

July 2019

## Women need a raise

### Why raising the minimum wage will help women and ensure they earn the same as men for the same work

Everybody in North Carolina deserves to earn enough to make ends meet, and nobody who works full time should live in poverty. Yet the current minimum wage of \$7.25 traps thousands of working people in poverty—and the burden is especially born by working women, many of whom earn less hour for hour than men doing the same work. **Raising the minimum wage to \$15 an hour by 2025 will take a significant step forward in lifting women out of poverty, ensuring they earn enough to make ends meet, and making sure they receive equal pay for equal work.**

#### Working people are watching their wages fall while costs of living keep going up

**The minimum wage doesn't buy what it used to.** In 1968, full-time minimum wage workers earned \$20,604 a year. Thanks to rising costs of living, by 2017, their annual wage had fallen to \$15,080, or \$7.25 an hour.<sup>1</sup> And this doesn't buy what it did 10 years ago, the last time the wage floor went up. Taking rising inflation into account, today's minimum wage is worth just 84 cents for every dollar it was worth back in 2009.

**Wages are down since the last time North Carolina's working people saw the minimum wage go up in 2009, in the depth of the Great Recession.** Despite our current, long-running economic recovery, the annual median wage in North Carolina has fallen from \$34,955 in 2009 to \$34,757 today. As a result, working people are making \$200 less than they were during the Great Recession.

**Costs keep going up.** Looking at monthly bills, median rents in North Carolina have risen from \$796 a month to \$861.<sup>2</sup> Across the South, people are paying \$407 a month for healthcare—\$106 more than they were paying in 2009. Similarly, transportation costs have gone up \$80 a month since 2009—people are now spending more than \$800 on car payments, gas, and insurance every month.<sup>3</sup>

**Families can't earn enough to make ends meet while on the minimum wage.** Today in North Carolina, it takes a family of one adult one child about \$3,323 a month to afford the basics—buy groceries, pay for healthcare, put their kids in day care and a roof over their heads. But the minimum wage only pays \$1,160 a month. A minimum wage earner would have to work 100 hours a week with no days off in order to earn enough to make ends meet.

#### Women—especially women of color—bear the brunt of these costs, since they are far more likely to work in low-wage jobs than men

**Although women make up less than half of North Carolina's workforce, they are overrepresented in minimum wage and low-wage work.** Women in North Carolina make up 48% of the state's workforce, but 67% of minimum wage earners and 68% of those making \$11.50 or less per hour. In fact, women in North Carolina are more than twice as likely to work in a low-wage job compared to a man.<sup>4</sup>

**Poverty-level wages make women more vulnerable to sexual harassment.** Multiple studies have found high rates of sexual harassment in women-dominated, low-wage occupations.<sup>5</sup> The highest percentage of sexual harassment charges filed in a 10-year period from 2005-2015 was in the

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accommodations and food services as well as the retail industries, industries with a large number of low-wage jobs and an overrepresentation of women workers.<sup>6</sup>

**Gradually raising the minimum wage will benefit almost a million women in North Carolina and lift millions more out of poverty across the country**

**Nearly a million women will see a raise, including those who currently earn less than \$15 an hour.** Because women are more likely to work in low-wage and minimum wage jobs, they will benefit the most raising the wage floor. The majority of workers (54%) who would benefit from a minimum wage raise are women. Once the wage rises to \$15 an hour, close to 858,000 women will benefit.<sup>7</sup>

**Women of color will especially benefit from a raise.** Across the country, a much higher percentage of Black and Latino women than white women are working for less than \$15 and hour. While 20% of white working women would see a raise, 32% of Black working women and 29% of Hispanic working women would benefit from a raise.<sup>8</sup>

**Raising the wage will reduce poverty for almost 27 million Americans, especially helping women,** and would lift an additional 1.3 million Americans out of poverty.<sup>9</sup> This will have a special impact on women in North Carolina, given that they are 20% more likely to experience poverty compared to men in the state, while women of color are more than twice as likely to experience poverty than white women.<sup>10</sup>

**Increasing the minimum wage will take a major step forward in making sure that women receive equal pay for equal work performed by men**

**The market is failing to give women equal pay for equal work.** Women earn just 85 cents for every dollar earned by men, and the equal pay gap is even bigger for women of color—Black women earn 61 cents for every dollar earned by white men, and for Latinx women its just 53 cents. Women are paid less than men in every single occupation with the same level of education.<sup>11</sup> This not only unfair but also hurts the economy to the tune of losing \$900 billion.

**Raising the legal minimum wage can help fix the problem.** Because women are more represented in low-wage work and minimum wage jobs, boosting their pay will help them catch up to men more quickly.<sup>12</sup>

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<sup>1</sup> Zipperer, B. (2018). The erosion of the federal minimum wage has increased poverty, especially for black and Hispanic families. Economic Policy Institute. <https://www.epi.org/publication/the-erosion-of-the-federal-minimum-wage-has-increased-poverty-especially-for-black-and-hispanic-families/>

<sup>2</sup> American Community Survey

<sup>3</sup> US Bureau of Labor Statistics Consumer Expenditure Survey, Region of Residence = South.

<sup>4</sup> Low-wage is defined here as occupations with a median wage of \$11.50 or less. National Women's Law Center fact sheet, "Women in the Low-Wage Workforce By State," (2018): <https://nwlc.org/wp-content/uploads/2018/06/women-in-low-wage-workforce-by-state-2018-1.pdf>

<sup>5</sup> Rossie, Amanda, Jasmine Tucker and Kayla Patrick, "Out of the Shadows: An Analysis of Sexual Harassment Charges by Working Women," National Women's Law Center (2018): <https://nwlc-ciw49tixgw5lbab.stackpathdns.com/wp-content/uploads/2018/08/SexualHarassmentReport.pdf>. See also (ROC United) Forward Together, et al., "The Glass Floor: Sexual Harassment in the Restaurant Industry" (Oct. 2014), [http://rocunited.org/wp-content/uploads/2014/10/REPORT\\_The-Glass-Floor-Sexual-Harassment-in-the-Restaurant-Industry2.pdf](http://rocunited.org/wp-content/uploads/2014/10/REPORT_The-Glass-Floor-Sexual-Harassment-in-the-Restaurant-Industry2.pdf)

<sup>6</sup> Frye, Jocelyn, "Not Just the Rich and Famous," Center for American Progress (November 20, 2017): <https://www.americanprogress.org/issues/women/news/2017/11/20/443139/not-just-rich-famous/>

<sup>7</sup> Analysis by the Economic Policy Institute for NC Justice Center, 2019.

<sup>8</sup> Cooper, David, "Raising the federal minimum wage to \$15 by 2024 would lift pay for nearly 40 million workers," Economic Policy Institute, February 5, 2019: <https://www.epi.org/publication/raising-the-federal-minimum-wage-to-15-by-2024-would-lift-pay-for-nearly-40-million-workers/>

<sup>9</sup> Congressional Budget Office. The Effects on Employment and Family Income of Increasing the Federal Minimum Wage, 2019. <https://www.cbo.gov/publication/55410>

<sup>10</sup> NC Budget and Tax Center Infographic: "Living in Poverty in North Carolina: A View of What is at Stake and What is Possible," (2018): <https://www.ncjustice.org/wp-content/uploads/2018/12/BTC-People-in-Poverty-INFOGRFK-2018-FINAL.pdf>

<sup>11</sup> Gould, E. (2019). Equal Pay Day is a reminder that you can't mansplain away the gender pay gap. Economic Policy Institute. <https://www.epi.org/blog/equal-pay-day-is-a-reminder-that-you-cant-mansplain-away-the-gender-pay-gap/>

<sup>12</sup> National Partnership for Women & Families. Fact Sheet: America's Women and the Wage Gap, 2019 <http://www.nationalpartnership.org/our-work/resources/workplace/fair-pay/americas-women-and-the-wage-gap.pdf>