



February 24, 2021

The Honorable Nydia Velazquez
Chair
Committee on Small Business
United States House of Representatives

The Honorable Blaine Luetkemeyer
Ranking Member
Committee on Small Business
United States House of Representatives

Dear Chairwoman Velazquez and Ranking Member Luetkemeyer,

The National Partnership for Women & Families is a nonprofit, nonpartisan advocacy organization based in Washington, D.C. Our mission is to improve the lives of women and families by achieving equality for all women. We promote fairness in the workplace, reproductive health and rights, access to quality, affordable health care, and policies that help women and men meet the dual demands of their jobs and families. We work toward creating a society that is free, fair and just, where nobody has to experience discrimination, all workplaces are family-friendly, and every family has access to quality, affordable health care, and real economic security. **We write in strong support for H.R. 603, the Raise the Wage Act of 2021.** This legislation will support working people, improving women's and families' economic security, and promote racial and gender equity.

The federal minimum wage has not risen from \$7.25 in over a decade, marking the longest period without an increase since its creation in 1938. Meanwhile, the value of the minimum wage has eroded, and lower-income workers and families have struggled to keep up with the increasing cost of living. As a result, Congress is considering the Raise the Wage Act of 2021, which would incrementally raise the federal minimum wage to \$15 by 2025. This policy change will benefit working families across the country, especially women and people of color.

Raising the Minimum Wage Would Benefit Women of Color and All Workers

Women of color are disproportionately represented in minimum and low-wage jobs¹ and their families depend on their wages: mothers are breadwinners in nearly half of families with children under 18, including 48 percent of Latina mothers, 79 percent of Black mothers, 64 percent of Native American mothers and 43 percent of Asian American and Pacific Islander mothers as well as 48 percent of white mothers.² If the minimum wage were increased, 26.7 percent of women workers (19.5 million women) would receive a pay increase. Women of color make up nearly three in ten of the workers who would be helped (29.8 percent).³ Raising the minimum wage would provide much-needed income to women whose wages sustain their families.

Women make up two-thirds of workers paid the minimum wage or less.⁴ Women are more likely to be in minimum wage or low wage positions due to occupational segregation as well as the part-time penalty: because women are still more likely to bear the bulk of family care responsibilities, women are more likely to take part-time jobs in order to have flexible hours. As a result, women, and especially women of color, are overrepresented in low-paid, but essential, jobs in occupations such as retail, health care, education, and food service.⁵ Raising the minimum wage would benefit 13.9 percent to 59.8 percent of the workforce in these occupations,⁶ as well as 35 percent of Black women workers and 32 percent of Latina women workers overall.⁷ In states with minimum wages above \$10, women experience a 34% smaller wage gap.⁸

Ending Subminimum Wages Would Help Address Racism, Sexism and Ableism in Our Economy

This legislation would not only raise the minimum wage, but it would also end inequitable subminimum wages. There are currently three different categories of subminimum wages: the tipped wage, the youth wage, and the disability wage under Section 14(c) of the Fair Labor Standards Act (FLSA). Each of these wage categories is significantly lower than the minimum wage and disproportionately impacts minority workers thus contributing to structural inequality. While the current minimum wage is an unlivable amount, the subminimum wages ensure that workers are trapped in poverty in which they receive impossibly low compensation for their labor. Ending these subminimum wages would have significant benefits for racial, gender and disability equity.

The subminimum wage under the FLSA has permitted employers to pay disabled workers wages that amount to less than half the median income of average workers, and sometimes just cents per hour.⁹ Comprehensive data is limited, but on average, physically disabled workers are paid \$379 per week and intellectually disabled workers \$200 per week compared to non-disabled workers who average \$865 per week in income.¹⁰ This disparity in income has led to increased levels of poverty in the disabled community; in 2018, 26 percent of disabled people in the United States had incomes below the federal poverty line, compared to the national rate of 13 percent.¹¹

The practice of the tipped wage has inherently racist origins and currently has inequitable racial and gendered impacts. The tipped wage has remained stagnant for the past 30 years at \$2.13 per hour. In 2019, 69.7 percent of tipped wage workers were women and 25.9 percent were women of color.¹² Tipped workers are twice as likely to live in poverty as other workers.¹³ The poverty rate for women overall in tipped wage positions is 17 percent and for women of color, this rate is even higher at 19.3 percent.¹⁴

Because most tipped workers are in industries that have been significantly impacted by the COVID-19 pandemic such as the restaurant, hospitality, and service industry, they have not only experienced some of the most significant economic impacts of the pandemic, but these harms have been racialized. In a recent survey done by One Fair Wage, 96 percent of tipped workers – and 98 percent of Black tipped workers – reported a decrease in tips.¹⁵ Moreover, 78 percent of tipped workers overall, and 88 percent of Black tipped workers, report their tips have declined by 50 percent or more.¹⁶

Harassment has always been an issue in the tipped wage working community because tipped workers have to rely on customers for their income. However, unsurprisingly the pandemic has exacerbated this experience. Forty-one percent of tipped workers report an increase in sexual harassment at work since the pandemic began, and nearly two-thirds report receiving a lower tip in response to enforcing COVID-19 safety guidelines.¹⁷ Harassment threatens women's economic security since recent study found that women who say they've experienced sexual harassment at work are 6.5 times as likely to change jobs as women who have not – often to a job of lower quality or with lower pay.¹⁸ These dynamics underscore how the tipped wage puts women, and especially women of color, at higher risk of economic insecurity and subjects them to greater harms from racism and sexism in their workplaces.

The Raise the Wage Act Will Help Build a More Just Economy

We know that when workers are compensated justly that there are numerous health and economic benefits as well as substantial workplace benefits. In a 2019 study, it was found that raising the minimum wage was associated with improvements to workers' dietary quality and their access to care.¹⁹ Higher wages for staff in long-term care facilities have been linked to improved outcomes, including fewer health violations and fewer pressure sores, infections and deaths among residents; during the first month of the coronavirus pandemic, an increase of just 10 percent in the minimum wage would have prevented an estimated 5,300 deaths in long-term care facilities.²⁰ An increase in wages is associated with economic stimulus due to workers' increased ability to purchase goods and services.²¹

To date, twenty-nine states, the District of Columbia and 45 localities have adopted minimum wages above their state minimum wage.²² But the ability to maintain economic security should not depend on where a person works. Women are a crucial part of the workforce and their ability to provide for their household matters for the growth of our economy and for the stability and wellbeing of families nationwide. The Raise the Wage Act would ensure more people are paid a living wage and make our workplaces and economy more equitable. It is past time to put the economic security of workers first and pass the Raise the Wage Act.

¹ Cooper, D. (2019). *Raising the federal minimum wage to \$15 by 2025 would lift wages for over 33 million workers*. Economic Policy Institute Publication. Retrieved 2 March 2021, from <https://www.epi.org/publication/minimum-wage-15-by-2025/>

² Shaw, E., Mason, C., Lacarte, V., & Jauregui, E. (2020, May). *Holding Up Half the Sky: Mothers as Workers, Primary Caregivers, & Breadwinners During COVID-19*. Institute for Women's Policy Research Publication. Retrieved 2 March 2021, from <https://iwpr.org/wp-content/uploads/2020/07/Holding-Up-Half-the-Sky-Mothers-as-Breadwinners.pdf> (Breadwinner mothers are defined as single mothers who head a household or married mothers who generate at least 40 percent of a household's joint income.)

³ See note 1.

⁴ U.S. Bureau of Labor Statistics. (2020, April). Characteristics of minimum wage workers, 2019 (Table 1). Retrieved 2 March 2021, from <https://www.bls.gov/opub/reports/minimum-wage/2019/home.htm>

⁵ U.S. Bureau of Labor Statistics. (2021, January). *Current Population Survey, Household Data, Annual Averages (11. Employed persons by detailed occupation, sex, race, and Hispanic or Latino ethnicity)*. Retrieved 2 March 2021, from <https://www.bls.gov/cps/cpsaat11.htm>

⁶ See note 1.

⁷ National Women's Law Center. (2019). *The Raise the Wage Act: Boosting Women's Paychecks and Advancing Equal Pay*. National Women's Law Center Publication. Retrieved 2 March 2021, from <https://nwlc.org/wp-content/uploads/2019/10/Raise-the-Wage-Act-Boosting-Womens-Pay-Checks-10.22.19.pdf>

⁸ Ibid.

⁹ National Council on Disability. (2018, October). *National Disability Employment Policy: From the New Deal to the Real Deal: Joining the Industries of the Future (p. 47)*. Retrieved 2 March 2021, from https://ncd.gov/sites/default/files/Documents/NCD_Deal_Report_508.pdf

¹⁰ US Commission on Civil Rights. (2020, September). *Subminimum Wages: Impacts on the Civil Rights of People with Disabilities (p. 78)*. Retrieved 2 March 2021, from <https://www.usccr.gov/files/2020-09-17-Subminimum-Wages-Report.pdf>

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- ¹¹ Erickson, W., Lee, C., von Schrader, S. (2021). *Disability Statistics from the 2018 American Community Survey (ACS)*. Ithaca, NY: Cornell University Yang-Tan Institute (YTI). Retrieved 2 March 2021, from www.disabilitystatistics.org; U.S. Census Bureau. (2019). *American Community Survey, 2018 1-Year Estimates (Table S1701: Poverty Status in the Last 12 Months)*. Retrieved 2 March 2021, from <https://data.census.gov/cedsci/table?q=ACSST1Y2019.S1701&tid=ACSST1Y2018.S1701&hidePreview=true>
- ¹² National Women's Law Center. (2019). *Tipped Workers State by State*. Retrieved 2 March 2021, from <https://nwlc.org/wp-content/uploads/2019/06/Women-Tipped-Workers-State-by-State-2019-v2.pdf>
- ¹³ One Fair Wage. (2021, February 1). *Ending A Legacy of Slavery: How Biden's COVID Relief Plan Cures the Racist Subminimum Wage*. Retrieved 2 March 2021, from https://onefairwage.site/wp-content/uploads/2021/02/OFW_EndingLegacyOfSlavery-2.pdf
- ¹⁴ See note 12.
- ¹⁵ See note 13.
- ¹⁶ Ibid.
- ¹⁷ Ibid.
- ¹⁸ McLaughlin, H., Uggen, C., & Blackstone, A. (2017, June). The Economic and Career Effects of Sexual Harassment on Working Women. *Gender & Society*. 31(3): 333-358. doi:10.1177/0891243217704631
- ¹⁹ Narain, K.D.C., Zimmerman, F.J. (2019) *Examining the association of changes in minimum wage with health across race/ethnicity and gender in the United States*. *BMC Public Health* 19, 1069 from <https://doi.org/10.1186/s12889-019-7376-y>
- ²⁰ Ruffini, K. (2020, June). *Better workplace conditions for long-term eldercare staff are key to promoting resident safety amid the coronavirus pandemic*. Washington Center for Equitable Growth Publication. Retrieved 2 March 2021, from <https://equitablegrowth.org/better-workplace-conditions-for-long-term-eldercare-staff-are-key-to-promoting-resident-safety-amid-the-coronavirus-pandemic/>
- ²¹ Willingham, Z. (2021, February 25). *Small businesses get a boost from a \$15 minimum wage*. Retrieved 2 March 2021, from <https://www.americanprogress.org/issues/economy/reports/2021/02/25/496355/small-businesses-get-boost-15-minimum-wage/>
- ²² Economic Policy Institute. (2021, January). *Minimum Wage Tracker*. Retrieved 2 March 2021, from <https://www.epi.org/minimum-wage-tracker/>

The National Partnership for Women & Families is a nonprofit, nonpartisan advocacy group dedicated to promoting fairness in the workplace, reproductive health and rights, access to quality, affordable health care and policies that help all people meet the dual demands of work and family. More information is available at NationalPartnership.org.

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