

Pass the Raise the Wage Act

February 24, 2021

Dear Members of Congress:

As members of a broad coalition of organizations that promote economic security and equality for women, we strongly urge you to cosponsor and pass the Raise the Wage Act of 2021 as a top priority of the 117th Congress. This legislation is critically needed to advance racial and gender equity and address the economic pain that is falling particularly heavily on women of color in the wake of the COVID-19 pandemic.

Women—especially Black and brown women—have long worked in essential but undervalued jobs that leave them struggling to support themselves and their families. Women are close to two-thirds of those working in jobs that pay the minimum wage or just a few dollars above it, as well as two-thirds of workers in tipped jobs. Black women, Latinas, and Native American women are particularly overrepresented in the lowest-paying jobs, and are particularly harmed by a \$7.25 federal minimum wage that has not gone up in over a decade.

Although these inequities existed long before COVID-19, the pandemic has exposed and exacerbated them. Black women, Latinas, and other women of color are especially likely to be on the front lines of the crisis, in jobs that leave them unprotected and underpaid—from personal care and home health aides to grocery store cashiers to child care workers. And tipped workers are often facing far greater risk for far fewer tips, while federal law continues to allow employers to pay them a base wage of just \$2.13 an hour—unchanged in 30 years.

Women's concentration in low-paid jobs is a key factor driving persistent gender wage gaps that are deepening the financial impact of COVID-19 for women and the families who depend on their income. Women working full time, year round typically make only 82 percent of what their male counterparts make, leaving a wage gap of 18 cents on the dollar. This wage gap varies by race and is far larger for many women of color: Black women working full time, year round typically make only 63 cents, Native American women only 60 cents, and Latinas only 55 cents for every dollar paid to their white, non-Hispanic male counterparts. While Asian American and Pacific Islander (AAPI) women make 85 cents for every dollar paid to white, non-Hispanic men, women in many AAPI communities experience drastically wider pay gaps.

These lost earnings not only leave women without a financial cushion to weather the current crisis, but also make it harder for them to build wealth, contributing to racial and gender wealth gaps and creating barriers to families' economic prosperity. Poverty-level wages also heighten women's economic vulnerability, which in turn heightens their vulnerability to sexual harassment on the job. For example, women who rely on tips to survive often feel compelled to tolerate inappropriate behavior from customers so as not to jeopardize their income, while employers are often unwilling to protect their employees for fear of upsetting a paying customer. And today, tipped workers also face the challenge of enforcing compliance with public health protocols from the same customers on whom they rely for the bulk of their pay.

The Raise the Wage Act is a critical response to the COVID-19 pandemic and an essential component of an equitable recovery. This legislation will raise the federal minimum wage from \$7.25 to \$15 an hour by 2025, then index the minimum wage so that it continues to rise along with wages overall. It will also end unfair exclusions for tipped workers, people with disabilities, and youth so that they, too, can benefit from a decent minimum wage.

The Economic Policy Institute estimates that increasing the federal minimum wage to \$15 by 2025 would give close to 32 million working people a raise; of these workers, almost 60 percent are women, and nearly one in four is a Latina or Black woman. Because women are the majority of workers who would see their pay go up, gender wage gaps would likely narrow as well. In part this

is because of the impact on tipped workers, nearly 70 percent of whom are women. In “One Fair Wage” states where employers already have to pay their tipped workers the full minimum wage before tips, the gender wage gap is one-third smaller than in states where the tipped minimum cash wage remains \$2.13 per hour.

Women tipped workers in One Fair Wage states also experience far lower poverty rates than their counterparts in states that follow the \$2.13 federal standard. And One Fair Wage ensures that women in tipped jobs have a paycheck they can count on, making them less vulnerable to harassment—and better positioned to enforce mask requirements and other public health measures necessary to protect themselves and our communities.

Decades of research show that minimum wage increases consistently boost incomes for workers and their families without costing jobs—even during economic downturns. In fact, raising the minimum wage can spur consumer demand because low-paid workers are highly likely to spend any additional dollars they receive. It is also a critically important way to value the people who are caring for our children, protecting the public health, and keeping our economy afloat during the pandemic. Increased and sustained public investments—starting with the funds proposed to stabilize the child care sector and support home and community-based services in the COVID relief reconciliation bill—can ensure that child care workers and home care workers who have been risking their lives to provide essential services get a raise they need and deserve, without increasing costs for the families they serve.

The unfolding impacts of COVID-19 reveal just how many communities of women, and the families that depend on their earnings, are bearing the brunt of policy choices that have failed to center the needs of women, people of color, and families with low and moderate incomes. Women and their families cannot afford to wait any longer for change during this unprecedented public health and economic crisis. And we cannot build back an economy that works for everyone without ensuring that all women can work with equality, safety, and dignity—starting with equal and adequate pay.

We urge you to prioritize the Raise the Wage Act in the 117th Congress by cosponsoring and swiftly passing this legislation, without any weakening amendments.

Sincerely,

A Better Balance

African American Health Alliance

African American Ministers in Action

AIDS Alliance for Women, Infants, Children, Youth & Families

American Association of University Women (AAUW)

AAUW of Louisiana

American Federation of Teachers

American Sustainable Business Council

Bozeman, Montana Task Force to Advance the Status and Safety of All Women and Girls

Catch Fire Movement

Center for American Progress Women's Initiative

Chicago Foundation for Women

Closing the Women's Wealth Gap Initiative

Coalition of Labor Union Women

Greater Kansas City Chapter, Coalition of Labor Union Women
Metro DC Chapter, Coalition of Labor Union Women
Philadelphia Chapter, Coalition of Labor Union Women
Coalition on Human Needs
Community Organizing and Family Issues (COFI)
ELISE Communications
Equal Rights Advocates (ERA)
 ERA Georgia
Fair World Project
Family Values @ Work
Food Research & Action Center (FRAC)
Futures Without Violence
Girls for Gender Equity
Helpr
Human Impact Partners
In Our Own Voice: National Black Women's Reproductive Justice Agenda
Independent Women's Organization
Institute for Women's Policy Research
Jewish Alliance for Law and Social Action
Justice for Migrant Women
Labor Council for Latin American Advancement
Leah Davis Coaching
LIFT, Inc.
Louisiana Children Foundation
Louisiana Progress Action
MomsRising
NARAL Pro-Choice North Carolina
National Alliance to End Sexual Violence
National Asian Pacific American Women's Forum (NAPAWF)
National Black Women's HIV/AIDS Network, Inc.
National Council of Jewish Women
National Crittenton
National Education Association
National Employment Law Project
National Employment Lawyers Association
National Organization for Women (NOW)
 Florida NOW
 Georgia NOW

Illinois NOW
Montana NOW
North Carolina NOW
Nevada NOW
New Orleans NOW
Pennsylvania NOW
Raleigh NOW
Southwest Pennsylvania NOW
National Partnership for Women & Families
National WIC Association
National Women's Law Center
Native Women Lead
NETWORK Lobby for Catholic Social Justice
New Jersey Citizen Action
Nurses for Sexual and Reproductive Health
Ohio Religious Coalition for Reproductive Choice
One Fair Wage
Operation Restoration
Partners for Rural Transformation
Physicians for Reproductive Health
Poder Latinx
Progressive Social Network
Promundo-US
Public Higher Education Network of Massachusetts (PHENOM)
Reproductive Justice Action Collective
Restaurant Opportunities Centers United (ROC United)
 Restaurant Opportunities Center of Pennsylvania (ROC PA)
 Restaurant Opportunities Center of the District of Columbia (ROC DC)
San Francisco AIDS Foundation
Service Employees International Union
Supermajority
Tewa Women United
The Greenlining Institute
The New York Women's Foundation
The Representation Project
The Susan Jolley Awareness Program
Vision y Compromiso
Washington Coalition of Sexual Assault Programs (WCSAP)

Washington Lawyers' Committee for Civil Rights and Urban Affairs

Women and Girls Foundation

Women and Girls Foundation of Southwest Pennsylvania

Women Employed

Women of Reform Judaism

Women's Fund of Rhode Island

Women's Law Project

Women's Media Center

Women's Rights and Empowerment Network

WOMEN'S WAY

WomenRising, Inc.

YWCA Allentown

YWCA Golden Gate Silicon Valley

ZERO TO THREE