



THE CRISIS OF LOW WAGES

WHO EARNS LESS THAN \$17 AN HOUR
IN THE U.S. IN 2024?



OXFAM

ACKNOWLEDGMENTS

The *Crisis of Low Wages, 2024* is written by Kaitlyn Henderson and based on research done by Kaitlyn Henderson and Stephen Stapleton. The data methodology was primarily developed by Stephen Stapleton. Patricia Stottlemeyer helped develop the policy recommendations, and Michael Stanaland developed the online interactive map.

This index was originally inspired by minimum wage modeling done by the Economic Policy Institute (EPI), led by David Cooper. The 2024 interactive map and research report benefitted from the feedback and peer reviews of Paige Castellanos, James Morrissey, Martha Ross, and Patricia Stottlemeyer. Oxfam America would also like to thank the following individuals for their contributions to the 2024 index and report: Emily Eberly, Namalie Jayasinghe, and Stephanie Smith.

COVER IMAGE: Bethesda, MD, U.S. 09/15/2020: A janitor wearing a bouffant cap, blue scrubs, plastic boots, face mask, and gloves is cleaning the hospital loading dock where high-pressure gas tanks are placed.
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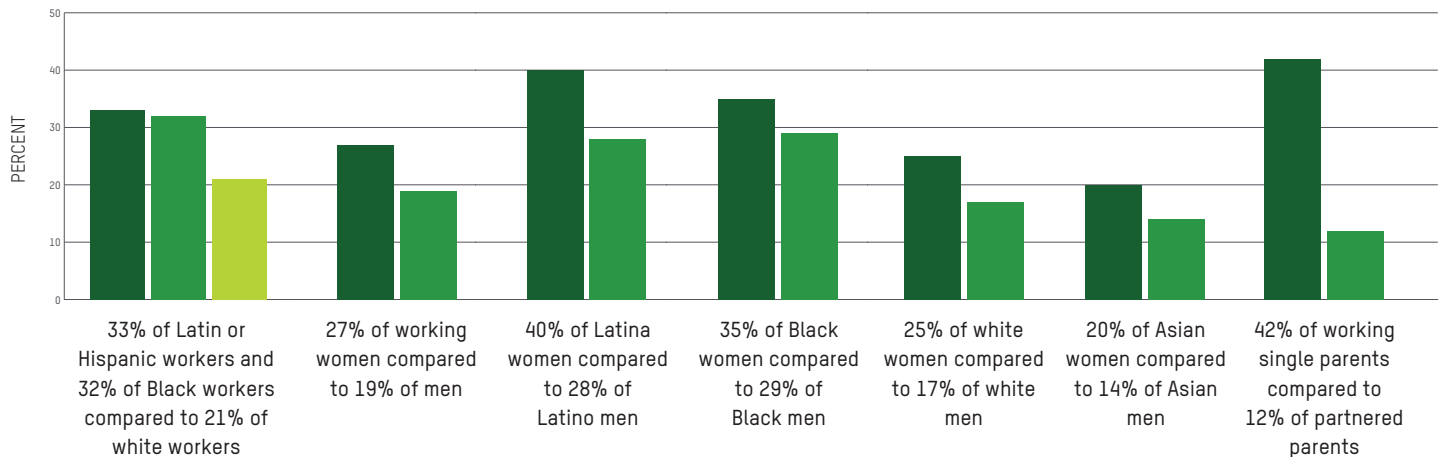
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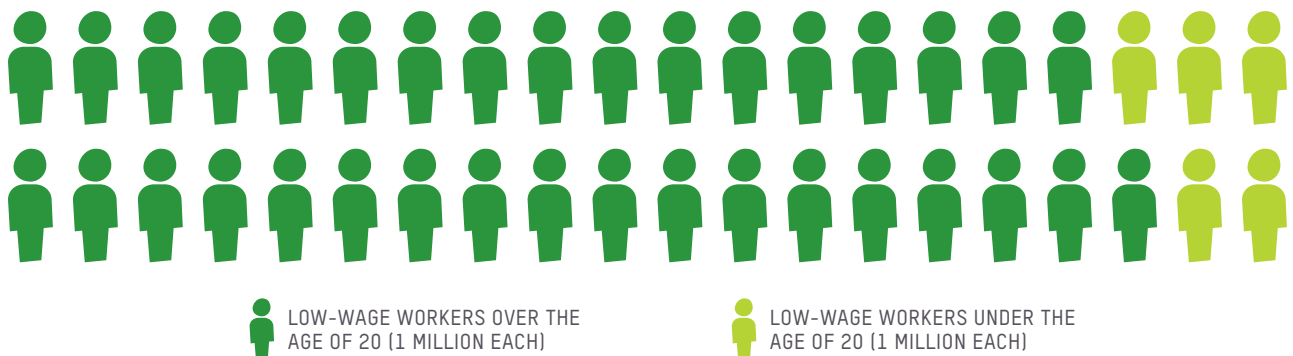
EXECUTIVE SUMMARY

According to new data from Oxfam, there are more than 39 million low-wage workers in the United States, defined here as any worker earning less than \$17 an hour. This translates to 23 percent of the U.S. workforce, or nearly one in four workers in the US. This new research includes a full demographic picture of low-wage workers, including race, gender, intersecting race and gender, age, parental status, and tipped wage worker status. Our findings demonstrate that women and communities of color, especially Black and Latin or Hispanic workers, are most impacted by low wages and stagnating minimum wage policies. Top-line findings are:

FIGURE 1.
WHO EARNS LESS THAN \$17 AN HOUR IN THE U.S.?



OF THE 39 MILLION LOW-WAGE WORKERS, MORE THAN 34 MILLION ARE ADULTS OVER THE AGE OF 20.



When considering all workers, the proportion of low-wage workers varies drastically by state, ranging from 8.6 percent of workers in DC to 34 percent of workers in Mississippi and 75.8 percent of workers in Puerto Rico, with most states clustering around the 20 percent range.

Our research helps support the need for a raise in the federal minimum wage and an end to all minimum wage exceptions and subminimum wage policies.

INTRODUCTION

In the United States, a country where the federal minimum wage has been stuck at \$7.25 since 2009, there are millions of workers earning low wages, unable to address their basic costs of living despite working full time. To be more specific, according to our data, there are more than 39 million workers in the U.S. earning low wages. The prevalence of these low-wage workers is the direct result of a lack of policy change at the federal level, where the national government has the power to set the wage floor for the country. While \$7.25 has been the floor for most workers, the floor is even lower for workers working in tipped wage industries. The tipped minimum wage has not changed in over 30 years and has been stuck at \$2.13 since 1991.

The minimum wage has a long and important history, which helps explain why wages remain depressed for certain populations more than others. Back in the late 1930s, when President Franklin D. Roosevelt created legislation under his New Deal policy framework, weaving a social safety net for the first time, minimum wages were enshrined in the Fair Labor Standards Act (FLSA) of 1938. However, this original bill excluded many workers from the newly created minimum wage mandate and other protections. Among the excluded were farmworkers, domestic workers, and restaurant workers; workforces that were overwhelmingly Black and, especially in the case of domestic workers, Black women. In 1966, Congress amended the FLSA to include restaurant workers,¹ but this class of workers was offered a subminimum “tipped” wage, with the assumption that restaurant patrons would make up the difference in gratitude for hard work.² Other workers who can still legally be paid a subminimum wage include students in a work-study program and persons with disabilities.³ Slowly through the years, many exempted populations have been folded into eligibility for the minimum wage under an expanded FLSA, but some exceptions still exist: small farm farmworkers and home care workers who provide what the Department of Labor terms “companionship services”⁴ are still excluded from federal minimum wage provisions as well as overtime restrictions.⁵

This patchwork of exclusions in addition to stagnated wages means there are millions of workers in the U.S. who live paycheck to paycheck despite working full time. While the complete solution to this reality requires an overhaul of the social safety net within the US, including investing in a care economy—or an economy that cares for peoples’ well-being—

one of the most effective policy solutions available to address working poverty in the United States is a raise in the federal minimum wage.

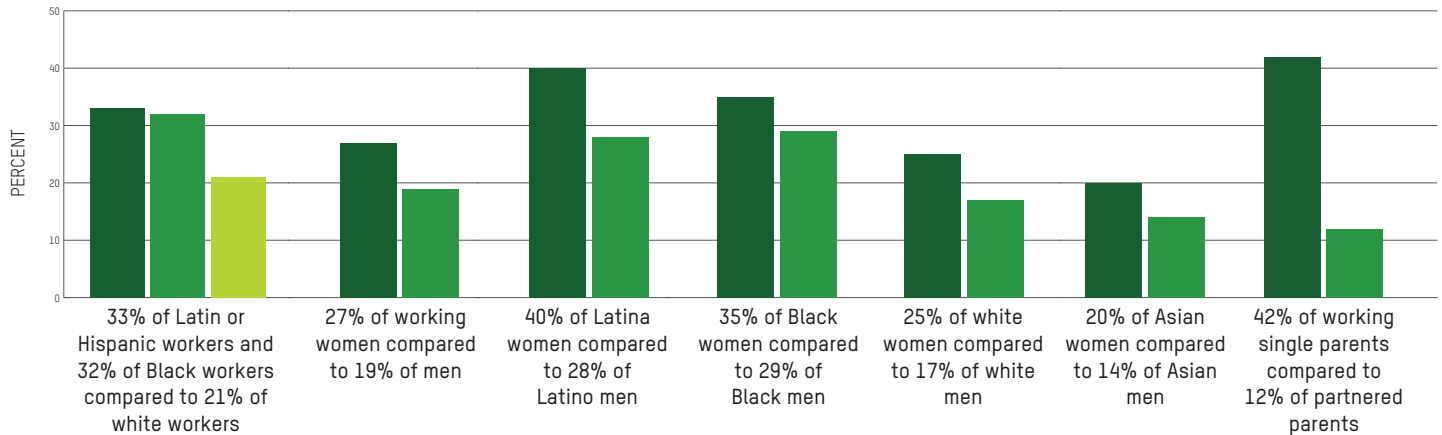
WHO ARE THE WORKERS CAUGHT IN LOW WAGES?

According to our data, in 2024 there are over 39 million workers earning less than \$17 an hour. This represents 23 percent of all workers within the United States, meaning nearly one in four U.S. workers earns low wages. While these numbers are jarring, it is important to note the progress that has been made since the last rendition of this report in 2022. In the last two years, many states have raised their minimum wages, and more states have joined the movement for “one fair wage,” meaning they have eliminated the subminimum tipped wage, bringing all workers up to one minimum wage.⁶ These policy changes have had a remarkable impact, bringing up the wages of minimum wage workers but also increasing the wages of those workers earning slightly more than the minimum wage.

When we released this report in 2022, our findings indicated that almost a third of workers earned low wages, which we then defined as anyone earning less than \$15 an hour. In 2024, this number has dropped to now hovering just below a quarter of U.S. workers earning low wages (or less than \$17 an hour), reflecting the consistent minimum wage increases happening in some states as well as a tightening job market that meant many companies raised their own wages to compete for workers.⁷ This progress is important and is rightly celebrated. However, while the federal government continues to stagnate and refuse to raise the federal minimum wages, the same groups of historically marginalized workers are caught in cycles of low wages. And beyond the demographic impact of these stagnating wages, there is an important geographic impact as well. The states that refuse to raise their wage above the federal minimum also have, for the most part, the highest rates of low-wage workers in the country.

As in previous editions, our 2024 data once again demonstrates that communities across the United States most likely to be working for low wages are workers of color, women, women of color, single parents, and adults. Some of the stark discrepancies at the national level are as follows in Figure 2:

FIGURE 2.
WHO EARNS LESS THAN \$17 AN HOUR IN THE U.S.?



OF THE 39 MILLION LOW-WAGE WORKERS, MORE THAN 34 MILLION ARE ADULTS OVER THE AGE OF 20.



While the sheer proportion of teenaged workers earning less than \$17 an hour is the highest proportion of any demographic group highlighted in our data, what is important to note is that this demographic still represents a very small proportion of all workers in the United States. In our 16-19 years old category, there are approximately 4.6 million workers. In the category of adults over the age of 20 making less than \$17 an hour, there are approximately 34.5 million workers. So it is important to recognize that the issue of low wages in this country and the need for a higher minimum wage is one that matters most for working adults.

The above numbers confirm long-standing patterns of gendered and racialized wage discrepancies. In the case of low-wage workers, the disproportionate representation of workers of color, women, and women of color in low-wage positions is a reflection of historic and ongoing occupational segregation. As the National Employment Law Project helpfully defines, occupational segregation is “the systemic overrepresentation or underrepresentation of a demographic group in a particular occupation or field of employment.”⁸ Occupations that tend to employ majority women, immigrants, or people of color are often underpaid positions, reflecting a social devaluation of work that is very often critical to the functioning of our communities and economies, such as care work or agricultural work.⁹ For example, some domestic workers and farmworkers continue to be excluded from certain federal wage protections. Other care sectors, such as adult, disability, and child care providers, are some of the low-wage workforces in the country. Child care workers, for example, earn an average of \$15.42 an hour in the United States.¹⁰ In the case of adult and disability care workers, the average hourly income in the United States is \$16.05.¹¹ In both cases, the annual income of these care

professionals is less than \$35,000, an income that is challenging to live on and nearly impossible to live on with children.

Beyond the impact of occupational segregation on the continued representation of certain workers in low-wage jobs, there also remains the existence of federal minimum wage exemptions that continue to trap many workers in very low wages. Still to this day there is a federal subminimum tipped wage, which assumes patrons will tip enough to make up the difference between the subminimum and standard minimum wage. In addition to the tipped wage, as previously mentioned there is also the exemption for certain categories of workers that allows them to legally be paid less than the federal minimum of \$7.25, such as work-study students. As a result, the proportion of tipped wage workers who make less than \$17 an hour is stark and represents the problems of the current tiered wage categories enshrined in federal law. As of now:

- 53 percent of tipped wage workers earn less than \$17 an hour, compared to 20 percent of nontipped wage workers.

The very high proportion of tipped wage workers earning low wages at the national level reflects several realities. The continued practice of subminimum tipped wages traps too many workers in low wages. While the tipped wage assumes that customers will compensate workers directly for their service, and employers are legally obligated to ensure tipped workers earn at least the state minimum wage, the enforcement of this policy is lax at best, leading to rampant wage theft.¹² Tipped wage workers, the vast majority of whom are women, have some of the highest poverty levels of any workers.¹³

A NOTE ON TERMS

There is not a clear consensus on how to define a “low-wage worker.” While some focus on frameworks of a “living wage,” or the hourly wage that would be needed to live well and address all costs comfortably, others instead focus on wages that can simply address the “cost of living.” In the case of this research, Oxfam is defining a “low-wage worker” as anyone making less than \$17 an hour. In alignment with the current Raise the Wage Act, this research helps demonstrate the impact of raising the federal minimum wage to \$17 an hour given our findings that more than 39 million workers in the U.S. currently earn less than \$17 an hour.

Since Oxfam relied on census data for all demographic information, the data reflects the limitations created by the census around expressing one’s identity. For race and ethnicity, respondents can choose between “Asian American or Other Pacific Islander,” “Black or African American,” “American Indian or Alaskan Native,” or “Hispanic, Latino, or Spanish origin.” Whiteness is typically measured by those who check “White” in the racial box and “Not of Hispanic, Latino, or Spanish origin” in the ethnicity box. In terms of gender, census forms only offer options within the binary of male vs. female, which are biological designations, often referred to as a person’s “sex” and not forms of self-expression often associated with expressions of gender. However, because the census allows an individual to choose for themselves the assignment, throughout this report we use the term “women,” which is considered a more expansive gender identity than “female.” Oxfam is cognizant that when filling out a census form not every person is thinking of their biology and chooses instead the category that best aligns with their gender identity. And as the term “sex” is misleading, Oxfam refers to the figures focusing on male vs. female workers as gender and not “sex,” but it is important to identify and acknowledge the difference between expressions of identity and the weight they carry. While biological sex is an assignment at birth, gender is an expression of self. The census allows people to choose their sex for themselves, though it still only allows individuals to choose within a binary. While Oxfam does not condone this limited understanding of gender, we are limited by our data source. This data is also a reflection of what people self-report as their income, their age, and their familial status (whether or not they are parents).

This research covers all 50 states, plus the District of Columbia (a federal district) and Puerto Rico (a territory). There are many reasons to include these two, starting with the large populations of U.S. citizens who live in them. The population of DC is over 700,000 people—larger than the total population of both Wyoming and Vermont. Puerto Rico has a population larger than nearly 20 of the states, with roughly 3.2 million inhabitants. Each also has a significant history of laws around working conditions and compensation. For simplicity, we use the word “states” in this report to cover all 52 entities. For more on local labor laws across all 50 states, DC and Puerto Rico, specifically

how far state-level minimum wage laws go toward covering cost of living for a family of four, see Oxfam’s [Best States to Work Index](#). For a full explanation of the data model, see our methodology section below for a full overview. For the entire data set, including information on sample sizes, see Table 1.

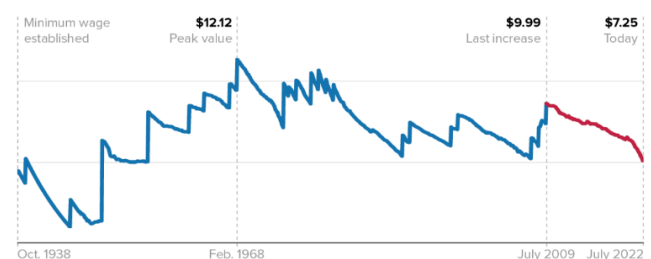
WIDENING GEOGRAPHIC INEQUALITY: MINIMUM WAGE IMPACTS FOR ALL WORKERS

As previous Oxfam research¹⁴ has demonstrated, beyond demographic characteristics, there are huge discrepancies in wages based solely on where someone lives. While the federal government has failed to raise standards for all workers’ wages, worker protections, and rights to organize, some states have stepped in to enact their own policies, resulting in increased inequality based purely on geography. When it comes to low-wage workers, this reality is especially stark as some states continue to raise their minimum wages annually, even in some cases indexed to inflation, while the federal minimum wage has been stuck at \$7.25 for 15 years, the longest the minimum wage has ever stagnated since it was established in the late 1930s. Below, the chart in Figure 3 from our partners at EPI demonstrates how the minimum wage has lost its purchasing power with inflation and stagnation. The data presented is adjusted to 2022 dollars and demonstrates how the minimum wage reached its peak in 1968 and has steadily decreased in value since.¹⁵ Put more simply, today’s federal minimum wage is the weakest it has been in over 60 years.

FIGURE 3. VALUE OF FEDERAL MINIMUM WAGE

After the longest period in history without an increase, the federal minimum wage today is worth 27% less than 13 years ago—and 40% less than in 1968

Real value of the minimum wage (adjusted for inflation)



1968 Peak value of minimum wage

\$12.12/hr (\$25,210/yr)

2009 Last minimum wage increase

\$9.99 (\$20,779)

2022 Today

\$7.25 (\$15,080)

Note: All values in June 2022 dollars, adjusted using the CPI-U in 2022 chained to the CPI-U-RS (1978–2021) and CPI-U-XI (1967–1977) and CPI-U (1966 and before).

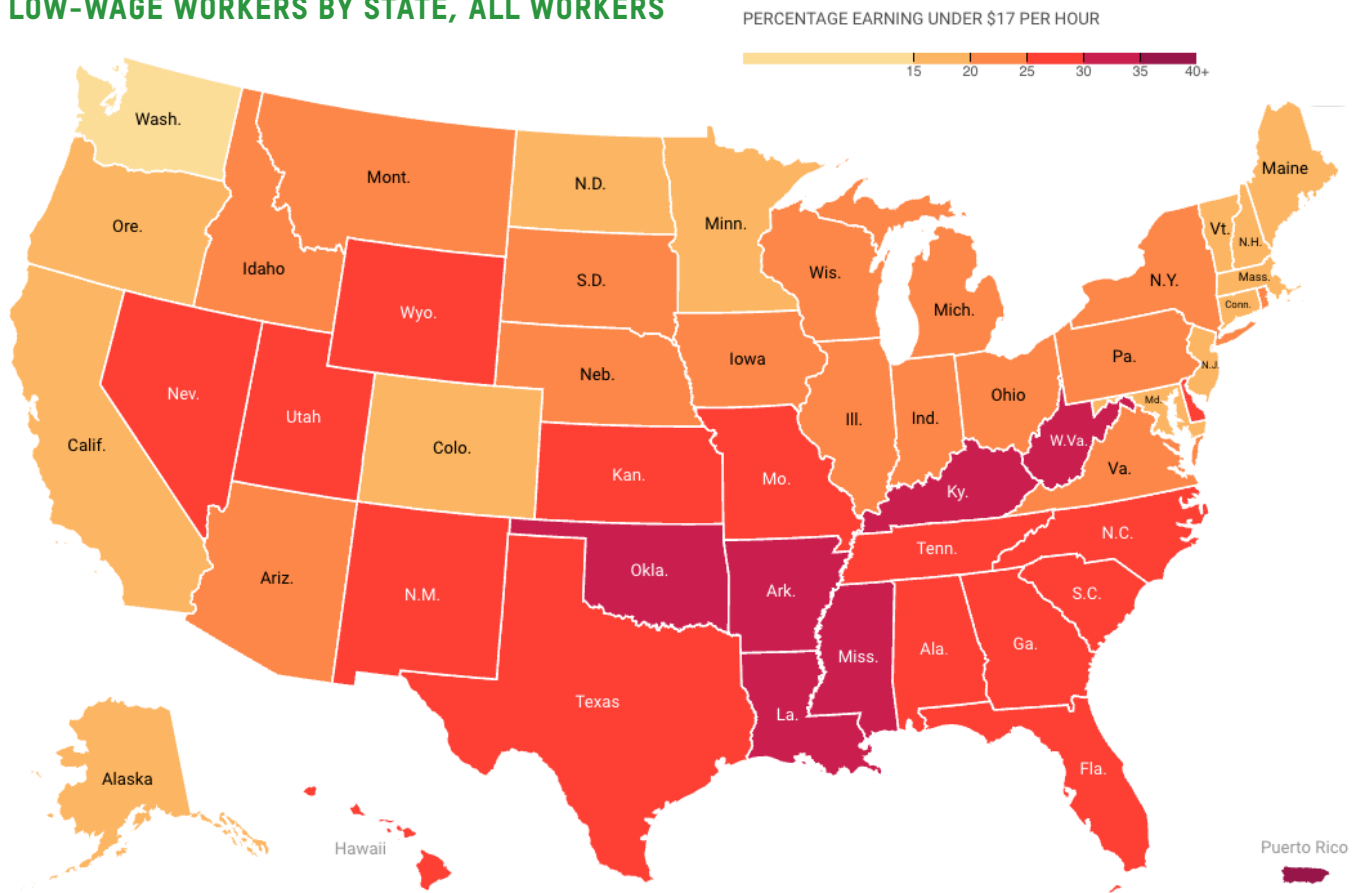
Source: Fair Labor Standards Act and amendments.

Economic Policy Institute

Unsurprisingly, those states that have steadily and annually increased their minimum wages are the states with the lowest proportion of workers earning less than \$17 an hour. The state with the lowest proportion of workers earning less than \$17 an hour is the District of Columbia, where only 8 percent of the workforce earn less than \$17 an hour. This is the state with the highest minimum wage in the country, which will move from \$17.05 an hour to \$17.50 an hour on July 1, 2024. The reason the District still has some workers earning less than \$17 an hour even with the above-\$17 minimum wage is because DC still has a subminimum tipped wage, which will increase to \$10 an hour on July 1, 2024.¹⁶ Following DC, Washington State has the second-lowest proportion of workers earning less than \$17 an hour, with approximately 11 percent of their workforce earning low wages. Washington’s minimum wage is currently set to \$16.28, and has abolished the subminimum tipped wage.¹⁷ Following Washington, Colorado has the next-lowest proportion of low-wage workers: 15.6 percent of workers earn less than \$17 an hour. The Colorado minimum wage is \$14.42, with a tipped minimum wage of \$11.40.¹⁸

On the other side of the wage spectrum at the state level, those states that have chosen not to lift their minimum wage above the federal wage floor of \$7.25 are largely the states with the highest proportion of workers earning less than \$17 an hour. These states include: Mississippi (33.9 percent of workers), Oklahoma (31 percent), Louisiana (30.9 percent), Kentucky (30.8 percent), Texas (29.9 percent), and North Carolina (28.8 percent). These numbers become even more extreme when taking demographics into consideration, as will be explored more below. But in the case of Mississippi, for example, while approximately 34 percent of the states’ workers earn low wages, nearly 46 percent of Black workers in the state earn low wages and just over 46 percent of Hispanic or Latin workers earn low wages. Minimum wage policies impact all workers, but have a truly disproportionate impact on certain communities based on overlapping factors of occupational segregation and a lack of good job opportunities.

FIGURE 4.
LOW-WAGE WORKERS BY STATE, ALL WORKERS



In some cases, the reliance on federal minimum wage policies does not fully explain the high preponderance of workers earning low wages. In the case of other states, such as West Virginia (30 percent of workers earning less than \$17 an hour) and Puerto Rico (75.7 percent), these states have raised their minimum wage above the federal minimum, but a lack of job opportunities help explain these numbers. According to the Bureau of Labor Statistics data for April 2024, West Virginia and Mississippi have the country’s lowest labor force participation rates, hovering just above 50 percent of the workforce; this is compared to DC with over 70 percent labor force participation.¹⁹ Per census data, in Puerto Rico the labor force participation hovers around 40 percent.²⁰ As scholars have helped demonstrate in recent years, there are few well-paying job opportunities available in the U.S. for adults without a college degree or from economically disadvantaged backgrounds. And the reality of lacking job opportunities becomes even more acute for women and communities of color, especially Black and Hispanic or Latin communities, findings that align with our data on which populations have disproportionately high representation among low-wage workers.²¹

While policymakers do not have direct control over job opportunities, they do control the wage floor, and raising minimum wages has a very notable impact on workers. Even states with high minimum wages, such as the District of Columbia or California or Washington, when minimum wages are lifted each year, it has a notable impact on huge numbers of workers. According to our data, when minimum wages were lifted in all three states in January 2024, it positively benefited 4.5 million people in California, over 50,000 people in DC, and over 766,000 people in Washington. Our economy relies heavily on minimum wage workers. The least the country can do is invest in them by paying them wages that address even the most basic necessities—something the federal minimum of \$7.25 cannot do regardless of place.

The state differences demonstrate that while federal minimum wages have languished for 15 years, workers doing the exact same job in different states earn remarkably different wages due entirely to political inaction. Our data helps highlight that only a policy change around minimum wages will ensure the wage floor for all workers is lifted.

TABLE 1. IMPACT OF RAISED MINIMUM WAGE ON WORKERS BY STATE

STATE	MINIMUM WAGE	PERCENTAGE OF LOW-WAGE WORKERS	NUMBER OF LOW-WAGE WORKERS	PEOPLE BENEFITTING FROM MIN. WAGE RAISE 2024
Alabama	\$7.25	26.70%	622,591	0
Alaska	\$11.73	17.80%	63,863	26,631
Arizona	\$14.35	22.30%	831,192	726,934
Arkansas	\$11.00	32.50%	450,657	0
California	\$16.00	15.80%	3,063,967	4,504,266
Colorado	\$14.42	15.70%	507,417	439,149
Connecticut	\$15.69	16.70%	318,548	390,206
Delaware	\$13.25	26.10%	133,034	92,886
District of Columbia	\$17.00	8.60%	34,847	50,391
Florida	\$12.00	26.70%	2,953,514	0
Georgia	\$7.25	26.50%	1,414,467	0
Hawaii	\$14.00	25.80%	174,135	154,226
Idaho	\$7.25	24.00%	232,044	0
Illinois	\$14.00	22.10%	1,429,650	1,203,311
Indiana	\$7.25	24.60%	834,948	0
Iowa	\$7.25	24.20%	411,776	0
Kansas	\$7.25	26.30%	395,893	0
Kentucky	\$7.25	30.90%	624,654	0
Louisiana	\$7.25	30.90%	643,206	0
Maine	\$14.15	18.70%	129,737	106,148

STATE	MINIMUM WAGE	PERCENTAGE OF LOW-WAGE WORKERS	NUMBER OF LOW-WAGE WORKERS	PEOPLE BENEFITTING FROM MIN. WAGE RAISE 2024
Maryland	\$15.00	16.80%	537,768	548,580
Massachusetts	\$15.00	16.10%	602,964	0
Michigan	\$10.33	24.20%	1,218,202	244,678
Minnesota	\$10.85	16.10%	497,503	148,894
Mississippi	\$7.25	34.00%	418,114	0
Missouri	\$12.30	25.70%	796,608	394,719
Montana	\$10.30	21.60%	124,436	29,236
Nebraska	\$12.00	23.10%	243,818	105,405
Nevada	\$11.25	25.90%	418,444	0
New Hampshire	\$7.25	17.10%	130,123	0
New Jersey	\$15.13	18.50%	893,967	858,395
New Mexico	\$12.00	28.70%	278,312	0
New York	\$15.00	21.70%	2,118,863	2,096,847
North Carolina	\$7.25	28.80%	1,514,070	0
North Dakota	\$7.25	17.20%	71,988	0
Ohio	\$10.45	23.80%	1,378,962	430,441
Oklahoma	\$7.25	31.30%	620,247	0
Oregon	\$14.20	17.50%	379,268	0
Pennsylvania	\$7.25	22.30%	1,458,933	0
Puerto Rico	\$9.50	75.80%	906,877	0
Rhode Island	\$14.00	21.10%	121,831	91,106
South Carolina	\$7.25	26.30%	651,259	0
South Dakota	\$11.20	20.50%	98,594	32,523
Tennessee	\$7.25	25.80%	872,021	0
Texas	\$7.25	29.90%	4,528,976	0
Utah	\$7.25	25.40%	457,043	0
Vermont	\$13.67	17.10%	60,416	38,401
Virginia	\$12.00	21.60%	989,753	0
Washington	\$16.28	10.80%	433,910	766,468
West Virginia	\$8.75	30.00%	237,355	0
Wisconsin	\$7.25	21.20%	667,224	0
Wyoming	\$7.25	27.30%	80,343	0

LOW-WAGE WORKERS ACROSS THE STATES: FOCUS ON RACE

Unsurprisingly, given the systemic barriers communities of color in the United States face in access to resources ranging from safe and affordable housing, to good public education, to easy access to transportation, among many other components of a frayed social safety net, the numbers of workers earning low wages increase substantially when focusing on race. While 23 percent of all workers in the United States are earning low wages, the number jumps to 32 percent of all Black workers and 33 percent of all Hispanic or Latin workers.

States that have chosen not to raise their minimum wage above the federal standard have a notably higher proportion of workers of color earning low wages. These states are concentrated in the U.S. South. To give a few examples, in Mississippi, where 34 percent of workers earn low wages, approximately 46 percent of Black workers earn low wages and 46.6 percent of Hispanic or Latin workers earn low wages. And in Louisiana where 30.9 percent of workers earn low wages, 44.4 percent of Black workers earn low wages and 38.6 percent of Hispanic or Latin workers earn low wages. In Texas, the state with the largest Black population in the US²² and second-largest Hispanic or Latin population in the US,²³ while 29.9 percent of workers earn low wages, 34.2 percent of Black workers earn low wages and 40.3 percent of Hispanic or Latin workers earn low wages.

FIGURE 5.
BLACK/AFRICAN AMERICAN WORKERS BY STATE

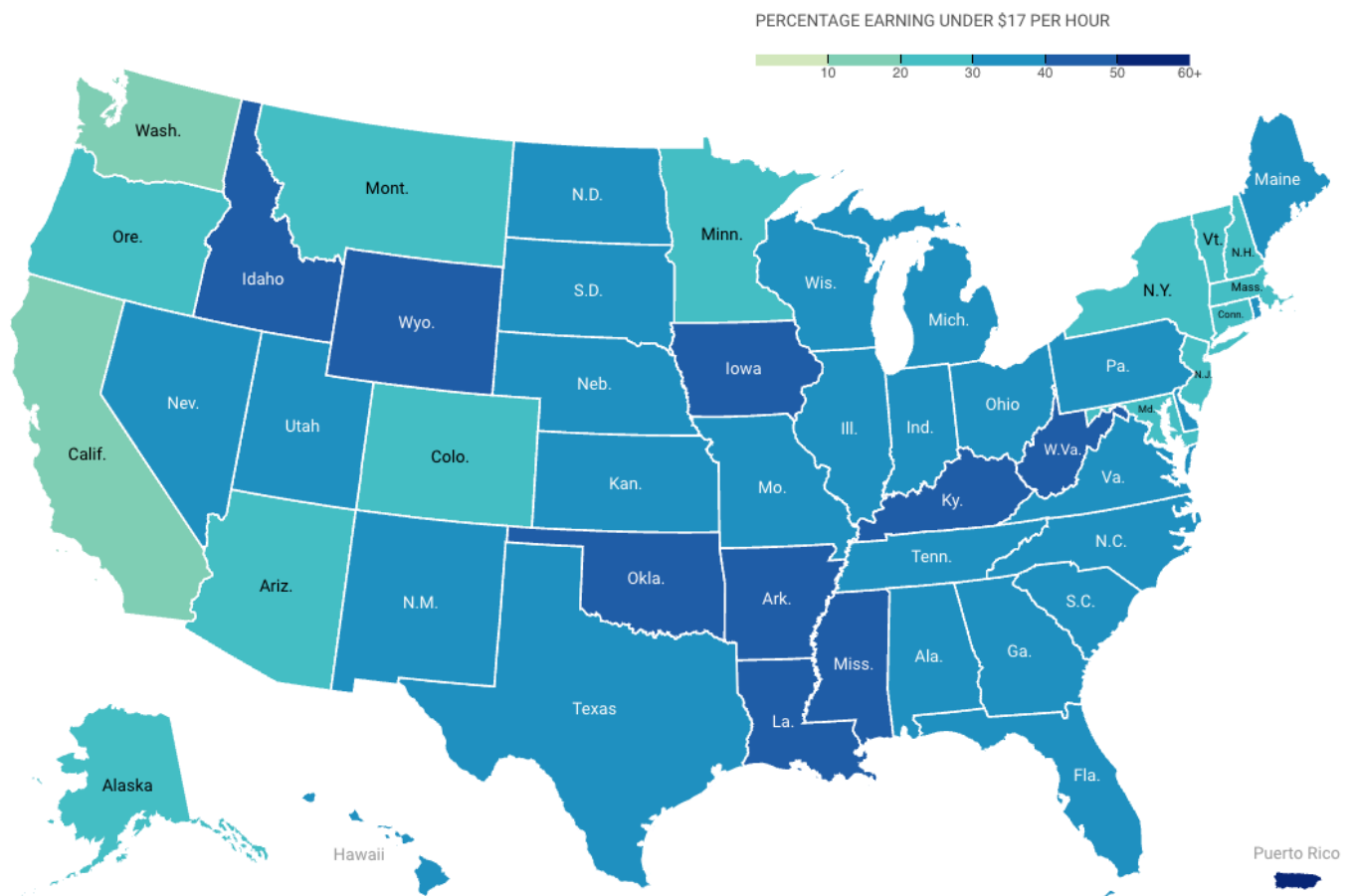
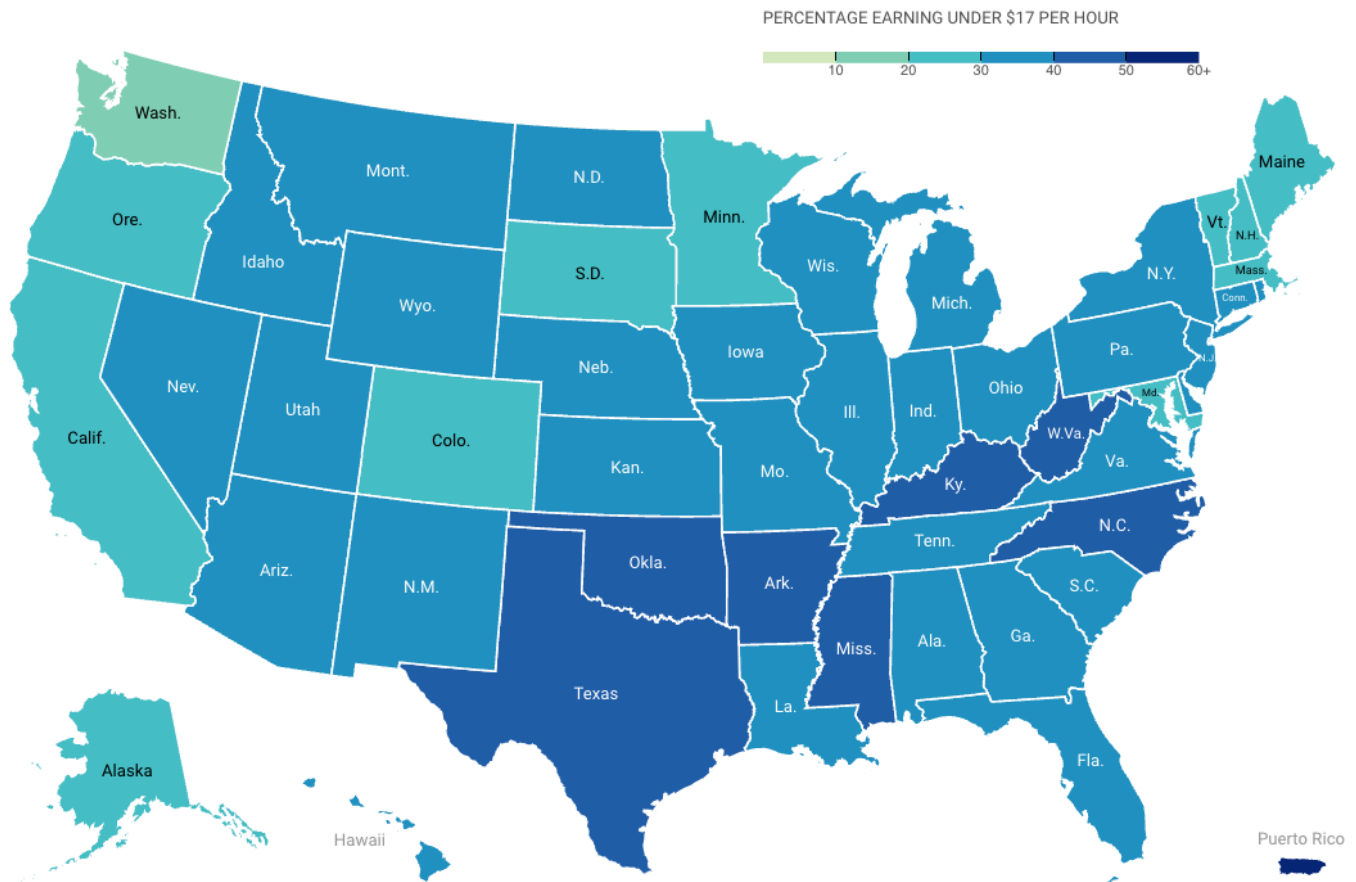


FIGURE 6.
HISPANIC/LATINX WORKERS BY STATE



Even for those states with high minimum wages and low proportions of workers earning low wages, there are still higher numbers of workers of color earning low wages compared to the average for all workers. In DC, with the country’s highest minimum wage where only 8.6 percent of workers earn low wages, still 15.6 percent of Black workers earn low wages and 10.6 percent of Hispanic or Latin workers earn low wages. This, once again, reflects occupational segregation and the consistent devaluing of certain jobs, sectors, and industries that nonetheless are critical to the functioning of our economy that, in turn, perpetuates race-based wage gaps.

LOW-WAGE WORKERS ACROSS THE STATES: FOCUS ON GENDER

The gender pay gap in the United States holds true regardless of the income level, but women are also often occupationally segregated into lower-income jobs. According to the National Women’s Law Center, at the national level women represent almost two-thirds of the low-wage workforce (64.1 percent), despite representing less than half of the overall workforce.²⁴ The gendered impact of low-wage work is made clear by Oxfam’s

findings. While 23 percent of all workers earn low wages, those numbers increase when focusing on gender. When looking at gender alone, 27.6 percent of working women earn low wages compared to 19 percent of working men. For every state, even those states with low proportions of workers earning low wages, the numbers for women are higher than for all workers. With worrying though perhaps unsurprising consistency, Mississippi again appears with disproportionately high numbers of low-wage workers. While 34 percent of all workers in Mississippi earn low wages, when focusing on gender alone, the numbers jumps to 40 percent of working women earning low wages compared to 28.2 percent of working men. In neighboring Louisiana, where 30.9 percent of all workers earn low wages, 38.1 percent of working women earn low wages.

On the opposite side of the spectrum, again states with higher minimum wages above the federal minimum also demonstrate consistency with gender wage gaps, including in the three states with the highest minimum wages. In California, where 15.8 percent of all workers earn low wages, the numbers jump to 19 percent for women. In Washington, where 10.8 percent of workers earn low wages, 13.6 percent of working women earn low wages. In DC, the difference is smaller but still exists: 8.6 percent of all workers earn low wages, 9.6 percent of women earn low wages.

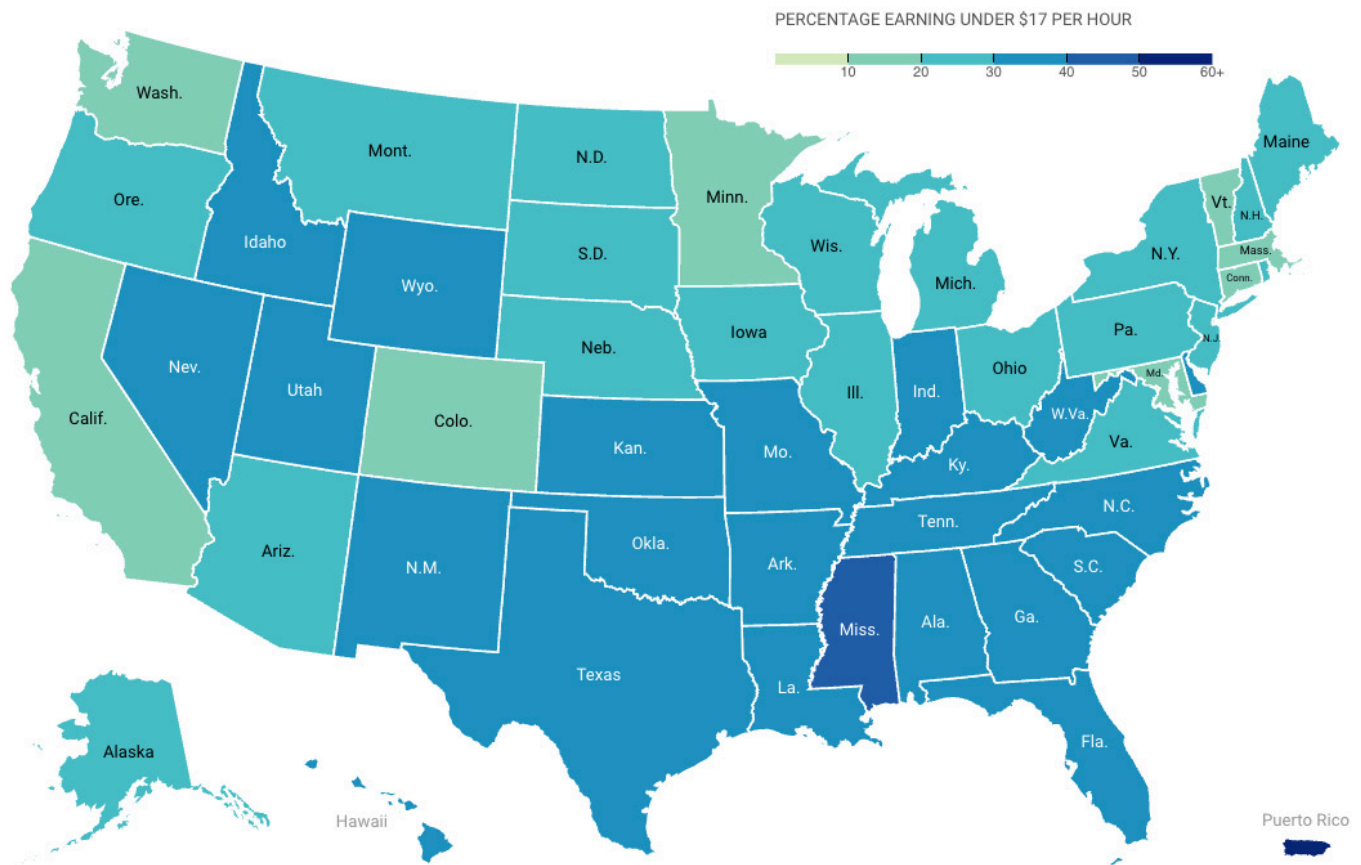
This gap reflects the differential in pay associated with occupations that are comprised largely of women, a reflection of occupational segregation by which women and women of color are overrepresented in low-wage positions. As mentioned previously, care jobs are on average low-wage positions, and the workforce is majority women. In the case of child care workers, according to the National Women’s Law Center, that workforce is 94 percent women.²⁵ In the case of adult and elder care, the workforce for long-term residential care providers is similarly majority women, 80.9 percent of the workforce.²⁶ Another workforce comprised of a majority women are tipped wage positions, which are also overwhelmingly low-wage jobs given the persistent subminimum tipped wage policy held by the federal government and most states. According to data from the National Women’s Law Center, 69.1 percent of tipped wage workers are women at the national level, a number that notably increases in many states. In New Hampshire, for example, 79.3 percent of the tipped wage workforce are women.²⁷ The prevalence of women in these positions offers policymakers an important opportunity to address low-wage sectors, the gender wage gap, and occupational segregation simultaneously.

Where women are either overwhelmingly or disproportionately represented, there is the chance to invest greater resources as a reflection of societal prioritization and the intrinsic value of this work. In the case of care sectors and industries, this is work that can largely not be mechanized and is of increasing demand, especially in the case of adult and disability care. There is an important opportunity present to invest in those sectors to not only reflect the value of the work, but to pay workers a livable wage.

LOW-WAGE WORKERS ACROSS THE STATES: AN INTERSECTIONAL LENS

When considering the impact of occupational segregation, and gendered and racial wage gaps, it’s important to not see these factors in a vacuum but instead to understand the ways discriminatory practices have historically overlapped and intersected, creating compounding systems of marginalization. These compounding marginalizations, a dynamic for which Kimberlé Crenshaw coined the term “intersectional” in 1989,

**FIGURE 7.
WORKING WOMEN (BY STATE)**



define how systems in the United States have long been built to specifically benefit white men to the harm of all others.²⁸ Our research sought to incorporate an intersectional lens by not only understanding how race and gender separately impacted the prevalence of low-wage workers, but by using both frameworks simultaneously to demonstrate how intersectional identities and systems of discrimination have resulted in disproportionately high representations of women of color in low-wage workforces. When considering both gender and race, the proportions of workers earning low wages jump notably higher than the levels for all workers at the national and state level for every state.

For this year’s updated data set and interactive map, we chose to include more granularity in our intersectional framework, going beyond women of color and men of color to provide specific data on Black men and women, Hispanic and Latin men and women, AAPI men and women, and finally white men and women. The findings were very consistent: women, inclusive of all racial categories, had higher proportions of low-wage workers than their male counterparts and significantly higher proportions than white men. At the national level, the demographic group with the highest proportion of low-wage workers is Latina or Hispanic women, at 39.9 percent (in real numbers

this is more than 5.5 million women), followed closely by Black women, at 35 percent (more than 4 million women). This is compared to women of color taken as a collective, 34 percent of whom earn low wages, or Asian American and American Indian women, 20 percent of whom earn low wages.

While the national averages demonstrate a notable increase in women of color across all demographics earning low wages at a higher rate than the national average of workers or even of working women, the proportions at certain state levels jump even higher. Consistently and regardless of demographic characteristic, the U.S. South holds notably high proportions of workers earning low wages. In the case of Black women, states in the South have very high proportions of low-wage workers. In Louisiana, a full 50 percent of working Black women earn low wages, and in neighboring Mississippi 49.5 percent of working Black women earn low wages. The numbers for Black women are also notably high in both Idaho and Wyoming, with 54.9 percent and 73 percent of Black women earning low wages in those respective states. And while these numbers are startling, the numbers in Mississippi and Louisiana are especially impactful given the size of the Black population there compared to states in the upper Rocky Mountain region.

FIGURE 8.
WORKING BLACK WOMEN (BY STATE)

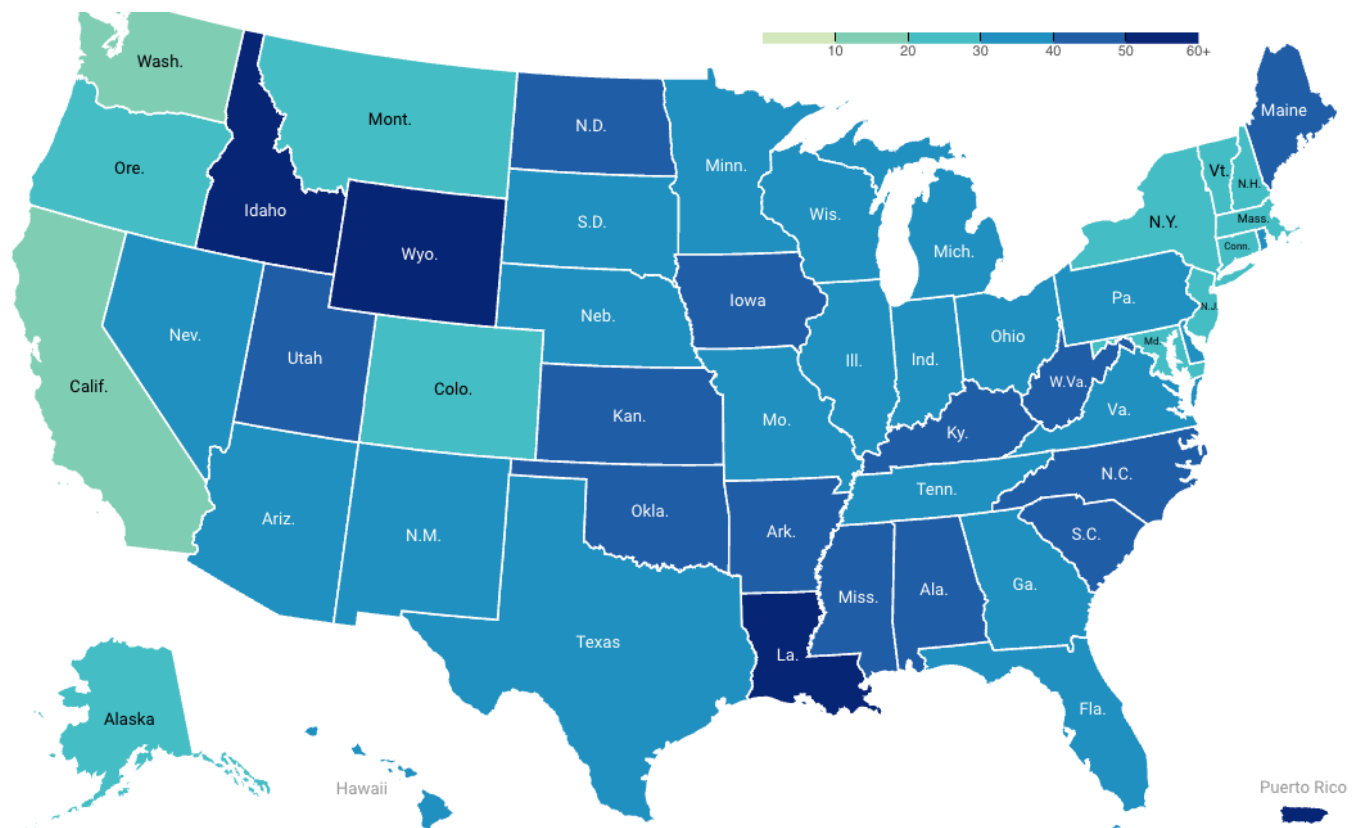
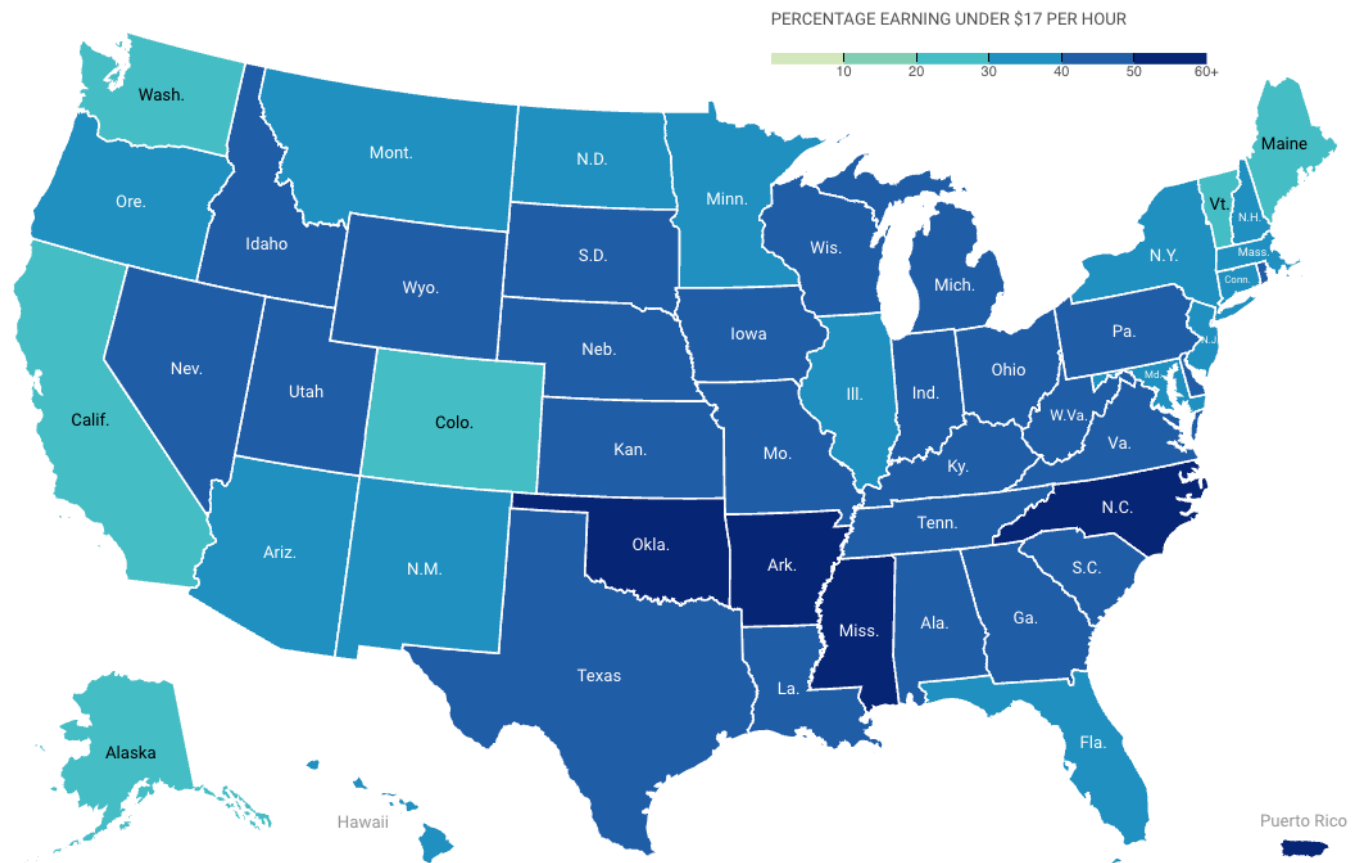


FIGURE 9.
WORKING HISPANIC/LATINA WOMEN (BY STATE)



In the case of Latina or Hispanic women, the numbers also increase dramatically at state levels compared to national averages. States with notably high proportions of Latina or Hispanic women earning low wages include: Arkansas (57.4 percent), Oklahoma (57.1 percent), North Carolina (52.3 percent), and Mississippi (51.3 percent). Three of those four states (Oklahoma, North Carolina, and Mississippi) are states that continue to rely on the federal minimum wage of \$7.25, making it easier for more workers to be trapped in cyclical low wages. According to a recent report from the Department of Labor Women’s Bureau, the persistence of occupational segregation for Black and Latina or Hispanic women lose these working women billions of dollars every year. In 2023, the consistent segregation of Black women and Hispanic or Latina women into low-wage jobs cost Black women \$42.7 billion and Hispanic or Latina women \$53.3 billion in lost earnings.²⁹

The need to raise the minimum wage and improve job opportunities for all workers, but especially working women of color, is critical. As we seek to build and create new policy solutions, we must first understand the multiple and intersecting systems at play that maintain imbalanced power structures. Only with the deep knowledge of how systems, such as pay structures, keep women of color at a purposeful and structural disadvantage can we write new policies to create more equitable systems.

WHAT CAN BE DONE?

While the issue of low wages is pervasive in the United States, and quite literally millions of workers are stuck working in jobs whose pay does not meet even basic needs, there is happily a clear and simple solution: raising the minimum wage and ending all minimum wage exclusions. The persistent overrepresentation of women and especially women of color in low-wage positions, such as tipped wage and care jobs, helps prove the centrality of minimum wage policies to wage inequalities. Raising the minimum wage and ending minimum wage exclusions is a clear policy lever that can address gender wage gaps entrenched through occupational segregation. As workers wait for the federal government, and in many cases their state governments, to raise the wage, there persist many misconceptions, including that raising minimum wages could have a negative impact on the economy. Many believe raising the minimum wage also leads to higher rates of unemployment, due to the perception that higher wages leave employers without the ability to pay their staff and meet their bottom lines. But studies show that increased minimum wages are not tied to higher unemployment.³⁰ When the minimum wage was at its strongest, in 1968, wages across the income spectrum grew and racial earnings gaps closed without notable impacts on employment.³¹ One study of 138 state-level minimum wage increases demonstrates how all underpaid workers benefit when the minimum wage is lifted.³² And beyond the increased spending power of workers and families with an increase in the minimum wage, there is significant evidence that higher minimum wages benefit the well-being of families and children.³³ Oxfam research in the annual Best States to Work Index also demonstrates the strong correlation between states with more robust policies in support of low-wage workers and working families—including wages—and positive measures of well-being, including lower rates of poverty and lower rates of food insecurity.³⁴ The bigger picture here is that having poverty-level wages hurts people across our communities, from children to adults. Our labor market based on underpaid workers needs to shift toward business models that take the well-being of people more seriously, a shift we often refer to as investing in a care economy. Raising the minimum wage is one way to care about the people holding essential jobs in our economy, including paid care workers.

POLICY RECOMMENDATIONS

RAISE THE MINIMUM WAGE

- At the federal level, Congress must pass the Raise the Wage Act to raise the federal minimum wage and eliminate exclusions in our national minimum wage laws, including subminimum wages for tipped workers, youth, and workers with disabilities (see the text box below for details on the Raise the Wage Act).
- Indexing minimum wage increases to inflation can help ensure wages keep pace with the cost of living. Congress can follow the lead of the District of Columbia and many states—including Colorado, Maine, Minnesota, Montana, New York, South Dakota, Vermont, and Washington—that have already adopted this approach for setting new minimum wages.
- As we wait for the federal minimum wage to increase, states and localities can lead the way, implementing their own minimum wage laws. It is vital that such laws not only raise wages, but also close gaps and deficiencies in the federal minimum wage, like the exclusion of certain categories of workers from minimum wage protections.

THE RAISE THE WAGE ACT OF 2023 WOULD:

- Gradually increase the hourly minimum wage from \$7.25 to \$17 over five years.
- Index future federal minimum wage increases to median wage growth to ensure the value of the minimum wage does not weaken over time.
- Eliminate the subminimum wage for tipped workers (which has been stuck at \$2.13 since 1991) over seven years.
- Eliminate the youth subminimum wage (which allows employers to pay workers under 20 \$4.25 per hour for 90 calendar days) over seven years.
- Eliminate the subminimum wage for workers with disabilities over five years.



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END STATE WAGE PREEMPTION POLICIES

States must end preemption policies that prohibit localities from raising the minimum wage at the local level. Allowing localities to raise their minimum wages beyond state standards can help wages better approximate the local cost of living.

DISRUPT OCCUPATIONAL SEGREGATION AND CLOSE WAGE GAPS

- The federal government can disrupt occupational segregation by supporting women entering male-dominated professions and raising wages and protections across all sectors. This includes enacting policies that support women in the workplace, like paid family and medical leave and flexible scheduling. Congress should pass the [FAMILY Act](#) and the [Schedules That Work Act](#).
- To fight pay discrimination and help close wage gaps, we must enhance equal pay protections, including passing the [Paycheck Fairness Act](#) and requiring salary transparency.

INVEST IN THE CARE ECONOMY

Given the extreme cost of care for children, the elderly, and people with disabilities in the U.S., and the burden these costs place on already insufficient wages, there is a serious need for federal investment in the care economy. Congress can help make care services more accessible and affordable, while increasing pay for child care workers and early educators, including through the [Child Care for Working Families Act](#) and the [Child Care for Every Community Act](#).

METHODOLOGY

DATA UPDATES FOR 2024

As the landscape of the economy in the U.S. steadily changed over the last few years, our methodology needed to change as well to keep pace. The biggest change since the last iteration of our low-wage map in 2022 was the shifting of our definition of “low wage” from less than \$15 an hour to less than \$17 an hour. The original “fight for 15” was a movement started by fast-food workers in New York City in 2012 advocating for higher wages and the right to unionize.³⁵ Advocates for higher wages took up the mantle, inspired by workers organizing, and started the push for a \$15 minimum wage at the federal level. However, after several years of record-high inflation there is a collective understanding that \$15 an hour, or around \$31,200 a year, was insufficient to meet the cost of living in nearly any locality in the United States. As a result, the federal policy conversation shifted from \$15 an hour to \$17 an hour, or roughly \$35,360 annually. Our research, therefore, also adjusted our definitions of “low wage” from less than \$15 to less than \$17 an hour.

Beyond adjusting our definition of “low wage,” there were a few other changes to our methodology we made to reflect available data. We used Bureau of Labor Statistics (BLS) and American Community Survey (ACS) data to help more clearly identify and delineate tipped wage workers, allowing us to clearly establish how many tipped wage workers earn low wages at the national and state level. And finally, the biggest change between our data in 2024 compared to 2022 is the use of Current Population Survey (CPS-ORG) data as compiled by the Center for Economic and Policy Research (CEPR) for our model’s framework of wages. Unlike ACS data, which asks respondents to report an estimate of their annual wage—which can be a bit tricky for respondents working an hourly job—CPS-ORG asks survey respondents to report their wages from the week prior, creating a smaller margin of error for hourly workers. These wage reports are what we use in our model to estimate workers’ hourly wages.

DATA MODEL

The Oxfam Low Wage Model sources microdata from the most recent (2019–2023) 5-year American Community Survey (ACS-PUMS)³⁶ to generate a sample of wage earners (a snapshot of people at the national and state level). It then employs Current

Population Survey (CPS-ORG) data compiled by the Center for Economic and Policy Research (CEPR) from 2023³⁷ to model the hourly wage of these populations, and ultimately it simulates how these wages might change if subminimum wages were abolished and all workers made a minimum of \$17 per hour. This model is built specifically to estimate how a universal minimum wage increase impacting both tipped and nontipped workers would change wages in the 50 U.S. states, the District of Columbia, and Puerto Rico. Our construction also allows us to estimate who may be locked out of federal legislation owing either to their exclusion (see introduction for explanation of excluded workers) or to wage theft practices.³⁸

To construct the model, microdata from currently working individuals 16 and older is weighted to form a representative sample of the civilian labor force at the state level. This weighting is done through an iterative fitting process called “raking,” whereby survey responses are reweighted to better represent state aggregate demographics like age distribution and proportions of gender, races/ethnicities, family status, education level, and the interaction between these various characteristics. Oxfam uses projected national-level growth rates for various key demographics to simulate changing working population composition and size from data sourced in 2018 to 2022. Sample weights are scaled to Bureau of Labor Statistics civilian labor force estimates so that projected numbers of low-wage workers are consistent with reported 2023 state-level statistics.

Next, hourly wages are modeled and refined through a modification of the Economic Policy Institute’s [minimum wage simulation model](#).³⁹ This step is necessary owing to the error total reported wages are prone to, which introduce a degree of variation that may mask demographic trends in wage disparities.

Because our analysis is specifically interested in demographic wage disparities, we average an hourly wage calculated using the underlying data with a secondary measure derived by modeling hourly wage directly from respondent demographic characteristics and work within a historically tipped occupation.⁴⁰ This calculation is especially important for smaller demographic groups, where wage reporting error may lead to severe underreporting of low-wage workers in our model. This step uses CPS-ORG data, which tends to have more accurate

wage reporting. Hourly wage is predicted from respondent demographics and employment characteristics, and includes state and survey year fixed effects.

This modeling approach gives us a more reasonable distribution of wages by state and survey year. However, it does not account for the fact that wages have changed over the five-year survey. To pull all hourly wages forward to consistent 2023 dollars, we assume that workers in a certain percentile of a state's wage distribution for a given year would be making the same as a worker in a similar wage percentile for that state in 2023.⁴¹ We use the 2023 state-level distribution of hourly wages from the CPS-ORG data for this final step of wage corrections, inclusive of the tipped workforce. Using this approach has the added benefit of partially correcting for the long tails of our hourly wage predictions, as CPS-ORG wage data is less prone to mismeasurement.

Wages may also naturally grow due to macroeconomic factors beyond the control of state legislatures. Because this data only captures wage changes up to 2022, we impose an assumption of zero real wage growth from 2023 to 2024 to down-weight assumed natural growth rates.⁴² This approach will slightly upward bias our final estimates of workers impacted by a minimum wage increase, but reflects other work suggesting that effective wage growth—after accounting for inflation—is broadly flat for 2023 to 2024.

Finally, the impact of scheduled minimum wage changes is modeled into 2024. We account both for workers specifically targeted by a minimum wage increase and for workers who might be proximally affected due to having a wage at or near the new minimum wage. Modeling takes into account whether each worker is employed in a tipped occupation. We assume workers making less than 70 percent of their respective occupation's current minimum wage would not benefit from minimum wage increases owing to wage theft. As such, there may be a number of workers who remain locked out of rising wages in our simulation. After modeling wages out to 2024, we calculate what proportion of workers are earning less than \$17 per hour at both state and aggregate levels both for the population as a whole and for specific demographic groups of policy interest.

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