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# Why We Need to Raise Wages for America's Lowest-Paid Families

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This report, an update and expansion of our 2015 report, *Raising Wages, Reducing Inequality, Sustaining Families: Why raising the minimum wage is a civil and human rights issue*, is part of our continuing collaborative efforts to raise awareness among the civil and human rights community about the need for stronger minimum wage policies to advance equity and fair pay for individuals and families trying to get by in low-paying jobs. We hope our allies and partners throughout the country benefit from the report’s narrative and associated resources to advance their respective work.

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# **BARE MINIMUM:**

**Why We Need to Raise Wages for  
America's Lowest-Paid Families**

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# Foreword

“[W]e know that we have no future in a society in which 6 million Black and White people are unemployed and millions more live in poverty. Nor is the goal of our civil rights revolution merely the passage of civil rights legislation. Yes, we want all public accommodations open to all citizens, but those accommodations will mean little to those who cannot afford to use them.”<sup>1</sup>

– A. Philip Randolph, 1963 Speech at the March on Washington for Jobs and Freedom

Raising wages is more than a question of economics. It’s a question of values that forces us to grapple with whether we as a nation value the people who are the engine of our economy.

For civil and human rights leaders, this has never been anything but a moral question. The Universal Declaration of Human Rights, adopted by the U.N. General Assembly in December 1948, declared that “Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity.”<sup>2</sup>

Who can argue with the statement that working people should be able to live in dignity? Today, low-paid working people care for our family members. They pick our fruits and vegetables. They clean our homes and offices. They cut our hair and serve lunch to our children.<sup>3</sup> They do valuable work that benefits us all. And they should be paid fairly for the work they do.

Raising the federal minimum wage and eliminating the tipped minimum wage and the subminimum wage for certain workers with disabilities is essential to allow working people to cover basic expenses like housing, food, transportation, childcare, health care, and other necessities. Eliminating the tipped minimum wage and the subminimum wage for people with disabilities would also rectify longstanding injustices and ensure that no one will work for pennies in America.

The modern civil rights movement of the 20<sup>th</sup> century framed wages as a question about our character as a nation and our commitment to democratic ideals. In his argument for a march on Washington in 1942, A. Philip Randolph said that “A community is democratic only when the humblest and weakest person can enjoy the highest civil, economic, and social rights that the biggest and most powerful possess.”

In the more than 30 years between 1979 and 2012, the top 1 percent’s share of all income in America nearly doubled (from 8.9 percent to 17.3 percent of total income).<sup>4</sup> The vast majority of working people have seen their wages stagnate over the same period. If wages had risen along with their increasing productivity, then incomes for most working people would be about 20 percent higher than they are now.<sup>5</sup>

*Bare Minimum: Why We Need to Raise Wages for America's Lowest-Paid Families* makes a case for raising wages that is grounded in history, economics, and movements across the country, but particularly in the lived experience of our lowest-paid working people. Eight working people from across the country share with us their experiences trying to make ends meet on incomes just above the federal minimum wage. The data in our report is compelling; the stories make it real.

America's working people deserve a raise because they should be paid fairly for the work they do. When President Franklin Delano Roosevelt signed the law creating the first federal minimum wage in 1938, it was intended to be a floor. But it must be a floor that is strong enough to support working people, not so shaky that we question the very foundation of the home.



Janita Gupta  
President and CEO  
The Leadership Conference Education Fund



Peter Edelman  
Faculty Director  
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## Introduction and Summary

Every morning, Rita wakes up at 5:00 a.m. so she can get to the private elementary school where she works to get breakfast ready for the kids. Her job as a lunch room manager in Tampa, Florida is hard, but she enjoys the work: “It’s good, I like it,” she says. Each day after breakfast is finished, Rita turns to overseeing the preparation and serving of lunch and ordering food for the next day. It is up to her to ensure that there are enough meals to feed the hungry little mouths that pass through her doors. Her previous job was at a hotel in St. Petersburg, where setting up banquets left her with a hip injury requiring two surgeries. At 36 and with children of her own, she is happy her current job leaves her weekends free to spend with her kids. “What I don’t like is the pay,” Rita explains. Rita makes just \$9.50 an hour. She often works more than 40 hours a week, but the school does not pay overtime. She also has no paid vacation or paid sick days. That means that when school is out, Rita does not get paid. When she is sick and needs to take the day off, she does not get paid. “You get paid the hours you make. That’s it.”

Rita is one of millions of Americans working at, or near, the minimum wage. She makes just over a dollar more than the Florida minimum wage of \$8.25 an hour, and two dollars over the federal minimum wage of \$7.25 an hour. Today, 2.2 million working people are paid the federal minimum wage of \$7.25 an hour or less.<sup>6</sup> Approximately another 23 million people are paid between \$7.25 and \$11 an hour.<sup>7</sup> Nearly half (42.4 percent) of working people in our country make less than \$15 per hour.<sup>8</sup>

Women and people of color are over-represented among low-paid working people. Indeed, women of color like Rita are more likely than any other group to be paid the lowest wages.<sup>9</sup>

Making ends meet on such low wages is difficult to impossible. Rita was born in the Dominican Republic and grew up in New York City in a tight-knit family with five brothers. Today, she lives in Tampa with her own five kids. If it were up to her, she explains, “I’d stay home [with my kids]. But I have to help my husband pay the bills.” Rita’s husband works as a barber, and his pay varies depending on the number of customers he has on a given day, and how much they decide to tip. He makes about \$12 for an adult haircut and \$10 for a child’s haircut, but he also must pay rent on the chair in the barber shop that he uses. Some weeks, he only takes home one or two hundred dollars after paying the rent on the chair.

Rita’s family sometimes has trouble paying the bills. They cannot afford daycare, so Rita’s mother helps out by taking care of the two youngest kids, ages 2½ and one, while Rita and her husband work and the three older children are at school. After paying for food, clothing, car insurance, and other necessities, money is so tight some months that they end up being late on their rent payments. Everyone feels the strain. “You can’t even go on vacation, stuff like that. You are stuck in your house,” Rita explains. Rita and her husband would like to start their own business. “What we want to do, we want to put money away, so we can open a barber shop ... But right now? I don’t think so.”

Rita's family is not alone in their struggles. Most low-paid working people, like Rita, do not have savings. According to a recent report by the Board of Governors of the Federal Reserve, 44 percent of American adults cannot afford a \$400 emergency.<sup>10</sup> Twenty percent of families with a worker paid the federal minimum wage live in poverty.<sup>11</sup> And many low-paid working people must rely on government-funded benefits to cover basic necessities.<sup>12</sup>

These circumstances are not a result of fate—they are a result of policy choices. As Philip Alston, the U.N. Special Rapporteur on extreme poverty and human rights recently noted, “The United States is one of the world’s richest, most powerful, and most technologically innovative countries; but neither its wealth nor its power nor its technology is being harnessed to address the situation in which 40 million people continue to live in poverty.”<sup>13</sup>

Our current circumstances are due in part to how little we pay a significant share of working people living in America. After World War II, economic growth improved the living standards of working families up and down the economic ladder. Working people saw their wages rise as productivity—or how much workers produced per hour—increased. Since 1973, however, our economy has become out of balance. As productivity has risen, income for the top 20 percent—and especially the top one percent—of households has soared.<sup>14</sup> Wages for the average working person, however, have essentially stagnated.<sup>15</sup> For the lowest-paid working people, wages have fallen in inflation-adjusted terms—meaning more people are working for wages that buy a whole lot less than what they could have purchased decades ago.<sup>16</sup>

“The United States is one of the world’s richest, most powerful, and most technologically innovative countries; but neither its wealth nor its power nor its technology is being harnessed to address the situation in which 40 million people continue to live in poverty.” –Philip Alston, U.N. Special Rapporteur

Two important developments have contributed to the stagnation and decline in wages for working people over the last 40 years. First, the share of the workforce represented by a union has plummeted, from 24 percent in 1973 to 10.7 percent today, which has impacted working people’s ability to bargain collectively for higher wages and benefits. This is in large part a result of a concerted attack by employers on the right of working people to speak up together.<sup>17</sup>

Second, the value of the federal minimum wage has eroded.<sup>18</sup> Since 1938, the federal minimum wage has set a national floor on wages for working people. But the minimum wage does not rise automatically with either prices or wages. Instead, Congress must act for the federal minimum wage to increase in order to ensure that working people are paid fairly for the work they do. Congress last voted to raise the minimum wage in 2007: the current minimum wage of \$7.25 an hour went into effect in 2009. Since then, it has lost 13 percent of its value.<sup>19</sup>

Some people are also paid even less than the federal minimum wage. Under federal law, people working for tips may be paid as little as \$2.13 an hour by their employers as long as their wages from tips bring their incomes up to the standard minimum wage of \$7.25 an hour. This “tipped minimum wage” has been frozen at \$2.13 an hour for more than 25 years. As a result, poverty rates are twice as high for people working for tips, two-thirds of whom are women.<sup>20</sup> Women of color in tipped occupations are especially likely to live in poverty.<sup>21</sup>

In addition, while sexual harassment is prevalent in many low-paid occupations, low-paid people working for tips such as restaurant workers experience particularly high rates of sexual harassment, in part because of the power imbalances created by the practice of tipping.<sup>22</sup>

Some people with disabilities who work in specific settings may also receive total pay far less than the minimum wage.<sup>23</sup> Federal law allows employers who have applied for special approval from the Department of Labor to set their wages for people with disabilities in sheltered workshops based on a piece-rate standard of how much they produce per hour. As a result, people working in sheltered workshops may be paid as little as pennies an hour.<sup>24</sup> At wages this low, it is impossible for people with disabilities to survive without support from family and government benefits.<sup>25</sup>

*Bare Minimum* updates and significantly expands previous minimum wage reports by The Leadership Conference Education Fund and the Georgetown Center on Poverty and Inequality.<sup>26</sup> This edition is grounded in the stories of working people. Over the last five months, The Education Fund and its colleagues conducted interviews with Rita and other people working at or near the minimum wage to better understand how trying to sustain a family on low wages impacts the lives of working people and families. Their stories are shared in this report.

This edition also reflects new data on who is paid low wages, which we define as less than \$15 per hour, and new research on the economic and social effects of raising the minimum wage.<sup>27</sup> Finally, this edition highlights the struggles of working people paid by their employers even less than \$7.25 an hour—in particular, people working for tips and certain people with disabilities working in sheltered workshops. Drawing on our own interviews and *Bottom Dollars*, a powerful documentary about working people with disabilities, we tell the stories of these working people.<sup>28</sup> We also analyze the research on the effects of these wages on the economic security, health, and safety of these working people.

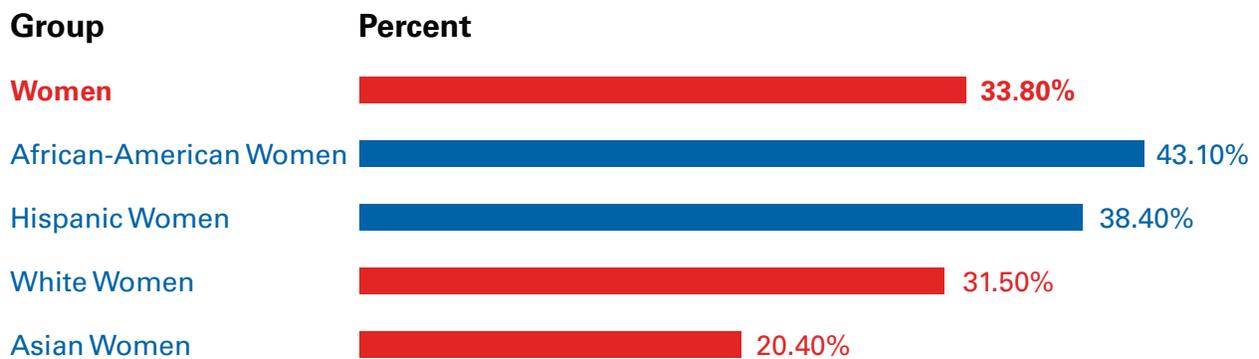
As we detail below, raising the minimum wage and including more working people under its protections will not only help individual working people like Rita, but it can also help redress longstanding inequities in American society.

The majority of low-paid working people who would benefit from raising the minimum wage to \$15 are women, particularly African-American and Hispanic working women who are overrepresented in low-paid jobs.

Research suggests that raising the minimum wage will help reduce poverty, inequality, the gender pay gap, and the racial wage gap.<sup>29</sup> Raising the minimum wage complements other policies that support working people’s ability to sustain their families and achieve economic stability—most notably, union organizing and collective bargaining. Historically, minimum wage increases have boosted working people’s income without affecting unemployment rates. The most exhaustive review of research on the impacts of the minimum wage on employment finds that, on balance, impacts on employment are “both statistically insignificant and very close to zero.”<sup>30</sup>

**Figure 1: Women Benefit Most from Raising the Minimum Wage—Especially African-American and Hispanic Women**

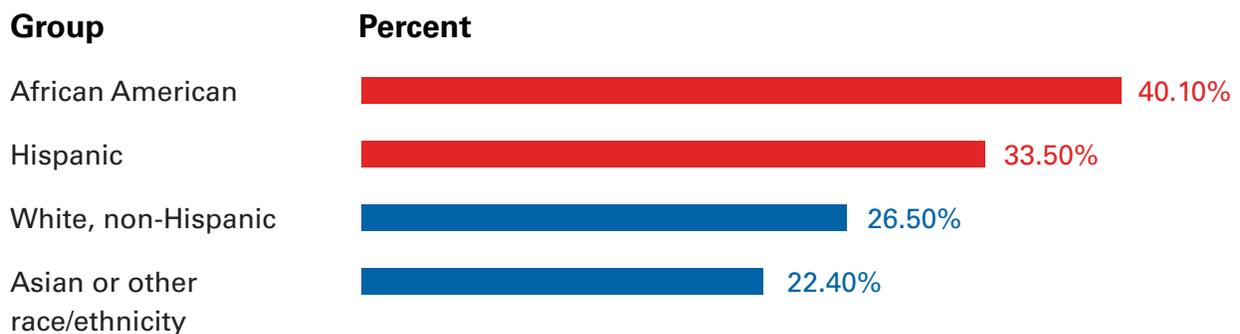
Percentages of Women Affected by Increasing the Federal Minimum Wage to \$15 by 2024



**Source:** Economic Policy Institute, 2017. Available at <http://www.epi.org/publication/15-by-2024-would-lift-wages-for-41-million/>.

**Figure 2: African Americans and Hispanics Benefit from Raising the Minimum Wage at High Rates**

Percentages of Working People Affected by Increasing the Federal Minimum Wage to \$15 by 2024



**Source:** Economic Policy Institute, 2017. Available at <http://www.epi.org/publication/15-by-2024-would-lift-wages-for-41-million/>.

Recognizing the wide-ranging benefits of raising the minimum wage, dozens of states and localities have raised their minimum wages over the last several years.<sup>31</sup> On January 1, 2018 alone, minimum wage increases went into effect in 18 states and 19 cities and counties. They will be joined by three

more states and 18 more cities and counties later this year. Many of these increases, when fully phased in, will raise state and local minimum wages to between \$12 and \$15 per hour.<sup>32</sup>

Unfortunately, in some states progress is unlikely or actively threatened. Twenty-one states have minimum wages at or below the federal minimum wage (see Figure 17). Twelve have minimum wages that are only slightly higher, under \$9 (see Figure 16).<sup>33</sup> Seventeen of the 21 states stuck at the federal \$7.25 an hour minimum wage have passed “preemption” laws that prohibit cities and counties from implementing higher local minimum wages.<sup>34</sup> In 2017, state preemption laws in Iowa and Missouri nullified local minimum wage laws that had already gone into effect—causing some people’s paychecks to *decrease*.<sup>35</sup> These preemption laws have been passed by overwhelmingly white state legislatures to overturn minimum wage hikes adopted in cities that are majority African American—hurting people of color and women in the process.<sup>36</sup>

Meanwhile, the Trump administration has undertaken an all-out assault on unions, which have historically helped raise the pay of working people and are helping to lead the fight for a higher minimum wage today.<sup>37</sup> The administration embraces so-called “right-to-work” policies that make it harder for unions to collect dues and support themselves, and the president’s appointees to the National Labor Relations Board have issued rulings that make it harder for working people to organize and speak up together.<sup>38</sup>

The administration is also trying to roll back regulations that protect and bolster working people’s pay. The U.S. Department of Labor has proposed a regulation that would allow employers to confiscate working people’s tips and has indicated that it wants to make fewer people eligible for overtime pay than the rule promulgated by the previous administration would have.<sup>39</sup>

Many working people feel under threat in the current political climate.<sup>40</sup> Several people told us they did not want to share their stories of working for low wages for fear of losing their jobs or being targeted by immigration authorities. For those who did agree to share their stories, we have not used their last names to help protect their privacy.

In the context of these threats, the civil and human rights community believes that it is more important than ever that Congress raise the federal minimum wage and include more working people under its protections. We recommend:

- Raising the federal minimum wage to \$15 per hour as quickly as possible through a series of regular steps;
- Indexing the minimum wage once it reaches \$15 per hour so that it will continue to keep up with cost and standard of living;
- Eliminating the tipped minimum wage; and
- Eliminating the subminimum wage for certain working people with disabilities.

We believe doing so will help Rita and working families across the United States live a better life with dignity.

## Living on Minimum Wage

Mercelis, or “Azzi” as he is known by his friends and family, has been working for as long as he can remember. “Since I was able to walk,” he jokes. Today, Mercelis, who is 33, lives about five miles from where he grew up with his mother, three brothers, and grandmother, in West Columbia, South Carolina. He enjoys spending time with his family, which now includes his own two boys, ages 10 and 12, and his fiancée. Most of the time, however, he is working. Mercelis works as a plumber and welding assistant, and he also helps out at his cousin’s restaurant when they need a hand. On the side, he writes poetry, raps, and produces songs. He is also developing a small event planning and promotion business to create another stream of income. Working is what Mercelis has always done.

Mercelis comes from a family of entrepreneurs. Over the years, his family started several businesses, and everyone in the family always contributed as they were able. He would sweep floors, take out the trash, mow lawns, and run errands. Some of the businesses failed. “Some things work out and others don’t,” he explains. “But when it doesn’t work out, you feel it. [It] puts great strain on the family and [you] risk losing other things.” Mercelis got his first formal job at 16, making \$5.25 an hour at Burger King. The money in fast food was too little to make ends meet. In his twenties, he turned to selling drugs, and he was incarcerated in federal prison for seven years.

Mercelis directly experienced America’s system of mass incarceration. Since the 1970s, America’s prison population has exploded. Today, approximately 2.2 million people are behind bars, more than three times the number in 1980. African-American men like Mercelis are more likely to be imprisoned than any other group.<sup>41</sup> And people who experience mass incarceration often find it much harder to find work once they are released.<sup>42</sup>

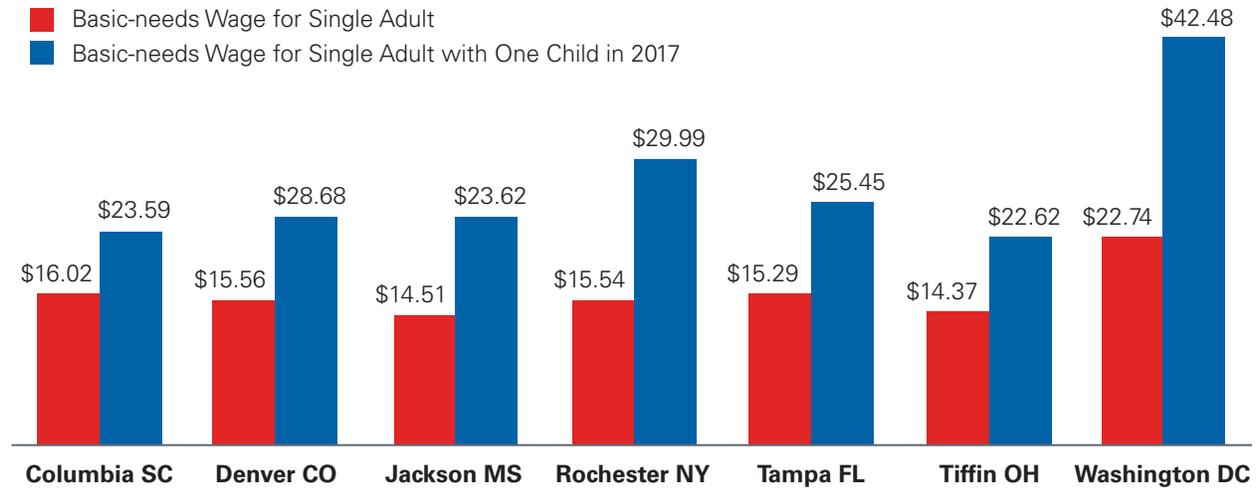
When Mercelis was released from prison just before Thanksgiving in 2016, he found that “just making money at all” without resorting to what “put me in prison in the first place” was extremely difficult. He searched high and low for work. He finally secured employment through a temp agency, making \$8.25 an hour at a produce company—just a dollar more than the federal minimum wage.

For Mercelis, his starting wage at the produce company was not enough to cover his own basic living expenses, not to mention his children’s, who split their time between his house and their mother’s home. If Mercelis worked full time at \$8.25 an hour, he would make only \$16,500 a year.<sup>43</sup> Where Mercelis lives, just across the Congaree River from South Carolina’s capital, a single adult needs \$32,020 to cover basic living expenses, according to the Economic Policy Institute’s (EPI) Family Budget Calculator.<sup>44</sup>

For working families, the federal minimum wage is not a living wage. It is a poverty wage. Today, someone who is working full-time, year-round and paid the federal minimum wage earns \$14,500 a year.<sup>45</sup> A family of two or more with a full-time working person paid the federal minimum wage falls below the poverty line—which, at \$16,543 for an adult with one child is arbitrarily low,<sup>46</sup> according to many experts.

### Figure 3: Minimum Wage is Insufficient to Meet Basic Needs in Key Cities

The Living Wage in Cities where Working We Profiled Live

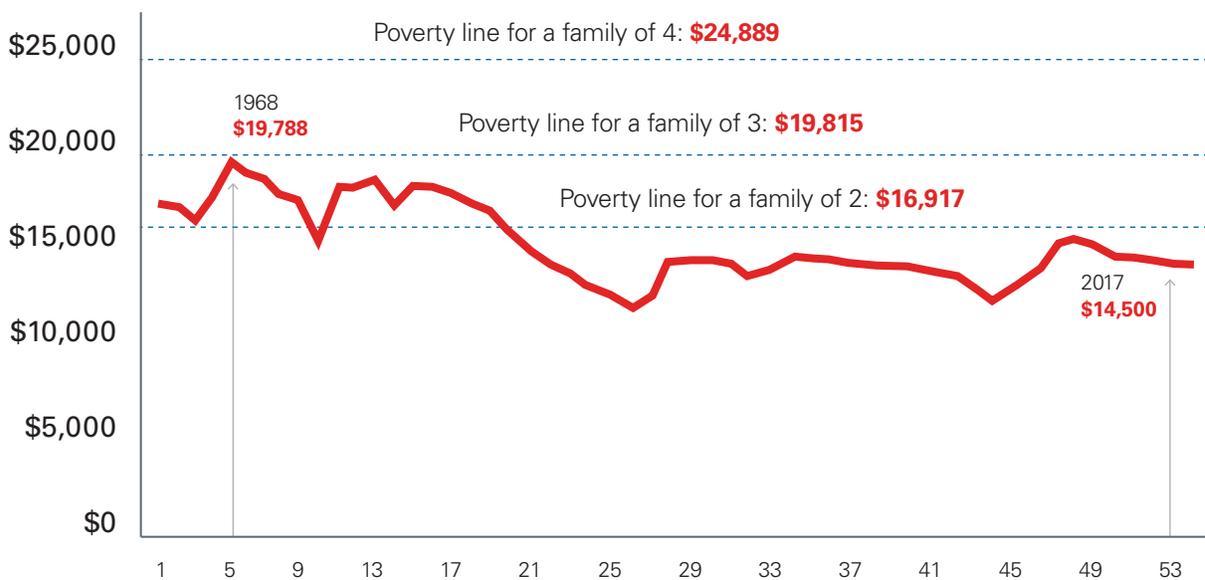


**Note:** Basic-needs wages are calculated using Economic Policy Institute's Family Budget Calculator for 2014, on a 40 hour-work-week basis. Inflation measured using the CPI-U-RS and the CPI projection for 2017 from CBO (2017).

**Sources:** Economic Policy Institute, 2015. Available at <http://www.epi.org/resources/budget/>. Congressional Budget Office, 2017. Available at <https://www.cbo.gov/publication/52801>. Bureau of Labor Statistics, 2017. Available at <https://www.bls.gov/cpi/research-series/home.htm>.

### Figure 4: Minimum Wage is Insufficient to Lift Families Out of Poverty

Annual Minimum Wage Earnings and Poverty Line for Families of 2 to 4, 1964-2017 (2017 dollars)



**Note:** Minimum wage estimates and poverty thresholds for 2017 are inflated from 2016 thresholds, based upon CBO projections for 2017. Annual earnings calculated assuming working people work 40 hours per week, 50 weeks per year.

**Source:** Georgetown Center on Poverty and Inequality's calculations based on Economic Policy Institute, U.S. Census Bureau, Bureau of Labor Statistics, and Congressional Budget Office data, 2018.

## Unpacking the low-wage workforce

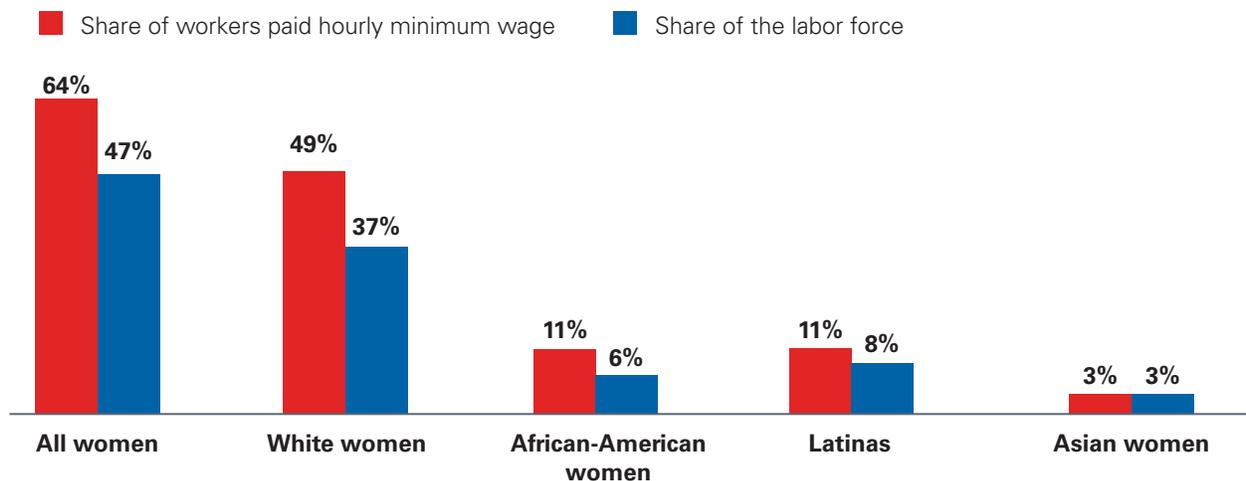
Low-paid working people—who, in this report, we define as working people making less than \$15—are a diverse group.

**Women of all races make up a majority of working people making less than \$15 per hour. Fifty-five percent of working people making less than \$15 are women.**<sup>47</sup> An even greater share (64.3 percent) of working people making \$7.25 per hour or less are women. (As discussed more fully below, some working people, such as people working for tips, may be paid less than \$7.25).<sup>48</sup>

Women of color are especially likely to be paid low wages. If working people of all races, ethnicities, and genders were paid equally—that is, if there were no systemic pay gaps between these groups—then we would expect the share of women paid low wages to be the same as their share of the overall workforce. Unfortunately, this is not the case. African-American women make up 6 percent of the total workforce, but 11 percent of the workforce paid less than \$10 an hour. Latinas make up 7 percent of the total workforce, but 14 percent of the less-than-\$10 workforce. White, non-Hispanic women make up 30 percent of the total workforce, but 39 percent of the less-than-\$10 workforce. Asian American women make up 3 percent of the total workforce, but 4 percent of the less-than-\$10 workforce.<sup>49</sup>

### Figure 5: African-American Women are the Most Overrepresented in the Lowest-Paid Workforce

Share of Working People Paid Hourly Minimum Wage or Less and Share of Labor Force, by Gender, Race and Ethnicity, in 2016



**Note:** Estimates for the above race groups—White, Black or African American, and Asian—do not sum to all women because data are not presented for all races. Persons whose ethnicity is identified as Hispanic or Latino may be of any race.

**Source:** Bureau of Labor Statistics. Available at <https://www.bls.gov/opub/reports/minimum-wage/2016/home.htm#table1>; <https://www.bls.gov/cps/cpsaat11.htm>.

Among people working for the lowest wages—those paid at or below the federal minimum wage of \$7.25, African-American women are the most over-represented.

One such woman is Krizma. Krizma tags bags for a major American airline at Denver International Airport and was paid \$10 an hour when we talked to her—just 70 cents above Colorado’s minimum wage at the time.<sup>50</sup> At 24, she lives with her sister and mother, who can work only part-time because of an illness. She laughs when she describes the small raises she has received over the three years she has worked with the airline. Her pay started at \$8, when she was a wheelchair assistant: “Then it went up to \$8.23, then it went up to \$9, then it went up to \$9.50, and then it went up to \$10... I mean... 23 cents. I was shocked myself.” She pays rent and contributes to other household expenses out of her bi-weekly paychecks. “My last check went so quick I couldn’t even blink my eyes... I barely had enough to make it to the next week. [It was] horrible.”

**People of color—both men and women—are more likely to work in jobs that pay less than \$15 per hour.** African Americans constitute 12 percent of the total workforce, but they account for 15 percent of people making less than \$15 per hour. Fully 54 percent of African Americans are paid less than \$15 per hour. Similarly, Latinos make up 16.5 percent of the workforce, but 23.2 percent of working people making less than \$15. Almost 60 percent of Latinos make less than \$15.<sup>51</sup>

**Figure 6: People of Color are More Likely to Make Less than \$15 per hour**

Percentages of Working People Making Less than \$15 Wage within Each Demographic Group, 2012-2014



**Source:** National Employment Law Project. November 2015. Available at: <http://www.nelp.org/content/uploads/Growing-Movement-for-15-Dollars.pdf>.

**Immigrants are more likely to work in low-paid jobs, including jobs paying less than the minimum wage.**<sup>52</sup> Fully two-fifths (42.2 percent) of working immigrant women earn less than \$20,000 a year in occupations that are often invisible working but provide much of the backbone to modern life. They work as maids and housekeepers in homes as well as hotels, cashiers, janitors and building cleaners, cooks, and nursing, psychiatric, and home health aides.<sup>53</sup>

**LGBTQ individuals and families are at heightened risk of low pay and poverty.** For many working people, being LGBTQ compounds the disadvantage they already face because of race and/or gender. Married or partnered LGBTQ parents are more than twice as likely as non-LGBTQ

parents to have incomes at or near the poverty line.<sup>54</sup> More than half of African-American children in gay male households live in poverty—the highest poverty rate of any children in any household type.<sup>55</sup> More than one-third of children living with lesbian couples are in poverty.<sup>56</sup> According to a recent national survey, nearly one third (29 percent) of transgender and gender non-binary people live in poverty, and their unemployment rate is 15 percent—nearly three times higher than the unemployment rate for the U.S. population as a whole at the time of the survey.<sup>57</sup>

These data point to disturbing trends in employment and pay in the LGBTQ community. Unfortunately, it is impossible to get a complete picture of LGBTQ income and poverty because the U.S. Census Bureau currently fails to collect information on sexual orientation and gender identity in national surveys like the decennial census and the American Community Survey.<sup>58</sup>

### **Formerly incarcerated individuals experience underemployment and low wages at high rates.**

The lasting consequences of incarceration on labor market outcomes are well-established.<sup>59</sup> Research has shown that, even after controlling for other characteristics like education and age, people who were once incarcerated work fewer weeks per year, have average wages that are about 11 percent lower, and have reduced yearly earnings that are about 40 percent lower than people who have not been incarcerated.<sup>60</sup> Research has shown that many employers are reluctant to hire people with criminal records, and people of color who have been incarcerated have a particularly hard time securing employment. One experiment found that having a criminal record reduced the likelihood of a call back by 50 percent for White job applicants. But for African-American applicants, who were less likely to receive a callback in the first place, the effect was even larger.<sup>61</sup> These circumstances lead more formerly incarcerated people into the low-paid, minimum wage workforce.<sup>62</sup>

## **Making ends meet**

“I’d like to think I’m pulling myself up into being a middle-class worker,” Mercelis told us. His hopes for his family were reflected in many of the stories we have heard. After returning to his community, Mercelis eventually went to welding school four nights a week while working during the day. Then he landed work as a plumber, and his pay increased. Even with the raise, however, he has difficulty paying for his children’s school expenses, again echoing the many challenges of sustaining one’s family on low-wage work that we heard. “I don’t remember [public] school being so expensive.” He noted that it seems there is “always something to pay for”: clothes, haircuts, school supplies. Mercelis is striving to provide for his family, but it is hard.

Krizma doesn’t have children, and she reflects that with her work tagging bags at the airport money is so tight that “to be honest, I couldn’t even afford kids.” For Krizma, her biggest financial obstacle is her “mom being sick.” Her mother has health insurance, but it is “not enough to cover her medical bills.” Krizma estimates that up to a third of her paycheck goes to helping her mom cover expenses related to “her medication, her doctor’s visits, and her copayments and her lab work.” Every last penny from her paycheck gets spent. Krizma’s goal is simple: “I want a better job with more pay.”

**Many low-paid working people support families.** Over 31.5 million children—two of every five (42.9 percent) U.S. children—live in households with at least one working person earning under \$15 per hour.<sup>63</sup> Working mothers are especially likely to be paid low wages. Almost one in five working mothers with children under three are employed in low-wage occupations. Half of these working mothers are raising children on their own, and one-third fall under the poverty line. They are disproportionately African-American (20.8 percent), Latina (30.4 percent), and immigrant (26.5 percent) women.<sup>64</sup> Raising the income of working families is essential for the future of our country, as more than a decade of research has shown how low incomes negatively impacts children’s health, economic opportunity, and educational success.<sup>65</sup>

Today, low-paid working people are significantly older and more educated than they once were,<sup>66</sup> and, like Rita, Mercelis, and Krizma, they usually contribute significantly to their families’ income.<sup>67</sup>

**Low-paid working people are less likely to have full-time hours or have work that follows workplace standards.** Employers who pay low wages are also less likely to have workplace standards such as health care or paid leave<sup>68</sup> Eighty-five percent of low-paid workers do not have any earned sick time.<sup>69</sup> When Oxfam America conducted a national survey of low-wage working people in 2013, 19 percent of working mothers said they had lost a job from being sick or caring for a sick child.<sup>70</sup> Many employers who pay low wages also do not guarantee full-time hours or predictable schedules. In a survey, close to nine in 10 working people in retail and food service reported the number of hours they worked fluctuated significantly over the previous month.<sup>71</sup> Close to 70 percent of working people in retail report that they would like more hours than they currently work, another survey found.<sup>72</sup> People of color report having less control over their schedules than White working people.<sup>73</sup>

**Many low-paid working people must rely on government benefits to make ends meet because their wages are insufficient.** In 2016, 29 percent of families with a working person earning the federal minimum wage were enrolled in Medicaid and 16 percent received food assistance through the Supplemental Nutrition Assistance Program (SNAP). Even more were eligible for these benefits but did not enroll.<sup>74</sup> Working people who are paid more than the federal minimum wage also need government benefits to make ends meet.<sup>75</sup> All told, 10 million working people earning under \$15 per hour depend on SNAP to sustain themselves.<sup>76</sup> In 2016, income supports from the Earned Income Tax Credit (EITC) and the Child Tax Credit (CTC) lifted nearly 9 million adults and children in working families out of poverty, and made another 19 million less poor.<sup>77</sup>

Benefits like the EITC, the CTC, and SNAP provide vital support to working families, but they cannot by themselves achieve economic security for low-paid working people. Most notably, not all of the lowest-paid working people are eligible for programs like SNAP, the EITC, and the CTC.<sup>78</sup> Among the largest of these benefits, the EITC and the CTC are paid just once a year and thus are generally unavailable to help with hardships and routine monthly expenses. For families who do receive supportive government benefits, they are not always enough to allow them to make ends meet. A family of four with one person working full time at the minimum wage still falls below the federal poverty line even after the minimum wage is combined with income supports such as the EITC and the CTC.<sup>79</sup>

By paying low wages and failing to provide workplace benefits such as health care and sick days, many employers are effectively passing the burden of sustaining working families on to taxpayers, all the while increasing their own private profits. Raising the minimum wage can help ensure that employers are paying employees a fair wage and not relying on taxpayers to subsidize their employees' low wages.<sup>80</sup>

## Working for less—people working for tips and people with disabilities

Working at or near the federal minimum wage makes it difficult-to-impossible for working families to make ends meet, but some people earn even less than the federal minimum wage. Under the Fair Labor Standards Act (FLSA), certain categories of working people can be paid less than the standard federal minimum wage by their employers, including people working for tips and certain working people with disabilities.

When Congress originally debated the FLSA, southern Democrats balked at the idea of guaranteeing African Americans a wage floor. Texas Democrat Martin Dies stated openly in hearings on the legislation that “you cannot prescribe the same wages for the Black man as the White man.”

These two exceptions to the standard minimum wage are a legacy of the unquestionably racist compromise that produced the nation’s first wages and hours legislation. The FLSA was crafted as a compromise to maintain the Jim Crow racial order. When Congress originally debated the FLSA, southern Democrats balked at the idea of guaranteeing African Americans a wage floor. Texas Democrat Martin Dies stated openly in hearings on the legislation that “you cannot prescribe the same wages for the Black man as the White man.”<sup>81</sup> In the end, the bill did not provide protections to occupations where African Americans made up a significant share of the labor force, including agricultural and domestic labor, the principal occupational categories of African Americans in the South.<sup>82</sup>

The racist assumptions that shaped the FLSA as a whole also influenced the treatment of people working for tips and people with disabilities.

**People working for tips.** When Congress debated the FLSA over the course of 1937 and 1938, lawmakers did not discuss people working for tips.<sup>83</sup> The final text of the FLSA did not explain how to treat tips when calculating whether workers were being paid the minimum wage. Like many other working people, however, people who worked in restaurants were not covered by the act’s protections.<sup>84</sup> Subsequent Supreme Court decisions, meanwhile, held that employers could count their employees’ tips towards their wages when determining whether they were paid the minimum wage.<sup>85</sup> So long as people’s income from tips met or exceeded the established federal minimum wage, employers did not need to pay them anything.<sup>86</sup> The effect of the FLSA and these court decisions,

therefore, was to reinforce the practice of tipping, which itself had its origins in the Reconstruction-era compromise that denied many African Americans the full benefits of their economic contributions.

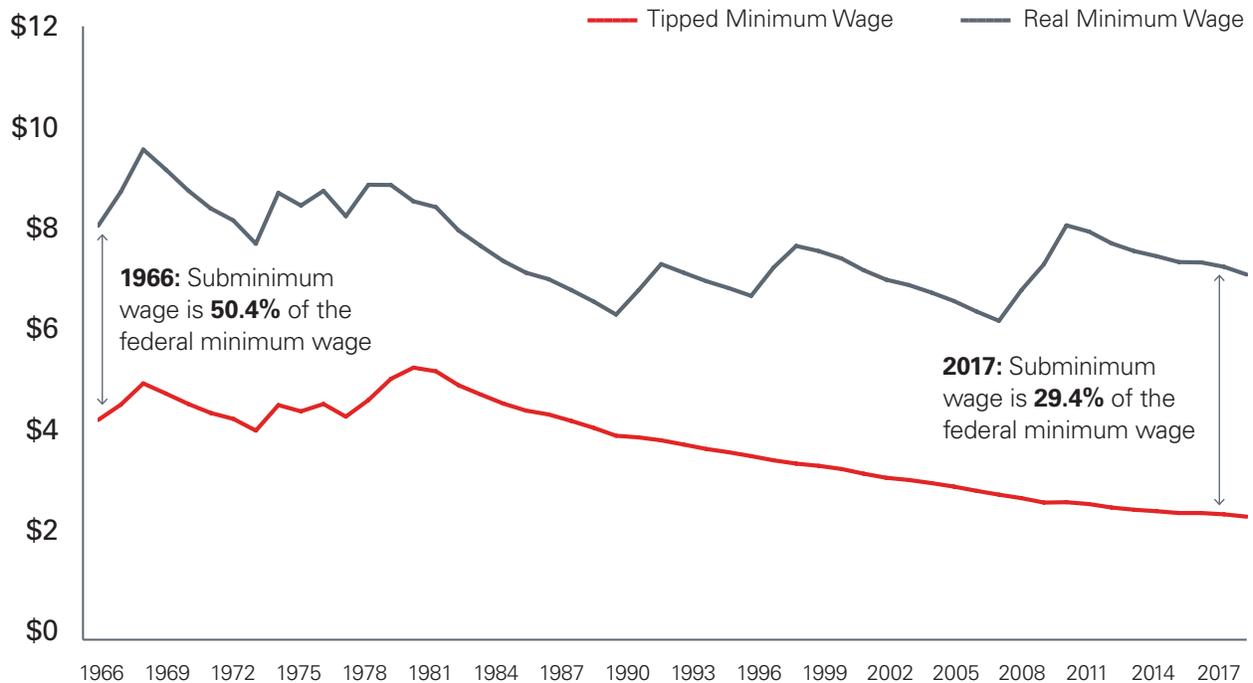
Before the Civil War, tipping was frowned upon in the United States: It was viewed by many as an aristocratic practice that was incompatible with American democracy. After the Civil War, however, many restaurants and rail operators embraced tipping because it allowed them to “hire” newly freed slaves without having to pay them. They would be forced to work for tips alone.<sup>87</sup> An early 20th century southern journalist recounted being uncomfortable tipping White working people. As he observed in 1902, “one expects ... Negroes [to] take tips... it is a token of their inferiority. But to give money to a White man was embarrassing to me.”<sup>88</sup> Tipping kept African Americans in an economically and socially subordinate position. The FLSA sanctioned this practice even after it was amended in 1966 to create a “tipped minimum wage,” which guaranteed a base wage for tipped employees to be paid by their employers.<sup>89</sup>

*After the Civil War, however, many restaurants and rail operators embraced tipping because it allowed them to “hire” newly freed slaves without having to pay them. They would be forced to work for tips alone.*

Today, under the law, people working for tips can be paid as little as \$2.13 an hour by their employer as long as their average earnings after including tips meet or exceed the standard minimum wage.<sup>90</sup> The value of the tipped minimum wage has fallen dramatically since it was originally established in 1966. That year, the tipped minimum wage was set at 50 percent of the standard minimum wage. It briefly rose as high as 60 percent of the standard minimum wage in the late 1980s. In 1991, the tipped minimum wage was \$2.13 an hour and the regular minimum wage was \$4.25 an hour. But in 1996, in response to lobbying by the restaurant industry, Congress did not raise the tipped minimum wage when it increased the standard minimum wage, severing the proportional relationship between the tipped minimum wage and the standard minimum wage. The tipped minimum wage has been frozen at \$2.13 an hour ever since.<sup>91</sup> Today, the tipped minimum wage stands at less than 30 percent of the standard \$7.25 an hour minimum wage, which itself is historically low.

### Figure 7: Tipped Minimum Wage Has Fallen Significantly Below Minimum Wage

Real Value of the Federal Minimum Wage and Subminimum Wage for People Working for Tips, 1966-2017 (2017 dollars)



**Note:** Real 2017 dollars adjusted using the CPI-RS and CBO's projections for 2017.

**Source:** Georgetown Center on Poverty and Inequality's calculations based on Economic Policy Institute, Bureau of Labor Statistics, and Congressional Budget Office data, 2018.

There are approximately 6 million people working for tips in the United States. The single largest tipped occupation is restaurant servers. Other people who work for tips are employed as food delivery drivers, nail salon workers, car wash workers, and others in the restaurant and hospitality industries.<sup>92</sup> The vast majority (two-thirds) of people working for tips are women.<sup>93</sup> Almost 40 percent of people working for tips are people of color: 18 percent are Latino, 10 percent are African-American, and 9 percent are Asian. Women of color and immigrants are overrepresented in the tipped workforce.<sup>94</sup>

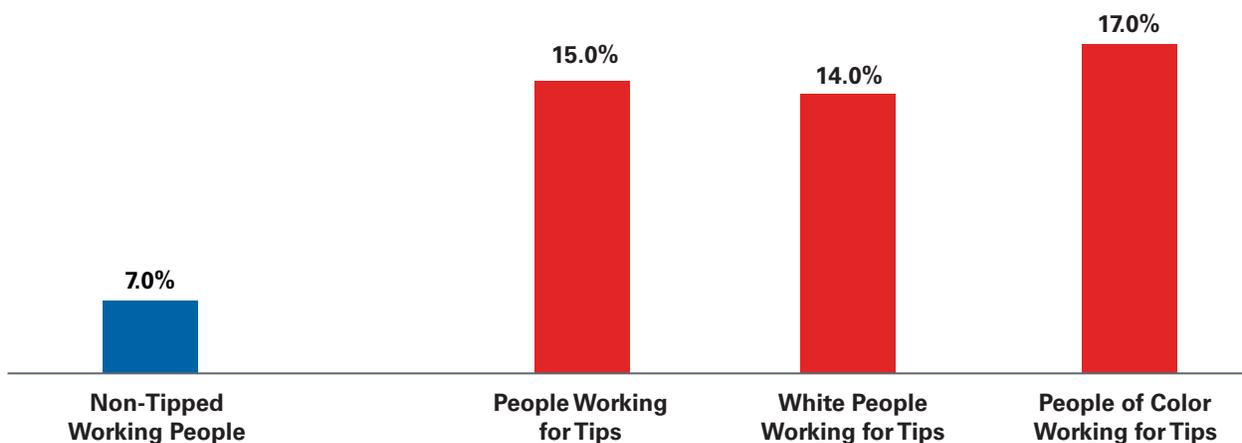
To comply with the law, people working for tips and their employers must follow confusing and complicated rules, and fully document tips, which are often received in cash.<sup>95</sup> In part because of these rules, wage theft in industries where working people earn tips is pervasive. Researchers have found that people working in food and drink service are more likely than working people in any other industry to experience minimum wage violations. Fourteen percent of these working people report being paid less than the minimum wage, even after accounting for tips.<sup>96</sup>

Nationally, the poverty rate for people working for tips (14 percent) is double that of non-tipped working people (7 percent).<sup>97</sup> People of color who work for tips are more likely to live in poverty than White people who work for tips—17 percent compared to 14 percent.<sup>98</sup>

There is strong evidence that the subminimum wage for people working for tips is largely responsible for the higher poverty rates experienced by people working for tips. Tipped wait staff and bartenders in states where they are paid the standard minimum wage have a lower poverty rate (10.2 percent) than their counterparts in states that have the \$2.13 tipped wage (18.0 percent).<sup>99</sup> Not surprisingly, given their low average wages, people working for tips are more likely than non-tipped working people to rely on some form of publicly funded benefit—46 percent compared to 35.5 percent.<sup>100</sup>

**Figure 8: People Working for Tips Live in Poverty at Much Higher Rates**

Non-Tipped Working People, People Working for Tips, White People Working for Tips, and People of Color Working for Tips



**Source:** NELP and ROC-United, 2017. Available at <http://www.nelp.org/content/uploads/Raise-the-Wage-Act-Gradual-Elimination-Subminimum-Wage-Tipped-Workers.pdf>.

Thea works as a bartender in Washington, D.C., while supporting her kids and going to school to complete a Masters in Social Work degree. She is 48 years old, and has been working in the service industry on and off for much of her life, and she often finds it difficult to pay for basic living expenses. Right now, Thea earns \$5 an hour plus tips. Though some days she can make a decent amount of money, her pay is extremely unpredictable, and she never has money left over to put into savings. Thea was thrilled when her 21-year-old daughter decided to move back home to join her and her 11-year-old daughter because she helps with the rent and other household costs. Together, they try to economize as best they can. Thea does not own a car. Recently, when her phone broke, she decided to delay buying a new one because of the expense. Then she realized that since she does not have a car, she needs her phone to hail a ride to get to work and school. She observes that, today, a phone is more a necessity than a luxury—a necessity she can barely afford on her wages and tips.

In addition to low pay, people working for tips are much more likely to lack basic workplace standards such as fair scheduling rules. Many people working for tips across industries have unpredictable schedules as a result. Restaurants and bars are major users of “just-in-time” scheduling, meaning shifts might be canceled, shortened, or extended without notice, making it difficult for working

people to hold down a second job or plan for child care.<sup>101</sup>

Stephen also works as a bartender in Washington, D.C., and he has experienced first-hand the impact of unpredictable scheduling on his income. As he explains it, he makes between \$700 and \$1200 a month, depending on “how many shifts I get, if I take any time off, and how busy (in season) we are. In busier seasons, I make more. In slower months, I make less.” He often must fight for more hours. His management will assign him to work three days and he will ask for more, or pick up shifts from co-workers. He sometimes must wait for his pay. “Management will often not pay out our tips because there isn’t ‘enough money in the safe.’ Meaning, the restaurant doesn’t have enough cash on hand to pay out everyone’s tips, so they’ll write an ‘I-owe-you.’ That’s a problem, especially if I need money now. I have to wait. We usually will get our tips at the next shift, but sometimes, people will have to wait up to three shifts. We (the workers) do have to stay on top of management about things. I keep my clock out receipts to verify hours. No one trusts management.” He often works “doubles,” or two shifts back to back to make money. “I spend almost all day every Friday, Saturday, and Sunday at [the restaurant] because those are the days to make money. Then, I’ll work throughout the week and will barely make \$50 [or] \$60.”

People working for tips like Stephen and Thea not only suffer from low pay and unpredictable scheduling, but they also lack other workplace standards. In the “accommodation and food services” sector, which includes hotels and restaurants where many working people are tipped, only 23 percent of employees have paid sick days, compared to 61 percent of all private sector employees.<sup>102</sup> Only 30 percent of these working people have employer-provided health care, compared to 70 percent of all other private sector employees.<sup>103</sup> A 2010 survey of people who work in restaurants found that 87.7 percent reported not having paid sick days and 63 percent reported cooking and serving food while sick—a threat to themselves, and to their customers.<sup>104</sup>

Quantina’s experience demonstrates just how vulnerable the lack of workplace standards leaves working people. Quantina is 34 and until recently held jobs working for tips in Washington, D.C.<sup>105</sup> Quantina started working at the age of 16, and over the years has worked as many as four jobs at a time—from front-line jobs in fast food to administrative work for small businesses. Quantina has taken college classes at night while working during the day, and has a long-term goal of establishing a small business helping other businesses find staff and advertise and promote their work. Until a few months ago, Quantina was waiting tables, paid just \$2.77 an hour by their employer.

Then Quantina was diagnosed with breast cancer. Quantina quit their job while undergoing chemotherapy and had four months without an income. Quantina was denied unemployment insurance and disability benefits. Quantina has used all their savings, but even so, Quantina’s car has been repossessed and Quantina was evicted from their home. Quantina is currently living with a grandmother. Quantina’s experience demonstrates how difficult it can be to survive when illness strikes someone who is earning only the tipped minimum wage with no access to workplace standards—a fact of life for the vast majority of people working for tips. Quantina believes that all people should have access to basic services, such as health care: “We can’t work if our bodies aren’t well.”

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“We can’t work if our bodies aren’t well.”

**Working people with disabilities.** The subminimum wage for certain people with disabilities, like the subminimum wage for people working for tips, leaves this community deeply vulnerable to poverty and exploitation. And as with the tipped minimum wage, the origins of the subminimum wage for people with disabilities can be traced to the same historical moment when many southern lawmakers were preoccupied by preserving the only-recently-established Jim Crow racial order.

In 1937, President Roosevelt’s Department of Labor (DOL) initially proposed a subminimum wage for people it called “substandard workers” because it wanted to make sure that veterans with disabilities were able to get jobs in the manufacturing-based economy, even if at lower pay. During hearings on the legislation, however, the department’s proposal was embraced by some individuals who also wanted to pay African-American working people a lower wage. These individuals argued that a subminimum wage was necessary in the South where working people were purportedly “slower of movement and less oriented toward production.” Critics called this argument out for what it was: just another way “to discriminate against Negro workers.”<sup>106</sup> When Congress eventually passed the FLSA, it clarified that only those “whose earning capacity is impaired by age or physical or mental deficiency or injury” could be paid the subminimum wage for people with disabilities.<sup>107</sup> But civil rights activists were right to be concerned about the creation of a subminimum wage for a vaguely defined group of working people.<sup>108</sup>

Today, approximately 200,000 people with disabilities are paid less than the standard minimum wage.<sup>109</sup> As a group, people with disabilities—and especially people of color with disabilities—experience high rates of unemployment and poverty.<sup>110</sup> The number of people with disabilities paid subminimum wages is a small fraction of the 26.3 million working-age adults who have a disability,<sup>111</sup> but those earning a subminimum wage often struggle to make ends meet even though they are working. The subminimum wage is a major reason why. Employers who have received a special “certificate” from the DOL may pay working people with disabilities according to their “productivity.”<sup>112</sup> As the DOL explains it, these are “commensurate wage rates—based on worker’s individual productivity, no matter how limited, in proportion to the wage and productivity of experienced workers who do not have disabilities performing essentially the same type, quality, and quantity of work in the geographic area from which the labor force of the community is drawn.”<sup>113</sup> In other words, there is no absolute wage floor for people with disabilities paid subminimum wages. If an employer determines a person with disabilities is minimally productive, he or she can be paid as little as pennies an hour.<sup>114</sup>

Historically, most working people with disabilities paid a subminimum wage have been employed by sheltered workshops. Sheltered workshops have existed since the mid-19<sup>th</sup> century, but they only became widely used in the 1950s and 1960s, as many people with disabilities were leaving institutionalized care. The idea behind such workshops is that they can provide a supportive environment where working people with disabilities can receive job training and experience that will help them find regular, or “competitive,” employment in the community. But in practice, many working people remain stuck at sheltered workshops for years.<sup>115</sup>

Sheltered workshops often do not make reasonable accommodations for people with disabilities, or take into account the limits imposed by a working person’s disability when assigning specific job tasks. Le’Ron, who has cerebral palsy and uses a wheelchair, was tasked by his Jackson, Mississippi employer with picking up clothes from the floor and putting them in a barrel. When he bent over to pick up the clothes, however, he could not pick himself back up. He had to ask a colleague for help. It “was real demeaning,” he recalls. Because of his low “productivity,” he was paid less than a dollar an hour. He explains, “When I saw that check for \$2.50, I said ‘I quit. I can go get me a real job.’”<sup>116</sup> Le’Ron was not alone. Many working people with disabilities are paid pennies an hour.<sup>117</sup> On average, people with disabilities paid the subminimum wage earn about \$2.50 an hour, according to a GAO survey.<sup>118</sup>

In addition to low-pay, people with disabilities in these subminimum wage jobs, like people working for tips, can see their paychecks fluctuate considerably. For working people with disabilities, this is because they must take periodic “tests” to determine their average hourly “productivity.” These tests determine their wage rates. In response to such tests, their wages can decrease or increase significantly from one pay period to the next.<sup>119</sup>

Pamela knows well the frustration that comes with such low and variable pay. Pamela lives with her cat in a well-kept apartment in Tiffin, Ohio. She enjoys sewing, going for walks, and shopping. When she has time, she embroiders intricate pillowcases for family and friends. As she describes it, she has a learning disability “as to math, reading, and spelling.” That is why she works full-time at a sheltered workshop.

For the last six years, Pamela has sorted floor tiles at a small factory, discarding those that are faulty and “chaining” the good ones. She makes on average \$3 and change an hour. The minimum wage in Tiffin, Ohio is \$8.15. She has not been offered help transitioning to work in the community. Pamela believes people who are doing the same work should be paid the same wages: “When I’m working I feel that I should be paid as an equal person.”<sup>120</sup>

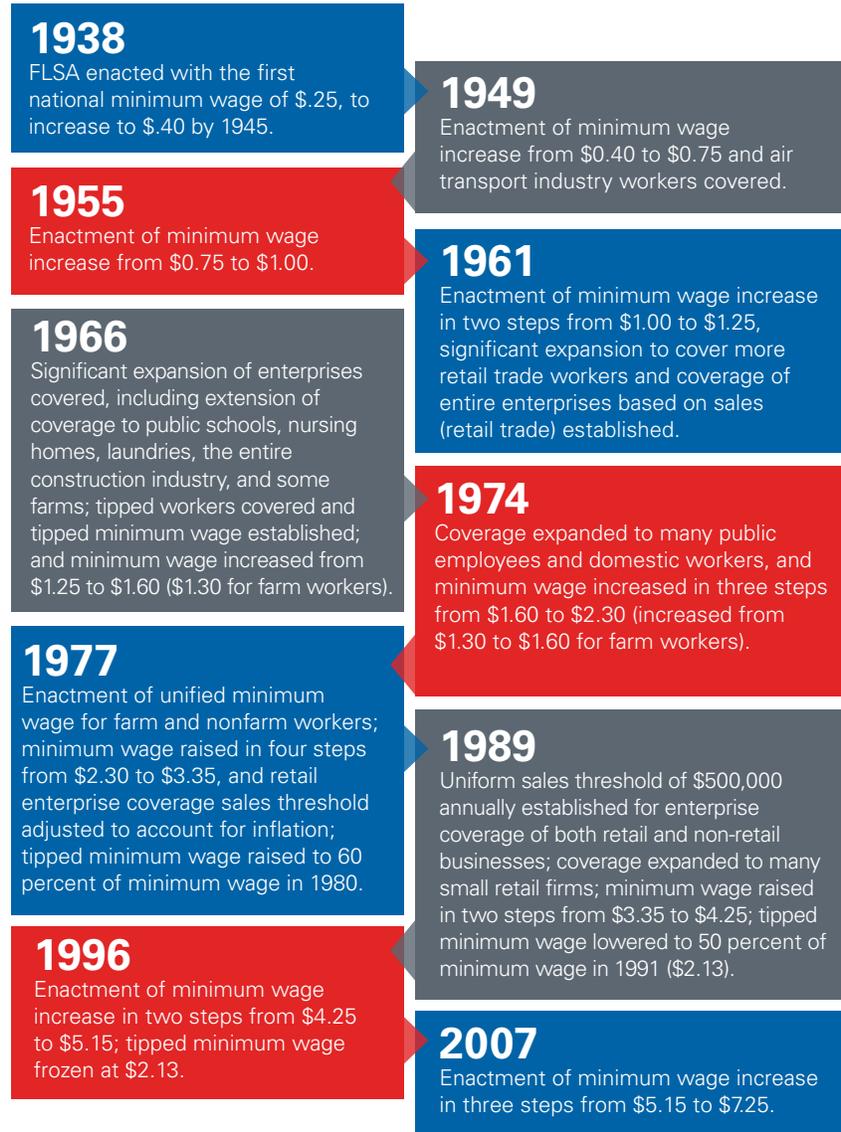
Gloria agrees. Gloria has worked in a small factory in Rochester, New York for eight years. She uses sign language to communicate. Her evaluations describe her as an “excellent worker.” “Yeah, they tell me I’m a good worker,” she says with a broad smile. “My boss loves me.” The minimum wage in Rochester is \$9.70 an hour, but Gloria’s average wage at the factory is only \$3.50. “It’s not fair,” Gloria states flatly.<sup>121</sup>

# The Case for Raising the Minimum Wage

When President Franklin Delano Roosevelt initially called on Congress to pass what became the Fair Labor Standards Act (FLSA), he argued that the nation should guarantee “all our able-bodied working men and women a fair day’s pay for a fair day’s work.”<sup>122</sup> The FLSA was a landmark bill, but it did not live up to the president’s rhetoric. Four-fifths of working people (including most African Americans) labored in occupations that were not originally covered by the federal minimum wage.<sup>123</sup> What was more, the minimum wage was set at just 25 cents an hour, or \$3.80 in 2017 dollars. It was not indexed to either inflation or average wages, ensuring that the real value of the federal minimum wage would erode over time unless Congress took action.<sup>124</sup>

Over the years, Congress has raised the minimum wage and expanded its coverage to more working people. (On the gradual inclusion of more occupations under the FLSA’s protections, see Figure 9). The minimum wage reached its historical peak in 1968 at \$9.90 an hour (2017 dollars). Over the last 50 years, however, it has fallen significantly in real, inflation-adjusted, terms. The current federal minimum wage of \$7.25 an hour, which went into effect in 2009, leaves working people paid the federal minimum wage significantly worse off than their counterparts 50 years ago. In effect, their paychecks are 27 percent smaller.<sup>125</sup>

**Figure 9: Federal Hourly Minimum Wage: Key Points in Legislative History**



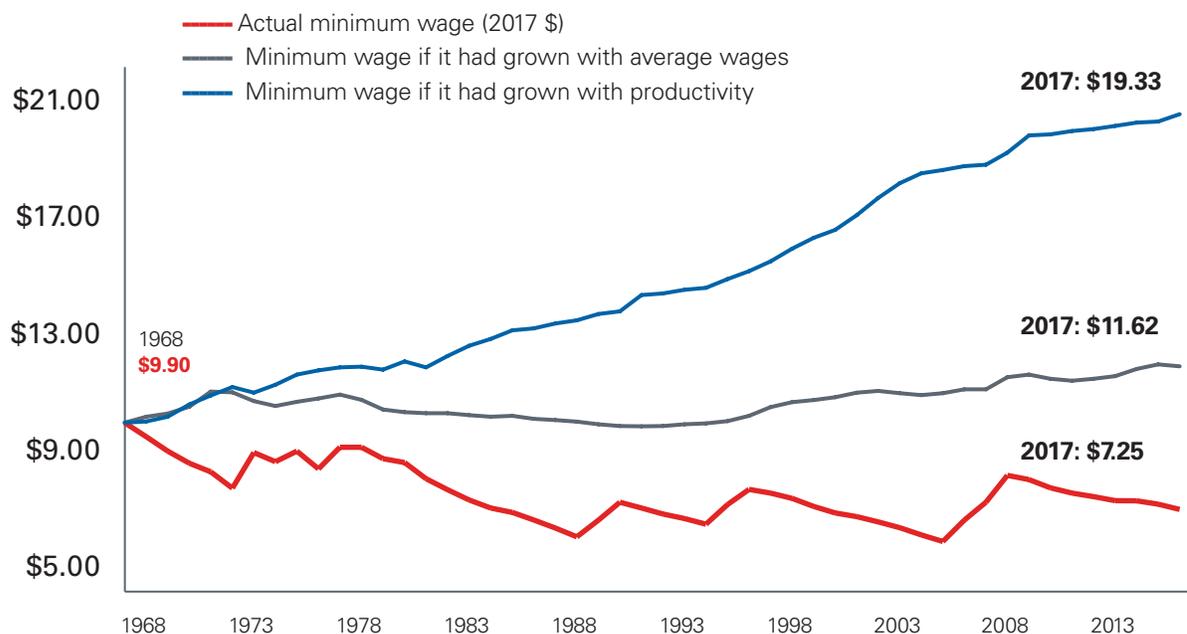
**Sources:** All dollar figures are in nominal terms. Based on Grossman, Jonathan. “Fair Labor Standards Act of 1938: Maximum Struggle for a Minimum Wage.” U.S. Department of Labor. June 1978. <http://www.dol.gov/dol/aboutdol/history/flsa1938.htm>, “History of Changes to the Minimum Wage Law.” U.S. Department of Labor. Available at <http://www.dol.gov/whd/minwage/coverage.htm>, and “Minimum Wage for Tipped Workers.” National Employment Law Project. 2008. [http://help.3cdn.net/331eca7ebfeefd2a6b\\_58m6y1f5f.pdf](http://help.3cdn.net/331eca7ebfeefd2a6b_58m6y1f5f.pdf).

The value of the minimum wage has fallen over the last 50 years even as the productivity of the average working person has doubled.<sup>126</sup> In the early post-war period, wages for middle- and even low-wage working people closely tracked productivity—increasing as productivity increased. In contrast, since the late 1960s wages have stagnated or even fallen as productivity has risen. For the lowest-paid working people who have seen their inflation-adjusted hourly wages fall, economists directly blame “the erosion of the minimum wage.”<sup>127</sup>

The minimum wage would be significantly higher had it kept pace with the growth in the cost of living, average wages, or productivity since its 1968 peak.

### Figure 10: Real Value of the Federal Minimum Wage Has Not Kept up with Productivity or Average Wage

Real Value of the Federal Minimum Wage, Actual and Hypothetical, at Various Growth Rates, 1968-2017 (2017 dollars)



**Note:** Growth in average wages measures average wages of production workers. Inflation measured using the CPI-U-RS and the CPI projection for 2017 from CBO (2017). Productivity is measured as total economy productivity net depreciation.

**Source:** Economic Policy Institute, 2017. Available at <http://www.epi.org/publication/another-year-of-congressional-inaction-has-further-eroded-the-federal-minimum-wage/>.

This history demonstrates why it is important that Congress not only raise the minimum wage, but also pass into law an automatic adjustment to keep pace with increasing prices and rising living standards in the future. “Indexing” the minimum wage to either inflation or wages (or both) can help accomplish this goal. Indexing the minimum wage to inflation, as many states currently do, ensures that the minimum wage keeps up with the cost of living, so that people working at the minimum wage have the same purchasing power in the future as they do today.<sup>128</sup> Indexing to average or

median wages helps ensure that the minimum wage keeps up with rising living standards, so that as the average working person benefits from economic growth, so does the lowest-paid working person.<sup>129</sup>

Rita, Mercelis, Krizma, Thea, Stephen, Quantina, Le’Ron, Pamela, and Gloria would directly benefit from guaranteeing a higher minimum wage to all working people. A higher minimum wage that is automatically updated so that it does not fall behind prices or living standards could also benefit us all by addressing many imbalances and existing inequities in American society.

Today, more than 40 million people, or 12.7 percent of the population, live in poverty.<sup>130</sup> Inequality is rife, as the bottom fifth of households earn only 5 percent of the nation’s before-tax income, while the top quintile receive 53 percent.<sup>131</sup> Barriers for women, people of color, and people with disabilities remain immense.

This poverty and inequality is driven in part by low wages, and society pays real costs. Research strongly suggests that raising the minimum wage will help us to begin to tackle some of our country’s deepest problems. In this section, we detail the research indicating that raising the minimum wage will:

- **Reduce poverty**
- **Reduce income inequality**
- **Reduce the gender pay gap**
- **Reduce the racial wage gap**

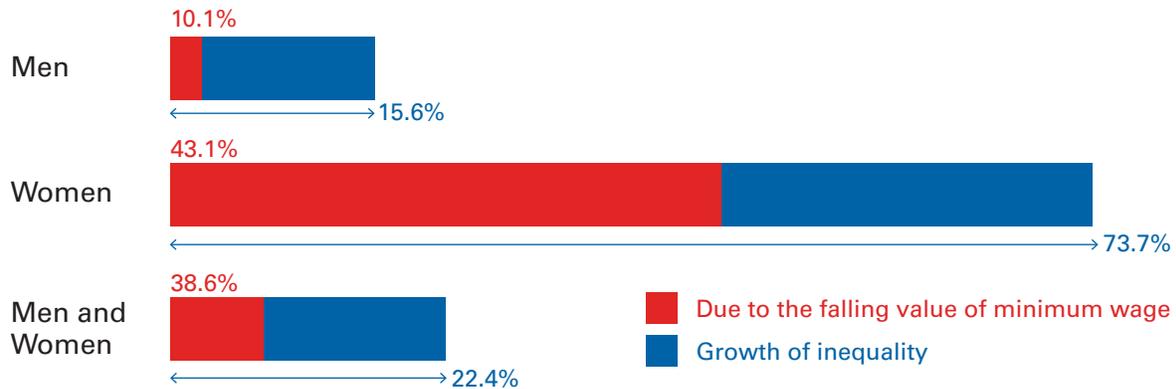
**Poverty.** Economists generally agree that raising the minimum wage reduces poverty.<sup>132</sup> According to a recent analysis by Arindrajit Dube at the University of Massachusetts, a 10 percent increase in the minimum wage reduces the nonelderly poverty rate by about 5 percent. The income gains stemming from a minimum wage increase are partly offset by reductions in public assistance. Dube projects that increasing the federal minimum wage to \$12 an hour (2017 dollars) would result in a 2.45 percentage point reduction in the nonelderly poverty rate (which stood at 13.5 percent in 2016). That means that 6.6 million fewer individuals would be living in poverty if the minimum wage were raised to \$12 an hour.<sup>133</sup> In previous work, Dube suggested that raising the minimum wage has “somewhat larger” effects on reducing poverty for “African American and Hispanic individuals and for children under the age of eighteen.”<sup>134</sup>

**Inequality.** Since the 1970s, earnings inequality has grown tremendously. Much of the increase in inequality is a result of gains at the top of the income distribution, as executive pay has skyrocketed and pay for working people in the middle has stagnated.<sup>135</sup> But inequality has also grown between median-wage working people and low-wage working people. No single factor is responsible for the growth in inequality between the middle and the bottom, but the literature suggests that the fall in the value of the minimum wage is a primary cause.<sup>136</sup> A recent study by economists at MIT, the London School of Economics, and the Federal Reserve Board finds that the falling value of the

minimum wage is responsible for 38.6 percent of the increase in wage inequality between the typical working person at the 10<sup>th</sup> percentile of the wage distribution and the working person making the median wage between 1979 and 2012.<sup>137</sup>

### Figure 11: Inequality Aggravated by Falling Minimum Wage

The Contribution of the Fall in the Real Minimum Wage Between 1979 and 2012 to the Increase in Inequality Between the Bottom 10<sup>th</sup> Percentile and Median Wage



**Notes:** Growth of inequality shows the percent change in the gap between the 10<sup>th</sup> percentile and median wages over 1979-2012, and the share of that change due to the fall in real minimum wage

**Source:** Washington Center for Equitable Growth. May 10, 2017. Available at <http://equitablegrowth.org/research-analysis/the-importance-of-raising-the-minimum-wage-to-boost-broad-based-u-s-economic-growth/>.

Wage inequality has grown more for women than men, and raising the minimum wage would especially help reduce wage inequality for women. For women, wage inequality between the bottom 10<sup>th</sup> percentile wage and the median wage increased 74 percent between 1979 and 2012, and the falling value of the minimum wage is responsible for nearly half (48 percent) of this increase in inequality. For men, inequality between the 10<sup>th</sup> percentile wage and the median wage increased 22 percent over this time period, and the falling value of the minimum wage accounts for 39 percent of this increase.<sup>138</sup>

Raising the minimum wage would reduce income inequality for all working people and especially help reduce inequality for people of color and women who are concentrated in low-paid jobs.

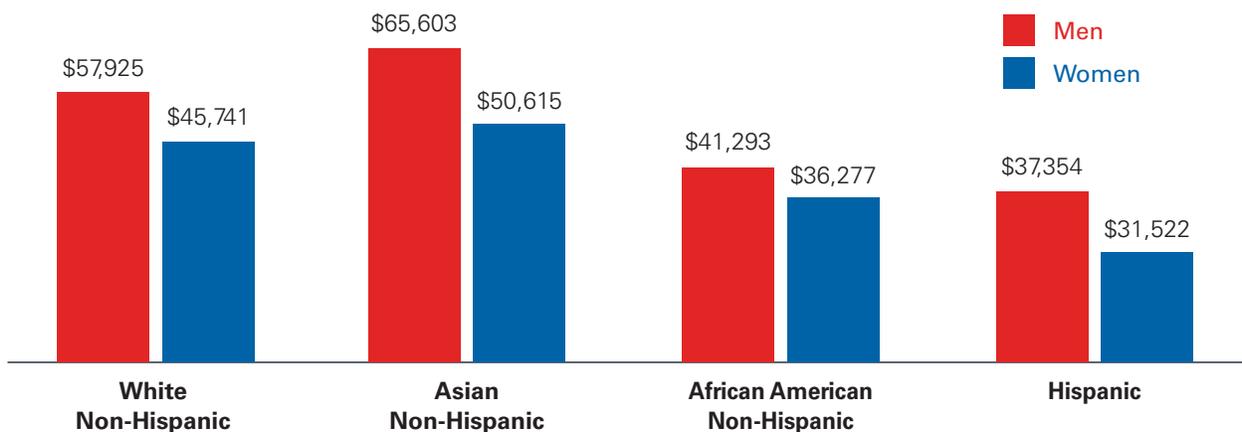
**The gender pay gap.** Because women would benefit more than men, raising the minimum wage would also help shrink the gender pay gap.<sup>139</sup> Overall, women in the United States working full-time, year-round are paid 80 cents for every dollar paid to men. The wage gap is even larger for many women of color. Asian women are paid 85 cents for every dollar paid to White, non-Hispanic men, but some ethnic subgroups of Asian women fare significantly worse.<sup>140</sup> African-American women make 63 cents and Latina women only 54 cents for every dollar paid to White, non-Hispanic men.<sup>141</sup> Meanwhile, immigrant women (of all races) are paid 67 cents for every dollar paid to native-born men.<sup>142</sup> The gender wage gap is already smaller in states with minimum wages above the federal minimum wage. Women who work full time in states with a minimum wage of at least \$8.25 per

hour—that is, at least a dollar above the federal minimum wage—face a wage gap of 13.5 cents, compared to a wage gap of 23 cents for women who work in states that follow the federal minimum wage of \$7.25 per hour. In other words, the wage gap in these states is 41 percent smaller.<sup>143</sup>

Eliminating the tipped minimum wage would also reduce the gender pay gap. In states that require tipped employees to be paid the regular minimum wage, the wage gap for all women working full time, year-round is 19 percent smaller than in states with a \$2.13 tipped minimum wage.<sup>144</sup> In those states, the wage gap for women in tipped occupations is 33 percent smaller, the poverty rate for women in tipped occupations is 27 percent lower, and the poverty rate for women of color in tipped occupations is 31 percent lower.<sup>145</sup>

### Figure 12: Significant Gender/Racial Income Gaps Remain

Full-Time, Year-Round Working People’s Median Annual Earnings by Race and Gender, 2016



**Source:** U.S. Census Bureau, 2016. Available at <https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-income-people.html>.

**The racial wage gap.** African-American and Hispanic working people earn less than White working people. Among people who work full time and part time, African-American men’s median hourly earnings are 73 percent those of White men and Latino men’s earnings are 69 percent those of White men’s. Women of color are even worse off, as discussed above. These racial wage gaps have persisted for decades, and new evidence suggests that the wage gap between White and African-American working people is increasing.<sup>146</sup>

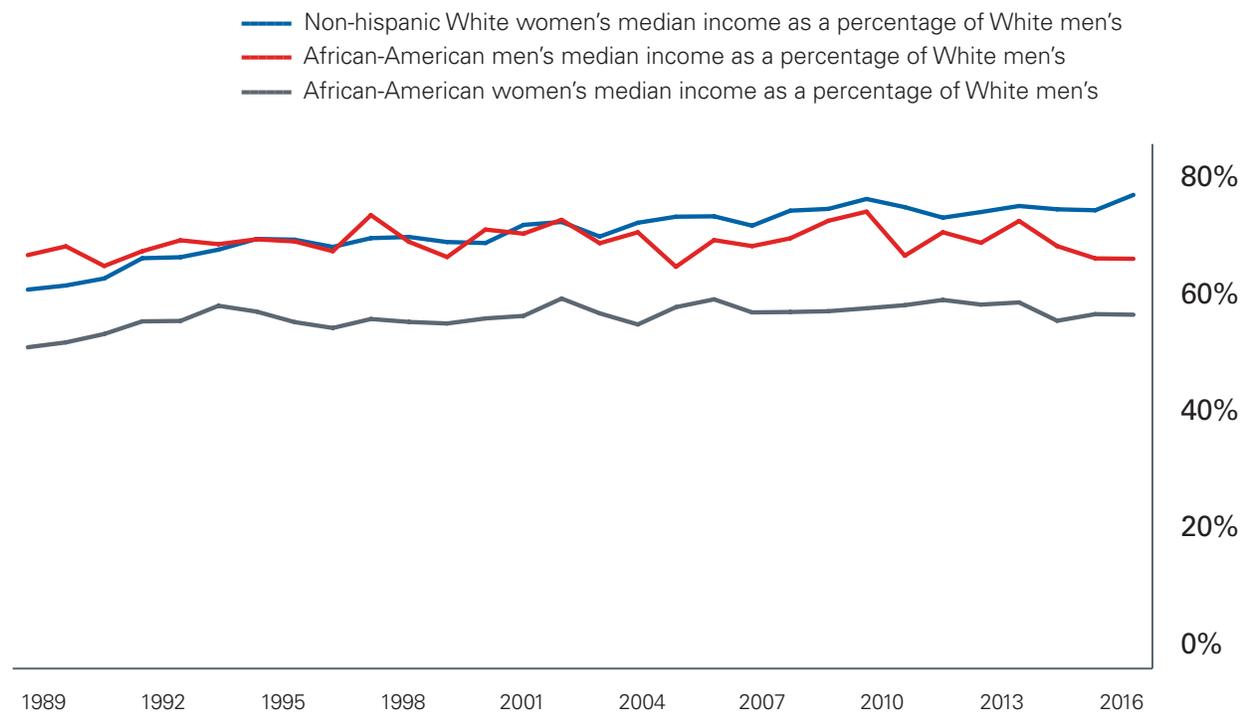
A recent study of the growth in the African-American-White wage gap between 1979 and 2016 by economists at the Federal Reserve Bank of San Francisco found that though African-American working people’s earnings increased over this period, White working people’s income grew much more quickly. The earnings of African-American men fell from 80 percent of White male earnings to about 70 percent of White male earnings while African-American women’s wages fell from 95 percent of White women’s to 82 percent. Even when taking into account factors that might explain African-American working people’s lower average pay (such as education, geography, or occupation/industry), there is a large portion of the wage gap that is, as the authors note, “not traceable to

differences in easily measured characteristics, but rather is unexplained within our model.” What is more, this “unexplained” wage gap accounts for almost all of the recent growth in the African-American-White wage gap.<sup>147</sup>

Because African-American, Latino, and Latina working people are over-represented in low-paid jobs, they would benefit from minimum wage increases at higher rates.

**Figure 13: African-American-White Income Gaps Persist**

Non-Hispanic White Women’s, African-American Men’s, and African-American Women’s Median Incomes as a Percentage of Non-Hispanic White Men’s Income, 1987-2016 (2016 dollars)



**Note:** Growth in average wages measures average wages of production workers. Inflation measured using the CPI-U-RS and the CPI projection for 2017 from CBO (2017). Productivity is measured as total economy productivity net depreciation.

**Source:** Economic Policy Institute, 2017. Available at <http://www.epi.org/publication/another-year-of-congressional-inaction-has-further-eroded-the-federal-minimum-wage/>.

## Eliminating the tipped minimum wage and the subminimum wage for working people with disabilities

**People working for tips.** In addition to raising the federal minimum wage, there are compelling reasons to eliminate the tipped minimum wage entirely and ensure that all working people are paid one fair wage.

First, the tipped minimum wage perpetuates a system in which wage theft is rampant. Because tracking tips to ensure people working for tips are earning at least the equivalent of the regular federal minimum wage is difficult—and often left up to the person working for tips—the result is that people working for tips are often paid below the standard minimum wage. Their employers often do not make up the difference between their actual earnings and the standard minimum wage, as the law requires. When the Department of Labor’s Wage and Hour Division investigated 9,000 full-service restaurants in 2010-2012, it found 1,170 infractions involving the so-called “tip credit” (the difference between the tipped minimum wage and the standard minimum wage). These infractions resulted in employers who had not paid people working for tips what they were owed being forced to pay nearly \$5.5 million in back wages.<sup>148</sup> Employers not only sometimes fail to make up the difference between working people’s tips and the minimum wage, but they also sometimes confiscate the tips directly, in violation of current federal law (though the Trump administration is proposing to weaken regulations that provide that tips are the property of the working people who receive them).<sup>149</sup>

Second, the tipped wage perpetuates a system of compensation that especially harms working people of color. People of color systematically earn less in tips than White working people. Studies of the restaurant industry have shown that customers discriminate against African-American servers, consistently tipping them less than White servers regardless of the quality of service.<sup>150</sup> It is not surprising, then, that working people of color feel the impact of the tipped minimum wage more than White working people: 17 percent of people of color who work for tips live in poverty, compared to 14 percent of White people who work for tips.<sup>151</sup>

Third, the tipped minimum wage helps create a work environment in which sexual harassment is rampant. Low-paid working people across industries, from hospitality to farm work, experience high levels of sexual harassment.<sup>152</sup> People working for tips in restaurants suffer sexual harassment at especially high levels.<sup>153</sup> Tipped restaurant servers are highly dependent on customers for their income, and on management for good shifts. This situation creates a power imbalance that makes people working for tips —many of whom are women—particularly vulnerable to sexual harassment. Some people working for tips feel that they must tolerate inappropriate behavior just to put food on the table.<sup>154</sup>

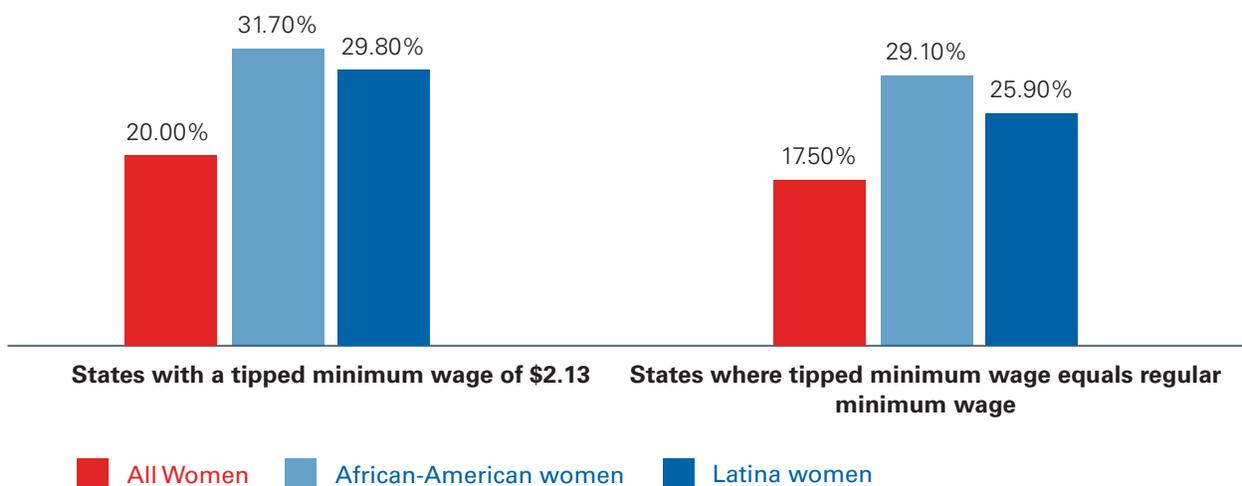
The accommodation and food services industry, which includes restaurants, hotels, and similar businesses, employs the largest percentage of people working for tips, and it is also the single largest source of sexual harassment claims in the country, accounting for 14.2 percent of all claims.<sup>155</sup> In a national survey of the restaurant industry, people working for tips reported experiencing sexual

harassment at higher rates than non-tipped working people, and women in tipped industries who earn the tipped minimum wage of \$2.13 an hour reported the highest rates of sexual harassment of all, double that of women earning tips in states that pay the same minimum wage to all working people.<sup>156</sup> As ROC United explains, “all too often the economic insecurity of living off tips contributes to higher levels of physical insecurity being reported by all people working in restaurants—and particularly women working in restaurants—in a workplace rife with sexual harassment.”<sup>157</sup>

Finally, eliminating the tipped minimum wage will increase the economic security of all working people, especially women. Research has shown that working people in states that have eliminated the tipped minimum wage and require employers to pay people working for tips the prevailing state minimum wage before tips—so-called “One Fair Wage” states—are less likely to live in poverty. Nearly 15 percent of all people working for tips in states with a \$2.13 an hour tipped minimum wage live in poverty, compared to 11.7 percent in states with one fair wage.<sup>158</sup> The benefits of one fair wage are especially significant for women, who make up two-thirds of the tipped workforce nationally.<sup>159</sup> In states with one fair wage: the wage gap for women in tipped occupations is 33 percent smaller; the poverty rate for women in tipped occupations is 27 percent lower; and the poverty rate for women of color in tipped occupations is 31 percent lower.<sup>160</sup> There is also evidence that increasing wages for the predominantly female workforce in tipped occupations can help reduce poverty and shrink the gender wage gap. In states with one fair wage, the wage gap for all women working full time is 19 percent smaller; the poverty rate for all women is 13 percent lower; the poverty rate for African-American women is 8 percent lower; and the poverty rate for Latina women is 13 percent lower.<sup>161</sup> Meanwhile, employment in the restaurant industry is healthy in states with one fair wage, suggesting that eliminating the tipped minimum wage does not negatively affect employment or the industry.<sup>162</sup>

### Figure 14: Women in the Tipped Workforce are Less Likely to Live in Poverty in States with One Fair Wage

Poverty Rates for Women and Women of Color in the Tipped Workforce, by State Tipped Minimum Wage Level, 2010-2014



Source: National Women Law Center, 2016. Available at <https://nwlc.org/wp-content/uploads/2016/10/Tipped-Wage-10.17.pdf>.

**Working people with disabilities.** The subminimum wage for people with disabilities is even more complicated than the tipped minimum wage, and research suggests that employer compliance with relevant regulations of DOL is, if anything, worse. Historically, employer violations of the terms of the certificates they receive from the department that allow them to pay subminimum wages has been more the norm than the exception. In 1979, a DOL study found that 57 percent of workshops investigated by the agency violated the wage requirements of the FLSA.<sup>163</sup> A GAO study of the same period found that 3.8 to 5.9 percent of sheltered workshops were investigated annually, and of those, 60 percent had underpaid their employees.<sup>164</sup> When the GAO attempted to investigate again in the early 2000s, it found large numbers of wage violations among workshops employing people with disabilities, but it was impossible to tell how pervasive the violations were because DOL did not systematically investigate employers or keep accurate records of the investigations they did conduct.<sup>165</sup> In the years since, DOL has attempted to improve oversight of employers paying subminimum wages to people with disabilities. But between 2004 and 2009, DOL conducted on average only 135 on-site reviews of employers with certificates to employ working people with disabilities at subminimum wages, representing only 4 percent of employers.<sup>166</sup> This means that employers could be denying wages guaranteed to thousands of working people with disabilities under the FLSA, but DOL and the public are unaware.

“... sheltered workshops have replaced institutions in many states as the new warehousing system and are the new favored locations where people with disabilities are sent to occupy their days.”

Even when employers do abide by their agreements with DOL and follow the FLSA, however, there are serious problems with the subminimum wage system and the sheltered workshops they support.

At its most benign, segregated work is an outdated service model that makes many working people with disabilities feel isolated and denies them the ability to earn a fair wage for their work. Over the last several decades, a consensus has emerged that jobs programs should seek to help people with disabilities integrate into their communities, and work in paid positions alongside people without disabilities. The recently reauthorized Workforce Innovation and Opportunity Act (WIOA) encourages community integrated employment, and services that help people with disabilities transition to such employment.<sup>167</sup> Much of the work in sheltered workshops is repetitive, and does not prepare working people for jobs in the community. A GAO survey found that most working people at sheltered workshops have worked at the same workshop for more than five years, and some for as many as 20 years. In the year studied, only 5 percent of workers transitioned from sheltered employment to work elsewhere.<sup>168</sup> As the National Disability Rights Network noted, “sheltered workshops have replaced institutions in many states as the new warehousing system and are the new favored locations where people with disabilities are sent to occupy their days.”<sup>169</sup>

The sheltered workshop system and the subminimum wage that supports it also reinforces the economic insecurity of people with disabilities, and their physical and emotional vulnerability. Working people at sheltered workshops are paid very low wages—on average \$2.50 an hour, according to the GAO survey.<sup>170</sup> These low wages leave many working people with disabilities dependent on family support and government benefits, such as SSI and Medicaid, to survive.<sup>171</sup> Another study found that only 16 percent of people placed in sheltered work had health insurance.<sup>172</sup> In the worst cases, sheltered workshops create environments where people with disabilities have been abused and neglected—told to sit and stare blankly at a wall for hours on end or taunted and humiliated because of their disabilities.<sup>173</sup> The subminimum wage for people with disabilities perpetuates a system that segregates working people with disabilities, makes abuse and neglect possible, and drastically limits working people’s opportunities.

# The Economic Impact of Raising the Minimum Wage

Raising the minimum wage and eliminating the tipped minimum wage and the subminimum wage for working people with disabilities in sheltered workshops would have sizable positive effects throughout American society. There is substantial support among economists for raising the minimum wage. In 2014, 600 economists, including seven Nobel Prize winners, signed a letter supporting a minimum wage increase.<sup>174</sup> Research suggests that there would be few, if any, negative economic effects to raising the minimum wage.

The most comprehensive studies of historical minimum wage increases have found that they do not cause detectable job loss. A common argument against increasing the minimum wage is that it will hurt those who it intends to help by reducing employment opportunities for low-wage working people. But there is little-to-no evidence that this has happened in the past. The most exhaustive study to date, an Upjohn Institute-published review of the evidence, found that raising the minimum wage had “little or no effect on employment and hours.”<sup>175</sup>

Instead, research has shown that raising the minimum wage often leads to increases in productivity and reductions in turnover, resulting in savings for employers.<sup>176</sup> In addition, employers often respond with modest price increases, while working people respond by consuming more.<sup>177</sup> Economists at the University of California Berkeley’s Center on Wage and Employment Dynamics have drawn on this research to predict that New York State’s decision to raise the minimum wage to \$15 will lead to a net gain of jobs once it is fully phased in. The Berkeley economists predict that the new higher minimum wage will lead to some job loss, as companies mechanize processes, eliminate some jobs due to productivity increases, and raise prices (resulting in a drop in consumer demand that results in further job loss). But they expect this job loss will be more than balanced out by an increase in consumer demand that will lead to the creation of even more jobs.<sup>178</sup>

Today, cities across the country are in the process of implementing significant minimum wage increases. In some cases, the increases are higher and faster than what we have seen in recent decades. The evaluations of these increases are just being released, and in a few cases economists have come to opposite conclusions about the effect of these increases on employment.<sup>179</sup>

But there are compelling reasons to believe that the country can sustain a significantly higher federal minimum wage today. Over the last 50 years, the economy has grown considerably, and productivity has nearly doubled. If the minimum wage had been raised to keep pace with productivity growth since the late 1960s, it would be almost \$19 an hour today.<sup>180</sup> In addition, a higher federal minimum wage may well be tolerated better by low-wage regions today than in the past, because there has been significant wage compression across the United States over the last several decades. Working people’s average pay in high-cost areas is more similar to working people’s average pay in low-cost areas than it once was.<sup>181</sup>

## Figure 15: Median Wages in Low-Wage Regions are Closer to the National Median Wage than 50 Years Ago

Census Division Median Wages as a Share of the National Median Wage, 1968, 1979, 2007, and 2013

	New England	Middle Atlantic	East North Central	West North Central	South Atlantic	East South Central	West South Central	Mountain	Pacific
<b>1968</b>	98.9%	102.90%	106.20%	97.80%	87.20%	80.80%	87.40%	95.50%	116.70%
<b>1979</b>	98.40%	105.70%	109.90%	93.80%	90.50%	88.80%	93.30%	103.60%	109.90%
<b>2007</b>	116.20%	106.40%	99.70%	96.90%	97.70%	92.00%	89.60%	98.60%	106.70%
<b>2013</b>	123.40%	111.30%	99.80%	98.70%	99.20%	93.20%	96.00%	99.80%	110.30%

**Source:** Economic Policy Institute's analysis of Current Population Survey Annual Social and Economic Supplement microdata. Available at <http://www.epi.org/publication/we-can-afford-a-12-00-federal-minimum-wage-in-2020/>.

Finally, tens of millions of working people would benefit from raising the minimum wage to \$15 per hour.<sup>182</sup> This is a significant share of America's workforce, but we need to remember that even a \$15 per hour minimum wage still falls short of meeting many families' basic needs throughout the country.<sup>183</sup>

## Recent Progress is Under Threat

As the value of the federal minimum wage has fallen in recent years, states and localities have led the way in adopting higher wages. A growing movement of advocates, including the Fight for \$15, the Movement for Black Lives, labor unions and worker rights organizations, women’s rights organizations, and immigrants’ rights organizations, have fought successfully for state and local minimum wage increases.<sup>184</sup>

Currently, 29 states have minimum wages that are higher than the federal minimum of \$7.25 an hour. On January 1, 2018, minimum wage increases went into effect in 18 states, following 19 state-level increases in 2017.<sup>185</sup> California, New York, and Washington, D.C.—which together have nearly one-fifth of the nation’s workforce—have recently enacted laws to increase their minimum wages in regular steps to \$15 per hour.<sup>186</sup> Arizona, Colorado, Maine, Oregon, and Washington State have all enacted laws to increase their minimum wages to between \$12 and \$14.75 an hour.<sup>187</sup> Currently, campaigns are underway in more than a dozen states to raise their minimum wages to between \$12 and \$15 per hour, including: Connecticut, Florida, Hawaii, Illinois, Maryland, Massachusetts, Michigan, Missouri, Nevada, New Jersey, Pennsylvania, Rhode Island, and Vermont.<sup>188</sup>

Many states have minimum wages that are only slightly higher than the federal minimum wage, however. Twelve of the 29 states with minimum wages above the federal minimum have relatively low state minimum wages of under \$9 an hour. Almost all of these 12 states were only able to enact higher minimum wages at all “because of grassroots citizen ballot initiatives, with minimum wage increases passed either directly by the voters or by legislatures in response to ballot campaigns.”<sup>189</sup>

Thirty-nine localities have adopted minimum wages that are higher than their state minimum wages, and a number have recently enacted legislation to raise their minimum wage for some or all private sector employees over the next several years to \$15 per hour: Flagstaff, Arizona; Los Angeles; Minneapolis; San Francisco; San Jose; SeaTac; Seattle; and Montgomery County, MD.<sup>190</sup> Chicago and Miami Beach have approved an increase to \$13 and \$13.31 an hour, respectively, though Miami Beach’s increase has recently been struck down by state courts.<sup>191</sup> In many cities, the fight for a \$15 minimum wage began with strikes in the fast food industry and demands for union organization. The fight for a fair wage was then taken up by low-wage working people across the city, many of whom are women and people of color. In Minneapolis, the campaign to raise the local minimum wage was led by the Centro de Trabajadores Unidos en la Lucha and \$15 Now, and it not only succeeded in convincing the city council to unanimously approve a \$15 per hour minimum wage, it also won some of the strongest “Earned Sick and Safe Time” policies in the nation.<sup>192</sup>

Some private sector employers have also embraced a \$15 minimum wage. Employers such as Aetna, Facebook, Amalgamated Bank, the university-affiliated hospital Johns Hopkins Medicine, and academic institutions such as the University of Rochester have also raised base pay to \$15 per hour for their working people and/or their contractors.<sup>193</sup> Target recently announced that it will raise wages for all of their employees to at least \$15 by 2020.<sup>194</sup>

There has also been recent progress in reducing the use of the subminimum wage for people with disabilities, and eliminating the tipped minimum wage in some states. Alaska recently repealed its minimum wage exemption for people with disabilities, joining Maryland and New Hampshire in phasing out the subminimum wage.<sup>195</sup> Across the country, state human services agencies, in response to state and federal legislation, are working to move people with disabilities out of sheltered workshops and into competitive employment.<sup>196</sup> Two court cases have also encouraged this movement. In Ohio, a precedent-setting administrative law decision in *Magers v. Seneca Re-ad Industries* required one sheltered workshop to pay three of its employees the standard minimum wage.<sup>197</sup> In Oregon, more than 1,000 people with disabilities are being given the opportunity to leave sheltered workshops for competitive employment under the terms of the settlement of the 2012 class action lawsuit of *Lane v. Brown*, in which sheltered workshop employees alleged that the State of Oregon violated the Americans with Disabilities Act for segregating them in sheltered workshops where they had no interaction with their non-disabled peers.<sup>198</sup> The U.S. Department of Justice intervened on behalf of the plaintiffs in this case.<sup>199</sup>

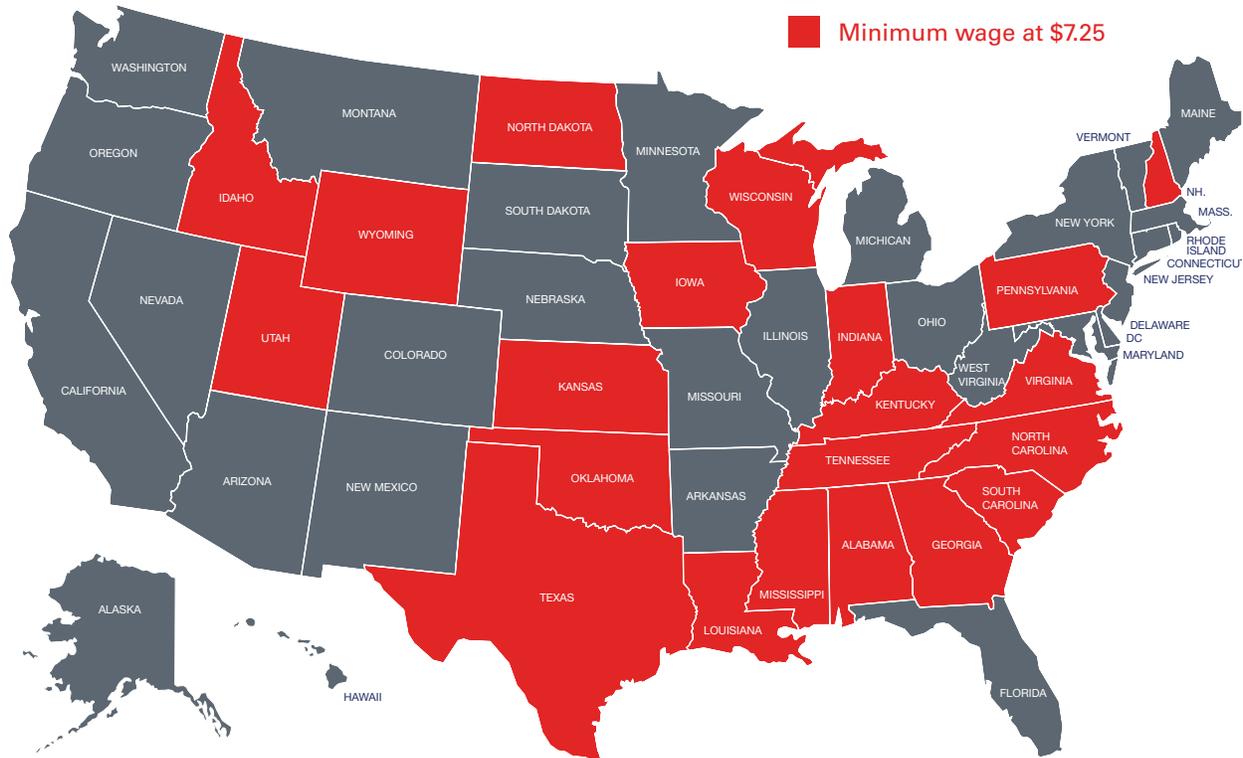
For people working for tips, seven states currently require tipped employees to be paid the standard state minimum wage before tips: Alaska, California, Montana, Minnesota, Nevada, Oregon, and Washington.<sup>200</sup> There are ongoing campaigns in Michigan, New York, and Washington, D.C., to eliminate the tipped minimum wage.<sup>201</sup> Meanwhile, a number of restaurateurs have also eliminated tipping at their establishments—including Danny Meyer and Andrew Tarlow.<sup>202</sup>

**Figure 16: Federal and State Hourly Minimum Wages and Tipped Minimum Wages as of January 3, 2018**

State	Regular	Tipped
<b>Regular minimum wage at \$7.25:</b>		
United States	\$7.25	\$2.13
Alabama	\$7.25	\$2.13
Georgia	\$7.25	\$2.13
Indiana	\$7.25	\$2.13
Kansas	\$7.25	\$2.13
Kentucky	\$7.25	\$2.13
Louisiana	\$7.25	\$2.13
Mississippi	\$7.25	\$2.13
North Carolina	\$7.25	\$2.13
Oklahoma	\$7.25	\$2.13
South Carolina	\$7.25	\$2.13
Tennessee	\$7.25	\$2.13
Texas	\$7.25	\$2.13
Utah	\$7.25	\$2.13
Virginia	\$7.25	\$2.13
Wyoming	\$7.25	\$2.13
Wisconsin	\$7.25	\$2.33
Pennsylvania	\$7.25	\$2.83
New Hampshire	\$7.25	\$3.26
Idaho	\$7.25	\$3.35
Iowa	\$7.25	\$4.35
North Dakota	\$7.25	\$4.86
<b>Regular minimum wage from \$7.25 to \$9.00:</b>		
New Mexico	\$7.50	\$2.13
Missouri	\$7.85	\$3.93
Delaware	\$8.25	\$2.23
Illinois	\$8.25	\$4.95
Florida	\$8.25	\$5.23
Nevada	\$8.25	\$8.25
Ohio	\$8.30	\$4.15
Montana	\$8.30	\$8.30
Arkansas	\$8.50	\$2.63
New Jersey	\$8.60	\$2.13
West Virginia	\$8.75	\$2.63
South Dakota	\$8.85	\$4.43
<b>Regular minimum wage from \$9.00 to \$10.00:</b>		
Nebraska	\$9.00	\$2.13
Michigan	\$9.25	\$3.52
Maryland	\$9.25	\$3.63
Minnesota	\$9.65	\$9.65
Alaska	\$9.84	\$9.84
<b>Regular minimum wage from \$10.00 to \$12.00:</b>		
Maine	\$10.00	\$5.00
Rhode Island	\$10.10	\$3.89
Connecticut	\$10.10	\$6.38
Hawaii	\$10.10	\$10.10
Colorado	\$10.20	\$7.18
Oregon	\$10.25	\$10.25
New York	\$10.40	\$7.50
Vermont	\$10.50	\$5.25
Arizona	\$10.50	\$7.50
Massachusetts	\$11.00	\$3.75
California	\$11.00	\$11.00
Washington	\$11.50	\$11.50
<b>Regular minimum wage above \$12.00:</b>		
District of Columbia	\$12.50	\$3.33

Despite this progress at the state and local level and at individual companies, federal action is necessary. Over the next decade, economists expect the fastest job growth to occur in industries that employ large numbers of low-paid working people.<sup>203</sup> Meanwhile, 21 states remain stuck at the federal minimum wage of \$7.25 an hour.

**Figure 17: Twenty-One States’ Minimum Wage is Stuck at \$7.25** (as of January 3, 2018)



**Source:** Minimum Wage Tracker. “The Economic Policy Institute, January 2, 2018. Available at [http://www.epi.org/minimum-wage-tracker/#/min\\_wage/](http://www.epi.org/minimum-wage-tracker/#/min_wage/).

Ten of the 21 states stuck at \$7.25 an hour are in the South.<sup>204</sup> These southern states have large African-American populations, growing Latino and Asian American populations, and low rates of union representation, making it particularly difficult for the lowest-paid working people to win wage increases.<sup>205</sup>

What is more, 17 of the 21 states stuck at the federal \$7.25 minimum wage have passed “preemption” laws that forbid cities and counties from implementing higher local minimum wages on their own.<sup>206</sup> In 2017, state preemption laws in Iowa and Missouri nullified local minimum wage laws that had already gone into effect—causing some working people’s paychecks to *decrease*.<sup>207</sup> Because the local wage hikes preempted by these laws would have disproportionately helped African Americans, who are overrepresented in minimum wage jobs in the cities that passed them, the effect of the preemption laws has been to stifle policies that would have reduced racial as well as economic inequality. Examining data from seven states that have recently passed preemption laws, the Partnership for Working Families found that in each case they were passed by overwhelmingly white state legislatures overturning municipal laws passed by majority African-

American cities.<sup>208</sup> Preemption is often portrayed as a partisan conflict between Democratic cities and Republican state legislatures, but the essential effect of this struggle is to prevent progress for people of color and women working in low-paid jobs.<sup>209</sup>

### Figure 18: Many Southern States Stuck at \$7.25 Have Large African-American and Latino Population

African American and Latino Populations in the 10 Southern States Stuck at \$7.25, 2016

State	African-American Population	Percent of African Americans	Latino Population	Percent of Latinos
Alabama	1,282,000	26.50%	194,000	4.00%
Georgia	1,596,000	19.20%	725,000	8.70%
Kentucky	350,000	7.90%	147,000	3.30%
Louisiana	1,494,000	32.20%	223,000	4.80%
Mississippi	1,121,000	37.50%	87,000	2.90%
North Carolina	2,137,000	21.50%	885,000	8.90%
South Carolina	1,322,000	27.40%	258,000	5.30%
Tennessee	1,101,000	16.80%	327,000	5.00%
Texas	3,221,000	11.90%	10,418,150	38.60%
Virginia	1,733,000	20.80%	725,000	8.70%

Source: 2012-2016 American Community Survey 5-Year Estimates. U.S. Census Bureau. 2016.

In 2016, for example, an all-white majority of the Alabama state legislature joined with the White governor to enact a preemption bill after the City Council of the majority African-American city of Birmingham unanimously passed a local minimum wage law.<sup>210</sup> The Alabama NAACP has joined forces with several Birmingham fast food workers and Greater Birmingham Ministries to challenge the state law, claiming that it was enacted with “racial animus” and violates the Equal Protection Clause of the Fourteenth Amendment and the Voting Rights Act.<sup>211</sup>

Members of Congress have introduced widely supported legislation to raise the minimum wage in every Congress since 2012, to no avail.<sup>212</sup> In 2014, a Senate filibuster blocked progress on a minimum wage bill despite the fact that a majority of senators supported it. According to the National Employment Law Project, “since then, no specific minimum wage increase has been allowed a hearing or a vote in Congress.”<sup>213</sup> In 2017, the historic Raise the Wage Act was introduced by Sens. Bernie Sanders, I. Vt., and Patty Murray, D. Wash., and Reps. Bobby Scott, D. Va., and Keith Ellison, D. Minn. The bill would increase the federal minimum wage to \$15 per hour by 2024. Thereafter, it would index the minimum wage to the median wage to ensure that it keeps up with increasing wages and reflects changes in the overall labor market. The bill would also eliminate the tipped minimum wage and the subminimum wage for people with disabilities. Previous legislation

has proposed eliminating the tipped minimum wage, but was not enacted. This is the first time proposed legislation would eliminate the subminimum wage for people with disabilities.<sup>214</sup> Neither the House of Representatives nor the Senate has acted on it.

While Congress has failed to act, the executive branch under President Obama took some steps to improve pay for low-wage working people. In February 2014, Obama signed Executive Order 13658, which raised the minimum wage that federal contractors must pay their employees. As of January 1, 2018, the minimum wage for federal contractors is \$10.35 an hour.<sup>215</sup> Two-hundred thousand working people were expected to benefit from the order.<sup>216</sup>

In the last several months, however, the Trump administration has taken actions that may well limit working people's pay in order to benefit employers. Late in 2017, DOL gave notice that it plans to rescind an Obama-era regulation that forbids employers from requiring tipped employees from sharing their tips with non-tipped employees, such as cooks and other kitchen staff. This proposed rule from the Trump administration would essentially make tips the property of employers, and allow them to keep the tips for themselves so long as the people who earn the tips are paid the minimum wage. The Economic Policy Institute estimates that under the proposed rule, employers could pocket \$5.8 billion in working people's tips—\$4.6 billion from women alone.<sup>217</sup> In early February 2018, *Bloomberg Law* reported that DOL had prepared but then buried economic analysis for this proposed rulemaking that would have demonstrated that people working for tips would lose billions of dollars in wages if the proposed rule were to be finalized and implemented.<sup>218</sup>

In addition, DOL has indicated that it plans to limit eligibility for overtime pay. Under the FLSA, people working more than 40 hours a week must be paid 1.5 times their rate of pay for extra hours as long as their salary falls under a certain threshold. Under Obama, DOL promulgated regulations to raise that threshold significantly so that more working people would be eligible for overtime, but they were blocked by a federal district court. The Trump administration has indicated it may embrace a significantly lower threshold than that proposed under the Obama administration, resulting in fewer working people being paid overtime.<sup>219</sup>

Despite progress in raising working people's pay, bold federal action is necessary to counter these threats and ensure that working people get what President Roosevelt originally envisioned: "a fair day's pay for a fair day's work."

## Conclusion

In an America as good as its ideals, every person should be able to fully contribute to, and benefit from, the economy. Working people should be able to live and work in dignity.

We are not there yet. Too many people in the United States live in poverty, and middle- and lower-income working people are not being paid fairly for the work that they do. Past and present discrimination, and the persistence of economic and social policies shaped by Jim Crow, mean that women and people of color are more likely to be paid low wages that make it so that they cannot pay the bills.

An economy that works for all of us would provide a livable floor on wages for all working people. A fair and adequate minimum wage that allows people to sustain their families and participate fully in our democracy is one of the foundations of economic security in the 21<sup>st</sup> century.

Raising the federal minimum wage and eliminating the tipped minimum wage and the subminimum wage for people with disabilities would bring us closer to this vision. It would help redress longstanding inequities in American society: bolstering the economic security of working families, reducing poverty and inequality, shrinking the racial and gender wage gaps, and creating safer workplaces where all working people are valued and treated with dignity and respect.

Raising the minimum wage and expanding coverage to more working people would particularly help women, people of color, people with disabilities, immigrants, formerly incarcerated people, LGBTQ individuals, and other working people who are more likely to be paid low wages. It would be one important step toward casting off one of the remaining vestiges of Jim Crow.

Most Americans support raising the minimum wage. According to a 2015 poll by Hart Research Associates, nearly two in three voters support raising the federal minimum wage to \$15 per hour by 2020.<sup>220</sup> Two-hundred anti-poverty, civil rights, faith, and labor organizations recently signed on to a letter endorsing raising the minimum wage in regular steps to \$15 per hour by 2024.<sup>221</sup>

It is time for Congress to pass and for the president to sign a significant minimum wage increase. The minimum wage should be increased to \$15 per hour as soon as possible, through a series of regular steps. Once it reaches \$15, the minimum wage should be indexed to either inflation, wages, or both, so that its real value keeps up with increases in the cost of living and living standards. Finally, the new minimum wage should be guaranteed to people who work for tips and working people with disabilities just as it is guaranteed to other working people.

We need a minimum wage that works for Rita, Mercelis, Krizma, Thea, Stephen, Quantina, Le’Ron, Pamela, and Gloria. We need a minimum wage that works for all of us.

## Endnotes

- <sup>1</sup> A transcript of the speech was published on August 20, 2013 in the *Florida Times-Union*. A copy can be found here <http://www.jacksonville.com/article/20130820/NEWS/801247969>
- <sup>2</sup> Universal Declaration of Human Rights, Article 23, S. 3, available at <http://www.un.org/en/universal-declaration-human-rights/>
- <sup>3</sup> For examples of low-paid occupations see “Low Wage Workers: Poverty and Use of Selected Federal Social Safety Net Programs Persist among Working Families.” U.S. Government Accounting Office. 2017, p. 19. See also Robbins, Katherine Gallagher and Julie Vogtman. “Low-Wage Jobs Held Primarily by Women Will Grow the Most Over the Next Decade.” 2016
- <sup>4</sup> Bivens, Josh. “Inequality is slowing U.S. economic growth.” Economic Policy Institute. December 12, 2017. Pg. 2. <http://www.epi.org/publication/secular-stagnation/>
- <sup>5</sup> *Ibid.* Pg. 3.
- <sup>6</sup> As the Bureau of Labor Statistics notes in the survey from which this data is drawn, “Hourly earnings for hourly-paid workers do not include overtime pay, commissions, or tips received. The presence of workers with hourly earnings below the minimum wage does not necessarily indicate violation of the Fair Labor Standards Act, as there are exceptions to the minimum wage provisions of the law. In addition, some survey respondents may have rounded hourly earnings to the nearest dollar and, as a result, reported hourly earnings below the minimum wage even though they earned the minimum wage or higher.” “Wage and salary workers paid hourly rates with earnings at or below the prevailing federal minimum wage by selected characteristics.” Current Population Survey, Bureau of Labor Statistics U.S. Department of Labor, 2017. Available at <https://www.bls.gov/cps/cpsaat44.htm>. For a full explanation of exemptions and carve outs, see “Questions and Answers about the Minimum Wage.” U.S. Department of Labor, Wage and Hour Division. Available at <https://www.dol.gov/whd/minwage/q-a.htm>. See also “Fair Labor Standards Act Advisor, Exemptions.” U.S. Department of Labor. Available at <https://webapps.dol.gov/elaws/whd/flsa/screen75.asp>.
- <sup>7</sup> According to the National Women’s Law Center, more than 26 million people work in low-wage occupations that typically pay less than \$11 an hour. Tucker, Jasmine and Kayla Patrick. “Low-Wage Jobs are Women’s Jobs: The Overrepresentation of Women in Low-Wage Work.” National Women’s Law Center, August 2017. Available at <https://nwlc.org/wp-content/uploads/2017/08/Low-Wage-Jobs-are-Womens-Jobs.pdf>.
- <sup>8</sup> Trung, Irene, et al. “The Growing Movement for \$15.” National Employment Law Project, November 2015. Available at <http://www.nelp.org/content/uploads/Growing-Movement-for-15-Dollars.pdf>.
- <sup>9</sup> *Ibid.* See also Robbins, Katherine Gallagher and Julie Vogtman. “Low-Wage Jobs Held Primarily by Women Will Grow the Most Over the Next Decade.” National Women’s Law Center, April 2016. Available at <https://nwlc-ciw49tixgw5lbab.stackpathdns.com/wp-content/uploads/2016/04/Low-Wage-Jobs-Held-Primarily-by-Women-Will-Grow-the-Most-Over-the-Next-Decade.pdf>. Tucker, Jasmine and Kayla Patrick. “Low-Wage Jobs are Women’s Jobs: The Overrepresentation of Women in Low-Wage Work.” 2017. And “Characteristics of Minimum Wage Workers, 2016,” BLS Reports, Bureau of Labor Statistics, U.S. Department of Labor, April 2017. <https://www.bls.gov/opub/reports/minimum-wage/2016/home.htm#table1>.
- <sup>10</sup> “Report on the Economic Well-Being of U.S. Households in 2016.” Board of Governors of the Federal Reserve System, May 2017. Available at <https://www.federalreserve.gov/publications/files/2016-report-economic-well-being-us-households-201705.pdf>.
- <sup>11</sup> “Low-Wage Workers: Poverty and Use of Selected Federal Social Safety Net Programs Persist Among Working Families.” U.S. Government Accounting Office, 22 September 2017. Available at <https://www.gao.gov/products/GAO-17-677>.
- <sup>12</sup> In 2016, 29 percent of families with a worker earning the federal minimum wage were enrolled in Medicaid and 16 percent received benefits through the Supplemental Nutrition Assistance Program (SNAP). More were eligible for these programs, but did not participate. *Ibid.* On the use of public assistance among low-wage workers generally, see Cohen, Patricia. “Working, but Needing Public Assistance Anyway.” *New York Times*, 12 April 2015. Available at <https://www.nytimes.com/2015/04/13/business/economy/working-but-needing-public-assistance-anyway.html?login=email>. Jacobs, Ken, et al. “The High Public Cost of Low Wages.” UC Berkeley Labor Center, 13 April 2015. Available at <http://laborcenter.berkeley.edu/the-high-public-cost-of-low-wages/>.
- <sup>13</sup> “Statement on Visit to the USA, by Professor Philip Alston, United Nations Special Rapporteur on extreme poverty and human rights.” Office of The High Commissioner, United Nations, 15 December 2017. Available at <http://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=22533&LangID=E>.
- <sup>14</sup> For a summary of the historical statistics on inequality see Stone, Chad et al. “A Guide to Statistics on Historical Trends in Income Inequality.” Center on Budget and Policy Priorities, updated 11 October 2017. Available at <https://www.cbpp.org/research/poverty-and-inequality/a-guide-to-statistics-on-historical-trends-in-income-inequality>.
- <sup>15</sup> “The Productivity-Pay Gap.” Economic Policy Institute, October 2017. Available at <https://www.epi.org/productivity-pay-gap/>.
- <sup>16</sup> Bivens, Josh et al. “Raising America’s Pay: Why It’s Our Central Economic Policy Challenge.” Economic Policy Institute, 4 June 2014. Available at <http://www.epi.org/publication/raising-americas-pay/>.
- <sup>17</sup> This represents the share of wage and salary employees who are union members, including employees in the public sector. See Hirsch, Barry and David Macpherson, “U.S. Historical Tables: Union Membership, Coverage, Density and Employment, 1973-2017.” *Union Membership and Coverage Database, 2018*. Available at <http://unionstats.com/>. On employer mobilization against unions, see, for example, Dixon, Marc. “Limiting Labor: Business Political Mobilization and Union Setback in the States.” *Journal of Policy History* 19(3): 313-344, 2007. Phillips-Fein, Kim. “If Business and the Country Will Be Run Right: The Business Challenge to the Liberal Consensus, 1945-1964.” *International Labor and Working-Class History* 72: 192-215, Fall 2007. Available at <http://www.jstor.org/stable/27673100>.

<sup>18</sup> Cooper, David. "Raising the minimum wage to \$15 by 2024 would lift wages for 41 million American workers." Economic Policy Institute, 26 April 2017. Available at <http://www.epi.org/publication/15-by-2024-would-lift-wages-for-41-million/>. Schmitt, John. "Minimum Wage: Catching Up to Productivity." *Democracy Journal*, Summer 2013. Available at <https://democracyjournal.org/magazine/29/minimum-wage-catching-up-to-productivity/>. Cooper, David, et al. "We Can Afford a \$12 Federal Minimum Wage in 2020." Economic Policy Institute, 30 April 2015. Available at <http://www.epi.org/publication/we-can-afford-a-12-00-federal-minimum-wage-in-2020/>. Bivens, Josh et al. "Raising America's Pay: Why It's Our Central Economic Policy Challenge." 2014. On the contribution of the declining value of the minimum wage to rising inequality, see Mishel, Lawrence, et al. "Wage Inequality: A Story of Policy Choices." *New Labor Forum*, 4 August 2014. Available at <http://www.epi.org/files/charts/wage-inequality-a-story-of-policy-choices.pdf>.

<sup>19</sup> Georgetown Center on Poverty and Inequality calculations based on Cooper, David. "Another year of congressional inaction has further eroded the federal minimum wage." 2017.

<sup>20</sup> "On 25th Anniversary of Last Tipped Minimum Wage Increase, Prominent National Advocacy and Research Groups Call for Nation to Adopt One Fair Wage for All Workers." Restaurant Opportunities Centers United (hereafter ROC United), 31 March 2016. Available at <http://rocunited.org/2016/03/25th-anniversary-2-13/>. "Raise the Wage: Women Fare Better in States with Equal Treatment for Tipped Workers." National Women's Law Center and ROC United, 17 October 2016. Available at <https://nwlc.org/resources/raise-the-wage-women-fare-better-in-states-with-equal-treatment-for-tipped-workers/>.

<sup>21</sup> "Raise the Wage: Women Fare Better in States with Equal Treatment for Tipped Workers." National Women's Law Center and ROC United. 2016.

<sup>22</sup> Frye, Jocelyn. "Not Just the Rich and Famous." Center for American Progress, 20 November 2017. Available at <https://www.americanprogress.org/issues/women/news/2017/11/20/443139/not-just-rich-famous/>. On power imbalances contributing to sexual harassment among low-paid workers generally, see Graves, Fatima Gross, et al. "Reality Check: Seventeen Million Reasons Low-Wage Workers Need Strong Protections from Harassment." National Women's Law Center, August 2014. Available at [https://www.nwlc.org/sites/default/files/pdfs/final\\_nwlc\\_vancereport2014.pdf](https://www.nwlc.org/sites/default/files/pdfs/final_nwlc_vancereport2014.pdf). Hainey, Ehmonie. "Fighting Against Sexual Harassment in the Workplace." Jobs with Justice, 21 October 2016. Available at <http://www.jwj.org/fighting-against-sexual-harassment-in-the-workplace>.

<sup>23</sup> Fair Labor Standards Act, Section 14(c); 29 CFR Part 525.

<sup>24</sup> For an explanation of Section 14(c) of the FLSA, see "Fact Sheet #39: The Employment of Workers with Disabilities at Subminimum Wages." U.S. Department of Labor, Wage and Hour Division. Available at <https://www.dol.gov/whd/regs/compliance/whdfs39.htm>.

<sup>25</sup> "Segregated and Exploited: The Failure of the Disability Service System to Provide Quality Work." National Disability Rights Network, January 2011. Available at <http://www.ndrn.org/images/Documents/Resources/Publications/Reports/Segregated-and-Exploited.pdf>.

<sup>26</sup> "Improving Wages, Improving Lives: Why raising the minimum wage is a civil and human rights issue." The Leadership Conference Education Fund and Georgetown Center on Poverty and Inequality, October 2014. Available at <http://leadershipconferenceedfund.org/wp-content/uploads/2014/10/Minimum-Wage-Report-FOR-WEB.pdf>. "Raising Wages, Reducing Inequality, Sustaining Families: Why raising the minimum wage is a civil and human rights issue." The Leadership Conference Education Fund and Georgetown Center on Poverty and Inequality. 2015.

<sup>27</sup> Researchers and policy analysts have used different wage thresholds when analyzing "low-wage" work. See, for example, "How should we define 'low-wage' work? An analysis using the Current Population Survey." *Monthly Labor Review*, October 2016. Available at <https://www.bls.gov/opub/mlr/2016/article/how-should-we-define-low-wage-work.htm>. We use \$15 as a benchmark because analysts believe that single working people will need at least that to meet basic living expenses in the near future. See "Why America Needs a \$15 Minimum Wage." Economic Policy Institute and National Employment Law Project, 26 April 2017. Available at <http://www.nelp.org/content/uploads/NELP-EPI-Fact-Sheet-Why-America-Needs-15-Minimum-Wage.pdf>. Recognizing this reality, the GAO recently defined low-wage work as any work paying less than \$16 an hour. See "Low-Wage Workers: Poverty and Use of Selected Federal Social Safety Net Programs Persist Among Working Families." U.S. Government Accounting Office, 2017.

<sup>28</sup> Melograna, Jordan. "Bottom Dollars: A Rooted in Rights Documentary." Rooted in Rights, 2016. Available at <http://www.rootedinrights.org/videos/employment/bottom-dollars/>

<sup>29</sup> See "The Case for Raising the Minimum Wage."

<sup>30</sup> Belman, Dale and Paul J. Wolfson. *What Does the Minimum Wage Do? W.E. Upjohn Institute for Employment Research*, 2014. Page 402.

<sup>31</sup> On recent state and local minimum wage increases see "25 States & Localities Approved Minimum Wage Increases in 2016, More than Any Year Since Fight for \$15 Began." National Employment Law Project, 21 December 2016. Available at <http://www.nelp.org/content/uploads/PR-Minimum-Wage-Increases-New-Year-2016-2017.pdf>. Jones, Janelle and David Cooper. "State minimum wage increases helped 4.3 million workers, but federal inaction has left many more behind." Economic Policy Institute, 9 January 2017. Available at <http://www.epi.org/publication/state-minimum-wage-increases-helped-4-3-million-workers-but-federal-inaction-has-left-many-more-behind/>.

<sup>32</sup> Lathrop, Yannet. "Raises from Coast to Coast in 2018." National Employment Law Project, December 2017. Available at <http://www.nelp.org/content/uploads/Raises-coast-to-coast-2018-beginning-of-year-min-wage-raises.pdf>. See also "Workers Across U.S. Getting Raises as 18 States and 19 Cities Increase Minimum Wage." National Employment Law Project, 20 December 2017. Available at <http://www.nelp.org/news-releases/workers-across-the-country-getting-raises-as-18-states-and-20-cities-increase-minimum-wages-on-jan-1/>.

<sup>33</sup> See “Minimum Wage Tracker.” Economic Policy Institute, updated 2 January 2018. Available at <http://www.epi.org/minimum-wage-tracker/>.

<sup>34</sup> “The 21 States Stuck at \$7.25: Federal Raise the Wage Act of 2017 Would Lift Wages for 20 Million Workers in These States.” National Employment Law Project, Raise the Minimum Wage. Available at <http://raisetheminimumwage.com/resource/the-21-states-stuck-at-7-25/>. For more on preemption see “Fighting Preemption: The Movement for Higher Wages Must Oppose State Efforts to Block Local Minimum Wage Laws.” National Employment Law Project, 6 July 2017. Available at <http://www.nelp.org/publication/fighting-preemption-local-minimum-wage-laws/>. Wilpert, Marni von. “City governments are raising standards for working people—and state legislators are lowering them back down.” Economic Policy Institute, 26 August 2017. Available at <http://www.epi.org/publication/city-governments-are-raising-standards-for-working-people-and-state-legislators-are-lowering-them-back-down/>. “Worker Rights Preemption in the US: A map of the campaign to suppress worker rights.” Economic Policy Institute. Available at [http://www.epi.org/preemption-map/?utm\\_source=Economic+Policy+Institute&utm\\_campaign=cd3c73c12a-EMAIL\\_CAMPAIGN\\_2017\\_11\\_17&utm\\_medium=email&utm\\_term=0\\_e7c5826c50-cd3c73c12a-58565941&mc\\_cid=cd3c73c12a&mc\\_eid=dd31f3f7b8](http://www.epi.org/preemption-map/?utm_source=Economic+Policy+Institute&utm_campaign=cd3c73c12a-EMAIL_CAMPAIGN_2017_11_17&utm_medium=email&utm_term=0_e7c5826c50-cd3c73c12a-58565941&mc_cid=cd3c73c12a&mc_eid=dd31f3f7b8).

<sup>35</sup> “The 21 States Stuck at \$7.25: Federal Raise the Wage Act of 2017 Would Lift Wages for 20 Million Workers in These States.” National Employment Law Project. Hirsch, Mitchell. “Missouri Lawmakers to Lowest-Paid Workers in St. Louis: We’re Taking Back Your Raises.” National Employment Law Project, 19 May 2017. Available at <http://www.nelp.org/blog/missouri-lawmakers-to-lowest-paid-workers-in-st-louis-were-taking-back-your-raises/>. Hirsch, Mitchell. “Heartless in the Heartland.” National Employment Law Project, 30 March 2017. Available at <http://www.nelp.org/commentary/heartless-in-the-heartland/>. For stories of individuals whose wages decreased once a preemption law went into effect, see Graham, David A. “How St. Louis Workers Won and Then Lost a Minimum-Wage Hike.” *The Atlantic*, 29 August 2017. Available at <https://www.theatlantic.com/business/archive/2017/08/st-louis-minimum-wage-preemption/538182/>.

<sup>36</sup> “States Preempting Local Laws are an Extension of Jim Crow.” Partnership for Working Families, 29 August 2017. Available at <http://www.forworkingfamilies.org/blog/states-preempting-local-laws-are-extension-jim-crow>.

<sup>37</sup> On the role of unions in raising wages, and their struggles as membership has declined, see Rosenfeld, Jake. *What Unions No Longer Do*. Cambridge: Harvard University Press, 2014. Rosenfeld, Jake, et al. “Union decline lowers wages of nonunion workers: The overlooked reason why wages are stuck and inequality is growing.” *Economic Policy Institute*, 30 August 2016. Available at <http://www.epi.org/publication/union-decline-lowers-wages-of-nonunion-workers-the-overlooked-reason-why-wages-are-stuck-and-inequality-is-growing/>. On the benefits of unionization to African American workers see Bucknor, Cherrie. “Black Workers, Unions, and Inequality.” Center for Economic and Policy Research, August 2016. Available at <http://cepr.net/publications/reports/black-workers-unions-and-inequality>.

<sup>38</sup> On the “right to work” see Bernstein, Jared and Ben Spiegelberg. “The Trump administration’s ongoing attack on workers.” *The Washington Post*, 30 August 2017. Available at: [https://www.washingtonpost.com/news/posteverything/wp/2017/08/30/the-trump-administrations-ongoing-attack-on-workers/?utm\\_term=.638d2cfbd7ca](https://www.washingtonpost.com/news/posteverything/wp/2017/08/30/the-trump-administrations-ongoing-attack-on-workers/?utm_term=.638d2cfbd7ca). See also Stern, Mark Joseph. “Janus-Faced: The Trump administration declares war on public sector unions.” *Slate*, 7 December 2017. Available at [http://www.slate.com/articles/news\\_and\\_politics/jurisprudence/2017/12/the\\_trump\\_administration\\_declares\\_war\\_on\\_public\\_sector\\_unions.html](http://www.slate.com/articles/news_and_politics/jurisprudence/2017/12/the_trump_administration_declares_war_on_public_sector_unions.html). On the NLRB and its recent actions see Stern, Mark Joseph. “Donald Trump, Union Buster: The president’s appointees to the National Labor Relations Board have already incinerated Obama’s labor legacy.” *Slate*, 19 December 2017. Available at [http://www.slate.com/articles/news\\_and\\_politics/jurisprudence/2017/12/donald\\_trump\\_s\\_union\\_busting\\_appointees\\_just\\_incinerated\\_obama\\_s\\_labor\\_legacy.html](http://www.slate.com/articles/news_and_politics/jurisprudence/2017/12/donald_trump_s_union_busting_appointees_just_incinerated_obama_s_labor_legacy.html). Bivens, Josh et al. “Ten actions that hurt workers during Trump’s first year.” Economic Policy Institute, 12 January 2018. Available at <http://www.epi.org/publication/ten-actions-that-hurt-workers-during-trumps-first-year/>.

<sup>39</sup> For a more detailed discussion of these developments, see the section “Recent Progress is Under Threat.”

<sup>40</sup> Khouri, Andrew. “More workers say their bosses are threatening to have them deported.” *Los Angeles Times*, 2 January 2018. Available at <http://www.latimes.com/business/la-fi-immigration-retaliation-20180102-story.html>.

<sup>41</sup> Bonczar, Thomas P. “Prevalence of Imprisonment in the U.S. Population, 1974-2001.” Bureau of Justice Statistics Special Report, Office of Justice Programs, U.S. Department of Justice, August 2003. Available at <https://www.bjs.gov/content/pub/pdf/piusp01.pdf>. Researchers who have studied historical trends in imprisonment estimate that for males born in 2001, nearly one-third (32.2 percent) of African American males will be incarcerated at some point in their lifetimes, compared to 5.9 percent of white males. Latinos also are imprisoned at higher rates. For Latinos born in 2001, 17.2 percent are projected to experience imprisonment in their lifetimes. “Economic Perspectives on Incarceration and The Criminal Justice System.” Executive Office of the President, April 2016. Available at <https://obamawhitehouse.archives.gov/sites/whitehouse.gov/files/documents/CEA%2BCriminal%2BJustice%2BReport.pdf>.

<sup>42</sup> See discussion below on “formerly incarcerated individuals experience unemployment and low wages at high rates.” Researchers have found that the growing rates of incarceration over the last several decades have contributed to persistently high poverty rates. DeFina, Robert and Lance Hannon. “The Impact of Mass Incarceration on Poverty.” *Crime and Delinquency*, 12 January 2009. Available at <http://journals.sagepub.com/doi/abs/10.1177/0011128708328864>.

<sup>43</sup> Calculations assumed he worked 40 hours a week for 50 weeks a year, with two weeks unpaid leave.

<sup>44</sup> Georgetown Center on Poverty and Inequality’s calculations based on EPI’s Family budget calculator. The basic- needs wage in Columbia, SC is \$16.02 (see figure 3). When estimating community-specific costs, they take into account housing, food, child care, transportation, health care, other necessities, and taxes. Elise Gould, Tanyell Cooke, Will Kimball. “What Families Need to Get By: EPI’s 2015 Family Budget Calculator.” Economic Policy Institute, 26 August 2015. Available at <http://www.epi.org/publication/what-families-need-to-get-by-epis-2015-family-budget-calculator/>. For other living wage calculations, see Amy

Glasmeyer and Carey Anne Nadeau. Massachusetts Institute of Technology, 13 April 2017. Available at <http://livingwage.mit.edu/articles/23-results-from-the-2016-data-update>. See also the National Center for Children in Poverty's Basic Needs Budget, Purmort, Jessica. "Making Work Supports Work, A Picture of Low-Wage Workers in America." National Center for Children in Poverty, January 2010. Available at [http://www.nccp.org/publications/pdf/text\\_914.pdf](http://www.nccp.org/publications/pdf/text_914.pdf).

<sup>45</sup> A minimum wage of \$7.25 an hour, 40 hours a week, for 50 weeks a year (assuming two weeks unpaid leave) results in \$14,500 a year in wages.

<sup>46</sup> Threshold for householder under age 65 with one related child. See "Poverty Thresholds for 2016 by Size of Family and Number of Related Children Under 18 Years." U.S. Census Bureau. Available at <https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-poverty-thresholds.html>. On the poverty thresholds being arbitrary and low, see Blank, Rebecca and Mark Greenberg. "Improving the Measurement of Poverty." The Brookings Institution, December 2008. Available at [https://www.brookings.edu/wp-content/uploads/2016/06/12\\_poverty\\_measurement\\_blank.pdf](https://www.brookings.edu/wp-content/uploads/2016/06/12_poverty_measurement_blank.pdf). Greenberg, Mark. "It's time for a better poverty measure." Center for American Progress, 25 August 2009. Available at <https://www.americanprogress.org/issues/poverty/reports/2009/08/25/6582/its-time-for-a-better-poverty-measure/>. Fremstad, Shawn. "The Federal Poverty Line is Too Damn Low." Talk Poverty, 13 September 2016. Available at <https://talkpoverty.org/2016/09/12/what-to-look-for-new-poverty-data/>. In response to some of these criticisms, the Supplemental Poverty Measure was introduced in 2011.

<sup>47</sup> Trung, Irene, et al. "The Growing Movement for \$15." 2015.

<sup>48</sup> As the Bureau of Labor Statistics notes, in the survey from which this data is drawn, "Hourly earnings for hourly-paid workers do not include overtime pay, commissions, or tips received. The presence of workers with hourly earnings below the minimum wage does not necessarily indicate violation of the Fair Labor Standards Act, as there are exceptions to the minimum wage provisions of the law. In addition, some survey respondents may have rounded hourly earnings to the nearest dollar and, as a result, reported hourly earnings below the minimum wage even though they earned the minimum wage or higher." "Wage and salary workers paid hourly rates with earnings at or below the prevailing federal minimum wage by selected characteristics." U.S. Department of Labor. 2017. For a full explanation of exemptions and carve outs, see "Questions and Answers about the Minimum Wage." U.S. Department of Labor. See also "Fair Labor Standards Act Advisor, Exemptions." U.S. Department of Labor.

<sup>49</sup> Native women make up 1 percent of the total workforce and the same share of the less-than-\$10 workforce. Tucker, Jasmine and Kayla Patrick. "Low-Wage Jobs are Women's Jobs: The Overrepresentation of Women in Low-Wage Work." 2017.

<sup>50</sup> For Colorado's minimum wage rates, see Colorado Department of Labor and Employment, Minimum Wage. Available at <https://www.colorado.gov/pacific/cdle/minimumwage>. Our interview with Krizma was conducted in November 2017. The Colorado minimum wage increased to \$10.20 on January 1, 2018. Presumably Krizma's wage also increased.

<sup>51</sup> Trung, Irene, et al. "The Growing Movement for \$15." 2015.

<sup>52</sup> Capps, Randy, Fortuna, Karina, and Fix, Michael. "Trends in the Low-Wage Immigrant Labor Force, 2000-2005." The Urban Institute and Migration Policy Institute, March 2007. Available at <https://www.urban.org/sites/default/files/publication/46381/411426-Trends-in-the-Low-Wage-Immigrant-Labor-Force---.PDF>.

<sup>53</sup> This data is drawn from the 2015 American Community Survey. "The Impact of Immigrant Women on America's Labor Force." American Immigration Council, 8 March 2017. Available at <https://www.americanimmigrationcouncil.org/research/impact-immigrant-women-americas-labor-force>. Moreover, research indicates that immigrant workers affected by a minimum wage increase are no less likely to benefit due to employer noncompliance. Cortes, Kalena. "Wage Effects on Immigrants from an Increase in the Minimum Wage Rate: An Analysis by Immigrant Industry Concentration." IZA (Institute for the Study of Labor), March 2004. Available at <http://ftp.iza.org/dp1064.pdf>.

<sup>54</sup> "A Broken Bargain: Discrimination, Fewer Benefits and More Taxes for LGBT Workers." Movement Advancement Project, Human Rights Campaign, and Center for American Progress, June 2013. Available at <http://www.lgbtmap.org/file/a-broken-bargain-full-report.pdf>.

<sup>55</sup> Badgett, M.V. Lee et al. "New Patterns of Poverty in the Lesbian, Gay, and Bisexual Community." The Williams Institute, June 2013. Available at <https://williamsinstitute.law.ucla.edu/wp-content/uploads/LGB-Poverty-Update-Jun-2013.pdf>.

<sup>56</sup> Ibid.

<sup>57</sup> James, S. E., et al. "The Report of the 2015 U.S. Transgender Survey." National Center for Transgender Equality, 2016. Available at <https://www.transequality.org/sites/default/files/docs/usts/USTS%20Full%20Report%20-%20FINAL%201.6.17.pdf>.

<sup>58</sup> On the reasons why LGBTQ individuals should be identified in surveys, see "We're Queering the Census Big Time!" National LGBTQ Task Force. Available at <http://www.thetaskforce.org/were-queering-the-census-big-time/>. On the history of the Census's treatment of LGBTQ individuals. Fernandes, Praveen. "The Census Won't Collect LGBTQ Data. That's a Problem." *New York Times*, 20 May 2017. Available at [https://www.nytimes.com/2017/05/10/opinion/the-census-wont-collect-lgbt-data-thats-a-problem.html?\\_r=0](https://www.nytimes.com/2017/05/10/opinion/the-census-wont-collect-lgbt-data-thats-a-problem.html?_r=0).

<sup>59</sup> See generally, "Economic Perspectives on Incarceration and The Criminal Justice System." Executive Office of the President. 2016.

<sup>60</sup> "Collateral Costs: Incarceration's Effect on Economic Mobility." Pew Charitable Trusts, 2010, p. 11. Available at [http://www.pewtrusts.org/~media/legacy/uploadedfiles/pes\\_assets/2010/collateralcosts1pdf.pdf](http://www.pewtrusts.org/~media/legacy/uploadedfiles/pes_assets/2010/collateralcosts1pdf.pdf). For a recent paper showing the effects of longer sentences on job prospects, see Mueller-Smith, Michael. "The Criminal and Labor Market Impacts of Incarceration." University of Michigan, 18 August 2015. Available at <https://sites.lsa.umich.edu/mgms/wp-content/uploads/sites/283/2015/09/incar.pdf>.

<sup>61</sup> Pager, Devah. "The Mark of a Criminal Record." *American Journal of Sociology*, 105(5), 2003. Available at [http://scholar.harvard.edu/files/pager/files/pager\\_ajs.pdf](http://scholar.harvard.edu/files/pager/files/pager_ajs.pdf). For a summary of the research on the effects of a criminal record see Christman, Anastasia and Michelle Natividad Rodriguez. "Research Supports Fair Chance Policies." National Employment Law Project, August 2016. Available at <http://www.nelp.org/content/uploads/Fair-Chance-Ban-the-Box-Research.pdf>.

- <sup>62</sup> “Collateral Costs: Incarceration’s Effect on Economic Mobility.” Pew Charitable Trusts, 2010.
- <sup>63</sup> “Few Rewards: An Agenda to Give America’s Working Poor a Raise.” Oxfam America and Economic Policy Institute, 2016, p. 6. Available at [https://www.oxfamamerica.org/static/media/files/Few\\_Rewards\\_Report\\_2016\\_web.pdf](https://www.oxfamamerica.org/static/media/files/Few_Rewards_Report_2016_web.pdf).
- <sup>64</sup> The definition of “low-wage” in this analysis is earning under \$10.50 per hour. Schulman Karen et al. “Nearly one in Five Working Mothers of Very Young Children Work in Low-Wage Jobs.” National Women’s Law Center, April 2017. Available at <https://nwlc.org/wp-content/uploads/2014/04/Nearly-One-in-Five-Working-Mothers-of-Very-Young-Children-Work-in-Low-Wage-Jobs-2017.pdf>.
- <sup>65</sup> Mitnik, Pablo A. and David B. Grusky. “Economic Mobility in the United States.” Pew Charitable Trusts, 23 July 2015. Available at [http://www.pewtrusts.org/~media/assets/2015/07/fsm-irs-report\\_artfinal.pdf](http://www.pewtrusts.org/~media/assets/2015/07/fsm-irs-report_artfinal.pdf). Gupta, Rita Paul-Sen, Margaret L. de Wit, and David McKeown. “Impact of Poverty on the Current and Future Health Status of Children.” *Pediatrics & Child Health* 12(8):667–672, 2007. Available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2528796/>. Rouse, Cecilia Elena, and Lisa Barrow. “US Elementary and Secondary Schools: Equalizing Opportunity or Replicating the Status Quo?” *Future of Children* 16(2): 99–123, 2006. Available at <http://eaop.ucsd.edu/198/achievement-gap/Equalizing%20Opportunity%20or%20Replicating%20the%20Status%20Quo.pdf>. On the importance of the early years in child development, see Shonkoff, Jack P. & Deborah A. Phillips eds. *From Neurons to Neighborhoods: The Science of Early Childhood Development*. National Research Council & Institute of Medicine, 2000. “The Timing and Quality of Early Experiences Combine to Shape Brain Architecture: Working Paper No. 5.” National Scientific Council on the Developing Child, 2007. Available at <https://developingchild.harvard.edu/resources/the-timing-and-quality-of-early-experiences-combine-to-shape-brain-architecture/>. Research has recently suggested that raising the minimum wage can improve children’s health. See Komro, Kelli et al. “The Effect of an Increased Minimum Wage on Infant Mortality and Birth Weight.” *American Journal of Public Health*, August 2016. Available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4940666/>. For another study with similar conclusions see Wehby, George, et al. “Effects of the Minimum Wage on Infant Health.” NBER Working Paper, June 2016. Available at <http://www.nber.org/papers/w22373>. Raissian, Kerri M., and Lindsey Rose Bullinger. “Money matters: Does the minimum wage affect child maltreatment rates?” *Child and Youth Services Review*, 72: 60–70, 2017. Available at <http://www.sciencedirect.com/science/article/pii/S0190740916303139>.
- <sup>66</sup> John Smith and Janelle Jones. “Low-Wage Workers are Older and Better Educated than Ever.” Center for Economic Policy Research, April 2012. Available at <http://cepr.net/documents/publications/min-wage3-2012-04.pdf>. Bucknor, Cherrie. “Low-wage workers: Still Older, Smarter, and Underpaid.” Center for Economic Policy Research, May 2015. Available at <http://cepr.net/documents/low-wage-workers-2015-05.pdf>. Mishel, Lawrence. “Low-Wage Workers Have Far More Education than They Did in 1968, Yet They Make Far Less.” Economic Policy Institute, 23 January 2014. Available at <http://www.epi.org/publication/wage-workers-education-1968/>. Most people working in low-paid jobs are in their prime working years. Sixty-three percent are between the ages of 22 and 49. About half (46.4 percent) of workers making less than \$15 are 35 and older. Trung, Irene, et al. “The Growing Movement for \$15.” 2015.
- <sup>67</sup> The average worker with a family who would benefit from raising the minimum wage to \$15 is the primary breadwinner and earns 63.8 percent of their family’s total income. Cooper, David. “Raising the minimum wage to \$15 by 2024 would lift wages for 41 million American workers.” 2017.
- <sup>68</sup> “Low-Wage Workers: Poverty and Use of Selected Federal Social Safety Net Programs Persist Among Working Families.” U.S. Government Accounting Office. 2017.
- <sup>69</sup> Only 15.2 percent of workers in the bottom quintile of the wage distribution have any paid sick days. Glynn, Sarah Jane, et al. “Who Gets Time Off? Predicting Access to Paid Leave and Workplace Flexibility.” Center for American Progress, 26 April 2016. Available at <https://www.americanprogress.org/issues/economy/reports/2016/04/26/134824/who-gets-time-off/>.
- <sup>70</sup> “Hard Work, Hard Lives, Survey Exposes Harsh Reality Faced by Low-Wage Workers in the US.” Oxfam America, 29 August 2013. Available at <https://www.oxfamamerica.org/static/media/files/low-wage-worker-report-oxfam-america.pdf>. The Family and Medical Leave Act (FMLA) entitles some workers to take unpaid job-protected leave, but not all employers are covered by the FMLA, and workers are only eligible to take the unpaid job-protected leave if they have worked for the same covered employer for at least 12 months. See “Fact Sheet #28: The Family and Medical Leave Act.” U.S. Department of Labor, Wage and Hour Division. Available at <https://www.dol.gov/whd/regs/compliance/whdfs28.pdf>.
- <sup>71</sup> “Set up to fail: when low wages jeopardize parents’ and children’s success.” National Women’s Law Center, January 2016, p.6. Available at <https://nwlc.org/resources/set-up-to-fail-when-low-wage-work-jeopardizes-parents-and-childrens-success/>.
- <sup>72</sup> “Collateral Damage: Scheduling Challenges for Workers in Low Wage Jobs and Their Consequences.” National Women’s Law Center, April 2017. Available at <https://nwlc.org/wp-content/uploads/2017/04/Collateral-Damage.pdf>.
- <sup>73</sup> “Set up to fail: when low wages jeopardize parents’ and children’s success.” National Women’s Law Center. 2016.
- <sup>74</sup> “Low-Wage Workers: Poverty and Use of Selected Federal Social Safety Net Programs Persist Among Working Families.” U.S. Government Accounting Office. 2017.
- <sup>75</sup> Jacobs, Jen, et al. “The High Public Cost of Low Wages.” 2015.
- <sup>76</sup> “Few Rewards: An Agenda to Give America’s Working Poor a Raise.” Oxfam America and Economic Policy Institute, 2016.
- <sup>77</sup> Calculations using the Supplemental Poverty Measure. “Policy Basics: The Child Tax Credit.” Center on Budget and Policy Priorities, updated October 25, 2017. Available at <https://www.cbpp.org/research/federal-tax/policy-basics-the-earned-income-tax-credit>.
- <sup>78</sup> There are numerous restrictions on eligibility for tax credits and public benefits. For example, to be eligible for the Earned Income Tax Credit, workers must have a valid Social Security number and either have a qualifying child or be over 25 themselves. “EITC, Earned Income Tax Credit, Question and Answers.” Internal Revenue Service. Available at <https://www.irs.gov/credits-deductions/individuals/earned-income-tax-credit/eitc-earned-income-tax-credit-questions-and-answers>. Childless workers, even when eligible for the EITC, receive a much lower credit. Marr, Chuck et al. “Strengthening the EITC for Childless Workers Would

Promote Work and Reduce Poverty.” Center on Budget and Policy Priorities, 11 April 2016. Available at <https://www.cbpp.org/research/federal-tax/strengthening-the-etc-for-childless-workers-would-promote-work-and-reduce>. In some states, people with felony drug convictions are ineligible for SNAP. See “Reentry Myth Buster on SNAP Benefits/Drug Felony Convictions.” The Council of State Governments Justice Center, January 2017. Available at [https://csgjusticecenter.org/wp-content/uploads/2017/01/Fed-Benefits\\_SNAP-and-Drug-Felony-Convictions.pdf](https://csgjusticecenter.org/wp-content/uploads/2017/01/Fed-Benefits_SNAP-and-Drug-Felony-Convictions.pdf).

<sup>79</sup> “Raising the Minimum Wage: A Progress Update.” Executive Office of the President, October 2016, p. 5. Available at [https://obamawhitehouse.archives.gov/sites/default/files/minimum\\_wage/6\\_october\\_2016\\_min\\_wage\\_report-final.pdf](https://obamawhitehouse.archives.gov/sites/default/files/minimum_wage/6_october_2016_min_wage_report-final.pdf).

<sup>80</sup> A study by the Economic Policy Institute found that, among workers in the bottom three wage deciles (those earning up to \$12.16 an hour), every \$1 increase in hourly wages reduced the likelihood of receiving means-tested public assistance by 3.1 percentage points, decreasing government spending by roughly \$5.2 billion. The study looks at participation in eight programs: EITC; the refundable portion of the Child Tax Credit (CTC); SNAP; the Low Income Home Energy Assistance Program (LIHEAP); the Supplemental Nutrition Program for Women, Infants, and Children (WIC); the Section 8 Housing Choice Voucher program; Medicaid; and the Temporary Assistance for Needy Families program (TANF) or equivalent state and local cash assistance program. Cooper, David. “Balancing paychecks and public assistance: How higher wages would strengthen what government can do.” Economic Policy Institute, 3 February 2016. Available at <http://www.epi.org/publication/wages-and-transfers/>. For a discussion of this growing “parasite economy,” see Nick Hanauer, “Confronting the Parasite Economy: How Low-wage work is bad for business- and all of us.” *The American Prospect*, 16 May 2016. Available at <http://prospect.org/article/confronting-parasite-economy>. A study by the Center for American Progress found that “a 10 percent increase in the minimum wage reduces SNAP enrollment by between 2.4 percent and 3.2 percent and reduces program expenditures by an estimated 1.9 percent”—given current average SNAP enrollments, this suggests that over 1 million fewer people would be enrolled if the minimum wage were increased 10 percent. West, Rachel and Michael Reich. “The Effects of Minimum Wages on SNAP Enrollments and Expenditures.” Center for American Progress, 5 March 2014. Available at <https://www.americanprogress.org/issues/economy/reports/2014/03/05/85158/the-effects-of-minimum-wages-on-snap-enrollments-and-expenditures/>. For an update to this study applying it to raising the minimum wage to \$12, see West, Rachel. “The Murray-Scott Minimum Wage Bill: A Win-Win for Working Families and Taxpayers.” Center for American Progress, 30 April 2015. Available at <https://www.americanprogress.org/issues/poverty/news/2015/04/30/111808/the-murray-scott-minimum-wage-bill-a-win-win-for-working-families-and-taxpayers/>. On current SNAP enrollments see Rosenbaum, Dottie and Brynne Keith-Jennings. “SNAP Caseload and Spending Declines Accelerated in 2016.” Center on Budget and Policy Priorities, 27 January 2017. Available at <https://www.cbpp.org/research/food-assistance/snap-caseload-and-spending-declines-accelerated-in-2016>.

<sup>81</sup> Quoted in Katznelson, Ira. *Fear Itself: The New Deal and the Origins of Our Time*. New York: W.W. Norton & Company, 2013, p. 582. See also Patterson, James T. *Congressional Conservatism and the New Deal: The Growth of the Conservative Coalition in Congress, 1933-1939*. University of Kentucky Press, 1967, p. 195. Katznelson, Ira. *When Affirmative Action Was White. An Untold History of Racial Inequality In Twentieth-Century America*. New York: W.W. Norton & Company, 2006, p. 60. *Congressional Record*, 75th Cong. 2nd Sess, Appendix, 441-442.

<sup>82</sup> This was true of other New Deal legislation as well. See Katznelson, Ira, Kim Geiger, and Daniel Kryder. “Limiting Liberalism: The Southern Veto in Congress, 1933-1950.” *Political Science Quarterly* 108(2): 283-306, Summer 1993. Available at [https://www.jstor.org/stable/2152013?seq=1#page\\_scan\\_tab\\_contents](https://www.jstor.org/stable/2152013?seq=1#page_scan_tab_contents). Domestic workers were not mentioned explicitly in the bill, but were effectively excluded because the bill limited its application to workers “engaged in commerce or in the production of goods for commerce.” The exclusion of farmworkers was broadened “to encompass the predominantly black employees who engaged in packing or processing agricultural goods during the harvesting season.” Katznelson, Ira. *Fear Itself: The New Deal and the Origins of Our Time*. 2013, pp. 268-270. *On the history of farmworkers’ gradual and incomplete protection under the FLSA*, see Goldfarb, Ronald L. *Migrant Farm Workers: A Caste of Despair*. Ames: The Iowa State University Press, 1981, pp. 152-158. Linder, Marc. “Farm Workers and the Fair Labor Standards Act: Racial Discrimination in the New Deal.” *Texas Law Review* 65: 1335-1393, 1987. Available at [http://ir.uiowa.edu/cgi/viewcontent.cgi?article=1017&context=law\\_pubs](http://ir.uiowa.edu/cgi/viewcontent.cgi?article=1017&context=law_pubs). On the history of domestic workers’ gradual inclusion, see Sabatino, Charlie and Caroleigh Newman. “The New Status of Home Care Workers Under the Fair Labor Standards Act.” *Bifocal: A Journal of the ABA Commission on Law and Aging, August 2015*. Available at [https://www.americanbar.org/publications/bifocal/vol\\_36/issue\\_6\\_august2015/flsa\\_rule\\_change.html](https://www.americanbar.org/publications/bifocal/vol_36/issue_6_august2015/flsa_rule_change.html).

<sup>83</sup> “Fair Labor Standards Act. Tips as Wages.” *Columbia Law Review* 40(7), November 1940. Available at <http://www.jstor.org/stable/1117779>.

<sup>84</sup> Restaurant workers were only guaranteed a minimum wage starting in 1966. See Kocin, Susan. “Basic Provisions of the 1966 FLSA Amendments.” *Monthly Labor Review* 90(3):1-4, March 1967. Available at <http://www.jstor.org/stable/41836772>.

<sup>85</sup> *Williams et al. v. Jacksonville Terminal Co.* 315 U.S. 386 (1942). Available at [https://scholar.google.com/scholar\\_case?case=10660541505767371932&q=williams+v+jacksonville+terminal+&hl=en&as\\_sdt=20003](https://scholar.google.com/scholar_case?case=10660541505767371932&q=williams+v+jacksonville+terminal+&hl=en&as_sdt=20003)

<sup>86</sup> The Court suggested that there might be some cases where tips did not count as wages, but did not elaborate. *Williams et al. v. Jacksonville Terminal Co.* 315 U.S. 386 (1942). See generally Jayaraman, Saru. *Forked: A New Standard of American Dining*. New York: Oxford University Press, 2016, p. 35.

<sup>87</sup> On the history of tipping, see Jayaraman, Saru. *Behind the Kitchen Door*. (ILR Press, 2014). Jayaraman, Saru. *Forked: A New Standard for American Dining*. 2016. See also Morgan Spears and Indivar Dutta-Gupta, “The Tipped Minimum Wage Hasn’t Budgeted in Years. That’s a Problem.” *Medium*, 1 April 2016. Available at <https://medium.com/@civilrightsorg/the-tipped-minimum-wage-hasn-t-budgeted-in-25-years-that-s-a-problem-915150fe783b>. Oatman, Maddie. “The Racist, Twisted, History of Tipping.” *Mother Jones*, May/June 2016. Available at <http://www.motherjones.com/environment/2016/04/restaurants-tipping-racist-origins-saru-jayaraman-forked/>. Jayaraman, Saru. “Why Tipping is Wrong.” *The New York Times*, 15 October 2015. Available at <https://www.nytimes.com/2015/10/16/opinion/why-tipping-is-wrong.html>. Ferdman, Roberto A. “I dare you to read this and still

feel good about tipping.” *The Washington Post*, 18 February 2016. Available at [https://www.washingtonpost.com/news/wonk/wp/2016/02/18/i-dare-you-to-read-this-and-still-feel-ok-about-tipping-in-the-united-states/?utm\\_term=.5a85c1ac0195](https://www.washingtonpost.com/news/wonk/wp/2016/02/18/i-dare-you-to-read-this-and-still-feel-ok-about-tipping-in-the-united-states/?utm_term=.5a85c1ac0195)

<sup>88</sup> Jayaraman, Saru. *Forked: A New Standard for American Dining*. 2016, p. 33-34.

<sup>89</sup> On the 1966 amendments in particular see Kocin, Susan. “Basic Provisions of the 1966 FLSA Amendments.” 1967. On the changes to the tipped minimum wage over time see Bradley, David H. “The Tip Credit Provisions of the Fair Labor Standards Act (FLSA): In Brief.” Congressional Research Service, 27 March 2014. Available at [https://digital.library.unt.edu/ark:/67531/metadc284464/m1/1/high\\_res\\_d/R43445\\_2014Mar27.pdf](https://digital.library.unt.edu/ark:/67531/metadc284464/m1/1/high_res_d/R43445_2014Mar27.pdf).

<sup>90</sup> The median wage for tipped waiters and waitresses is \$9.61, including tips. “The Raise the Wage Act: The Gradual Elimination of the Unfair Subminimum Wage for Tipped Workers.” National Employment Law Project and Restaurant Opportunities Centers United, April 2017. Available at <http://www.nelp.org/content/uploads/Raise-the-Wage-Act-Gradual-Elimination-Subminimum-Wage-Tipped-Workers.pdf>. A 2014 report found that the median wage for all tipped workers is \$10.22, compared to a median wage of \$16.48 for all wage workers. Allegretto, Sylvia and David Cooper. “Twenty-Three Years and Still Waiting for Change: Why It’s Time to Give Tipped Workers the Regular Minimum Wage.” Economic Policy Institute and Center on Wage and Employment Dynamics, 10 July 2014. Available at <http://www.epi.org/files/2014/EPI-CWED-BP379.pdf>.

<sup>91</sup> Sylvia Allegretto and Kai Filion, “Waiting for Change: The \$2.13 Federal Subminimum Wage,” Economic Policy Institute and Center on Wage and Employment Dynamics, February 2011. Available at <http://www.epi.org/files/page/-/BriefingPaper297.pdf>

<sup>92</sup> ROC United estimates that there are currently 5,900,550 tipped workers in the United States. See “The Raise the Wage Act: The Gradual Elimination of the Unfair Subminimum Wage for Tipped Workers.” National Employment Law Project and Restaurant Opportunities Centers United. 2017.

<sup>93</sup> Allegretto, Sylvia A. and David Cooper. “Twenty-Three Years and Still Waiting for Change: Why It’s Time to Give Tipped Workers the Regular Minimum Wage.” 2014.

<sup>94</sup> According to analysis by ROC United, women of color make up 23.7 percent of the tipped workforce, and 16.6 percent of the overall workforce. Immigrants make up 22.5 percent of the tipped workforce, and 17.8 percent of the overall workforce. Immigrant women make up 12.3 percent of the tipped workforce, and 7.6 percent of the overall workforce. ROC United analysis of 2012-2015 American Community Survey (ACS) 4-Year Estimate.

<sup>95</sup> “The Impact of Raising the Minimum Wage on Women: And the Importance of Ensuring a Robust Tipped Minimum Wage.” The White House, 25 March 2014, p. 6. Available at <https://obamawhitehouse.archives.gov/sites/default/files/docs/20140325minimumwageandwomenreportfinal.pdf>. On compliance problems generally see for example MacMillan, Thomas. “More Employees Sue Restaurants in Wage Disputes.” *Wall Street Journal*, 17 August 2015. Available at <https://www.wsj.com/articles/more-employees-sue-restaurants-in-wage-disputes-1439856006>

<sup>96</sup> Cooper, David and Teresa Kroeger. “Employers steal billions from workers’ paychecks each year.” Economic Policy Institute, 10 May 2017. Available at <http://www.epi.org/publication/employers-steal-billions-from-workers-paychecks-each-year-survey-data-show-millions-of-workers-are-paid-less-than-the-minimum-wage-at-significant-cost-to-taxpayers-and-state-economies/>.

<sup>97</sup> “The Raise the Wage Act: The Gradual Elimination of the Unfair Subminimum Wage for Tipped Workers.” National Employment Law Project and Restaurant Opportunities Centers United. 2017.

<sup>98</sup> Ibid.

<sup>99</sup> Tipped workers overall are more likely to be in poverty in \$2.13 states: 14.5% compared to 10.8% in equal treatment states. There is no significant difference in the poverty rates of non-tipped workers between these states. Allegretto, Sylvia and David Cooper. “Twenty-Three Years and Still Waiting for Change: Why It’s Time to Give Tipped Workers the Regular Minimum Wage.” 2014, p. 9.

<sup>100</sup> The benefits considered in this study include federal housing and energy subsidies, the EITC, school lunch subsidies, SNAP, and WIC. Ibid.

<sup>101</sup> Allegretto, Sylvia. “Two and a half decades: Still waiting for change.” Washington Center for Equitable Growth, October 31, 2016. Available at <http://equitablegrowth.org/labor-markets/two-and-a-half-decades/>. On just-in-time scheduling see, for example, “Tackling Unstable Work and Unpredictable Work Schedules: A Policy Brief on Guaranteed Minimum Hours and Reporting Pay Policies.” Center for Law and Social Policy, Retail Action Project, and Women Employed, 2014. Available at <https://www.clasp.org/report-unstable-work-schedules-hurt-economy-communities-and-families>. Watson, Liz, Lauren Frohlich, and Elizabeth Johnston. “Collateral Damage: Scheduling Challenges for Workers in Low-Wage Jobs and Their Consequences.” National Women’s Law Center. 2017. Boushey, Heather and Bridget Ansel. “Working by the hour: the economic consequences of unpredictable scheduling practices.” Washington Center for Equitable Growth, September 2016. Available at <http://equitablegrowth.org/research-analysis/working-by-the-hour-the-economic-consequences-of-unpredictable-scheduling-practices/>.

<sup>102</sup> Allegretto, Sylvia and David Cooper. “Twenty-Three Years and Still Waiting for Change: Why It’s Time to Give Tipped Workers the Regular Minimum Wage.” 2014, p. 17. In the restaurant industry, only 18.5 percent of workers have access to paid sick days. “Trump and the National Restaurant Association: Scheming to Undermine Wages, Public Health, and Worker Rights.” Restaurant Opportunities Centers United, 2017, p.7. Available at [http://rocunited.org/wp-content/uploads/2017/05/StopTheNRA\\_2017\\_Report\\_W.pdf](http://rocunited.org/wp-content/uploads/2017/05/StopTheNRA_2017_Report_W.pdf).

<sup>103</sup> Ibid.

<sup>104</sup> “Serving While Sick: High Risks & Low Benefits for the Nation’s Restaurant Workforce, and the Impact on the Consumer.” Restaurant Opportunities Centers United, 30 September 2010. Available at <http://rocunited.org/publications/roc-serving-while-sick/>.

<sup>105</sup> Quantina prefers to be referred to with the pronoun “they.”

<sup>106</sup> Quoted in Whittaker, William. “Treatment of Workers With Disabilities under Section 14(c) of the FLSA.” 2005, p. 7.

<sup>107</sup> Ibid.

<sup>108</sup> “Segregated and Exploited: The Failure of the Disability Service System to Provide Quality Work.” National Disability Rights Network. 2011.

<sup>109</sup> The Department of Labor estimated 228,600 people in 2015. See “Advisory Committee on Increasing Competitive Integrated Employment for Individuals with Disabilities: Final Report to the Honorable Thomas E. Perez.” U.S. Department of Labor, 15 September 2016. Available at [https://www.dol.gov/odep/topics/date/ACICIEID\\_Draft\\_Final\\_Report\\_7-13-16\\_Accessible.pdf](https://www.dol.gov/odep/topics/date/ACICIEID_Draft_Final_Report_7-13-16_Accessible.pdf). Recent press reports have put the number slightly lower. Dejean, Ashley. “Many People with Disabilities are Being Paid Way Below the Minimum Wage, and it’s Perfectly Legal.” *Mother Jones*, 8 August 2017. Available at <http://www.motherjones.com/politics/2017/08/many-people-with-disabilities-are-being-paid-way-below-the-minimum-wage-and-its-perfectly-legal/>. Sheehan, David Patrick. “Disabled workers prepare to lose jobs as Goodwill closes workshops.” *The Morning Call*, 24 December 2016. Available at <http://www.mcall.com/business/mc-sheltered-workshop-closures-20161208-story.html>.

<sup>110</sup> A quarter of people with disabilities live in poverty, almost double the national rate. Fully 65 percent of people living in long-term poverty (defined as being in poverty over a 48-month period) have a disability. African Americans and American Indians with disabilities are especially likely to be jobless: 25 percent of African Americans with disabilities and 22 percent of American Indians with disabilities are unemployed, compared to 15 percent of whites with disabilities. Grant, Kali et al. “Security and Stability: Paid Family and Medical Leave and Its Importance to People with Disabilities and their Families.” Georgetown Center on Poverty and Inequality and The Arc, October 2017, pp. 7-9. Available at [http://www.georgetownpoverty.org/wp-content/uploads/2017/10/Georgetown\\_PFML-report-hi-res.pdf](http://www.georgetownpoverty.org/wp-content/uploads/2017/10/Georgetown_PFML-report-hi-res.pdf).

<sup>111</sup> Ibid.

<sup>112</sup> The original FLSA did not establish a statutory wage floor for people with disabilities. Administratively, minimum wages for people with disabilities in competitive industry came to be set at 75 percent of the standard minimum wage. In sheltered workshops, the floor was productivity-based with no lower limits. In 1966, amendments to the FLSA set the statutory minimum for people with disabilities at no less than 50 percent of the standard minimum wage in competitive industry and workshops, but set not statutory floor for workers in separate “work activities centers” “where employment was largely therapeutic and its economic content inconsequential.” In 1986 amendments to the FLSA once again removed a statutory wage floor for people with disabilities in competitive employment and also removed the distinction between “sheltered workshops” and “work activities centers.” On the setting of subminimum wages for people with disabilities today see “Fact Sheet #39: The Employment of Workers with Disabilities at Subminimum Wages.” U.S. Department of Labor, Wage and Hour Division, <https://www.dol.gov/whd/regs/compliance/whdfs39.pdf>. On the history of the subminimum wage, see Whittaker, William. “Treatment of Workers With Disabilities under Section 14(c) of the FLSA.” Congressional Research Service, February 2005. Available at [http://digitalcommons.ilr.cornell.edu/cgi/viewcontent.cgi?article=1211&context=key\\_workplace](http://digitalcommons.ilr.cornell.edu/cgi/viewcontent.cgi?article=1211&context=key_workplace).

<sup>113</sup> Ibid.

<sup>114</sup> See generally “Segregated and Exploited: The Failure of the Disability Service System to Provide Quality Work.” National Disability Rights Network. 2011. On workers who make less than a dollar an hour see, for example, DePillis, Lydia. “Disabled people are allowed to work for pennies per hour—but maybe not for much longer.” *Washington Post*, 12 February 2016. Available at [https://www.washingtonpost.com/news/work/wp/2016/02/12/disabled-people-are-allowed-to-work-for-pennies-per-hour-but-maybe-not-for-much-longer/?utm\\_term=.20e6f93d308a](https://www.washingtonpost.com/news/work/wp/2016/02/12/disabled-people-are-allowed-to-work-for-pennies-per-hour-but-maybe-not-for-much-longer/?utm_term=.20e6f93d308a). Melograna, Jordan. “Bottom Dollars: A Rooted in Rights Documentary.” 2016.

<sup>115</sup> Ibid.

<sup>116</sup> Interview with Le’Ron Jackson in Melograna, Jordan. “Bottom Dollars: A Rooted in Rights Documentary.” 2016.

<sup>117</sup> Ibid. Also see generally “Segregated and Exploited: The Failure of the Disability Service System to Provide Quality Work.” National Disability Rights Network. 2011. On workers who make less than a dollar an hour see, for example, DePillis, Lydia. “Disabled people are allowed to work for pennies per hour—but maybe not for much longer.” 2016.

<sup>118</sup> “Special Minimum Wage Program: Centers Offer Employment and Support Services to Workers with Disabilities, But Labor Should Improve Oversight.” U.S. General Accounting Office, September 2001, p. 4. Available at <http://www.gao.gov/new.items/d01886.pdf>.

<sup>119</sup> Schechter, Anna. “Disabled Workers Paid Just Pennies an Hour and It’s Legal.” *NBC News*, 25 June 2013. Available at <http://investigations.nbcnews.com/news/2013/06/25/19062348-disabled-workers-paid-just-pennies-an-hour-and-its-legal?lite>.

<sup>120</sup> Interview with Pamela Steward in Melograna, Jordan. “Bottom Dollars: A Rooted in Rights Documentary.” 2016. Steward recently won the right to be paid the standard minimum wage in a decision by a U.S. Department of Labor administrative law judge. *Ralph Magers, Pamela Steward, and Mark Felton v. Seneca Re-Ad Industries, Inc.* Case No. 2016-FLS-3. Office of Administrative Law Judges, U.S. Department of Labor, 2 February 2016. Available at [http://www.disabilityrightsohio.org/assets/documents/decision\\_and\\_order\\_from\\_the\\_alj\\_re\\_seneca-re-ad.pdf?pdf=seneca\\_decision](http://www.disabilityrightsohio.org/assets/documents/decision_and_order_from_the_alj_re_seneca-re-ad.pdf?pdf=seneca_decision).

<sup>121</sup> Interview with Gloria Marrero in Melograna, Jordan. “Bottom Dollars: A Rooted in Rights Documentary.” 2016.

<sup>122</sup> Roosevelt, Franklin D. “Message to Congress on Establishing Minimum Wages and Maximum Hours.” *The American Presidency Project*, 24 May 1937. Available at <http://www.presidency.ucsb.edu/ws/?pid=15405>.

<sup>123</sup> Howell, David. “Reframing the Minimum Wage Debate: Why “no job loss” is the wrong standard for setting the right wage floor.” *The American Prospect*, 5 September 2016. Available at <http://prospect.org/article/reframing-minimum-wage-debate>. Howell, David, et al. “What’s the Right Minimum Wage? Reframing the debate from ‘no job loss’ to a ‘minimum living wage.’” Washington Center for Equitable Growth, June 2016, Revised July 2016. Available at <http://equitablegrowth.org/working-papers/whats-right-minimum-wage-reframing-debate-no-job-loss-minimum-living-wage/>.

<sup>124</sup> Since 1949, there have been a total of 18 minimum wage increases. Pitts, Steven C. and Sylvica Allegretto. “To Work With Dignity: The Unfinished March Toward a Decent Minimum Wage.” Economic Policy Institute, 26 August 2013. Available at <http://>

[www.epi.org/publication/work-dignity-unfinished-march-decent-minimum/](http://www.epi.org/publication/work-dignity-unfinished-march-decent-minimum/). For a history of amendments see “Wage and Hour Division History.” U.S. Department of Labor, Wage and Hour Division. Available at <https://www.dol.gov/whd/about/history/whdhist.htm>. Congress often resisted demands to raise the minimum wage. See Clinton, Joshua D. “Congress, Lawmaking and the Fair Labor Standards Act, 1971-2000,” *American Journal of Political Science* 56(2):355-372, 2012. Available at <http://onlinelibrary.wiley.com/doi/10.1111/j.1540-5907.2011.00547.x/abstract>.

<sup>125</sup> David Cooper, “Another year of congressional inaction has further eroded the federal minimum wage.” 2017.

<sup>126</sup> Cooper, David, et al. “We Can Afford a \$12 Federal Minimum Wage in 2020.” 2015.

<sup>127</sup> Cooper, David. “Raising the minimum wage to \$15 by 2024 would lift wages for 41 million American workers.” 2017.

<sup>128</sup> On states that index their state minimum wages to inflation, see Cooper, David. “Minimum wage indexing protects nearly a million low-wage workers in this New Year.” Economic Policy Institute, 26 December 2012. Available at <http://www.epi.org/blog/minimum-wage-indexing-protects-low-wage-workers/>.

<sup>129</sup> On the trade-offs between indexing to inflation, median wages, and average wages, see Schmitt, John. “Minimum Wage: Catching Up to Productivity.” *Democracy Journal*, Summer 2013. Available at <https://democracyjournal.org/magazine/29/minimum-wage-catching-up-to-productivity/>. Cooper, David, et al. “We Can Afford a \$12 Federal Minimum Wage in 2020.” 2015. Zipperer, Ben. “Bolstering the bottom by indexing the minimum wage to the median wage.” Washington Center for Equitable Growth, 17 June 2015. Available at <http://equitablegrowth.org/research-analysis/bolstering-bottom-indexing-minimum-wage-median-wage/>.

<sup>130</sup> Semega, Jessica et al. “Income and Poverty in the United States 2016.” U.S. Census Bureau, Current Population Reports, September 2017. Available at <https://www.census.gov/content/dam/Census/library/publications/2017/demo/P60-259.pdf>.

<sup>131</sup> “The Distribution of Household Income and Federal Taxes, 2013.” U.S. Congressional Budget Office, 8 June 2016. Available at <https://www.cbo.gov/publication/51361>.

<sup>132</sup> Konczal, Mike. “Economists agree: Raising the minimum wage reduces poverty.” *Washington Post*, 4 January 2014. Available at [https://www.washingtonpost.com/news/wonk/wp/2014/01/04/economists-agree-raising-the-minimum-wage-reduces-poverty/?utm\\_term=.4ac62b12d6e6](https://www.washingtonpost.com/news/wonk/wp/2014/01/04/economists-agree-raising-the-minimum-wage-reduces-poverty/?utm_term=.4ac62b12d6e6)

<sup>133</sup> Dube, Arindrajit. “Minimum Wages and the Distribution of Family Incomes in the United States.” Washington Center for Equitable Growth, 26 April 2017. Available at <http://equitablegrowth.org/research-analysis/minimum-wages-and-the-distribution-of-family-incomes-in-the-us/>. In this working paper, Dube reviews the literature on the relationship between the minimum wage and poverty rates. Most studies have found increases in the minimum wage to reduce poverty for the overall population. There is also recent evidence that raising the minimum wage helps expand access to credit for low-wage workers. See Dettling, Lisa J., and Joanne W. Hsu. “Minimum Wages and Consumer Credit: Impacts on Access to Credit and Traditional and High-Cost Borrowing.” Washington: Board of Governors of the Federal Reserve System, 2017. Available at <https://doi.org/10.17016/FEDS.2017.010>.

<sup>134</sup> Dube, Arindrajit. “Designing Thoughtful Minimum Wage Policy at the State and Local Levels.” The Hamilton Project by The Brookings Institution, 16 June 2014. Available at [http://www.hamiltonproject.org/assets/legacy/files/downloads\\_and\\_links/state\\_local\\_minimum\\_wage\\_policy\\_dube.pdf](http://www.hamiltonproject.org/assets/legacy/files/downloads_and_links/state_local_minimum_wage_policy_dube.pdf).

<sup>135</sup> On the role of executive pay in income inequality see Sabadish, Natalie and Lawrence Mishel. “CEO pay and the top 1 % How executive compensation and financial-sector pay have fueled income inequality.” Economic Policy Institute, 2 May 2012. Available at <http://www.epi.org/publication/ib331-ceo-pay-top-1-percent/>.

<sup>136</sup> Autor, David H., et al. “The Contribution of the Minimum Wage to US Wage Inequality over Three Decades: A Reassessment.” *American Economic Journal: Applied Economics* 8(1):8-99, 2016. Available at <https://economics.mit.edu/files/3279>. Fortin, Nicole M., and Thomas Lemieux. “Institutional Changes and Rising Wage Inequality: Is There a Linkage?” *Journal of Economic Perspectives*, 11(2): 75-96, 1997. Available at <http://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.11.2.75>.

<sup>137</sup> See summary of Autor, David H. et al. “The Contribution of the Minimum Wage to US Wage Inequality over Three Decades” in Zipperer, Ben. “How raising the minimum wage ripples through the workforce.” Washington Center for Equitable Growth, 28 April 2015. Available at <http://equitablegrowth.org/research-analysis/raising-minimum-wage-ripples-workforce/>.

<sup>138</sup> “The Importance of Raising the Minimum Wage to Boost Broad-Based Economic Growth.” Washington Center for Equitable Growth, 10 May 2017. Available at <http://equitablegrowth.org/research-analysis/the-importance-of-raising-the-minimum-wage-to-boost-broad-based-u-s-economic-growth/>.

<sup>139</sup> The minimum wage tends to reduce wage dispersion, limiting the range of wages paid to workers across the economy. Because women are majority of workers who would see their pay go up, the gender wage gap would narrow. On the role of the minimum wage in reducing inequality, especially among women, see Fortin, Nicole M. and Thomas Lemieux. “Institutional Changes and Rising Inequality: Is There a Linkage?” *Journal of Economic Perspectives*, 11(2):75-96, 1997. Available at <https://www.aeaweb.org/articles?id=10.1257/jep.11.2.75>. See also Blau, Francine D. and Lawrence M. Kahn. “The Gender Wage Gap: Extent, Trends, and Explanations.” IZA Discussion Paper Series, January 2016. Available at <http://ftp.iza.org/dp9656.pdf>.

<sup>140</sup> “America’s Women and the Wage Gap.” National Partnership for Women and Families, April 2017. Available at <http://www.nationalpartnership.org/research-library/workplace-fairness/fair-pay/americas-women-and-the-wage-gap.pdf>.

<sup>141</sup> Ibid. See also Gould, Elise and Jessica Schieder. “Black and Hispanic Women are Paid Substantially Less than White Men.” Economic Policy Institute, 7 March 2017. Available at <http://www.epi.org/publication/black-and-hispanic-women-are-hit-particularly-hard-by-the-gender-wage-gap/>.

<sup>142</sup> Raghu, Maya. “Standing with Immigrant Women Workers on May Day.” National Women’s Law Center, 1 May 2017. Available at <https://nwlc.org/blog/standing-with-immigrant-women-workers-on-may-day/>.

<sup>143</sup> Tucker, Jasmine and Julie Vogtman. “Higher State Minimum Wages Promote Equal Pay for Women.” National Women’s Law Center, April 2017. Available at <https://nwlc.org/wp-content/uploads/2017/04/2017-Higher-State-Minimum-Wages-Promote->

[Equal-Pay-for-Women.pdf](#). President Obama’s Council of Economic Advisers estimated that increasing the federal minimum wage to \$10.10 an hour and indexing it to inflation would close about 5 percent of the gender wage gap. “The Impact of Raising the Minimum Wage on Women and the Importance of Ensuring a Robust Tipped Minimum Wage.” The White House, 26 March 2014. Available at <https://obamawhitehouse.archives.gov/the-press-office/2014/03/26/new-white-house-report-impact-raising-minimum-wage-women-and-importance->. See also West, Rachel. “The Gender Wage Gap is Wider in States with a Low Minimum Wage.” Talk Poverty, 23 September 2016. Available at <https://talkpoverty.org/2016/09/23/gender-wage-gap-wider-states-low-minimum-wage/>.

<sup>144</sup> “Raise the Wage: Women Fare Better in States with Equal Treatment for Tipped Workers.” National Women’s Law Center and ROC United. 2016.

<sup>145</sup> Ibid.

<sup>146</sup> Patten, Eileen. “Racial, gender wage gaps persist in U.S. despite some progress.” Pew Research Center, 1 July 2016. Available at <http://www.pewresearch.org/fact-tank/2016/07/01/racial-gender-wage-gaps-persist-in-u-s-despite-some-progress/>. The racial wealth gap has also increased over this period. On the racial wealth gap generally, see “Nine Charts about Wealth Inequality in America (Updated).” Urban Institute, 5 October 2017. Available at <http://apps.urban.org/features/wealth-inequality-charts/>. On the gender wealth gap, particularly for women of color, see McCulloch, Heather. “Closing the Women’s Wealth Gap: What It is, Why It Matters, and What Can Be Done About It.” The Closing the Women’s Wealth Gap Initiative, updated January 2017, p. 4. Available at <https://womenswealthgap.org/wp-content/uploads/2017/06/Closing-the-Womens-Wealth-Gap-Report-Jan2017.pdf>.

<sup>147</sup> Daly, Mary C., Bart Hobijin, and Joseph H. Pedtke. “Disappointing Facts about the Black-White Wage Gap.” Federal Reserve Bank of San Francisco, 5 September 2017. Available at <http://www.frbsf.org/economic-research/publications/economic-letter/2017/september/disappointing-facts-about-black-white-wage-gap/>. See also Wilson, Valerie and William M. Rodgers III. “Black-White Wage Gaps Expand with Rising Wage Inequality.” Economic Policy Institute, 20 September 2016. Available at <http://www.epi.org/publication/black-white-wage-gaps-expand-with-rising-wage-inequality/>.

<sup>148</sup> Allegreto, Sylvia. “Two and a half decades: Still waiting for change.” 2016. Cooper, David and Teresa Kroeger. “Employers steal billions from workers’ paychecks each year.” 2017.

<sup>149</sup> On wage theft generally, and tipped minimum wage violations, see *ibid.* On the attempt to weaken the rules that protect workers tips see Shierholz, Heidi et al. “Women would lose \$4.6 million in earned tips if the administration’s ‘tip stealing’ rule is finalized.” Economic Policy Institute, 17 January 2018. Available at <http://www.epi.org/publication/women-would-lose-4-6-billion-in-earned-tips-if-the-administrations-tip-stealing-rule-is-finalized-overall-tipped-workers-would-lose-5-8-billion/>.

<sup>150</sup> Michael Lynn et al., “Consumer Racial Discrimination and Tipping: A Replication and Extension.” *Journal of Applied Social Psychology*, 19 March 2008. Available at <http://onlinelibrary.wiley.com/doi/10.1111/j.1559-1816.2008.00338.x/full>.

<sup>151</sup> “The Raise the Wage Act: The Gradual Elimination of the Unfair Subminimum Wage for Tipped Workers” National Employment Law Project and ROC United. 2017.

<sup>152</sup> On sexual harassment of farm workers see, for example, “Cultivating Fear: The vulnerability of Immigrant Farmworkers in the US to Sexual Violence and Sexual Harassment.” Human Rights Watch, 15 May 2012. Available at <https://www.hrw.org/report/2012/05/15/cultivating-fear/vulnerability-immigrant-farmworkers-us-sexual-violence-and-sexual>. On sexual harassment of workers in hospitality, see, for example, “Hands Off Pants On: Sexual Harassment in Chicago’s Hospitality Industry.” Unite Here Local 1, July 2016. Available at <https://www.handsoffpantson.org/wp-content/uploads/HandsOffReportWeb.pdf>.

<sup>153</sup> “The Glass Floor: Sexual Harassment in the Restaurant Industry.” ROC United, 7 October 2014. Available at [http://roconited.org/wp-content/uploads/2014/10/REPORT\\_TheGlassFloor\\_Sexual-Harassment-in-the-Restaurant-Industry.pdf](http://roconited.org/wp-content/uploads/2014/10/REPORT_TheGlassFloor_Sexual-Harassment-in-the-Restaurant-Industry.pdf).

<sup>154</sup> Ibid.

<sup>155</sup> Frye, Jocelyn. “Not Just the Rich and Famous.” Center for American Progress, 20 November 2017. Available at <https://www.americanprogress.org/issues/women/news/2017/11/20/443139/not-just-rich-famous/>.

<sup>156</sup> Data is based on a survey of 688 restaurant workers across 39 states. “The Glass Floor: Sexual Harassment in the Restaurant Industry.” ROC United. 2014. \_

<sup>157</sup> Ibid. As ROC found, “all workers in states with a \$2.13 sub-minimum wage, including men and non-tipped workers, reported higher rates of sexual harassment, indicating that the overall restaurant work environment is at least partially shaped by the sub-minimum wage system itself.”

<sup>158</sup> Cooper, David. “Valentine’s Day is better on the West Coast (at least for Restaurant Servers).” Economic Policy Institute, 9 February 2017. Available at <http://www.epi.org/blog/valentines-day-is-better-on-the-west-coast-at-least-for-restaurant-servers/>.

<sup>159</sup> “The Raise the Wage Act: The Gradual Elimination of the Unfair Subminimum Wage for Tipped Workers” National Employment Law Project and ROC United. 2017.

<sup>160</sup> “Raise the Wage: Women Fare Better in States with Equal Treatment for Tipped Workers.” National Women’s Law Center and ROC United. 2016.

<sup>161</sup> Ibid.

<sup>162</sup> “The Case for Eliminating the Tipped Minimum Wage in Washington, D.C.” ROC United and National Employment Law Project, May 2016. Available at [http://roconited.org/wp-content/uploads/2016/05/EliminatingTippedMinWageDC\\_Report\\_WW.pdf](http://roconited.org/wp-content/uploads/2016/05/EliminatingTippedMinWageDC_Report_WW.pdf).

<sup>163</sup> DOL delegated investigations to regional offices, and they could select which workshops to investigate, either randomly, or based on complaints. See “Stronger Federal Efforts Needed for Providing Employment Opportunities and Enforcing Labor Standards in Sheltered Workshops.” U.S. Government Accounting Office, 28 September 1981. Available at <https://www.gao.gov/assets/140/135187.pdf>. Whittaker, William. “Treatment of Workers With Disabilities under Section 14(c) of the FLSA.” 2005, p. 15.

<sup>164</sup> “Stronger Federal Efforts Needed for Providing Employment Opportunities and Enforcing Labor Standards in Sheltered Workshops.” U.S. Government Accounting Office. 1981.

<sup>165</sup> “Special Minimum Wage Program: Centers Offer Employment and Support Services to Workers with Disabilities, But Labor Should Improve Oversight.” U.S. General Accounting Office. 2001.

<sup>166</sup> “Segregated and Exploited: The Failure of the Disability Service System to Provide Quality Work.” National Disability Rights Network, 2011.

<sup>167</sup> On WIOA, see “WIOA: What it means for people with intellectual and/or developmental disabilities (I/DD).” The Arc, June 2015. Available at <http://www.thearc.org/document.doc?id=5183>. On the feelings of isolation and problems with segregated employment generally, *ibid*.

<sup>168</sup> “Special Minimum Wage Program: Centers Offer Employment and Support Services to Workers with Disabilities, But Labor Should Improve Oversight.” U.S. General Accounting Office. 2001.

<sup>169</sup> “Segregated and Exploited: The Failure of the Disability Service System to Provide Quality Work.” National Disability Rights Network. 2011. For an update on what states are doing to more effectively integrate workers with disabilities into competitive employment see “Beyond Segregated and Exploited: Update on the Employment of People with Disabilities.” National Disability Rights Network, April 2012. Available at [http://www.ndrn.org/images/Documents/Resources/Publications/Reports/Beyond\\_Segregated\\_and\\_Exploited.pdf](http://www.ndrn.org/images/Documents/Resources/Publications/Reports/Beyond_Segregated_and_Exploited.pdf).

<sup>170</sup> “Special Minimum Wage Program: Centers Offer Employment and Support Services to Workers with Disabilities, But Labor Should Improve Oversight.” U.S. General Accounting Office. 2001.

<sup>171</sup> “Segregated and Exploited: The Failure of the Disability Service System to Provide Quality Work.” National Disability Rights Network. 2011, p. 28.

<sup>172</sup> *Ibid*.

<sup>173</sup> *Ibid*. For an example of the worst type of abuse see Barry, Dan. “The ‘Boys’ in the Bunkhouse: Toil, abuse, and endurance in the heartland.” *New York Times*, 9 March 2014. Available at <https://www.nytimes.com/interactive/2014/03/09/us/the-boys-in-the-bunkhouse.html>.

<sup>174</sup> “Over 600 Economists Sign Letter In Support of \$10.10 Minimum Wage.” Economic Policy Institute, 14 January 2014. Available at <http://www.epi.org/minimum-wage-statement/>. While many economists support a significant increase in the minimum wage, there is debate among those who support an increase about how high that increase should be—\$10, \$12, or \$15. For analysis of the debate see Perkins, Olivera, “\$12 vs. \$15 minimum-wage debate continues between economists, experts, politicians.” *The Plain Dealer*, 7 January 2016. Available at [http://www.cleveland.com/business/index.ssf/2016/01/economists\\_experts\\_debate\\_12\\_v.html](http://www.cleveland.com/business/index.ssf/2016/01/economists_experts_debate_12_v.html). Krueger, Alan. “The Minimum Wage: How Much is too Much?” *New York Times*, 9 October 2015. Available at:

[https://www.nytimes.com/2015/10/11/opinion/sunday/the-minimum-wage-how-much-is-too-much.html?\\_r=0](https://www.nytimes.com/2015/10/11/opinion/sunday/the-minimum-wage-how-much-is-too-much.html?_r=0).

Jacobson, Louis. “Fact-checking a \$15 minimum wage.” Politifact, 9 May 2016. Available at <http://www.politifact.com/truth-o-meter/article/2016/may/09/fact-checking-minimum-wage-debate/>. Recently, a shorter list of economists have signed a letter supporting an increase to \$15. “Economists in Support of a \$15 U.S. Minimum Wage as of 2020.” U.S. Senator Bernie Sanders Webpage. Available at <https://www.sanders.senate.gov/download/15-minimum-wage-petition?inline=file>. It seems clear that economists’ views on the appropriate level of the minimum wage, and its effects on jobs, is shifting. A 2013 survey of leading economists by the University of Chicago Business School found that 34 percent believed that raising the minimum wage to \$9 “would make it noticeably harder for low-skilled workers to find employment.” Two years later, a notably smaller percentage—21 percent—agreed that if the minimum wage was raised to \$15 per hour by 2020 “the employment rate for low-wage US workers will be substantially lower than it would be under the status quo.” See “Minimum Wage.” IGM Forum, 26 February 2013. Available at <http://www.igmchicago.org/surveys/minimum-wage>. “\$15 Minimum Wage.” IGM Forum, 22 September 2015. Available at <http://www.igmchicago.org/surveys/15-minimum-wage>. See also analysis by Reich, Michael and Jesse Rothstein. “Do Minimum Wages Really Kill Jobs?” *Econofact*, 27 April 2017. Available at <http://econofact.org/do-minimum-wages-really-kill-jobs>.

<sup>175</sup> Belman, Dale and Paul J. Wolfson. *What Does the Minimum Wage Do?* 2014. Page 401. See also Doucouliagos, Hristos, and Stanley, T. D. “Publication Selection Bias in Minimum-Wage Research? A Meta-Regression Analysis.” *British Journal of Industrial Relations*, 47(2), June 2009. Available at <http://onlinelibrary.wiley.com/doi/10.1111/j.1467-8543.2009.00723.x/abstract>. The Congressional Budget Office, taking an average of the effect of the minimum wage on employment from recent studies, has estimated that large increases in the federal minimum wage will result in some job loss. Many labor economists, however, have raised questions about how CBO chose their sample of studies. “The Effects of Minimum-Wage Increase on Employment and Family Income.” U.S. Congressional Budget Office, February 2014. Available at <http://www.cbo.gov/sites/default/files/cbofiles/attachments/44995-MinimumWage.pdf>. For criticisms see Reich, Michael. “No, a Minimum-Wage Boost Won’t Kill Jobs.” *Politico*, 21 February 2014. Available at [https://www.politico.com/magazine/story/2014/02/minimum-wage-boost-wont-kill-jobs-103769#\\_UwpT89GPLrc](https://www.politico.com/magazine/story/2014/02/minimum-wage-boost-wont-kill-jobs-103769#_UwpT89GPLrc). See also Bernstein, Jared. “The Minimum Wage Increase and CBO’s Job Loss Estimate.” On The Economy - a Jared Bernstein blog, 23 February 2014. Available at <http://jaredbernsteinblog.com/the-minimum-wage-increase-and-the-cbos-job-loss-estimate/>. See also Black, Sandra et al. “Minimum wage increases by US states fueled earnings growth in low-wage jobs.” *VoxEU*, 2 December 2016. Available at <http://voxeu.org/article/minimum-wage-increases-and-earnings-low-wage-jobs>. Kuehn, Daniel. “The Importance of Study Design in the Minimum-Wage Debate.” Economic Policy Institute, September 4, 2014. Available at <http://www.epi.org/publication/importance-study-design-minimum-wage-debate/>. Cengiz, Doruk et al. “The effect of minimum wages on the total number of jobs: Evidence from the United States using a bunching estimator.” *The Society of Labor Economics*, 30 April 2017. Available at <http://www.sole-jole.org/17722.pdf>. Schmitt, John. “Why Does the Minimum Wage Have No Discernable Effect on Employment?” Center for Economic and Policy Research, 2013. Available at <http://cepr.net/documents/publications/min-wage-2013-02.pdf>. Dube, Arindrajit et al. “Minimum Wage Effects Across State Borders: Estimates Using Contiguous Counties”

IRLE Working Paper, November 2010. Available at <http://irle.berkeley.edu/files/2010/Minimum-Wage-Effects-Across-State-Borders.pdf>. Allegretto, Sylvia et al. "Credible Research Designs for Minimum Wage Studies." Washington Center for Equitable Growth, 17 August 2016. Available at <http://equitablegrowth.org/working-papers/credible-research-designs-for-minimum-wage-studies/>.

On why the single-minded focus on the employment effects of raising the minimum wage is a problem, see Howell, David. "The Misplaced Debate about Job Loss and a \$15 minimum Wage." Washington Center for Equitable Growth, 6 July 2016. Available at <http://equitablegrowth.org/research-analysis/the-misplaced-debate-about-job-loss-and-a-15-minimum-wage/>. For studies of the effect of raising the tipped minimum wage see Allegretto, Sylvia and Carl Nadler. "Tipped Wage Effects on Earnings and Employment in Full Service Restaurants." *Industrial Relations: A Journal of Economy and Society* 54(4), 2015. Available at <http://irle.berkeley.edu/files/2015/Tipped-Wage-Effects-on-Earnings-and-Employment-in-Full-Service-Restaurants.pdf>. Allegretto, Sylvia and Michael Reich, "Are Local Minimum Wages Absorbed by Price Increases? Estimates from Internet-based Restaurant Menus." Institute for Research on Labor and Employment, 21 November 2016. Available at <http://irle.berkeley.edu/files/2015/Are-Local-Minimum-Wages-Absorbed-by-Price-Increases.pdf>. For conflicting results see Even, William E. and David MacPherson. "The Effect of Tip Credits on Earnings and Employment in the U.S. Restaurant Industry." IZA Discussion Paper, 5 January 2013. Available at [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2196757](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2196757).

<sup>176</sup> See, for example, Schmitt, John. "Why Does the Minimum Wage Have No Discernible Effect on Employment?" 2013, p. 22. On productivity see Burda, Michael, et al. "Not Working at Work: Loafing, Unemployment, and Labor Productivity." NBER Working Paper, January 2016. Available at <http://www.nber.org/papers/w21923>. Rizov, Marian, et al. "The UK National Minimum Wage's Impact on Productivity." *British Journal of Management*, 23 May 2016. Available at <http://onlinelibrary.wiley.com/doi/10.1111/1467-8551.12171/full>.

<sup>177</sup> On price increases, an extensive review of research found that "most studies reviewed ... found that a 10% US minimum wage increase raises food prices by no more than 4% and overall prices by no more than 0.4%." Lemos, Sarah. "A Survey of the Effects of the Minimum Wage on Prices." *Journal of Economic Surveys* 22(1), 31 January 2008. Available at <http://onlinelibrary.wiley.com/doi/10.1111/j.1467-6419.2007.00532.x/abstract>. On consumption see Cooper, Daniel, et al. "The local Aggregate Effects of Minimum Wage Increases." Federal Reserve Bank of Minneapolis, November 2017. Available at <https://www.minneapolisfed.org/institute/working-papers/wp17-25.pdf>. Aaronson, Daniel, et al. "The Spending and Debt Responses to Minimum Wage Increases." Federal Reserve Bank of Chicago, 8 February 2011, p. 10. Available at [http://www.chicagofed.org/digi-tal\\_assets/publications/working-papers/2007/wp2007\\_23.pdf](http://www.chicagofed.org/digi-tal_assets/publications/working-papers/2007/wp2007_23.pdf).

<sup>178</sup> Reich, Michael et al. "The Effects of a \$15 Minimum Wage on New York State." Center on Wage and Employment Dynamics, University of California, Berkeley, March 2016. Available at <http://irle.berkeley.edu/files/2016/The-Effects-of-a-15-Minimum-Wage-in-New-York-State.pdf>.

<sup>179</sup> Some localities have commissioned studies to predict the effects of proposed increases in the minimum wage. In 2017, Montgomery County, MD made headlines for commissioning a study which purported to find that raising the local minimum wage to \$15 would result in significant job loss. But analysis of the study found that it was based on a severely flawed methodology. After inquiries, even the study's authors admitted they had incorrectly analyzed the data they collected. The report was retracted, and Montgomery County refused to pay for it. Siegel, Rachel. "Montgomery County will not pay for flawed minimum-wage study." *Washington Post*, 13 October 2017. Available at [https://www.washingtonpost.com/local/md-politics/montgomery-county-will-not-pay-for-flawed-minimum-wage-study/2017/10/13/57f0c48e-af58-11e7-be94-fabb0f1e9ffb\\_story.html?utm\\_term=.c28d4976957f](https://www.washingtonpost.com/local/md-politics/montgomery-county-will-not-pay-for-flawed-minimum-wage-study/2017/10/13/57f0c48e-af58-11e7-be94-fabb0f1e9ffb_story.html?utm_term=.c28d4976957f). Cooper, David. "The Montgomery County minimum wage impact study is absurd junk science." Economic Policy Institute, 3 August 2017. Available at <http://www.epi.org/blog/the-montgomery-county-minimum-wage-impact-study-is-absurd-junk-science/>. Two studies of the recent minimum wage increases in Seattle reached opposite conclusions about the effects on jobs. Seattle increased its minimum wage from \$9.32 to \$11 in April 2015, and then again to \$13 in January 2016. Since the increases, unemployment overall in Seattle has fallen. One study by economist at the Center on Wage and Employment Dynamics at the University of California, Berkeley, found that the increases to \$11 and \$13 had no discernable effects on employment in the food services industry, where many workers make the minimum wage. Michael Reich et al. "Seattle's Minimum Wage Experience, 2015-16." Institute for Research on Labor and Employment, 20 June 2017. Available at <http://irle.berkeley.edu/seattles-minimum-wage-experience-2015-16/>. Another study, by a team at the University of Washington, also found that the increase to \$11 did not affect employment. But the study found that the increase to \$13 resulted in a reduction of hours worked in low-wage jobs, for a net loss in pay of about \$125 a month in 2016. See Jardim, Ekaterina et al. "Minimum Wage Increases, Wages, and Low-Wage Employment: Evidence from Seattle." NBER Working Paper Series, October 2017. Available at <http://www.nber.org/papers/w23532>. The results of the University of Washington study raise questions about whether it adequately controlled for larger macroeconomic conditions in the Seattle labor market, however, and many economists believe more research needs to be done. See for example, Dube, Arindrajit. "Minimum Wage and Job Loss: One Alarming Seattle Study is Not the Last Word." *New York Times*, 20 July 2017. Available at <https://www.nytimes.com/2017/07/20/upshot/minimum-wage-and-job-loss-one-alarming-seattle-study-is-not-the-last-word.html?smid=tw-upshotnyt&smtyp=cur>. For analysis of the conflicting studies, see "Economists argue about minimum wages: Two studies of their impact in Seattle reach opposite conclusions." *The Economist*, 8 July 2017. Available at <https://www.economist.com/news/finance-and-economics/21724802-two-studies-their-impact-seattle-reach-opposite-conclusions-economists-argue>. For a critique of the University of Washington study, see Zipperer, Ben and John Schmitt. "The 'high road' Seattle labor market and the effects of the minimum wage increase." Economic Policy Institute, 26 June 2017. Available at: <http://www.epi.org/publication/the-high-road-seattle-labor-market-and-the-effects-of-the-minimum-wage-increase-data-limitations-and-methodological-problems-bias-new-analysis-of-seattles-minimum-wage-incr/>.

<sup>180</sup> "Why America Needs a \$15 Minimum Wage." Economic Policy Institute. 2017.

<sup>181</sup> Cooper, David, et al. "We Can Afford a \$12 Federal Minimum Wage in 2020." 2015.

<sup>182</sup> Cooper, David. "Raising the minimum wage to \$15 by 2024 would lift wages for 41 million American workers." 2017.

<sup>183</sup> For a more developed argument for considering the moral and efficiency arguments for raising the minimum wage, and not just its effect on job loss, see Howell, David, et al. "What's the Right Minimum Wage? Reframing the debate from 'no job loss' to a 'minimum living wage.'" 2016.

<sup>184</sup> Luce, Stephanie. "Living Wages: A US Perspective." *Employee Relations*, 2017. Available at <https://doi.org/10.1108/ER-07-2017-0153>. Jaffe, Sarah. "Black poverty is state violence, too: Why struggles for criminal justice and living wage are uniting" *Salon*, 5 December 2014. Available at [https://www.salon.com/2014/12/05/black\\_poverty\\_is\\_state\\_violence\\_too\\_why\\_struggles\\_for\\_criminal\\_justice\\_and\\_living\\_wage\\_are\\_uniting/](https://www.salon.com/2014/12/05/black_poverty_is_state_violence_too_why_struggles_for_criminal_justice_and_living_wage_are_uniting/). "Why Black Lives Matter and Fight for 15 Are Protesting Side-by-Side." *Think Progress*, 4 April 2016. Available at <https://thinkprogress.org/why-black-lives-matter-and-fight-for-15-are-protesting-side-by-side-b81f562ac36d/>. "Black Lives Matter joining forces with minimum wage activists for nationwide protests." *Chicago Tribune*, 24 March 2017. Available at <http://www.chicagotribune.com/news/nationworld/ct-black-lives-matter-minimum-wage-activists-20170324-story.html>. Miller, Justin. "Fight for 15 and Black Live Matter Join Forces on Anniversary of MLK's Death," *The American Prospect*, 4 April 2017. Available at <http://prospect.org/article/anniversary-mlk-death-fight-15-and-black-lives-matter-join-forces>.

<sup>185</sup> Many of these increases were automatic adjustments for inflation. See Jones, Janelle. "18 states will increase their minimum wages on January 1, benefiting 4.5 million workers." Economic Policy Institute, 21 December 2017. Available at <https://www.epi.org/publication/18-states-will-increase-their-minimum-wages-on-january-1-benefitting-4-5-million-workers/>. Russell, Karl. "A Higher Minimum Wage in 2017." *New York Times*, 5 January 2017. Available at [https://www.nytimes.com/interactive/2017/01/05/business/economy/state-minimum-wages.html?\\_r=0](https://www.nytimes.com/interactive/2017/01/05/business/economy/state-minimum-wages.html?_r=0).

<sup>186</sup> West, Rachel. "Congressional Democrats' \$15 Minimum Wage Bill, Explained." *Talk Poverty*, 1 May 2017. Available at <https://talkpoverty.org/2017/05/01/congressional-democrats-15-minimum-wage-bill-explained/>.

<sup>187</sup> "Why America Needs a \$15 Minimum Wage." Economic Policy Institute. 2017.

<sup>188</sup> Lathrop, Yannet. "Raises from Coast to Coast in 2018. Workers in 18 states and 19 cities and counties seeing minimum wage increases on January 1." December 2017.

<sup>189</sup> Hirsch, Mitchell. "The 21 States Stuck at \$7.25." 2017.

<sup>190</sup> "Maryland's Montgomery County Joins Jurisdictions Increasing Minimum Wage to \$15." *The National Law Review*, 9 November 2017. Available at <https://www.natlawreview.com/article/maryland-s-montgomery-county-joins-jurisdictions-increasing-minimum-wage-to-1500>. See also "Fight for \$15: Four Years, \$62 Billion." National Employment Law Project, December 2016. Available at <http://www.nelp.org/content/uploads/Fight-for-15-Four-Years-62-Billion-in-Raises.pdf>. "Minimum Wage Tracker." Economic Policy Institute. 2018.

<sup>191</sup> "Fight for \$15: Four Years, \$62 Billion." National Employment Law Project. 2016. On the fate of Miami Beach's law, see "State law strikes down Miami Beach minimum wage hike, says appeals court." *Tampa Bay Times*, 14 December 2017. Available at <http://www.tampabay.com/florida-politics/buzz/2017/12/14/state-law-strikes-down-miami-beach-minimum-wage-hike-says-appeals-courts/>.

<sup>192</sup> Erin Hawkins. "NELP Honors Coalition that Brought \$15 to Minneapolis, Midwest." National Employment Law Project, 26 October 2017. Available at <http://www.nelp.org/blog/nelp-honors-coalition-that-brought-15-to-minneapolis-midwest/>.

<sup>193</sup> Trung, Irene, et al. "The Growing Movement for \$15." 2015.

<sup>194</sup> "Big win: \$15 an hour at Target!" *Fight for 15*. Available at <https://fightfor15.org/big-win-15-hour-target/>.

<sup>195</sup> Alaska Administrative Code: Title 8 - Labor and Workforce Development - repeal of minimum wage exemption for persons with disabilities, effective February 16, 2018. Available at <https://aws.state.ak.us/OnlinePublicNotices/Notices/View.aspx?id=188457>. On Maryland and New Hampshire see Dean, Sarah and Ann Paragot. "New Law Phases Out Sub-Minimum Wages for Disabled Workers" *Capital News Service*, September 28, 2016. Available at <http://cnsmaryland.org/2016/09/28/new-law-phases-out-sub-minimum-wages-for-disabled-workers/>. Carlson, Brady. "New Hampshire Bans Lower-Than-Minimum Wages for Workers With Disabilities." *New Hampshire Public Radio*, May 7, 2015. Available at <http://nhpr.org/post/new-hampshire-bans-lower-minimum-wages-workers-disabilities#stream/0>.

<sup>196</sup> "Disability Employment State Statute and Legislation Scan." National Council of State Legislators, 15 December 2016. Available at <http://www.ncsl.org/research/labor-and-employment/employing-people-with-disabilities.aspx>. DePillis, Lydia. "Disable people are allowed to work for pennies per hour—but maybe not for much longer." *Washington Post*, 12 February 2016. Available at [https://www.washingtonpost.com/news/wonk/wp/2016/02/12/disabled-people-are-allowed-to-work-for-pennies-per-hour-but-maybe-not-for-much-longer/?utm\\_term=.1494631741b8](https://www.washingtonpost.com/news/wonk/wp/2016/02/12/disabled-people-are-allowed-to-work-for-pennies-per-hour-but-maybe-not-for-much-longer/?utm_term=.1494631741b8).

<sup>197</sup> Ralph Magers, et al v. Seneca Re-Ad Industries, Inc. Case No. 2016-FLS-3.

<sup>198</sup> On the settlement agreement, see *Lane v. Brown*. Disability Rights Ohio, 1 September 2015. Available at <https://droregon.org/lane-v-kitzhaber/>.

<sup>199</sup> Gray, Chris. "Legal Settlement for People With Intellectual Disabilities Opens Door for Real Jobs." *The Lund Report*, 10 September 2015. Available at <https://www.thelundreport.org/content/legal-settlement-people-intellectual-disabilities-opens-door-real-jobs>.

<sup>200</sup> "Minimum wages for tipped employees." U.S. Department of Labor, 1 January 2018. Available at <https://www.dol.gov/whd/state/tipped.htm>.

<sup>201</sup> Lathrop, Yannet. "Raises from Coast to Coast in 2018. Workers in 18 states and 19 cities and counties seeing minimum wage increases on January 1." 2017. In New York, Governor Cuomo begun an investigation into the tipped minimum wage. See "Governor Cuomo Unveils Fifth Proposal of 2018 State of the State: Examine Eliminating the Minimum Wage Tip Credit to Strengthen Economic Justice in New York State." *New York State Governor Webpage*, 17 December 2017. Available at <https://>

[www.governor.ny.gov/news/governor-cuomo-unveils-5th-proposal-2018-state-state-examine-eliminating-minimum-wage-tip](http://www.governor.ny.gov/news/governor-cuomo-unveils-5th-proposal-2018-state-state-examine-eliminating-minimum-wage-tip). Hearings have been set to consider eliminating the tipped minimum wage. “Governor Cuomo Announces Hearings on Potentially Eliminating the Subminimum Wage for Tipped Workers.” *New York State Governor Webpage*, 25 January 2015. Available at <https://www.governor.ny.gov/news/governor-cuomo-announces-hearings-potentially-eliminating-subminimum-wage-tipped-workers>.

<sup>202</sup> “Two Years Later, Hospitality is still included at Danny Meyer restaurants.” ROC United, 28 September 2017. Available at <http://rocunited.org/2017/09/danny-meyer-no-tipping/>.

<sup>203</sup> On future labor market growth see “The Importance of Raising the Minimum Wage to Boost Broad-Based Economic Growth.” Washington Center for Equitable Growth. 2017. According to NELP, “Six of the ten largest occupations with median wages less than \$15 also rank among the occupations projected to add the most jobs in the coming years.” Their list includes: retail salespersons, combined food preparation and serving workers, included fast food; laborers and freight, stock, and material movers; janitors and cleaners, except maids and housekeeping cleaners; nursing assistants; and personal care aides. Trung, Irene, et al. “The Growing Movement for \$15.” 2015. Robbins, Katherin Gallagher and Julie Vogtman, “Low-Wage Jobs Held Primarily by Women Will Grow the Most Over the Next Decade.” 2016.

<sup>204</sup> “The 21 States Stuck at \$7.25: Federal Raise the Wage Act of 2017 Would Life Wages for 20 Million Workers in These States.” National Employment Law Project.

<sup>205</sup> On union density, see “Table 5. Union affiliation of employed wage and salary workers by state.” U.S. Department of Labor, Bureau of Labor Statistics. Available at <https://www.bls.gov/news.release/union2.t05.htm>.

<sup>206</sup> “The 21 States Stuck at \$7.25: Federal Raise the Wage Act of 2017 Would Life Wages for 20 Million Workers in These States.” National Employment Law Project. For more on preemption see “Fighting Preemption: The Movement for Higher Wages Must Oppose State Efforts to Block Local Minimum Wage Laws.” National Employment Law Project. 2017. See also Wilpert, Marni von. “City governments are raising standards for working people—and state legislators are lowering them back down.” 2017. See also “Worker Rights Preemption in the US: A map of the campaign to suppress worker rights.” Economic Policy Institute.

<sup>207</sup> *Ibid.* Hirsch, Mitchell. “Missouri Lawmakers to Lowest-Paid Workers in St. Louis: We’re Taking Back Your Raises.” 2017. Hirsch, Mitchell. “Heartless in the Heartland.” 2017. For stories of individuals whose wages decreased once a preemption law went into effect, see Graham, David A. “How St. Louis Workers Won and Then Lost a Minimum-Wage Hike.” 2017.

<sup>208</sup> “States Preempting Local Laws are an Extension of Jim Crow.” Partnership for Working Families. 2017.

<sup>209</sup> As PWF’s executive director Nikki Fortunato Bas put it, “preemption is portrayed as a struggle between political parties, but state interference in city minimum wage laws stems from a larger Jim Crow legacy of blocking economic policies that primarily benefit communities of color.” For quote see Graham, David A. “How St. Louis Workers Won and Then Lost a Minimum-Wage Hike.” 2017. See also Bas, Nikki Fortunato. “States push Jim Crow when they override minimum wage laws.” *The Hill*, 31 August 2017. Available at <http://thehill.com/blogs/pundits-blog/state-local-politics/348749-states-push-jim-crow-when-they-override-minimum-wage>. For additional analysis along these lines see Lakhani, Karim. “Birmingham & The Impact of Race on State Preemption Laws.” *On Labor*, 3 April 2017. Available at <https://onlabor.org/birmingham-the-impact-of-race-on-state-preemption-laws/#more-23152>. Some members of Congress have taken a page from state legislator’s playbook and introduced federal legislation that would “preempt” protective state and local laws, allowing large businesses to evade state and local sick days laws as long as they offer a minimum amount of leave—which is below what some states and localities currently require. H.R. 4219, “Workflex in the 21st Century Act.” 115th Congress, 1st Session. Available at <https://www.congress.gov/115/bills/hr4219/BILLS-115hr4219ih.pdf>. For analysis of the legislation see “Defend Democracy and Reject Sham Flex Legislation!” Family Values@Work, 6 November 2017. Available at <http://familyvaluesatwork.org/media-center/press-release/defend-democracy-reject-sham-flex-legislation>. See also “Fake Flexibility Strikes Again: New Workflex Bill H.R. 4219 Is not the Answer.” *1 Million for Work Flexibility*, 30 November 2017. Available at <https://www.workflexibility.org/fake-flexibility-strikes-again-new-workflex-bill-hr4219-not-answer/>.

<sup>210</sup> On Alabama see Hirsch, Mitchell. “Alabama Shuts Down Raises for 40,000 Workers in Birmingham as Minimum Wage Fight Continues.” National Employment Law Project, 1 March 2016. Available at <http://www.nelp.org/blog/alabama-shuts-down-raises-for-40000-workers-in-birmingham-as-minimum-wage-fight-continues/>.

<sup>211</sup> As of this writing, the case is on appeal to the U.S. Court of Appeals for the Eleventh Circuit. See *Lewis v. State of Alabama*. Case 17-11009. On Appeal from the United States District Court for the Northern District of Alabama Case No. 2:16-cv-690-RDP (Hon. R. David Proctor). On the original challenge see Lakhani, Karim. “Birmingham & the Impact of Race on State Preemption Laws.” 2017. See also Douglas, Scott. “Birmingham’s Fight for a Living Wage.” *Dissent, Summer 2017*. Available at <https://www.dissentmagazine.org/article/birmingham-fight-for-a-living-wage-greater-birmingham-ministries-alabama>.

<sup>212</sup> See for example the “Fair Minimum Wage Act of 2012” S. 3453, 112th Congress, 2nd Session. Available at <https://www.congress.gov/bill/112th-congress/senate-bill/3453>. “Fair Minimum Wage Act of 2013” discussed in “On 4th Anniversary of Last Minimum Wage Increase, Harkin and Miller Point to New Poll Data Showing Broad, Bipartisan Support for Legislation to Raise the Minimum Wage to \$10.10.” U.S. Senate Committee on Health, Education, Labor & Pensions. Available at <https://www.help.senate.gov/ranking/newsroom/press/on-4th-anniversary-of-last-minimum-wage-increase-harkin-and-miller-point-to-new-poll-data-showing-broad-bipartisan-support-for-legislation-to-raise-the-minimum-wage-to-1010>. “Raise the Wage Act.” H.R. 2150, 114th U.S. Congress, 2015-2016. Available at <https://www.congress.gov/bill/114th-congress/house-bill/2150>.

<sup>213</sup> “History of the Minimum Wage.” National Employment Law Project. Available at <http://raisetheminimumwage.com/history/>.

<sup>214</sup> “Raise the Wage Act.” H.R. 15, 115th Congress, 2017. Available at <https://www.congress.gov/bill/115th-congress/house-bill/15>. Separate legislation was also recently introduced in the House of Representatives that would prohibit the Department

of Labor from approving new sheltered workshops and would require existing sheltered workshops to take additional steps to ensure they are preparing people with disabilities for competitive employment in the community. See “Transitioning to Integrated and Meaningful Employment Act of 2017.” H.R. 1377, 115th Congress, 1st Session. Available at <https://www.congress.gov/bill/115th-congress/house-bill/1377>.

<sup>215</sup> “Establishing a Minimum Wage for Contractors, Notice of Rate Change in Effect January 1, 2018.” U.S. Department of Labor Wage and Hour Division, 15 September 2017. Available at <https://www.federalregister.gov/documents/2017/09/15/2017-19668/establishing-a-minimum-wage-for-contractors-notice-of-rate-change-in-effect-as-of-january-1-2018>.

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