mar. 26, 2014). This is true for both those 16 and older (62 percent) and 25 and older (64 percent). The term “minimum wage workers” refers to workers making the federal minimum wage or less.
- 2 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>.
- 3 NWLC calculations of minimum wage workers based on BLS Min. Wage Characteristics (Table 1), *supra* note 1. This figure assumes 16.6 percent of white women are Hispanic. See U.S. Census Bureau, Current Population Survey, 2013 Annual Social and Economic Supplement [hereinafter, CPS, Annual Social and Economic Supplement] Table Creator, *available at* <http://www.census.gov/cps/data/cpstablecreator.html>. NWLC calculations of overall workers based on CPS, Annual Social and Economic Supplement, (Table PINC-05), http://www.census.gov/hhes/www/cpstables/032013/perinc/pinc05_000.htm (last visited Mar. 26, 2014).
- 4 NWLC calculations based on BLS Min. Wage Characteristics (Tables 7 & 8), *supra* note 1. More than three-quarters of women 16 and older and 62 percent of women over 25 earning the minimum wage do not have household income from a spouse.
- 5 NWLC calculations based on CPS, Annual Social and Economic Supplement (Table PINC-05), *supra* note 3.
- 6 David Cooper, Econ. Policy Inst. (EPI), Supplementary Data: State-by-State Characteristics of Workers Who Would Be Affected by Increasing the Federal Minimum Wage to \$10.10 by July 2016, at 2 (Dec. 2013), *available at* <http://s2.epi.org/files/2013/minimum-wage-state-tables.pdf> and unpublished EPI estimates.
- 7 NWLC calculation assuming 40 hours per week, 50 weeks per year at \$7.25 per hour. U.S. Census Bureau, Poverty Thresholds for 2013 <https://www.census.gov/hhes/www/poverty/data/threshld/index.html> (last visited Feb. 4, 2014).
- 8 The White House, Impact of Raising the Minimum Wage, *supra* note 2, at 2. See also NWLC, Higher State Minimum Wages Promote Fair Pay for Women (Mar. 2014), *available at* http://www.nwlc.org/sites/default/files/pdfs/minimumwageandwagegapfebruary_2014.pdf.
- 9 NWLC calculations based on BLS, Current Population Survey (CPS), 2013, Table 11, *available at* <http://www.bls.gov/cps/cpsaat11.pdf>.
- 10 See NWLC, Women are 76 percent of workers in the 10 largest low-wage jobs and suffer a 10 percent wage gap (Mar. 2014), *available at* <http://www.nwlc.org/resource/women-are-76-percent-workers-10-largest-low-wage-jobs-and-suffer-10-percent-wage-gap>. See also David Cooper, EPI, Raising the Federal Minimum Wage to \$10.10 Would Lift Wages for Millions and Provide a Modest Economic Boost, at 11-13 (Dec. 2013), *available at* <http://s2.epi.org/files/2013/RAISING-THE-FEDERAL-MINIMUM-WAGE-TO-1010-WOULD-LIFT-WAGES-FOR-MILLIONS-AND-PROVIDE-MODEST-ECONOMIC-BOOST.pdf>.