



WORKING POOR IN AMERICA

LOW-WAGE WORKERS ARE EVERYWHERE IN THE US. IT'S TIME FOR CONGRESS TO COME TOGETHER AND ENSURE PEOPLE EARN A DECENT WAGE.



OXFAM
America

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This report is linked to an interactive map project on the Oxfam America web site:
www.oxfamamerica.org/workingpoormap.

INTRODUCTION

Today, millions of Americans do arduous work in jobs that pay too little and offer too few benefits. They serve food, clean offices, care for the young and elderly, stock shelves, and deliver pizza. They work these jobs year after year, while caring for their children and parents, trying to save for college, and paying their bills. And yet despite their best efforts, these low-wage workers fall further and further behind.

The way Oxfam sees it, if you work hard, you should earn a living wage. Together with a broad coalition of allies—including faith leaders, business owners, and advocates for working Americans and families—we see a future where raising the federal minimum wage (to \$10.10 an hour) would benefit more than 25 million workers,¹ lift five million to six million people out of poverty, strengthen our economy, and save taxpayers billions of dollars.²

Raising the minimum wage used to be a bipartisan issue: in the past, Congress and Administrations recognized that as the cost of living goes up, so should the minimum wage. Today, however, Congress faces an impasse.

DECLINING WAGES, INCREASING INEQUALITY

In the past 35 years, the very rich have seen an astronomical increase in income, while the middle class and low-wage workers have seen their wages stagnate or even decline. As this divide has grown, the wealthiest people and companies have gained disproportionate power in our economy and our government; low-wage workers have seen their access to power and their ability to influence dwindle.

A WIDENING GAP

- In 2013 the CEO-to-average-worker pay ratio was 331 to 1; 30 years ago, it was just 40 to 1. Today, the CEO-to-minimum-wage-worker pay ratio is 774 to 1.
- The US ratio is more dramatic than in most other countries. In Norway the ratio is 58 to 1, in Germany, it's 147 to 1.³

Just like poverty itself, however, this disparity is not inevitable. It is the consequence of our political choices over many years. In order to confront and address growing inequality, we need to identify and advocate for the right policy solutions. A good start is to learn more about the state of the working poor in America and the arguments for raising the minimum wage.

Oxfam America has commissioned groundbreaking research that uses interactive maps to illustrate the number and percentage of workers who would benefit from an increase in the minimum wage in each of the 435 Congressional districts (plus the District of Columbia) and the 50 states. The maps show specific data about the prevalence of low-wage work and the extent of poverty and near poverty.⁴ Analysis of districts shows that, on average, one in five workers would benefit from an increased minimum wage. Fifty-five percent (13.9 million) of the workers who would benefit are women. Although the benefits would be shared by workers living in districts held by Democrats and Republicans alike, a slightly larger proportion of workers in Republican-held districts would benefit.⁵

It is Oxfam's hope that making this data available, along with information about the potential positive impacts for low-wage workers and taxpayers as a whole, will help spur action in Congress. It's time for millions of hard-working Americans to get a raise.

FIVE REASONS TO RAISE THE MINIMUM WAGE

- It's what the overwhelming majority of Americans want.
- It will reduce poverty.
- It will fuel economic growth.
- It will save taxpayers money and reduce uses of government programs.
- It is long overdue.

COVER: Home care aide Malrissa Perkins feeds Alan B. Smith, 81, in Lincoln, Mass., on June 13, 2013. The number of personal care aides will increase 70 percent between 2010 and 2020, making it the fastest-growing job in the country, according to the US Department of Labor. *Scott Eells / Bloomberg via Getty Images*



Gap employee NíJean Gibson helps a customer in February 2014 in San Francisco. Gap Inc. announced that it will raise its hourly minimum wage for US employees to \$9 in June 2014 and to \$10 by June 2015. *Justin Sullivan / Getty Images*

OUR MINIMUM WAGE: BEHIND THE TIMES

It's been more than seven years since Congress passed a raise for minimum-wage workers. If we were to adjust the wage to align with historic values, it would be well over \$10; instead, it's been stuck at \$7.25 since 2007.⁶

The minimum tipped wage, which applies to restaurant and other workers who rely predominantly on tips for their income, has not risen since 1991, and stands at \$2.13 an hour. The proposal to raise the federal minimum wage to \$10.10 by 2016 also would raise the tipped minimum wage to \$7.07. In addition, the new law would index both wages to inflation.

\$7.25: A POVERTY WAGE

The current federal minimum wage is \$7.25 per hour, which works out to \$15,080 a year for a full-time worker. That's almost \$4,000 below the poverty line for a family of three.

WHY NOT NOW?

We have raised the minimum wage 22 times since it was first established in 1938 by President Franklin Roosevelt. The last time the minimum wage was increased, in 2007 during the administration of President George W. Bush, it passed with overwhelming bipartisan support, by a 94-3 vote in the Senate and by 315-116 in the House of Representatives. In fact, the past three presidents have signed into law minimum wage increases supported by bipartisan coalitions in Congress.⁷

// With a higher wage maybe I'd be able to move out of my father's house. Maybe I could get off food stamps. Maybe I could start giving back to the economy. //

TENESHA HUESTON, SINGLE MOTHER OF FOUR MAKING \$7.75 AN HOUR AS A SHIFT MANAGER AT A FAST-FOOD RESTAURANT.

HARD WORK WITH FEW REWARDS

Although definitions of “low-wage work” vary, it’s generally agreed that between one-quarter and one-third of all US workers are in low-wage jobs. This is the highest proportion of low-wage jobs of any rich country in the world.⁸ Tens of millions of people go to work every day and earn under \$10 an hour, which translates to less than \$20,000 a year. Many of the most common occupations in America—cashiers, food preparers, waiters, and cleaners—pay barely above the current minimum of \$7.25 an hour.

Unfortunately, the number of workers in low-wage jobs is only growing larger. When the Great Recession hit in 2008, it knocked millions of Americans out of middle-income jobs. As the economy struggles to recover, the jobs it creates are not comparable: many new jobs are low-wage positions. As manufacturing has shifted overseas, middle-wage jobs have declined; the economy now swells with low-wage service jobs and relatively fewer better-wage, high-skill jobs.⁹

Low-wage jobs pay too little, and also offer few benefits like paid sick leave, vacation days, and pension plans—making it hard for workers to balance work with family and to plan for the future. Many of the jobs are also physically demanding and dangerous.

A recent Oxfam America poll found that although these workers say they have a strong work ethic and strive to perform well at their jobs, they are plagued by financial worries to pay for life’s essentials and have little hope of climbing into the middle class.

- Sixty-six percent of workers making under \$10 an hour report they either “just meet” or “don’t even have enough to meet” basic living expenses.
- Sixty-five percent of workers earning less than \$10 per hour worry about not being able to put healthy food on the table, 76 percent worry about having too much debt, and 81 percent worry about retirement.
- Seventy-six percent say that it is more common for middle-class Americans to fall down the economic ladder, while only 12 percent think that upward mobility is more common.
- They also overwhelmingly believe that the deck is stacked against them—that government serves the interests of the wealthy, not them.¹⁰

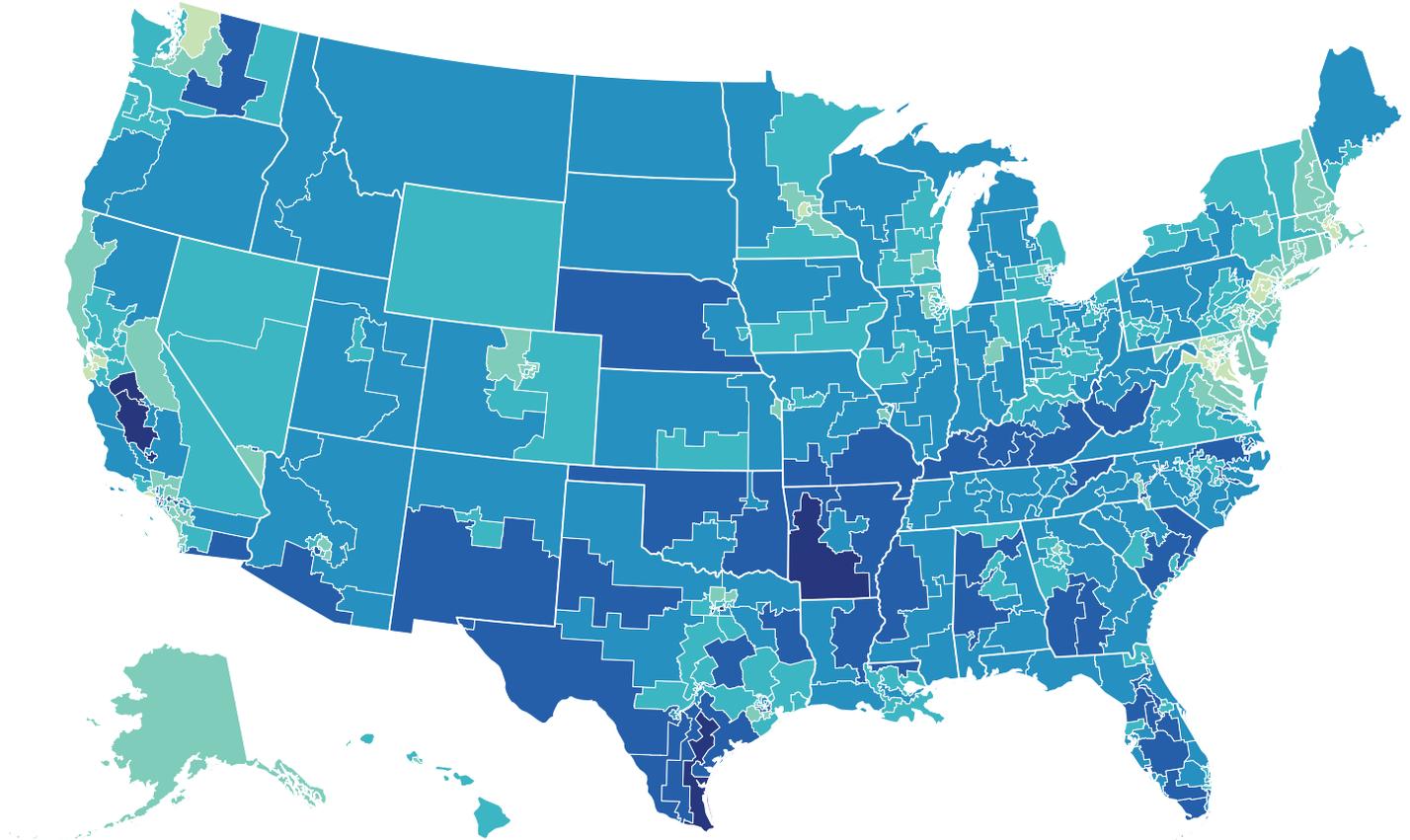
OCCUPATIONS WITH THE HIGHEST EMPLOYMENT IN THE US, MAY 2013

OCCUPATION	EMPLOYMENT	HOURLY MEAN WAGE	ANNUAL MEAN WAGE
Retail salespersons	4,485,180	\$12.20	\$25,370
Cashiers	3,343,470	\$9.82	\$20,420
Combined food preparation and serving workers, including fast food	3,022,880	\$9.08	\$18,880
Office clerks, general	2,832,010	\$14.42	\$29,990
Registered nurses	2,661,890	\$33.13	\$68,910
Waiters and waitresses	2,403,960	\$10.04	\$20,880
Customer service representatives	2,389,580	\$16.04	\$33,370
Laborers and freight, stock, and material movers	2,284,650	\$12.83	\$26,690
Secretaries and administrative assistants, except legal, medical, and executive	2,159,000	\$16.35	\$34,000
Janitors and cleaners, except maids and housekeeping cleaners	2,101,810	\$12.09	\$25,140

SOURCE: Bureau of Labor Statistics (BLS), “Occupational Employment and Wages—May 2013,” news release, April 1, 2014, www.bls.gov/news.release/pdf/ocwage.pdf.

WHERE LOW-WAGE WORKERS CALL HOME

HIGHEST CONCENTRATIONS OF LOW-WAGE WORKERS, BY CONGRESSIONAL DISTRICT



Lowest 12% 16% 20% 24% 28% Highest

Percentages of workers who would benefit from a raise in the minimum wage to \$10.10

NOTE: For an interactive version of this map, please go to www.oxfamamerica.org/workingpoormap.

IN EVERY CONGRESSIONAL DISTRICT, TENS OF THOUSANDS OF LOW-WAGE WORKERS

Low-wage workers live in all corners of the country, and do all kinds of work. However, they are concentrated in some localities. This map (opposite) illustrates the percentages of workers who would benefit from a \$10.10 minimum wage for each of the nation's 435 Congressional districts (plus the District of Columbia); sometimes, a poor district can bump up against a wealthy one.

While, on average, 19 percent of workers overall would be affected by a minimum wage increase, every region of the country has Congressional districts where more than one in every four workers (25 percent) would get a raise. The Southeast and Southwest include a larger number of the districts most affected; but New York, the Midwest, and urban and rural parts of California feature districts with high percentages.¹¹



Nick Mason, 34, and his two children live with his parents in Hixson, Tenn. Mason earns \$9 an hour as an assistant manager for a Domino's, overseeing a crew of six. "I don't think \$9 is fair—I've been working in the Pizza restaurant business for 19 years, since I was 15," he said. *Billy Weeks / The New York Times*

LOW-WAGE WORKERS CONCENTRATED IN URBAN AND RURAL DISTRICTS

The districts with the highest percentages of workers who would benefit from a higher minimum wage are remarkably diverse, from highly condensed urban to poor rural areas. At the top is East Los Angeles (CA-40, at 31.8 percent). Next is the largely rural south coastal district in Texas's 34th (29.9 percent). The dynamic of both poor rural and urban areas continues with another district in metro Los Angeles (CA-34), as well as districts in Dallas-Fort Worth and El Paso (TX-33 and TX-16), the Bronx in New York City (NY-15), the San Joaquin Valley of California (CA-21 and CA-16), the Ozark Mountains of Arkansas (AR-4), and the Missouri Bootheel (MO-8).

The districts with the lowest percentages of workers to benefit from an increased minimum wage are entirely urban, including some with the nation's highest income per capita. However, workers in these areas face significant challenges keeping up with the cost of living. The list is topped by the East Side of Manhattan in New York (NY-12), where the rent on a two-bedroom apartment is several times what a low-wage worker earns in a month. Other areas include Washington, DC; Long Island, N.Y.; Beverly Hills, Calif.; Seattle; WA, two districts in Silicon Valley; and another district on the East Side of Manhattan.

The metro areas of Los Angeles, San Francisco, and New York City have districts both in the top 10 and bottom 10.¹²

HIGHEST CONCENTRATIONS OF LOW-WAGE WORKERS

50 Congressional districts with the highest percentages of workers who would benefit from a raise in the minimum wage

RANK	DISTRICT	US REPRESENTATIVE	PARTY	WORKERS LIKELY AFFECTED BY A MINIMUM WAGE INCREASE TO \$10.10	SHARE LIKELY AFFECTED BY A MINIMUM WAGE INCREASE TO \$10.10
1	CA-40	Congresswoman Lucille Roybal-Allard	D	81,000	31.8%
2	TX-34	Congressman Filemon Vela	D	65,000	29.9%
3	CA-21	Congressman David G. Valadao	R	67,000	29.7%
4	CA-34	Congressman Xavier Becerra	D	81,000	29.1%
5	CA-16	Congressman Jim Costa	D	64,000	29.1%
6	TX-33	Congressman Marc Veasey	D	74,000	28.8%
7	AR-4	Congressman Tom Cotton	R	76,000	28.5%
8	TX-16	Congressman Beto O'Rourke	D	69,000	27.9%
9	NY-15	Congressman Jose E. Serrano	D	65,000	27.6%
10	MO-8	Congressman Jason Smith	R	74,000	27.3%
11	TX-15	Congressman Ruben Hinojosa	D	66,000	27.2%
12	CA-44	Congresswoman Janice Hahn	D	66,000	27.0%
13	TX-28	Congressman Henry Cuellar	D	66,000	26.9%
14	FL-24	Congresswoman Frederica S. Wilson	D	69,000	26.9%
15	CA-51	Congressman Juan Vargas	D	64,000	26.7%
16	GA-2	Congressman Sanford D. Bishop Jr.	D	61,000	26.7%
17	AZ-7	Congressman Ed Pastor	D	66,000	26.7%
18	KY-5	Congressman Harold Rogers	R	56,000	26.6%
19	MO-7	Congressman Billy Long	R	80,000	26.5%
20	CA-46	Congresswoman Loretta Sanchez	D	78,000	26.4%
21	AR-1	Congressman Rick Crawford	R	68,000	26.4%
22	SC-6	Congressman James E. Clyburn	D	64,000	26.3%
23	AR-3	Congressman Steve Womack	R	76,000	26.2%
24	FL-11	Congressman Richard Nugent	R	50,000	26.1%
25	MS-2	Congressman Bennie G. Thompson	D	63,000	26.1%

HIGHEST CONCENTRATIONS OF LOW-WAGE WORKERS *(cont.)*

RANK	DISTRICT	US REPRESENTATIVE	PARTY	WORKERS LIKELY AFFECTED BY A MINIMUM WAGE INCREASE TO \$10.10	SHARE LIKELY AFFECTED BY A MINIMUM WAGE INCREASE TO \$10.10
26	OK-2	Congressman Markwayne Mullin	R	67,000	26.0%
27	FL-5	Congresswoman Corrine Brown	D	68,000	26.0%
28	TX-29	Congressman Gene Green	D	68,000	26.0%
29	SC-7	Congressman Tom Rice	R	63,000	26.0%
30	CA-35	Congresswoman Gloria Negrete McLeod	D	67,000	25.9%
31	NM-2	Congressman Steve Pearce	R	62,000	25.9%
32	NC-12	Vacant		80,000	25.6%
33	FL-17	Congressman Tom Rooney	R	58,000	25.5%
34	KY-1	Congressman Ed Whitfield	R	64,000	25.5%
35	FL-9	Congressman Alan Grayson	D	76,000	25.4%
36	FL-10	Congressman Daniel Webster	R	72,000	25.4%
37	TX-23	Congressman Pete P. Gallego	D	67,000	25.4%
38	TX-19	Congressman Robert Neugebauer	R	69,000	25.1%
39	AL-4	Congressman Robert B. Aderholt	R	58,000	25.1%
40	AL-7	Congresswoman Terri Sewell	D	63,000	25.1%
41	FL-25	Congressman Mario Diaz-Balart	R	67,000	24.9%
42	TN-1	Congressman Phil Roe	R	67,000	24.9%
43	TX-1	Congressman Louie Gohmert Jr.	R	67,000	24.8%
44	CA-29	Congressman Tony Cardenas	D	64,000	24.7%
45	AZ-3	Congressman Raul M. Grijalva	D	62,000	24.7%
46	KY-2	Congressman Steven Brett Guthrie	R	70,000	24.6%
47	TX-27	Congressman Blake R. Farenthold	R	69,000	24.6%
48	GA-8	Congressman Austin Scott	R	61,000	24.6%
49	NV-1	Congresswoman Dina Titus	D	65,000	24.5%
50	NC-1	Congressman George K. Butterfield	D	64,000	24.4%

NOTE: The rankings are based on American Community Survey data from 2010 to 2012. See notes on methodology on page 16.

MOST LOW-WAGE WORKERS ARE WOMEN

In the US, women are more likely to find themselves in jobs that do not pay well and offer few benefits. Most low-wage occupations—from restaurant servers to child care workers—are dominated by women. About 55 percent (13.9 million) of the workers who would benefit from a minimum wage increase are women. That’s more than one-fifth of all working women. In several Congressional districts, one in three women would get a raise.¹³

Increasing the minimum wage would also help reduce the wage gap between men and women by 5 percent; women working full time were paid only 77 cents for every dollar paid to their male counterparts in 2012. In fact, the wage gap is significantly less in states with minimum wages above \$7.25.¹⁴

MINIMUM WAGE AFFECTS FAMILIES ACROSS PARTIES AND DISTRICTS

Millions of workers who would benefit from a minimum wage increase live in Congressional districts held by Republicans and Democrats alike. But a slightly larger proportion of

workers who would benefit live in Congressional districts held by Republicans (19.6 percent in Republican-held districts versus 18.4 percent in Democratic-held districts).

The biggest distinction across the parties seems to be in the concentrations of low-wage female workers. Republican districts have a notably higher percentage of women who would benefit from a raise in the minimum wage (22.7 percent versus 20.0 percent).¹⁵

MILLIONS OF CHILDREN WOULD BENEFIT, TOO

Roughly 14 million children would see their family incomes rise with a raise in the minimum wage. Of the 25 million workers who would benefit from an increase in the minimum wage, a third of them (nine million) are parents of dependent children. Approximately 5.9 million working mothers would benefit (roughly twice the number of working fathers). Almost three million single parents would get a raise.¹⁶

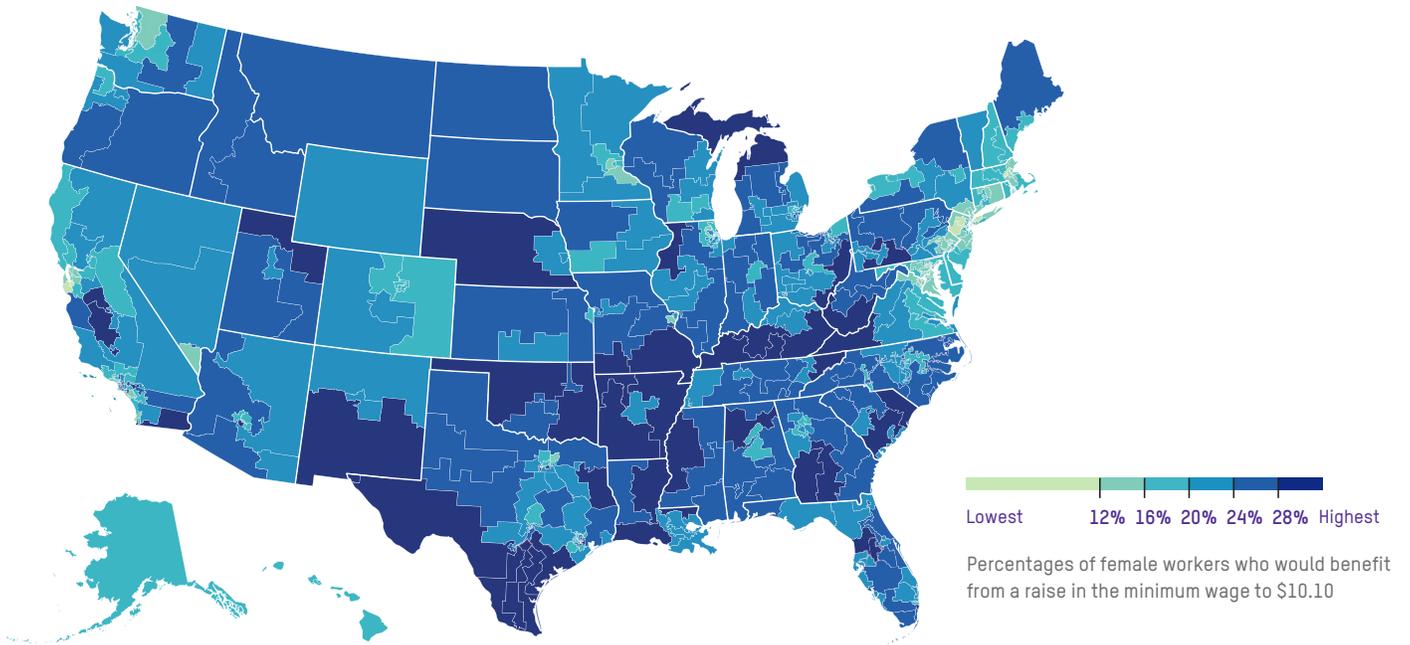
HIGHEST CONCENTRATIONS OF FEMALE LOW-WAGE WORKERS

10 Congressional districts with the highest percentages of female workers who would benefit from a raise in the minimum wage

RANK	DISTRICT	U.S. REPRESENTATIVE	PARTY	WORKERS LIKELY AFFECTED BY A MINIMUM WAGE INCREASE TO \$10.10	SHARE LIKELY AFFECTED BY A MINIMUM WAGE INCREASE TO \$10.10
1	TX-34	Congressman Filemon Vela	D	36,000	34.0%
2	CA-40	Congresswoman Lucille Roybal-Allard	D	36,000	33.0%
3	MO-8	Congressman Jason Smith	R	45,000	32.7%
4	AR-4	Congressman Tom Cotton	R	44,000	32.4%
5	KY-5	Congressman Harold Rogers	R	33,000	31.9%
6	AL-4	Congressman Robert B. Aderholt	R	34,000	31.1%
7	KY-1	Congressman Ed Whitfield	R	39,000	30.9%
8	TX-16	Congressman Beto O'Rourke	D	37,000	30.8%
9	CA-21	Congressman David G. Valadao	R	28,000	30.7%
10	TX-33	Congressman Marc Veasey	D	34,000	30.7%

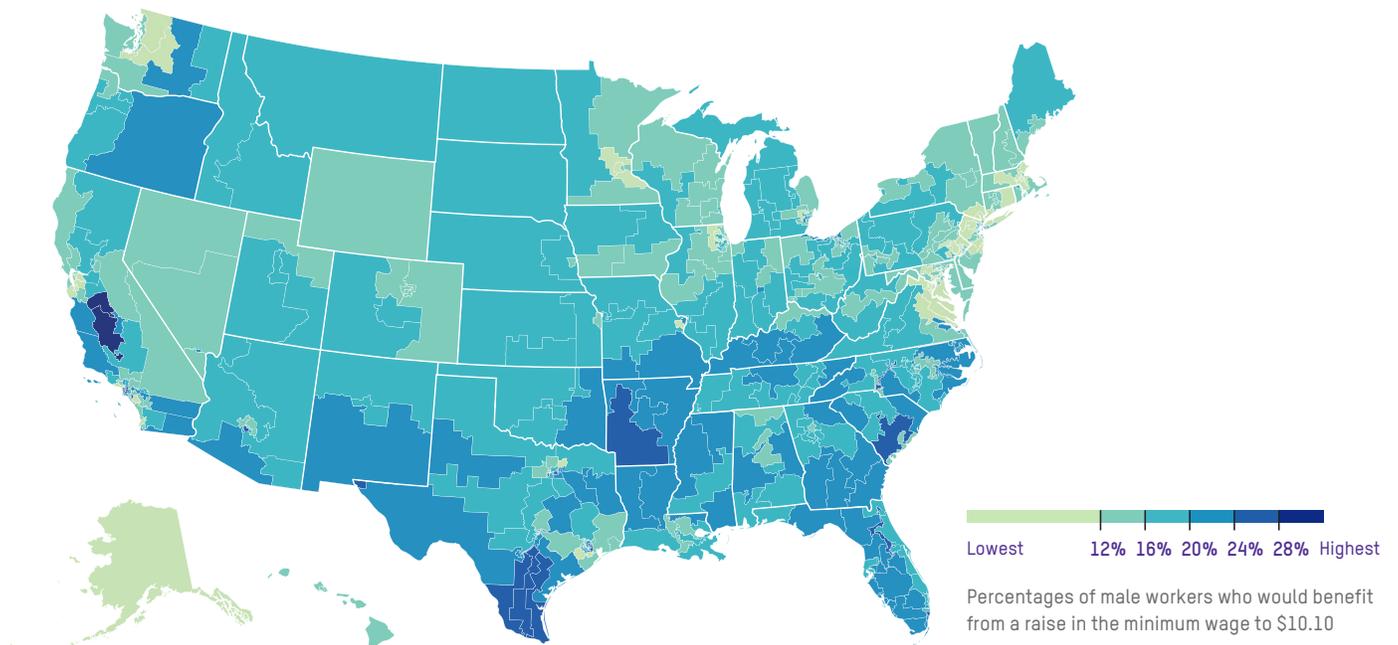
WOMEN IN LOW-WAGE JOBS

Highest concentrations of low-wage female workers, by Congressional district



MEN IN LOW-WAGE JOBS

Highest concentrations of low-wage male workers, by Congressional district





Housekeeper Maria Antonieta prepares a room at the Ritz-Carlton in Key Biscayne, Fla. Nearly a million people work as maids and housekeepers in the US, with a median hourly wage of under \$10, according to the Bureau of Labor Statistics, "Occupational Employment and Wages, May 2013: Maids and Housekeeping Cleaners," www.bls.gov/oes/current/oes372012.htm. Joe Raedle / Getty Images

STATES WITH HIGHEST AND LOWEST CONCENTRATIONS OF LOW-WAGE WORKERS

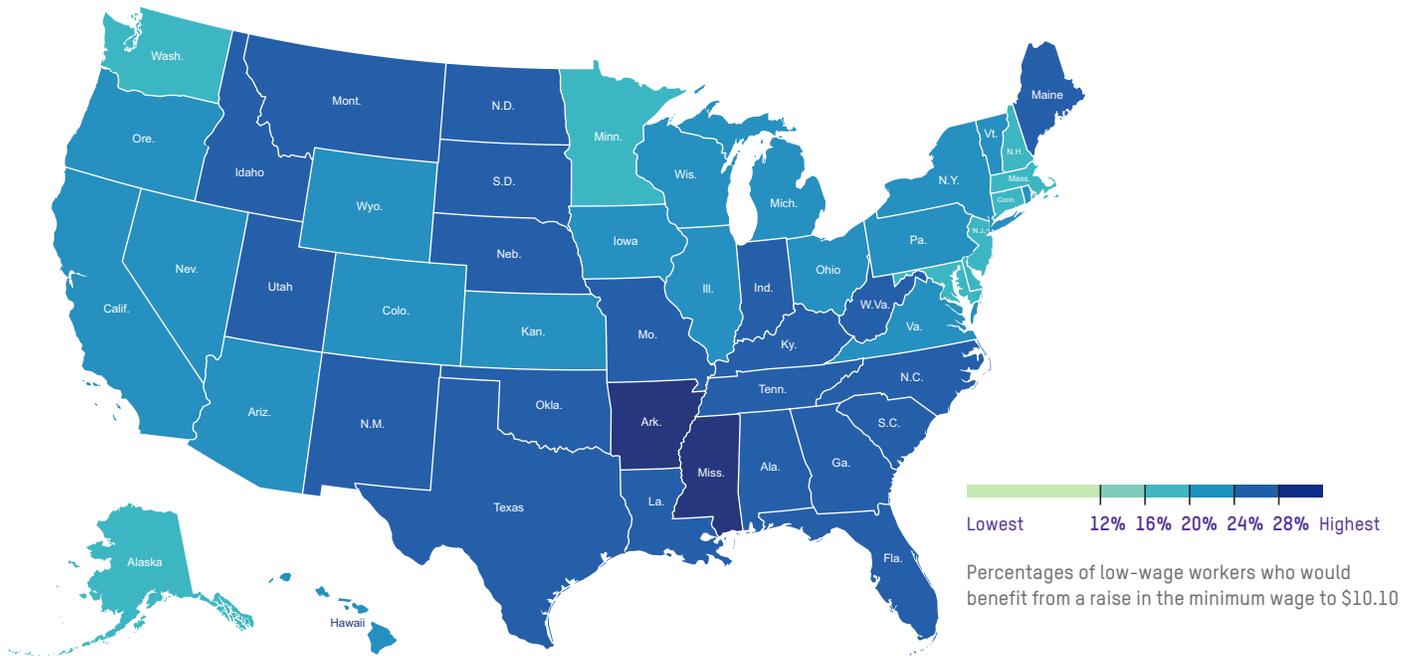
The states with the highest percentages of low-wage workers are in the South, led by Arkansas and Mississippi, and including Oklahoma, West Virginia, Florida, South Carolina, and Kentucky. Several Western states also make the list, including South Dakota, Idaho, and Montana. None of these states has a law setting a minimum wage above \$7.25.

Most of the states with the lowest percentage of workers impacted had state laws setting a higher minimum wage than \$7.25.

// Working one or even multiple jobs is no longer enough. Wages are so low and expenses are so high that even if you are able to find work, it may not be enough to even pay for the expense of child care. ... This system needs to change in order for people like myself to forge a better future for myself and my children, one where I will never need to turn to public assistance again. //

TIANNA G., PHILADELPHIA

WHERE LOW-WAGE WORKERS ARE CONCENTRATED, BY STATE



HIGHEST CONCENTRATIONS OF LOW-WAGE WORKERS

10 states with the highest percentages of workers who would benefit from a raise in the minimum wage

RANK	STATE NAME	SHARE LIKELY AFFECTED BY A MINIMUM WAGE INCREASE TO \$10.10
1	Arkansas	25.2%
2	Mississippi	24.0%
3	Oklahoma	23.3%
4	West Virginia	22.7%
5	South Dakota	22.5%
6	Idaho	22.5%
7	Florida	22.4%
8	Montana	22.3%
9	South Carolina	22.3%
10	Kentucky	22.2%

LOWEST CONCENTRATIONS OF LOW-WAGE WORKERS

10 states with the lowest percentages of workers who would benefit from a raise in the minimum wage

RANK	STATE NAME	SHARE LIKELY AFFECTED BY A MINIMUM WAGE INCREASE TO \$10.10
41	Hawaii	16.1%
42	Washington	15.9%
43	Delaware	15.9%
44	Minnesota	15.6%
45	New Hampshire	15.0%
46	New Jersey	14.2%
47	Connecticut	13.8%
48	Massachusetts	13.7%
49	Maryland	13.3%
50	Alaska	13.2%

5 REASONS TO RAISE THE MINIMUM WAGE NOW

1. IT'S WHAT THE VAST MAJORITY OF AMERICANS WANT

Polls show that between two-thirds and three-quarters of Americans support a minimum wage increase, with majorities in all parties. Most supporters see it as a matter of fairness and recognize that families cannot support themselves on such low incomes. Half of all adults say they would be more likely to vote for a Congressional candidate who supports increasing the minimum wage, according to a recent *Washington Post/ABC News* poll.¹⁷

Another sign of support has been recent efforts to raise the minimum wage in Albuquerque, Long Beach, San Jose, Seattle, and New Jersey, most approved with a strong majority of the vote. Efforts to raise local minimum wages have been gaining strength, as fast-food and retail workers have staged strikes around the country; a number of states have ballot campaigns and bills before state legislatures.¹⁸

2. IT WILL REDUCE POVERTY

A \$10.10 minimum wage would mean 19 percent of American workers, 25 million people, will get a boost in income; roughly five million to six million Americans would be lifted out of poverty. In addition, because an increase would generate about \$32.6 billion in additional income, more than 12 million workers in poor or near-poor families would see an additional \$1,300 a year in income. That's enough to pay for 10 weeks of groceries for a family of four, or five months of gasoline, and nearly half what the average community college charges in tuition.¹⁹

3. IT WILL FUEL ECONOMIC GROWTH

In fact, raising the minimum wage would have benefits for the overall US economy. The \$32.6 billion in additional income for low-wage workers would be spent on rent, food, and other necessities, providing a stimulus for the economy. Economists have long recognized that boosting purchasing power by putting money in people's pockets for consumer spending has positive ripple effects on the entire economy. The raise could provide a stimulus to the economy, and create up to 140,000 new jobs.²⁰

Nearly a century ago, employers like Henry Ford recognized that paying workers more would enable them to buy more of their products. Today businesses like Costco, Gap, The Walt Disney Co., and others have continued this tradition of providing higher pay to workers in low-wage sectors.

In one poll, 57 percent of small business owners (a group some opponents say would struggle to cope with a raise in the minimum wage), supported a minimum wage increase. They say it would spark consumer demand, which would enable them to retain or hire new employees.²¹

In fact, despite arguments that a minimum wage increase would result in lost jobs (an assertion made by some industry groups such as the National Restaurant Association), most research has found no statistically significant effect on employment—including a March 2014 report by Goldman Sachs. Studies of 91 state minimum wage increases since 1987 have actually found that the unemployment rate was more likely to decline than increase. Effects on prices are also minimal, as one study found that household food costs would rise by no more than a dime a day.²²



A worker cleans the street in the Tribeca section of Manhattan. The metropolitan area of New York City features a district with the lowest concentration of low-wage workers (NY-12, at 6.8 percent, which includes the East Side of Manhattan), right next to a district with one of the highest concentrations (NY-15, at 27.6 percent, which is entirely in the Bronx). *Eric Feferberg / AFP / Getty Images*

4. IT WILL SAVE TAXPAYERS MONEY AND REDUCE USE OF GOVERNMENT PROGRAMS

Low-wage workers obtain about \$243 billion a year in federal benefits. For example, 45 percent of America's 10 million restaurant workers rely on government assistance, and 32 million low-wage workers use SNAP (the Supplemental Nutrition Assistance Program, popularly known as food stamps). A higher minimum wage would save taxpayer dollars spent on public benefits like SNAP, the Earned Income Tax Credit, and the Low-Income Energy Assistance Program. Most workers in low-wage jobs say they would rather receive a living wage than have to turn to government assistance.²³

When corporations don't pay their employees enough to live on, and those workers are compelled to turn to the government, the government is essentially subsidizing the companies. These companies are able to cut payroll costs and increase profits by relying on the government to make sure their workers have enough to survive. They are not paying a living wage, and the taxpayer is making up the difference.

5. IT IS LONG OVERDUE

Over the years, the minimum wage has failed to keep up with inflation, failed to keep up with average wages, and—most dramatically—failed to keep up with incomes of the top 1 percent and CEOs, contributing to America's growing inequality. The federal minimum wage has fallen from about half the average wage (in 1968) to a little over one-third the average today.²⁴

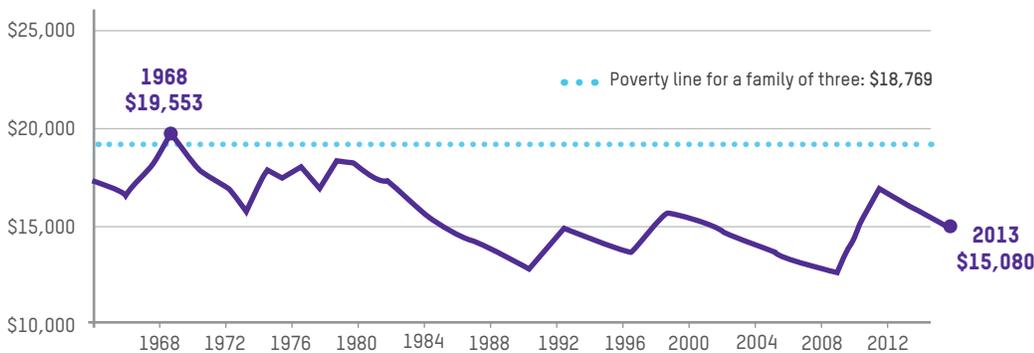
Low-wage workers are not benefiting from economic growth. If the minimum wage had kept pace with productivity increases, it would be about \$18.30. If it had increased as fast as the incomes of the top 1 percent, it would be \$31.45 per hour. CEOs of large corporations make 774 times what a minimum-wage worker earns; CEOs in the fast-food industry make even more. It would take the typical fast-food worker 1,200 hours (seven months) to earn what that industry's executives earn in an hour. Workers need a raise to keep up with the economy.²⁵

HISTORY OF THE MINIMUM WAGE: A SIGNIFICANT DECLINE IN VALUE

The minimum wage was first passed into law in 1938. After President Lyndon B. Johnson declared a War on Poverty in the 1960s, Congress raised the wage in 1968 to a point that actually lifted a family of three above the poverty line. The real value of the 1968 wage was to be the highest in the history of the law. Since then, the real value of the wage has declined substantially.

The last time Congress passed an increase in the minimum wage was seven years ago, in 2007. Since that time, millions of workers have watched the cost of living rise while their paychecks have stayed the same. They're working hard and falling further and further behind.

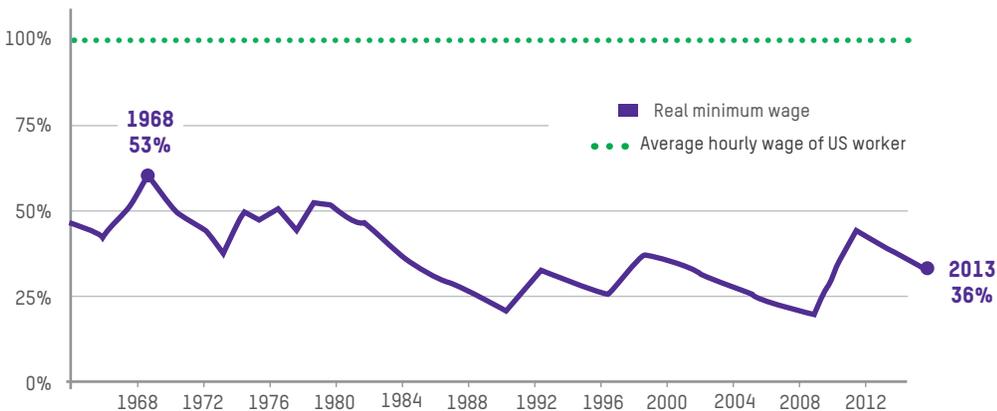
REAL VALUE OF MINIMUM WAGE: ANNUAL INCOME IN TODAY'S DOLLARS, 1968 TO 2013 *(source info below)*



NOTE: The real value of the minimum wage has declined by 32 percent since its peak in 1968. In today's dollars, it was then worth \$10.69 per hour; the wage today is \$7.25. The real value of the total annual salary for a full-time minimum wage worker has fallen by more than \$4000.

SOURCE: David Cooper, "Raising the Federal Minimum Wage to \$10.10 Would Lift Wages for Millions and Provide a Modest Economic Boost," Economic Policy Institute, Dec. 19, 2013, www.epi.org/publication/raising-federal-minimum-wage-to-1010/.

REAL VALUE OF MINIMUM WAGE: MINIMUM WAGE COMPARED TO AVERAGE WAGE IN TODAY'S DOLLARS, 1968 TO 2013



NOTE: Again, the line shows the decline in the real value of the minimum wage; this time against a line that represents half the average wage of an American worker. It shows that workers earning the minimum wage are falling ever further behind the average worker in America. In 1968, the minimum wage was worth more than half of what the average worker was paid. Today, it is worth just over one-third the pay of the average worker.

SOURCE: David Cooper, "Raising the Federal Minimum Wage to \$10.10 Would Lift Wages for Millions and Provide a Modest Economic Boost," Economic Policy Institute, Dec. 19, 2013, www.epi.org/publication/raising-federal-minimum-wage-to-1010/.

CONCLUSION

Raising the minimum wage offers benefits to workers, children, taxpayers, and the economy as a whole. It increases buying power and reduces the daily struggle for people to pay their basic expenses. It pumps money into the economy. It enables people to save for and invest in their future. It contributes toward building a work force that is healthier, more stable, better educated, and more productive.

And it has the support of the American people, the vast majority of whom say a raise is long overdue.

But the issue has become bogged down in partisan politics that do little to serve our people or our future. Raising the minimum wage will require members of Congress of both parties to be willing to overcome the divide: to be open to the debate, to consider the needs of hard-working constituents and taxpayers, to consider the wide range of benefits—and ultimately, to give a raise to the people who need it the most.

METHODOLOGY

This report is linked to an interactive map project on the Oxfam America web site: www.oxfamamerica.org/workingpoormap. The maps illustrate the number and percentage of workers who would benefit from an increase in the minimum wage in each of the 435 Congressional districts (plus the District of Columbia) and the 50 states. The map and the report offer a new window on the working poor in America. We focus on low-wage workers, and narrow in on each Congressional district.

We define workers as “likely to be affected by an increase in the minimum wage” to \$10.10 as those who currently earn \$7.00–\$11.50 per hour. While those most likely to receive a raise are those earning under \$10.10, many earning just above that are also likely to see an increase, as employers adjust wages to preserve internal pay ladders.

We estimate that 25 million workers would benefit from the increase (one in five workers). There are many ways to define and analyze the data, and others have come up with different numbers. The Congressional Budget Office estimates that 24.5 million workers would benefit. The White House estimates 28 million workers.

Our research is based on the American Community Survey (ACS) of the Census Bureau, for the years 2010 to 2012. Because the ACS uses the Public Use Microdata Area (PUMA) rather than Congressional districts, we also used a crosswalk from the Missouri Census Data Center.

For more information on our methodology and how we arrived at our figures, please refer to the web site.

This project follows a research project from 2013, “Hard Work, Hard Lives,” which reported the results of a national survey of low-wage workers conducted by Hart Research Associates on behalf of Oxfam America. For full research results, please refer to www.oxfamamerica.org/hart-worker-survey.

CREDITS

This project was conceived and realized by Oxfam America (including the report and the online maps). The data is based on original research by economist David Cooper. The online interactive map was created by Michael Stanaland.

NOTES

- 1 It is important to note that the estimates in this report differ from other published calculations of the number of workers likely to benefit from an increase in the minimum wage to \$10.10. We estimate that roughly 25.1 million workers will receive a raise. This figure is essentially consistent with the Congressional Budget Office’s (CBO’s) estimate of 24.5 million workers (14.5 million with wages below \$10.10, and eight million with wages between \$10.10 and \$11.50). However, it is somewhat lower than the Economic Policy Institute’s (EPI’s) estimate of 27.8 million, and the estimate from President Obama of 28 million. See “The Effects of a Minimum-Wage Increase on Employment and Family Income,” CBO, Feb. 18, 2014, <http://cbo.gov/publication/44995>; David Cooper, “Raising the Federal Minimum Wage to \$10.10 Would Lift Wages for Millions and Provide a Modest Economic Boost,” EPI, Dec. 19, 2013, www.epi.org/publication/raising-federal-minimum-wage-to-1010/; and “Raise the Wage,” www.whitehouse.gov/raise-the-wage, 2014, www.whitehouse.gov/raise-the-wage.
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- 3 “Executive Paywatch: High-Paid CEOs and the Low-Wage Economy,” AFL-CIO, www.aflcio.org/Corporate-Watch/Paywatch-2014.
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- 5 Oxfam data collected for this study by economist David Cooper. For more information on the methodology, see www.oxfamamerica.org/workingpoormap.
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- 8 The Organization for Economic Cooperation and Development (OECD) found that 25 percent of Americans were in low-wage jobs in 2009, compared with 15 percent of Japanese workers and 11 percent of French workers. Although the OECD defines low-wage workers as those earning less than two-thirds of a country's median wage, others have defined it as any worker earning below a particular threshold (e.g., \$13 or \$14 per hour) or as the wage that a full-time, full-year worker would have to earn to live above the federally defined poverty level (about \$11.06 in 2011). For more, see John Schmitt, "Low-Wage Lessons," Center for Economic and Policy Research (CEPR), January 2012, www.cepr.net/documents/publications/low-wage-2012-01.pdf; "The Low-Wage Recovery: Industry Employment and Wages Four Years into the Recovery," National Employment Law Project (NELP), April 2014, www.nelp.org/page//Reports/Low-Wage-Recovery-Industry-Employment-Wages-2014-Report.pdf?nocdn=1; and Rebecca Thiess, "The Future of Work: Trends and Challenges for Low-Wage Workers," EPI, April 27, 2012, www.epi.org/publication/bp341-future-of-work/.
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