

# #WAGE #OUTRAGE

## Raising the Minimum Wage Frequently Asked Questions and Talking Points

The current federal minimum wage is a moral outrage! Throughout the United States, people are urging legislators to raise the minimum wage to \$10.10 per hour. Use the following information to spread the word, respond to questions about the minimum wage, and inspire others to take action.

### What is the federal minimum wage?

- Standard: \$7.25 per hour — that's only \$15,080 a year for a full-time worker.
- For tipped employees: \$2.13 per hour (applies to workers making \$30 or more in cash tips a month). If the employee does not make \$5.12 in tips per hour, the employer is required to pay the difference.<sup>1</sup>
- The Fair Labor Standards Act of 1938 set a minimum wage to ensure that full-time workers would not be forced to live in poverty. In violation of the spirit of that law, the current minimum wage keeps workers in poverty.

### Why \$10.10?

- Raising the minimum wage to \$10.10 per hour would bring a family of three out of poverty.<sup>2</sup>

### Who would be helped?

- Increasing the minimum wage would directly or indirectly raise the wages of 27.8 million workers.<sup>3</sup>
- The raise would lift 900,000 people out of poverty.<sup>4</sup>

### Who are minimum wage workers?

- Age: Average age is 35 years old (88% are at least 20 years old; 35.5% are at least 40 years old).
- Gender: Women make up 70% of tipped workers and 56% of workers making \$7.25 per hour.<sup>5</sup>
- Race: 15.4% of black, non-Hispanic workers and 21.7% of Hispanic workers make minimum wage.
- Family: On average, minimum wage workers — 28% of whom have children — earn 50% of their family's income. 14 million children have a parent making minimum wage.
- Industry: 7 of the 10 lowest paying jobs in the economy are in the restaurant industry.<sup>6</sup>

### Resources

- Economic Policies Institute, [stateofworkingamerica.org](http://stateofworkingamerica.org)
- Bureau of Labor Statics, [bls.gov/cps/minwage2013.pdf](http://bls.gov/cps/minwage2013.pdf)

<sup>1</sup>U.S. Department of Labor, *Fact Sheet #15: Tipped Employees Under the Fair Labor Standards Act*, [dol.gov/whd/regs/compliance/whdfs15.pdf](http://dol.gov/whd/regs/compliance/whdfs15.pdf).

<sup>2</sup>Economic Policy Institute, "The Minimum Wage Used To Be Enough To Keep Workers Out Of Poverty—It's Not Anymore," [epi.org/publication/minimum-wage-workers-poverty-anymore-raising](http://epi.org/publication/minimum-wage-workers-poverty-anymore-raising).

<sup>3</sup>Ibid., "Raising the Federal Minimum Wage to \$10.10 Would Lift Wages for Millions and Provide a Modest Economic Boost," [epi.org/publication/raising-federal-minimum-wage-to-1010](http://epi.org/publication/raising-federal-minimum-wage-to-1010).

<sup>4</sup>Congressional Budget Office, *The Effects of a Minimum-Wage Increase on Employment and Family Income*, [cbo.gov/sites/default/files/cbofiles/attachments/44995-MinimumWage.pdf](http://cbo.gov/sites/default/files/cbofiles/attachments/44995-MinimumWage.pdf).

<sup>5</sup>National Women's Law Center, *60 Percent of Women's Job Gains in the Recovery Are in the 10 Largest Low-Wage Jobs*, [nwlc.org/sites/default/files/pdfs/60percentfactsheet.pdf](http://nwlc.org/sites/default/files/pdfs/60percentfactsheet.pdf).

<sup>6</sup>*Huffington Post*, "Lowest Paying Jobs In America: 7 Out Of 10 Are In The Food Industry," [huffingtonpost.com/2013/04/02/lowest-paying-jobs-food-industry\\_n\\_2999799.html](http://huffingtonpost.com/2013/04/02/lowest-paying-jobs-food-industry_n_2999799.html)

# What you can say about raising the minimum wage

## Raising the minimum wage does not cost jobs.

- Over 600 economists, including several Nobel Prize winners and former presidents of the American Economic Association, signed a letter saying that raising the minimum wage to \$10.10 is good for workers and the economy.<sup>7</sup>
- A study by John Schmitt for the Center for Economic and Policy Research found there is little to no effect on employment if minimum wage is raised in modest increments.<sup>8</sup>
- A study by payroll processor PayChex found that San Francisco, the city with one of the highest minimum wages in the country (\$10.74), has had faster job growth than any other large city over the past 10 years. State with the fastest job growth? Washington, which has the highest state minimum wage (\$9.32).<sup>9</sup>

## Unmasking the Opposition

The National Restaurant Association — a restaurant trade association — is leading the opposition to raising the minimum wage. Their lobbying efforts have kept the federal tipped minimum wage at \$2.13 per hour for the last 23 years and the federal standard minimum wage at \$7.25 for the last five years. For more information, read *The Other NRA: Unmasking the Agenda of the National Restaurant Association*, by the Restaurant Opportunities Centers United (available at [rocunited.org/the-other-nra](http://rocunited.org/the-other-nra)).

## Raising the minimum wage reduces need for government subsidies and emergency food assistance.

- Research commissioned by Center for American Progress found that raising the minimum wage to \$10.10 would lower government spending on Supplemental Nutrition Assistance Program (SNAP) by \$46 billion over the next 10 years.<sup>10</sup>
- A National Employment Law Project study found that taxpayers are paying \$1.2 billion a year to subsidize McDonald's workers alone.<sup>11</sup>

## The cost of goods and consumer prices are unlikely to increase significantly.

- The Congressional Budget Office found that a \$10.10 minimum wage would increase the total cost of wages for a company by only one-third of one percent.<sup>12</sup>
- A report by the Food Labor Research Center at the University of California in Berkeley, the Food Chain Workers Alliance, and the Restaurant Opportunities Centers United found that raising the minimum wage to \$10.10 could raise the price of food for the average consumer by a dime a day.<sup>13</sup>

## The minimum wage has not kept up with inflation or cost of living.

- The 1968 minimum wage of \$1.60 an hour would equal \$10.86 today when adjusted for inflation.<sup>14</sup>

## Raising the minimum wage is a moral issue, not just an economic one.

- A job is meant to keep you out of poverty, not in it. According to the Universal Declaration of Human Rights and the Seven UU Principles, all workers should be treated with dignity and respect. In order to abide by these fundamental principles, we must raise the minimum wage.

<sup>7</sup>Economic Policies Institute, "Over 600 Economists Sign Letter In Support of \$10.10 Minimum Wage," [epi.org/minimum-wage-statement](http://epi.org/minimum-wage-statement).

<sup>8</sup>Center for Economic and Policy Research, "Why Does the Minimum Wage Have No Discernible Effect on Employment?" [cepr.net/documents/publications/min-wage-2013-02.pdf](http://cepr.net/documents/publications/min-wage-2013-02.pdf).

<sup>9</sup>Paychex, "Small Business Jobs Index," [paychex.com/jobs-index/index.aspx](http://paychex.com/jobs-index/index.aspx)

<sup>10</sup>Center for American Progress, *The Effects of Minimum Wages on SNAP Enrollments and Expenditures*, [americanprogress.org/issues/economy/report/2014/03/05/85158/the-effects-of-minimum-wages-on-snap-enrollments-and-expenditures](http://americanprogress.org/issues/economy/report/2014/03/05/85158/the-effects-of-minimum-wages-on-snap-enrollments-and-expenditures).

<sup>11</sup>National Employment Law Project, *Super-Sizing Public Costs*, [nelpp.org/page/-/rtmw/uploads/NELP-Super-Sizing-Public-Costs-Fast-Food-Report.pdf?nocdn=1](http://nelpp.org/page/-/rtmw/uploads/NELP-Super-Sizing-Public-Costs-Fast-Food-Report.pdf?nocdn=1).

<sup>12</sup>Congressional Budget Office, *The Effects of a Minimum-Wage Increase on Employment and Family Income*, [cbo.gov/sites/default/files/cbofiles/attachments/44995-MinimumWage.pdf](http://cbo.gov/sites/default/files/cbofiles/attachments/44995-MinimumWage.pdf).

<sup>13</sup>The Food Labor Research Center at the University of California, Berkeley, et al., *A Dime a Day*, [laborcenter.berkeley.edu/foodlabor/price\\_food12.pdf](http://laborcenter.berkeley.edu/foodlabor/price_food12.pdf).

<sup>14</sup>Bureau of Labor Statistics, "CPI Inflation Calculator," [bls.gov/data/inflation\\_calculator.htm](http://bls.gov/data/inflation_calculator.htm)

