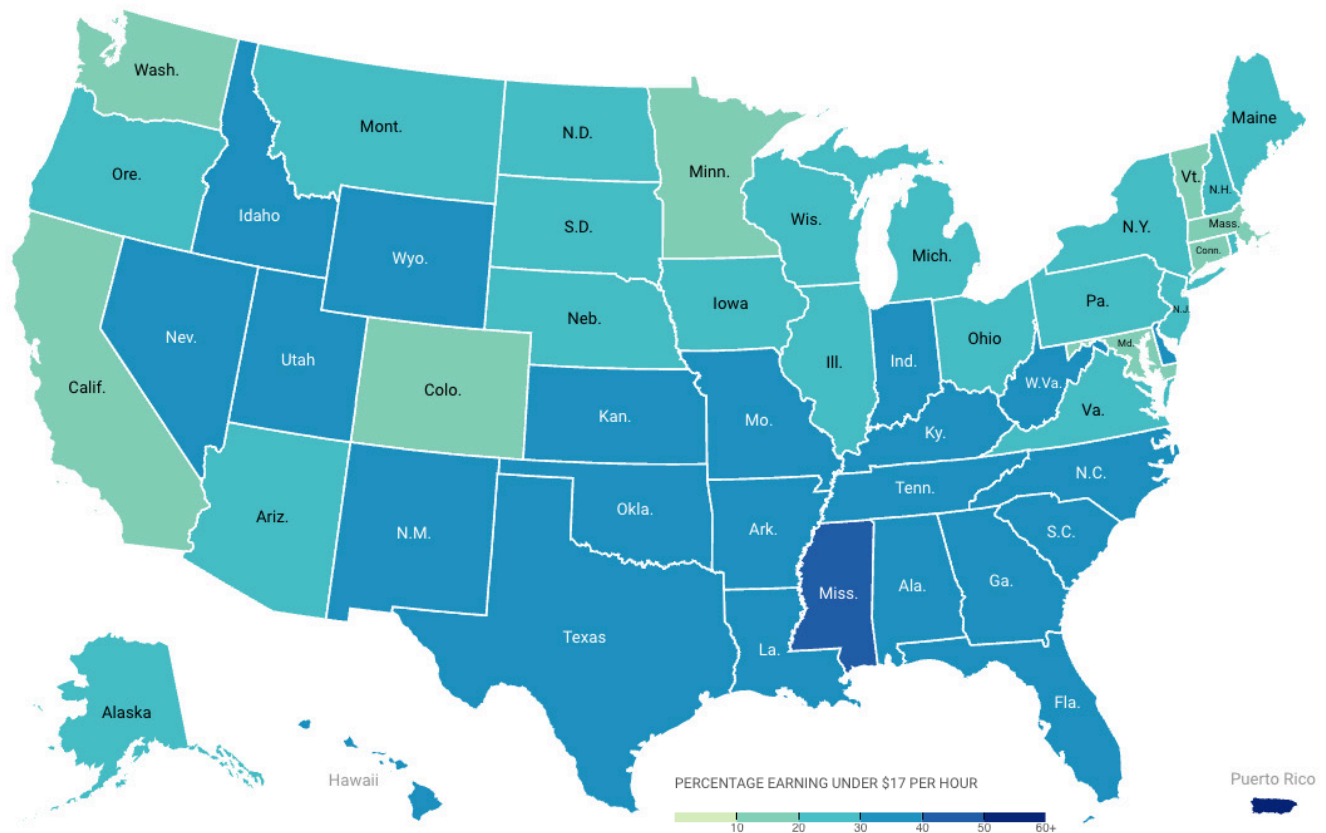


THE CRISIS OF LOW WAGES

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

SPOTLIGHT ON LOW-WAGE WORKING WOMEN



It has been 15 years since the federal government raised the minimum wage. As a result, today, millions of workers in the United States are trapped earning low wages, which Oxfam defines as less than \$17 an hour.

That millions of workers are stuck in low-wage jobs, struggling to make ends meet, is the result of federal inaction to raise the minimum wage for all workers, regardless of where they live.

This hurts our economy, and it deepens inequality. Women, especially Black and Latina women, are disproportionately represented among the low-wage workforce, meaning they're more likely to be trapped in poverty. And a patchwork of wage laws from state to state means workers' ability to support themselves and their families can depend on where they live.

While the federal government drags its feet on raising the minimum wage and eliminating all exceptions to wage provisions, the patchwork of inequality grows and is especially prevalent in the South, where most states have continued to rely on the federal minimum wage to set the wage floor.

LOW-WAGE IMPACTS ON WOMEN

Women are disproportionately represented in the low-wage workforce. Here is a clearer capture of the numbers at the national level:

- While 19 percent of working men earn less than \$17, 27 percent of women workers earn less than \$17;
- 34 percent of women of color (all women who identify as non-white) earn low wages, compared to 29 percent of men of color;
- 35 percent of Black women earn low wages;
- 39.9 percent of Hispanic or Latina women earn low wages;
- 28 percent of working mothers earn low wages compared to 16.6 percent of working fathers.

ABOVE: Map showing shares of women workers earning under \$17, by state. The darker the color, the higher the percentage of low-wage workers in the state. Percentages for women earning low wages range from 9.6 percent (DC) to 40 percent (Mississippi) and 77.7 percent (Puerto Rico).



OXFAM

SUPPORTING CARE WORKERS

Occupations that tend to employ majority women, immigrants, or people of color are often underpaid positions, reflecting a social devaluation of work that is critical to the functioning of our communities and economies, such as care work. Some domestic workers, for example, continue to be excluded from minimum wage protections.

Care workers, including adult, disability, and child care providers, are some of the low-wage workforces in the country and are overwhelmingly comprised of working women, disproportionately women of color. Child care workers, for example, earn an average of \$15.42 an hour in the United States. Adult and disability care workers earn an average hourly income of \$16.05. In both cases, these care professionals earn less than \$35,000 a year—an income that is not livable. Those who care for our loved ones deserve to earn enough to support themselves and their families.

SUBMINIMUM WAGES POSE PROBLEMS

The unfortunate reality is that federal law allows employers to pay wages even lower than \$7.25 to certain workers. While the Fair Labor Standards Act of 1938 created the minimum wage, it

also reflected the systemic racism, sexism, and ableism of the time (especially in the South) and created subminimum wages for a variety of workforces dominated by Black, migrant, women, and disabled workers.

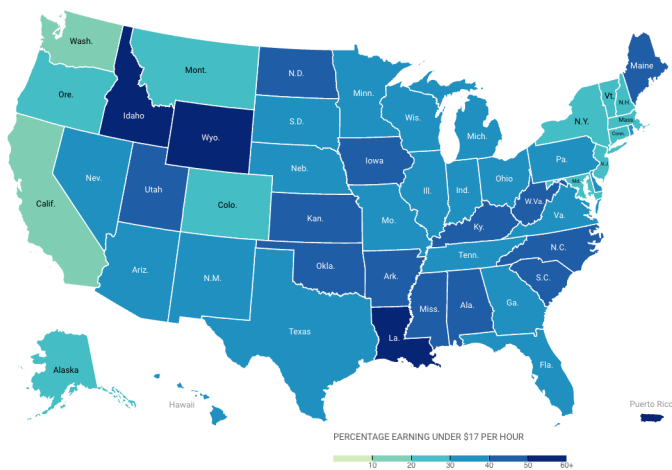
While activists have won advances for these workers at state levels, federal law still permits subminimum wages for the tipped workforce. According to data from the National Women’s Law Center, 69.1 percent of tipped wage workers nationally are women, a number that notably increases in many states. In New Hampshire, for example, 79.3 percent of the tipped wage workforce are women.

The tipped wage makes women vulnerable to wage theft and sexual harassment (both of which are rampant in the restaurant industry). While employers are legally obligated to ensure that tipped workers bring home the minimum wage, this often does not happen. **According to Oxfam’s data, 53 percent of tipped wage workers earn \$17 an hour or less, compared to 20 percent of nontipped wage workers.**

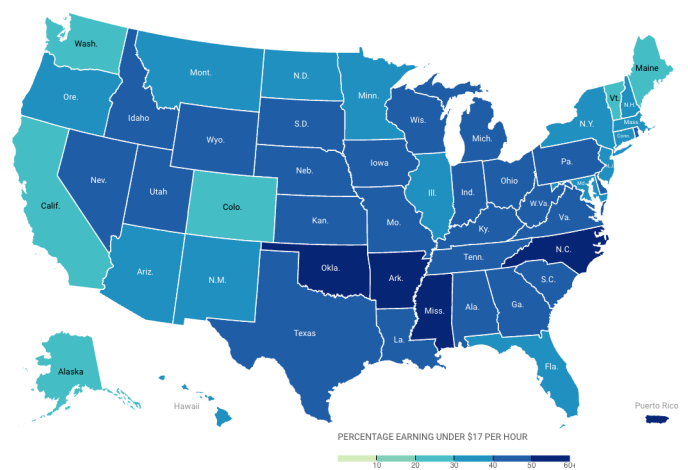
Paying tipped workers the regular minimum wage doesn’t hurt job creation; research shows no discernable effect on employment when tipped workers receive close to or the minimum wage.

CONCENTRATIONS OF WOMEN WORKERS EARNING LESS THAN \$17 AN HOUR

SHARE OF BLACK WOMEN EARNING UNDER \$17 AN HOUR



SHARE OF HISPANIC/LATINA WOMEN EARNING UNDER \$17 AN HOUR



The darker the color on the map, the higher the percentage of low-wage workers in the state. As shown on page 1, percentages for women earning low wages range from 9.6 percent (DC) to 40 percent (Mississippi) and 77.7 percent (Puerto Rico). For Black women, the discrepancies increase when compared to all women. At the state level, this ranges from 15.4 percent (DC) to 50 percent (Louisiana) and 73 percent (Wyoming). Finally, Hispanic or Latina women are most represented among low-wage workers across the United States. At the state level, this again ranges from 14.2 percent (DC) to 57.4 percent (Arkansas) and 77.9 percent (Puerto Rico).

Those states that consistently appear with lighter colors in all state maps, such as California, Oregon, Minnesota, and Washington, are the states with higher minimum wages, and those that have abolished the subminimum tipped wage.

WHAT CAN BE DONE?

Policymakers can act to address these inequities in wage policy, and in turn can help reduce economic, gender, and racial inequality. Policymakers should:

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.

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](#).

ABOUT THE DATA

The Oxfam Minimum Wage Model sources microdata from the 5-year Census American Community Survey (ACS-PUMS), and employs Current Population Survey (CPS-ORG) March data as formatted and made available by [CEPR](#).

We use CPS-ORG data to gather wages, and both CPS-ORG and ACS data for demographics and household information. Data on tipped occupations is sourced from the Bureau of Labor Statistics. For more information, the full methodology can be found at oxfamamerica.org/lowwagereport2024.



EXPLORE THE INTERACTIVE MAPS


To learn more about low-wage workers at the state or national level, and to see our full demographic breakdown of low-wage workers, please visit: oxf.am/lowwage24



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