

Minimum Wage

Today, the federal minimum wage is \$7.25 per hour. The minimum wage does not increase automatically and it is not adjusted for inflation. In 2007, the federal minimum wage was increased for the first time in 10 years, making it \$7.25 per hour, or \$15,080 a year for a worker who works 40 hours a week, 52 weeks a year. The tipped minimum wage has not been raised in 20 years and is a meager \$2.13 per hour.

The Fair Labor Standards Act (FLSA), which sets a wage floor or a level that wages are not allowed to fall below, was enacted in 1938. To raise the federal minimum wage for both tipped and non-tipped workers, Congress must pass the Fair Minimum Wage Act. The Fair Minimum Wage Act would incrementally raise both the tipped and non-tipped minimum wage and then adjust both rates for future inflation.

YWCA Position

Increasing the minimum wage will help raise women and their families out of poverty. Workers who receive a more reasonable wage can better afford basic necessities, including food, medicine, and clothing for their families or even expanded housing, education, and child care options. No one who works should have to live in poverty.

The YWCA supports initiatives that help women's economic empowerment, including policies that raise the minimum wage, protect overtime, strengthen pay equity, maintain the earned income tax credit, oppose the privatization of Social Security, workplace pregnancy accommodations, and expand non-traditional training for women from all socioeconomic and racial backgrounds.

Facts

- **A minimum wage earner who earns \$7.25ⁱ per hour will not make enough to move their family out of poverty.** The federal minimum wage is \$15,080 per year for a worker who works 40 hours per week, 52 weeks a year. This is \$7,970 below the poverty line for a family of four, or \$4,010 below the poverty line for a family of three.ⁱⁱ
- **The minimum wage is a women's issue.** Women represent nearly two-thirds of minimum wage earners.
- **The federal minimum wage for tipped workers is \$2.13 per hour.** Women are nearly two-thirds of workers in tipped occupations. Tipped occupations include nail salon workers, parking attendants, baggage porters and bellhops, and many restaurant occupations such as waitresses.ⁱⁱⁱ
- **Women are 52 percent of all restaurant workers, but 66 percent of all tipped workers in restaurants and 71 percent of servers.** That means that women are far more likely to face the uncertainty and poverty of tipped work. Women who work in the restaurant industry also face systematic discrimination, poverty wages, a lack of sick days, and five times more harassment than the general female workforce.^{iv}
- **Increasing the minimum wage would boost the wages for millions of working women and help close the wage gap.** If the minimum wage was increased from \$7.25 per hour to \$9.80, more than 28 million workers would get a raise, nearly 55 percent of them women.^v
- **The minimum wage is a civil rights issue.** People of color, especially women of color would benefit from a minimum wage increase, as they are overrepresented in the low wage labor market. African American women were 15.8 percent of female workers

making the minimum wage in 2011 compared to 12.3 percent of all employed workers. Similarly, Hispanic women were 16.5 percent of female minimum wage earners, but were only 12.5 percent of employed workers.^{vi}

- **A minimum wage increase enhances the quality of life for families.** A \$2.55 increase in the minimum wage would add \$5,304 to a full time minimum wage worker's yearly pay.

ⁱ [The U.S. Department of Labor.](#)

ⁱⁱ [The Department of Health and Human Services Poverty Guidelines.](#)

ⁱⁱⁱ [The U.S. Department of Labor.](#)

^{iv} [The Restaurant Opportunities United. "Tipped Over the Edge: Gender Inequity in the Restaurant Industry." February 13, 2012.](#)

^v [Cooper, David. Economic Policy Institute. "A Rising Tide for Increasing Minimum Wage Rates." April 12, 2012.](#)

^{vi} [Madland, David and Bunker, Nick. "Women Are the Biggest Losers from Failure to Raise Minimum Wage." June 20, 2012.](#)