



Minimum Wage Fact Sheet – Fair World Project

Fair World Project supports raising the federal minimum wage, including the base wage for tipped workers, as an important step toward building a more just economy. While raising the minimum wage does not address many important issues, like worker empowerment, there are many reasons to support raising the minimum wage. Here are a few.

1. The current federal minimum wage is \$7.25/hour, an amount that hasn't changed in so long it has dropped to 1998 equivalent in real dollars.¹
2. The current federal minimum wage is so far below a living wage that 23 states and several cities have taken matters into their own hands and raised wages locally.²
3. The fast food industry costs taxpayers \$7 billion a year in public assistance.³
4. The average age of someone earning minimum wage is 35 years old.⁴ Teenagers make up only a small portion of minimum wage earners.
5. Women and minorities are disproportionately in minimum wage jobs.⁵ Structural discrimination based on gender and race has been difficult to dismantle in the United States and though it is vital to continue to eliminate discrimination, an increased minimum wage can mitigate some of the harm done to those for whom discrimination has made it difficult to advance to higher paying jobs.

¹ Source: Department of Labor <http://www.dol.gov/minwage/mythbuster.htm>

² Source: Department of Labor <http://www.dol.gov/minwage/mythbuster.htm>

³ Source: US House of Representatives Committee on Education and the Workforce Democrats Fair Minimum Wage Act Fact Sheet Oct 2014 ("Fair Minimum Wage Act Fact Sheet":

<http://democrats.edworkforce.house.gov/sites/democrats.edworkforce.house.gov/files/documents/10.10.14-UpdatedMinimumWageFactSheet.pdf>.

⁴ Source: Economic Policy Institute

⁵ Fair Minimum Wage Act Fact Sheet

6. A single working parent with one child working full time at minimum wage falls below the federal poverty level.⁶
7. Paying workers decent wages reduces turnover providing stability for both workers and businesses.⁷
8. Increasing the minimum wage increases consumer purchasing power and decreases reliance on public subsidies, benefiting the economy overall. ⁸
9. Where minimum wage has increased locally, job growth has increased, not stalled.⁹
10. The federal minimum wage for tipped workers is just \$2.13/hour, making tipped workers especially vulnerable to the volatility of shifting business trends and even factors such as weather, which may prevent people from frequenting businesses like restaurants.

Raising the minimum wage vital, but is only part of what is needed. A few issues that raising the wage does not address include:

1. Some workers are victims of wage theft, that is not being paid for the time they worked because they must work “off the clock,” report to work before work starts, work forced overtime without pay, or other factors.
2. Many shift workers are subject to the whims of scheduling and may not be scheduled for all of the hours they desire or need to achieve a living wage, even at a higher hourly rate.
3. Many low-wage workers also work in the most dangerous jobs where adverse health effects and accidents are common.
4. Farmworkers and domestic workers are exempt from most labor laws that protect other workers and are especially vulnerable to harsh working conditions at low pay.

Fair World Projects educates and advocates for policies leading to a just economy and facilitates collaborative relationship to create true system change. By raising the federal minimum wage while continuing to address the other factors negatively impacting low-wage workers, we believe we will be one step closer to a just economy.

⁶ Calculated from poverty guidelines <http://aspe.hhs.gov/poverty/15poverty.cfm>

⁷ The Hands That Feed Us report <http://foodchainworkers.org/wp-content/uploads/2012/06/Hands-That-Feed-Us-Report.pdf>.

⁸ Source: Department of Labor: <http://www.dol.gov/minwage/mythbuster.htm>

⁹ Source: NRP news coverage of Department of Labor report <http://www.npr.org/blogs/thetwo-way/2014/07/19/332879409/states-that-raised-minimum-wage-see-faster-job-growth-report-says>