OXFAM REPORT

TEN YEARS WITHOUT A RAISE

A SIMPLE INCREASE IN THE FEDERAL MINIMUM WAGE WOULD BENEFIT MILLIONS OF AMERICAN WORKERS

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This report is linked to an interactive map project on the Oxfam America web site:
oxfamamerica.org/raisethewage

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INTRODUCTION

Today, millions of Americans do arduous work in jobs that pay too little and offer few benefits. They serve food, clean offices, care for the young and elderly, stock shelves, and deliver pizza. They work these jobs year after year while caring for children and parents, trying to save for college, and paying their bills. Yet despite their best efforts, these low-wage workers are falling further and further behind.

The way Oxfam sees it, if you work hard, you should earn enough to get by. And right now, the place to start is to raise the federal minimum wage above the current level of $7.25, which is, simply, a poverty wage. The proposed Raise the Wage Act of 2019 would raise the wage to $15 by 2024. This modest, long-overdue increase would benefit nearly 40 million workers,[1] lift millions out of poverty, strengthen our economy, and save taxpayers billions of dollars.[2]

Raising the minimum wage used to be a bipartisan issue--but Congress today faces an impasse along party lines. We hope that Congress and the Administration can once again recognize that as the cost of living goes up, so should the minimum wage. It's common sense, it will benefit America as a whole, and it's only fair.

THE RAISE THE WAGE ACT OF 2019

The act, introduced in the House and Senate in January 2019, would:

- Raise the federal minimum wage to $8.55 this year and increase it over the next five years until it reaches $15 an hour in 2024;
- After 2024, adjust the minimum wage each year to keep pace with growth in the typical worker's wages;
- Phase out the outdated subminimum wage for tipped workers, which has been frozen at a meager $2.13 since 1991;
- Sunset the much-criticized ability of employers to pay workers with disabilities a subminimum wage; and,
- Phase out the subminimum wage for workers under the age of 20.

DECLINING WAGES, RISING INEQUALITY

In the past 40 years, the very rich have benefited from an astronomical increase in income, while the middle class and low-wage workers have seen their wages stagnate or even decline.

As this divide has grown, the wealthiest people and companies have gained disproportionate power in our economy and our government; low-wage workers have seen their access to power and their ability to influence dwindle. Just like poverty itself, however, this disparity is not inevitable. It is the consequence of our political choices over many years. In order to confront and address growing inequality, we need to identify and advocate for the right policy solutions. A good start is to learn more about the state of the working poor in America and the reasons for raising the minimum wage.

New interactive maps from Oxfam America illustrate the number and percentage of workers who would benefit from an increase in the minimum wage in each of the 50 states (and the District of Columbia).

The numbers are stark:

- Over one quarter of the workforce (27 percent) would benefit from $15 minimum wage by 2024: nearly 40 million workers and their families would get a pay increase–in some cases, more than double their current wage.
- The impact on historically disadvantaged workers is significant.
  - Of those who would benefit, nearly 58 percent (23 million) are women.
  - While 23 percent of white workers would benefit, 33 percent of Latinos would benefit, and 38 percent of black workers.
  - Women of color are vastly disproportionately represented in low-wage jobs. While 17.6 percent of white men would benefit, 39.4 percent of black and Latino women would benefit. In 30 states, over HALF of all Black and Latino women would benefit. In 11 states, over 60 percent would benefit.
- Nearly four in ten (39 percent) of single parents (5.3 million) would benefit from the increase to $15.
- The vast majority of the workers who would benefit are NOT teenagers: 91 percent are age 20 or older. Millions are working parents, struggling to raise children on less than $300 a week.

A WIDENING GAP

- Just 30 years ago, the average pay gap between CEOs and workers was 59 to 1; last year, it soared to 361 to 1. The average CEO made $13,940,000, while a minimum wage worker made $15,080: a gap of 924 to 1.[3]
- The US pay gap is more dramatic than in most other countries. In Japan the ratio is 58 to 1; in Germany, it's 136 to 1.[4]

SIX REASONS TO RAISE THE MINIMUM WAGE

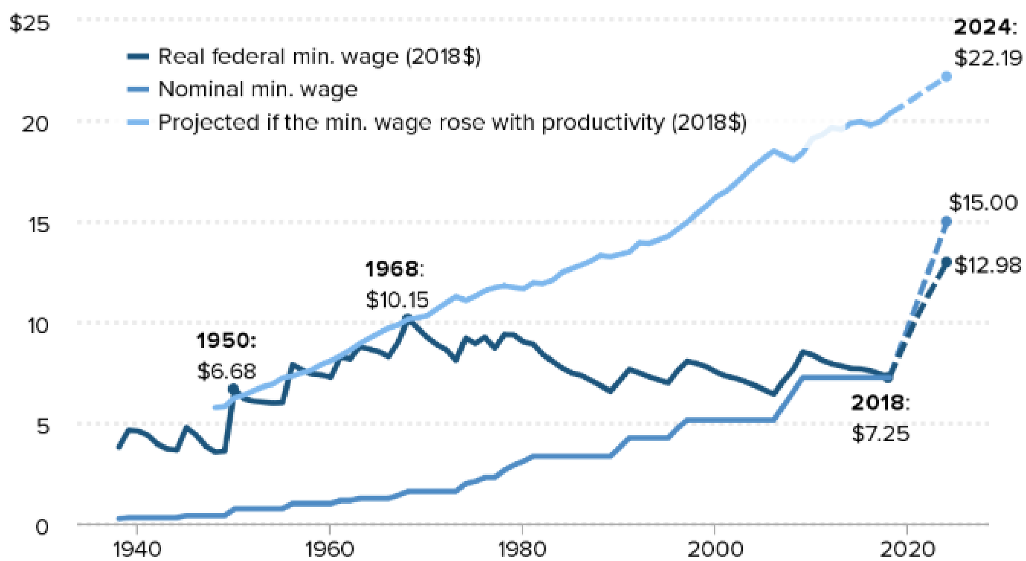
1. It is long overdue: it's been a decade since the last raise to $7.25 an hour.
2. It will address longstanding inequities in pay gaps by gender and race.
3. It is what the overwhelming majority of Americans want.
4. It will reduce poverty.
5. It will fuel economic growth.
6. It will save taxpayers money and reduce need for government benefits.

THE MINIMUM WAGE: A HISTORIC LOW

By almost any measure, the federal minimum wage is at a historic low in 2019. In the simplest sense, it has lost value over the ten years since it was last raised to $7.25 an hour. If it had simply kept pace with inflation, it would be $8.51; if it had kept pace with the increase in basic costs, such as food, it would be $9.06; if it had kept pace with its historic high value in 1968, it would be $10.15. To take it even further, if the wage actually reflected America's gains in productivity and technology, it would be over $20 an hour.[5]

HISTORY OF THE MINIMUM WAGE: FALLING SHORT

Real and nominal values of the federal minimum wage, and value if it had risen with total economy productivity



Notes: Inflation measured using the CPI-U-RS. Productivity is measured as total economy productivity net depreciation.

Sources: EPI analysis of the Fair Labor Standards Act and amendments and the Raise the Wage Act of 2019. Total economy productivity data from the Bureau of Labor Statistics Labor Productivity and Costs program. Average hourly wages of production nonsupervisory workers from the Bureau of Labor Statistics Current Employment Statistics.

The dashed lines in the figure—representing projected values for the years 2019–2024—show that the Raise the Wage Act would reverse this trend for low-wage workers. A series of increases would for the first time ever lift the purchasing power of the federal minimum wage above its 1968 peak.[6]

The minimum tipped wage, which applies to restaurant and other workers who rely predominantly on tips for their income, has not risen since 1991, and stands at $2.13 an hour. The proposal to raise the federal minimum wage to $15 by 2024 also guarantees the minimum wage to tipped workers and indexes the minimum wage to inflation.

$7.25: A POVERTY WAGE

The current federal minimum wage of $7.25 per hour amounts to $15,080 a year for a full-time worker. That's $6,250 below the poverty line for a family of three; $1,830 below the poverty line for a family of two.[7]

WHY NOT NOW?

The US has raised the minimum wage 22 times since it was first established in 1938 by President Franklin Roosevelt. The last time the minimum wage was increased, in 2007 during the administration of President George W. Bush, it passed with overwhelming bipartisan support, by a 94-3 vote in the Senate and 315-116 in the House of Representatives. In fact, the past three presidents have signed into law minimum wage increases supported by bipartisan coalitions in Congress.[8]

Not surprisingly, in the 12 years since Congress last passed an increase, other responsible bodies have taken action to raise minimum wages above the federal. Many employers offer starting wages above the minimum in their locality; and several large employers have committed to raising their minimum wage to at least $15, including Amazon, Costco, Target, and the Walt Disney Company.

WHILE STATES SEEK TO REDRESS LACK OF ACTION, A FEDERAL SOLUTION IS CRUCIAL

While the federal minimum wage has been stuck at $7.25 since 2009, many states and cities have increased their minimum wages. For example, the minimum wage in California is $11 in 2019, and is increasing to $15 by 2024. Some cities within California currently have a minimum of $15. (For more information on state labor policies, visit oxfamamerica.org/statemap.)

As the map on the Oxfam site shows, however, the country is now a patchwork of state fixes, with no real, lasting solution for all American workers. States right next to each other, with similar costs of living, may have dramatically different wages—and disparate numbers of workers struggling. For example, in California, 0.1 percent of workers would benefit from $15 (11,000 workers); in Nevada, 40.3 percent of workers would benefit (more than half a million workers).

Congress needs to take action to ensure that all workers have access to decent wages, no matter where they live.

THE SUBMINIMUM TIPPED WAGE: PROBLEMATIC FOR WOMEN

The Raise the Wage Act would phase out the tipped wage, which has remained frozen at $2.13 an hour for nearly 30 years. This two-tiered wage system has hindered progress for women workers, who make up two-thirds of all tipped workers: Tipped workers have a median wage (including tips) of $10.22, compared with $16.48 for all workers.[9]

Moreover, women in these jobs earn less than men ($10.07 for women versus $10.63 for men)—and the disparity is even greater for women of color. Nearly one in six female tipped workers lives in poverty.

Relying on tips rather than wages for the bulk of their income makes women more vulnerable to sexual harassment on the job. Tipped workers often must struggle to make ends meet on unpredictable tips with virtually no dependable income from a paycheck.

Paying tipped workers the regular minimum wage doesn't hurt job creation; research shows no discernable effect on leisure and hospitality employment growth in the seven states where tipped workers receive the full regular minimum wage.[10]

LOW-WAGE JOBS IN AMERICA: HARD WORK, FEW REWARDS

Although definitions of “low-wage work” vary, it’s generally agreed that between one-quarter and one-third of all US workers are in low-wage jobs. This is the highest proportion of low-wage jobs of any rich country in the world.[11] Half the jobs in America pay under $18 an hour.[12]

Unfortunately, the number of workers in low-wage jobs is only growing. The Great Recession in 2008 knocked millions of Americans out of middle-income jobs. As the economy has recovered, many of the new jobs are low-wage positions. As manufacturing has shifted overseas, middle-wage jobs have declined; the economy now swells with low-wage service jobs and relatively fewer better-wage, high-skill jobs.[13]

Low-wage jobs pay too little, and offer few benefits like paid sick leave, vacation days, and pension plans—making it hard for workers to balance work and family and to plan for the future. Many of the jobs are also physically demanding and dangerous.

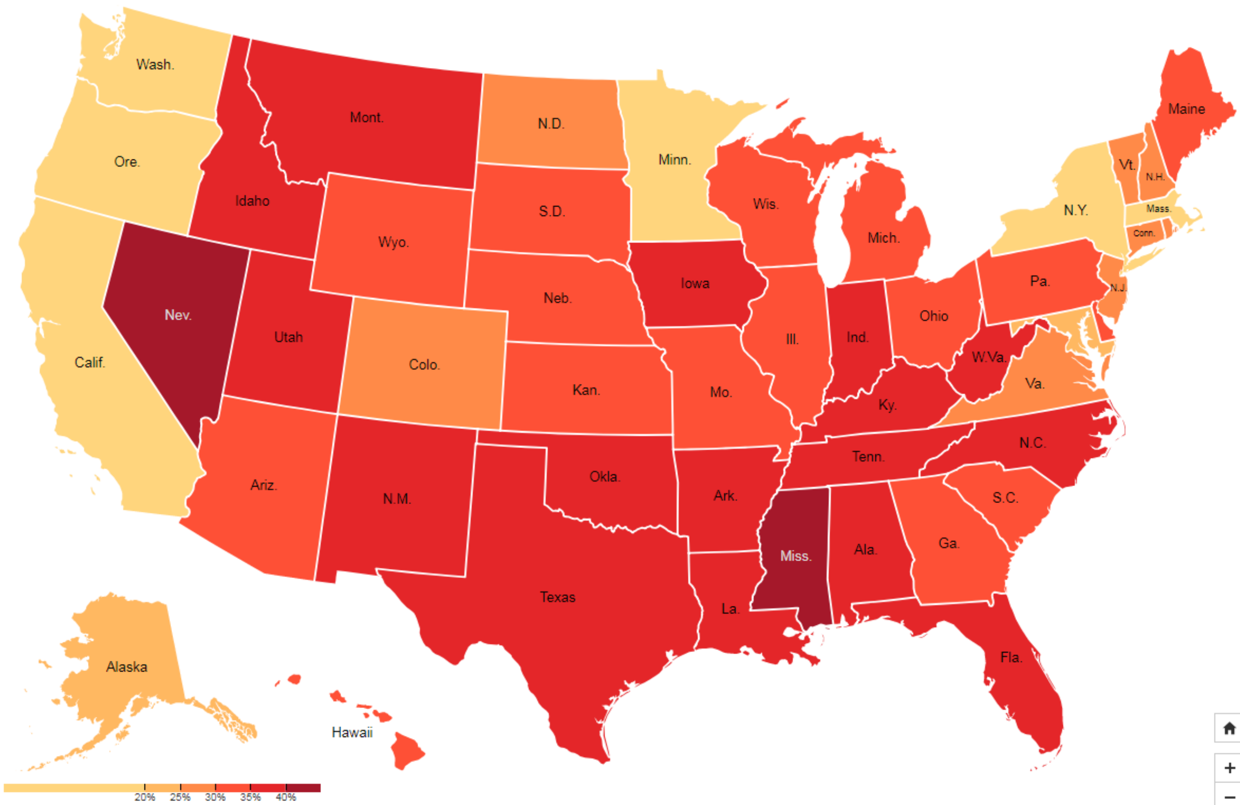
OCCUPATIONS WITH THE HIGHEST EMPLOYMENT IN THE US, MAY 2017

OCCUPATION	NUMBER EMPLOYED	MEAN HOURLY WAGE	MEAN ANNUAL WAGE
Retail salespersons	4,442,090	$13.20	$27,460
Combined food preparation and serving workers, including fast food	3,576,220	$10.21	$21,230
Cashiers	3,564,920	$10.64	$22,130
Office clerks, general	2,967,620	$16.30	$33,910
Registered nurses	2,906,840	$35.36	$73,550
Customer service representatives	2,767,790	$17.14	$35,650
Laborers and freight, stock, and material movers	2,711,320	$14.28	$29,690
Waiters and waitresses	2,584,220	$12.15	$25,280

SOURCES: Bureau of Labor Statistics (BLS), Occupational Employment and Wages Statistics Data Charts, May 2017, employment: https://www.bls.gov/oes/current/area_emp_chart/area_emp_chart_data.htm#United%20States; https://www.bls.gov/oes/2017/may/oes372012.htm; wages data: https://www.bls.gov/oes/current/oes_nat.htm#00-0000

THE LOW-WAGE MAP OF THE UNITED STATES

PERCENTAGES OF WORKERS WHO WOULD BENEFIT FROM A RAISE TO $15 BY 2024



This map illustrates the percentages of workers who would benefit from a raise to $15. The darker the color, the higher the concentration of low-wage workers.

Overall, 26.6 percent of the American workforce would benefit--nearly 40 million workers

Given the history over the last ten years, however, concentrations of low-wage workers who will benefit from $15 by 2024 vary dramatically by state: from 0.1 percent in California (which will offer $15 by 2024) to 41.6 percent in Mississippi and 40.3 percent in Nevada. The other states where the percentage of workers who will benefit is below the national average have state minimum wages that are higher than $7.25 an hour: Massachusetts, New York, Minnesota, Washington, Oregon, Maryland, Alaska, New Jersey, and Connecticut (New Hampshire is the exception, with a minimum wage of $7.25 and 25.5 percent affected).

Southern states fall to the bottom of the list. In these states, over a third of the workforce would benefit from the bump: Arkansas, Louisiana, Alabama, Florida, Tennessee, Texas, North Carolina, West Virginia, Georgia, and South Carolina.

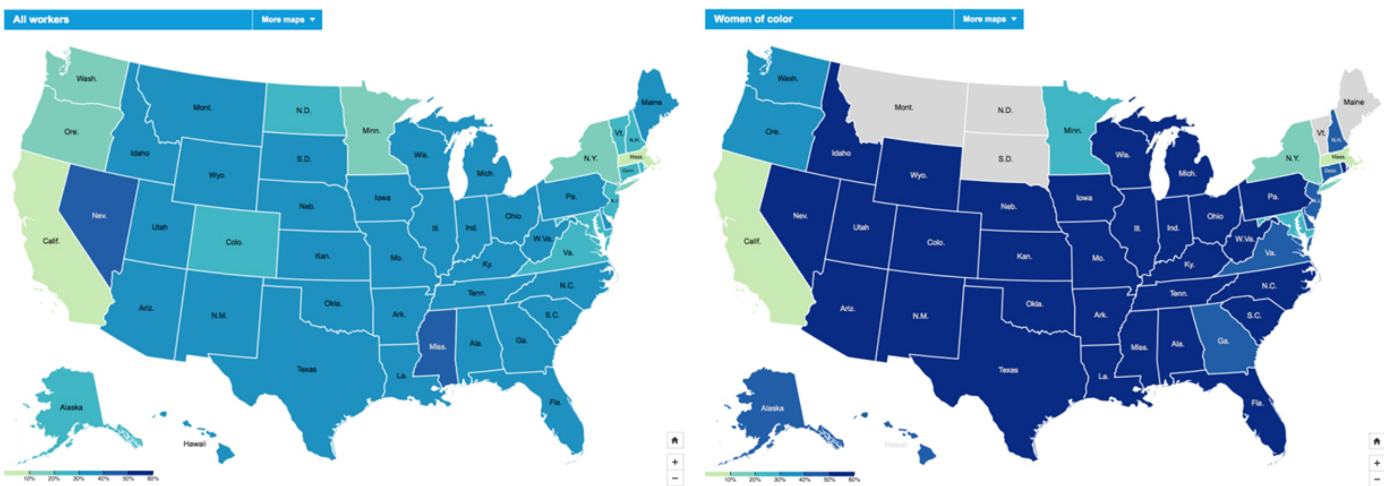
State	Total estimated state workforce	Total affected	Share of state workforce affected	Cumulative change in total annual wages of all affected workers (2018$)	Cumulative change in avg ann earnings of all affected workers	Change from under current policy
National total	**149,340,000**	**39,673,000**	**26.6%**	**$120,789,478,000**	**$3,040**	**14.0%**
California	18,753,000	11,000	0.1%	$20,219,000	$2,050	7.2%
Massachusetts	3,456,000	121,000	3.5%	$227,502,000	$2,180	8.5%
District of Columbia	361,000	15,000	4.2%	$37,733,000	$2,860	9.4%
New York	9,450,000	1,183,000	12.5%	$1,078,848,000	$1,050	3.9%
Minnesota	2,773,000	425,000	15.3%	$777,756,000	$2,120	9.5%
Washington	3,340,000	513,000	15.4%	$116,339,000	$260	0.9%
Oregon	1,816,000	319,000	17.6%	$204,419,000	$740	2.7%
Maryland	3,032,000	670,000	22.1%	$1,839,055,000	$3,170	12.8%
Alaska	350,000	82,000	23.4%	$226,885,000	$3,200	11.9%
New Jersey	4,397,000	1,123,000	25.5%	$3,128,308,000	$3,220	13.7%
New Hampshire	679,000	173,000	25.5%	$460,586,000	$3,070	14.0%
Connecticut	1,768,000	465,000	26.3%	$1,068,581,000	$2,660	11.8%
Rhode Island	516,000	142,000	27.5%	$290,337,000	$2,360	10.0%
Colorado	2,667,000	760,000	28.5%	$602,641,000	$920	3.4%
North Dakota	380,000	109,000	28.7%	$294,557,000	$3,120	13.0%
Vermont	302,000	87,000	28.9%	$128,792,000	$1,710	6.8%
Virginia	4,034,000	1,187,000	29.4%	$4,172,251,000	$4,060	17.1%
Wyoming	278,000	88,000	31.8%	$311,194,000	$4,070	16.8%
Wisconsin	2,832,000	909,000	32.1%	$2,887,627,000	$3,670	16.6%
Illinois	6,121,000	2,012,000	32.9%	$4,490,026,000	$2,580	10.2%
Maine	617,000	203,000	32.9%	$208,705,000	$1,190	4.6%
Missouri	2,760,000	909,000	32.9%	$1,680,153,000	$2,140	8.6%
Hawaii	714,000	237,000	33.2%	$554,940,000	$2,710	10.6%
Nebraska	949,000	316,000	33.3%	$756,360,000	$2,760	11.5%
Delaware	433,000	145,000	33.5%	$442,554,000	$3,530	14.8%
Michigan	4,367,000	1,469,000	33.6%	$3,613,068,000	$2,840	11.9%
Pennsylvania	5,910,000	2,004,000	33.9%	$6,698,663,000	$3,860	16.9%
South Dakota	414,000	142,000	34.4%	$339,289,000	$2,760	11.0%
South Carolina	2,132,000	736,000	34.5%	$2,674,401,000	$4,200	17.4%
Georgia	4,533,000	1,575,000	34.7%	$5,840,009,000	$4,290	17.6%
Arizona	2,986,000	1,040,000	34.8%	$928,148,000	$1,030	3.7%
Ohio	5,305,000	1,849,000	34.9%	$5,514,513,000	$3,450	14.7%
Kansas	1,377,000	480,000	34.9%	$1,484,708,000	$3,570	14.7%
Oklahoma	1,714,000	602,000	35.1%	$2,276,758,000	$4,370	17.9%
Iowa	1,525,000	538,000	35.3%	$1,628,645,000	$3,500	15.2%
West Virginia	718,000	255,000	35.5%	$800,502,000	$3,630	14.9%
North Carolina	4,474,000	1,587,000	35.5%	$6,017,683,000	$4,380	18.4%
Utah	1,364,000	488,000	35.8%	$1,443,535,000	$3,420	15.4%
Texas	13,157,000	4,712,000	35.8%	$18,781,857,000	$4,610	18.8%
Tennessee	2,926,000	1,069,000	36.5%	$3,854,280,000	$4,170	17.0%
Montana	457,000	168,000	36.7%	$423,578,000	$2,920	12.5%
Indiana	3,022,000	1,113,000	36.8%	$3,597,951,000	$3,740	15.9%
Florida	8,874,000	3,275,000	36.9%	$10,487,542,000	$3,700	14.9%
Kentucky	1,860,000	692,000	37.2%	$2,685,891,000	$4,490	18.9%
Alabama	2,010,000	754,000	37.5%	$2,820,747,000	$4,330	18.0%
Louisiana	1,985,000	745,000	37.5%	$2,996,969,000	$4,650	18.9%
Idaho	710,000	271,000	38.1%	$977,421,000	$4,170	17.5%
Arkansas	1,243,000	487,000	39.2%	$1,099,408,000	$2,610	9.9%
New Mexico	923,000	363,000	39.3%	$1,165,722,000	$3,710	15.1%
Nevada	1,379,000	555,000	40.3%	$1,712,021,000	$3,560	13.4%
Mississippi	1,199,000	499,000	41.6%	$2,097,470,000	$4,860	20.1%

WOMEN AND PEOPLE OF COLOR STAND TO BENEFIT DISPROPORTIONATELY

In the US, women are more likely to find themselves in jobs that do not pay well and offer few benefits. Many low-wage occupations—from restaurant servers to child care workers—are dominated by women. Of the nearly 40 million workers who would benefit from an increase to $15, 58 percent (23 million) are women.[14]

Increasing the minimum wage would help reduce the wage gap between men and women; in 2016, women working full time were paid only 80 cents for every dollar paid to their male counterparts.[15] In fact, the gender wage gap is significantly less in states with minimum wages above $7.25.[16]

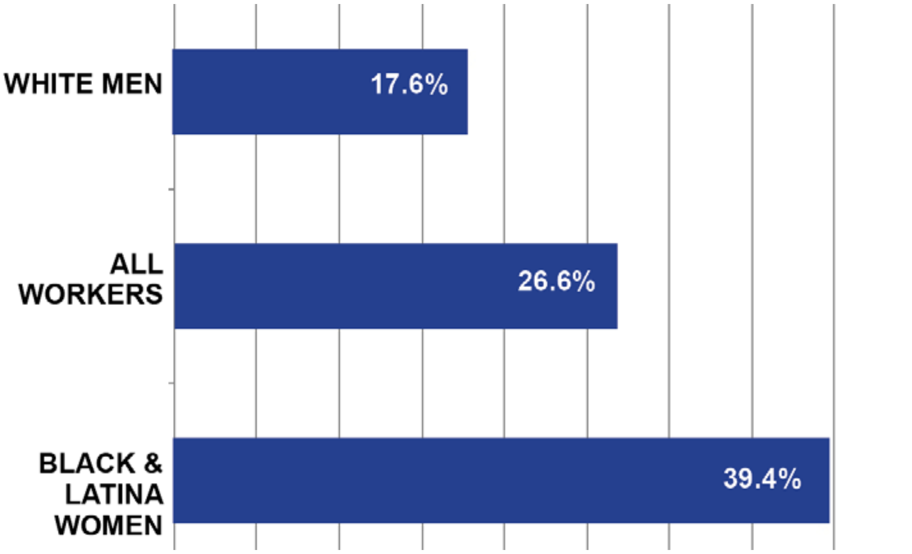
SHARES OF WORKERS WHO WOULD BENEFIT: ALL WORKERS VS WOMEN OF COLOR



The darker the color, the higher the percentage of low-wage workers in the state. Percentages for all workers range from .1 percent (California) to 41.6 percent (Mississippi).

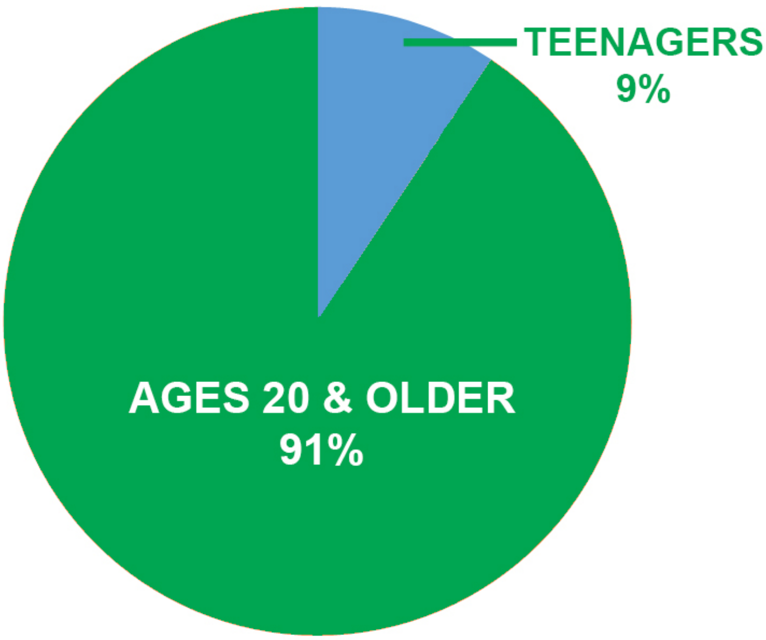
Percentages for women of color soar up to 68.6 percent (Idaho). In 30 states, over HALF of all Black and Latina working women would benefit from the raise in the minimum wage. In 11 states, over 60 percent would benefit.

SHARE OF GENDER AND RACIAL ETHNIC GROUP THAT WOULD BENEFIT FROM THE INCREASE TO $15



THIS IS ABOUT ADULTS AND FAMILIES: THE VAST MAJORITY OF LOW-WAGE WORKERS ARE *NOT* TEENAGERS

SHARES OF TOTAL WORKFORCE THAT WOULD BENEFIT FROM $15, BY AGE



A common narrative to defend a low minimum wage maintains that it is little more than a starter wage for young people, and that employers need to be able to pay low wages to unskilled, unseasoned workers. The evidence shows otherwise: the vast majority of low-wage workers are 20 years or older.

In the total workforce, of those who would benefit from $15, 91 percent are 20 years of age or older, while only 9 percent are teenagers. And, while wages appear to increase as workers get older (the age demographic with the lowest share is 40-54 years old), there is a marked increase in the share of low-wage workers in the 55 and older cohort. In 18 states, more than 25 percent of workers age 55 and older would benefit from the increase to $15.

Moreover, millions are parents of children; many are the only breadwinner in the household.

THE PARTISAN WAGE GAP

In the last few Congresses, the votes on minimum wage legislation have largely fallen along party lines; analysts expect the vote in 2019 to adhere to this pattern.

However, constituents in states with two Republican Senators (or one Republican and one other) would disproportionately benefit from the bump to $15.

- In states with two GOP Senators, 36 percent of workers would benefit from the increase to $15; these states account for 52 percent of the total of those affected;
- in states with one GOP and one Democrat (or Independent), 34 percent; these states account for 20 percent of the total of those affected;
- in states with two Democrat Senators, 16 percent; these states account for 28 percent of the total of those affected.

Not only do majorities of registered voters across party lines support an increase in the wage; but workers in states with Republican Senators are losing ground every day from wages of diminishing value.

TWO REPUBLICAN SENATORS	State	Total estimated state workforce	Total affected	Share of state workforce who are affected	State's share of national total affected
	National total	**149,340,000**	**39,673,000**	**26.6%**	**100.0%**
1	Alaska	350,000	82,000	23.4%	0.2%
2	Arkansas	1,243,000	487,000	39.2%	1.2%
3	Florida	8,874,000	3,275,000	36.9%	8.3%
4	Georgia	4,533,000	1,575,000	34.7%;	4.0%
5	Idaho	710,000	271,000	38.1%	0.7%
6	Indiana	3,022,000	1,113,000	36.8%	2.8%
7	Iowa	1,525,000	538,000	35.3%	1.4%
8	Kansas	1,377,000	480,000	34.9%	1.2%
9	Kentucky	1,860,000	692,000	37.2%	1.7%
10	Louisiana	1,985,000	745,000	37.5%	1.9%
11	Mississippi	1,199,000	499,000	41.6%	1.3%
12	Missouri	2,760,000	909,000	32.9%	2.3%
13	Nebraska	949,000	316,000	33.3%	0.8%
14	North Carolina	4,474,000	1,587,000	35.5%	4.0%
15	North Dakota	380,000	109,000	28.7%	0.3%
16	Oklahoma	1,714,000	602,000	35.1%	1.5%
17	South Carolina	2,132,000	736,000	34.5%	1.9%
18	South Dakota	414,000	142,000	34.4%	0.4%
19	Tennessee	2,926,000	1,069,000	36.5%	2.7%
20	Texas	13,157,000	4,712,000	35.8%	11.9%
21	Utah	1,364,000	488,000	35.8%	1.2%
22	Wyoming	278,000	88,000	31.8%	0.2%
Totals		**57,226,000**	**20,515,000**	**36%**	**51.71%**

ONE REPUBLICAN SENATOR	State	Total estimated state workforce	Total affected	Share of state workforce who are affected	State's share of national total affected
	National total	**149,340,000**	**39,673,000**	**26.6%**	**100.0%**
1	Alabama	2,010,000	754,000	37.5%	1.9%
2	Arizona	2,986,000	1,040,000	34.8%	2.6%
3	Colorado	2,667,000	760,000	28.5%	1.9%
4	Maine	617,000	203,000	32.9%	0.5%
5	Montana	457,000	168,000	36.7%	0.4%
6	Ohio	5,305,000	1,849,000	34.9%	4.7%
7	Pennsylvania	5,910,000	2,004,000	33.9%	5.1%
8	West Virginia	718,000	255,000	35.5%	0.6%
9	Wisconsin	2,832,000	909,000	32.1%	2.3%
Totals		**23,502,000**	**7,942,000**	**34%**	**20.02%**

TWO DEMOCRATIC SENATORS	State	Total estimated state workforce	Total affected	Share of state workforce who are affected	State's share of national total affected
	National total	**149,340,000**	**39,673,000**	**26.6%**	**100.0%**
1	California	18,753,000	11,000	0.1%	0.0%
2	Connecticut	1,768,000	465,000	26.3%	1.2%
3	Delaware	433,000	145,000	33.5%	0.4%
4	Hawaii	714,000	237,000	33.2%	0.6%
5	Illinois	6,121,000	2,012,000	32.9%	5.1%
6	Maryland	3,032,000	670,000	22.1%	1.7%
7	Massachusetts	3,456,000	121,000	3.5%	0.3%
8	Michigan	4,367,000	1,469,000	33.6%	3.7%
9	Minnesota	2,773,000	425,000	15.3%	1.1%
10	Nevada	1,379,000	555,000	40.3%	1.4%
11	New Hampshire	679,000	173,000	25.5%	0.4%
12	New Jersey	4,397,000	1,123,000	25.5%	2.8%
13	New Mexico	923,000	363,000	39.3%	0.9%
14	New York	9,450,000	1,183,000	12.5%	3.0%
15	Oregon	1,816,000	319,000	17.6%	0.8%
16	Rhode Island	516,000	142,000	27.5%	0.4%
17	Vermont*	302,000	87,000	28.9%	0.2%
18	Virginia	4,034,000	1,187,000	29.4%	3.0%
53	Washington	3,340,000	513,000	15.4%	1.3%
Totals		**68,253,000**	**11,200,000**	**16.4%**	**28.23%**

*Senator Bernie Sanders (I) caucuses with Democrats.

WHY RAISE THE WAGE NOW? SIX SIMPLE REASONS

The Raise the Wage Act of 2019 would benefit over a quarter of the workforce: nearly 40 million workers and their families. The act would raise the federal minimum wage to $8.55 this year and increase it over the next five years until it reaches $15 in 2024, then adjust it each year to keep pace with the typical worker's wages.

Here are six reasons why raising the wage makes sense.

1. It is long overdue.

In the decade since it was last raised, the minimum wage has failed to keep up with inflation, failed to keep up with average wages, and—most dramatically—failed to keep up with incomes of the top 1 percent and CEOs, contributing to America's growing inequality.

Low-wage workers are not benefiting from economic growth and productivity. If the minimum wage had kept pace with productivity increases, it would be around $20.

Just 30 years ago, the average pay gap between CEOs and workers was 59 to 1; last year, it soared to 361 to 1. The average CEO makes $13,940,000, while a minimum wage worker makes $15,080: a gap of 924 to 1.

2. It would address longstanding racial and gender inequities.

Historically marginalized people do more than their fair share of low-wage work, and would stand to benefit disproportionately from the bump.

While 27 percent of the total workforce would benefit from the raise:

- 39 percent of Black and Latina women would benefit (vs. 18 percent of white men),
- 38 percent of African American workers would benefit,
- 33 percent of Latino workers would benefit,
- 32 percent of women workers would benefit (vs 22 percent of men).

3. It would reduce poverty.

The bump from $290 a week to $600 a week would lift millions of family out of poverty. Two-thirds of all working people in poverty (67.3 percent) would see a raise in wages.

4. It would fuel economic growth.

The roughly $120 billion extra paid to workers would be pumped back into the economy for necessities such as rent, food, clothes.

Economists have long recognized that boosting purchasing power by putting money in people's pockets for consumer spending has positive ripple effects on the entire economy.

In one recent poll, 67 percent of small business owners support the minimum wage increase to $15 an hour.[17] They say it would spark consumer demand, which would enable them to retain or hire new employees.

And raising the wage doesn't seem to compel employers to cut jobs. As states and cities across the country have raised wages, research has found no statistically significant effect on employment.[18]

5. It would save taxpayers money and reduce use of government programs.

When employers don't pay people enough to survive, those workers are compelled to seek government assistance, meaning taxpayers are essentially subsidizing the corporations.

In 2016, EPI found that, among recipients of public assistance, most work or have a family member who works; and they are concentrated at the bottom of the pay scale. Raising wages for low-wage workers would "unambiguously reduce net spending on public assistance, particularly among workers likely to be affected by a federal minimum-wage increase."[19]

6. It's what the vast majority of Americans want.

Vast majorities (up to three quarters, including a majority across party lines) support raising the wage.[20] Even in a poll sponsored by the National Restaurant Association (which has worked to block state minimum wage increases and preempt local sick day laws),[21] 71 percent of Americans indicated support for raising the wage, "even if it also increases the cost of food and service to customers."[22]

In fact, over half the states have raised their minimum wages to restore basic fairness to the workforce.

METHODOLOGY

This report is linked to an interactive map project on the Oxfam America web site: oxfamamerica.org/raisethewage. The maps illustrate the number and percentage of workers who would benefit from an increase in the minimum wage in each of the 50 states (plus the District of Columbia).

The methodology distinguishes between "directly" and "indirectly" affected workers, and combines the numbers for the "total affected." "Directly affected workers" are those who would otherwise be paid less than $15 in 2024. "Indirectly affected workers" are those expected to have a wage rate just above the new minimum wage. They are likely to receive a raise as employer pay scales are adjusted upward to reflect the new minimum wage.

This analysis estimates that nearly 40 million workers would benefit from the increase to $15 by 2024 (26.6 percent of all workers). There are many ways to define and analyze the data, and others have come up with different numbers.

Oxfam thanks the Economic Policy Institute for its data analysis. The Economic Policy Institute Minimum Wage Simulation Model uses data from the Current Population Survey (CPS) and the American Community Survey (ACS) to estimate the size and demographic/workforce characteristics of the populations affected by proposed changes in federal, state, and local minimum wages, as well as the likely impact of those changes on the wages of affected workers. The model accounts for inflation, labor force growth, and all existing state and local minimum wage laws and the likely minimum wages resulting from those laws throughout the simulation period. The statistics in this report were generated using the 2017 ACS five-year microdata and the 2017 CPS Outgoing Rotation Group microdata. A full description of the methodology can be found in EPI 2019b.

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This project follows Oxfam research from 2018 that examined labor policies in the 50 states (and DC), and ranked them in order of best to worst for workers. For more information on that project, and the interactive maps, refer to: oxfamamerica.org/statemap.

CREDITS

This project was conceived and realized by Oxfam America (including the report and the online maps). The data is based on original research by economist David Cooper of the Economic Policy Institute. The online interactive map was created by Michael Stanaland.

END NOTES

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