What a $15 Minimum Wage Means for Women and Workers of Color

By Laura Huizar and Tsedeye Gebreselassie

Since workers first went on strike to demand a $15 minimum wage and a union in New York in 2012, the national Fight for $15 campaign has won higher wages in more than 60 states, cities, and counties. It has become the strongest movement for a higher minimum wage since the New Deal, and one of the most effective worker movements in the last four decades. Nearly 20 million workers have seen their wages increase, and almost 10 million of them will receive gradual raises to $15 per hour. The movement is also one that carries enormous implications for people of color and women in this country. As demonstrated below, African Americans, Latinos, and women make up a disproportionate number of workers making below $15 an hour, and they power some of our largest, fastest-growing, and most important industries.

A $15 minimum wage could make significant inroads in helping women and people of color make ends meet, closing persistent gender and race-based pay and wealth gaps, and improving educational and health prospects for children. In fact, The Ferguson Commission, responding to the unrest that followed the death of Michael Brown, Jr. in Ferguson, Missouri, on August 9, 2014, recommended increasing the minimum wage to $15 to create opportunities for individuals in the St. Louis region to thrive. Ultimately, the goals and achievements of the Fight for $15 are inextricably connected to the efforts of the Black Lives Matter movement and the Equal Pay movement today, as well as the legacy and unfinished work of civil rights and women’s rights movements that have preceded today’s fights.

This report outlines the demographics of workers who make less than $15 an hour, finding that women and people of color are overrepresented in this workforce and in the industries and occupations that have some of the highest proportions of workers earning less than $15 an hour. It highlights how a $15 wage floor could play a critical role in closing the pay and wealth gaps for people of color and women, and could significantly impact future generations. Finally, it explains why raising the federal minimum wage is especially important for African American workers, since the 21 states where the minimum wage remains at the federal, poverty-level rate of $7.25 have some of the largest African American populations in the country.
The Majority of African American and Latino Workers and Nearly Half of Women Workers in the U.S. Make Less Than $15 Per Hour

• 42 percent of workers in the U.S. make less than $15 an hour, and women and people of color are overrepresented in this group.4
• More than half of African American workers are paid less than $15.5
• Close to 60 percent of Latino workers make less than $15.6
• Women workers account for 54.7 percent of those making less than $15 per hour, but they make up less than half of the overall U.S. workforce.7
• African Americans make up about 12 percent of the total workforce, but they account for 15 percent of the below-$15 wage workforce.8
• Similarly, Latinos constitute 16.5 percent of the workforce, but they account for almost 23 percent of workers making less than $15 per hour.9

Figures 1 and 2, below, show the large numbers of women, African American, and Latino workers who make less than $15, as well as their overrepresentation in the below-$15-wage workforce.

Figure 1. Ratio of Workers Making Less Than $15 Wage Within Each Demographic Group

Figure 2. Share of Workers in U.S. Workforce and Sub-$15-Wage Workforce, by Demographic Group
People of Color and Women Making Under $15 Power Some of Our Most Important Industries

- Six out of the ten largest occupations with median wages less than $15 per hour are among the occupations projected to add the most jobs between 2012 and 2022. These occupations are retail salespersons; combined food preparation and serving workers (including fast-food); laborers and freight, stock, and material movers, hand; janitors and cleaners (except maids and housekeeping cleaners); nursing assistants; and personal care aides.

- A previous NELP analysis looked carefully at six industries with high concentrations of workers making under $15 and found that women and people of color were disproportionately concentrated in those industries’ “front-line” occupations (defined as the largest, non-managerial occupations in an industry). The six industries analyzed were food services and drinking places (including fast-food), retail, home care, auto manufacturing, child care, and hotel and motel accommodation.

- In the food services and drinking industry, for example, which employed 10.6 million people in the U.S. in 2014, 71 percent of fast-food front-line workers and 53 percent of all front-line workers at food service and drinking places were women. African American and Latino workers make up 47.6 percent of fast-food front-line workers and 39.3 percent of food service and drinking front-line workers.

Figure 3. Fast-Food Front-Line Workers by Gender & Race/Ethnicity

Rosalind, Fast-Food Worker (Atlanta, GA)

Rosalind has lived in Atlanta, Georgia, for twenty-two years. She’s worked in the fast-food industry for about 10 years and has been working at a Burger King for approximately two years. She earns $7.45 per hour and struggles to take care of her basic needs on her low income. Even though her pay has remained low over the years, food and housing costs have increased significantly. Transportation has also become harder and more expensive, and she can’t afford to live close to work. “If you take the bus, you’ll usually have to take two buses and trains,” she explained. For a period, Rosalind worked both the second and third shifts at the Burger King in order to earn more money, but she felt exhausted and ended up in the hospital with pneumonia. She now works between 20 and 25 hours and lives in a shelter. On warm nights, she sleeps outside.
Rosalind became involved with the Fight for $15 when organizers came to her store to talk about the campaign. She knows first-hand that with today’s low wages, “you can’t guarantee that your paycheck will pay for your rent, food, and other needs.” The Fight for $15 has made her feel like she has “more power.” “It feels good,” she said, “we need to balance out the playing field.” As a woman of color, she also knows that there are pay disparities that make the challenges of low-wage work even tougher. “I get paid even less than white women, and they are even below white men,” she said. Ultimately, Rosalind doesn’t “want to be wealthy, just comfortable,” but she knows she will “need to fight for it.”

- In the retail industry, which employs more than 1 in 10 people in the U.S., 52.6 percent of all front-line workers are women. African Americans and Latinos make up almost one-third of front-line retail workers.

Figure 4. Retail Front-Line Workers by Gender & Race/Ethnicity

<table>
<thead>
<tr>
<th>Retail Front-Line Workers: Gender</th>
<th>Retail Front-Line Workers: Race/Ethnicity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women: 47.4%</td>
<td>African American: 6.9%</td>
</tr>
<tr>
<td>Men: 52.6%</td>
<td>Latino: 14.6%</td>
</tr>
<tr>
<td></td>
<td>White: 60.6%</td>
</tr>
<tr>
<td></td>
<td>Other: 14.6%</td>
</tr>
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</table>

- In the home care industry, which is projected to grow five times faster than jobs in all other occupations, women make up over 90 percent of front-line workers. African American and Latino workers, combined, make up more than 53 percent of home care front-line workers.

Figure 5. Home Care Front-Line Workers by Gender & Race/Ethnicity

<table>
<thead>
<tr>
<th>Home Care Front-Line Workers: Gender</th>
<th>Home Care Front-Line Workers: Race/Ethnicity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women: 8.6%</td>
<td>African American: 7.3%</td>
</tr>
<tr>
<td>Men: 91.4%</td>
<td>Latino: 33.5%</td>
</tr>
<tr>
<td></td>
<td>White: 38.9%</td>
</tr>
<tr>
<td></td>
<td>Other: 20.3%</td>
</tr>
</tbody>
</table>
• In auto manufacturing, an industry that historically has provided blue-collar middle class jobs in the U.S., but which has seen wages decline in recent years, about one-third of front-line workers are women and 36.2 percent are African American or Latino.20

Figure 6. Auto Manufacturing Front-Line Workers by Gender & Race/Ethnicity

![Auto Manufacturing Front-Line Workers: Gender and Race/Ethnicity](chart)

• Of the more than 800,000 child care workers in the U.S., 93.5 percent of front-line workers are women, and over 36 percent of front-line workers are African American or Latino.21

Figure 7. Child Care Front-Line Workers by Gender & Race/Ethnicity

![Child Care Front-Line Workers: Gender and Race/Ethnicity](chart)

• And in the hotel and motel accommodation industry, which has seen record profits in recent years, about three-quarters of front-line workers are women and 55 percent are African American or Latino.22

Figure 8. Hotel and Motel Accommodation Industry Front-Line Workers by Gender & Race/Ethnicity

![Hotel and Motel Accommodation Industry Front-Line Workers: Gender and Race/Ethnicity](chart)
• See NELP’s “The Growing Movement for $15” report for a more detailed breakdown, including charts of the hourly earnings and demographics of workers in the six industries highlighted above.23

A $15 an Hour Minimum Wage Could Play a Critical Role in Closing the Pay and Wealth Gaps for People of Color and Women

The Racial Pay & Wealth Gaps
• The over-representation of people of color at the lowest wage levels has contributed to the persistence of a large racial pay gap in the U.S. In 2015, the median hourly wage was $15 for African American men and $14 for Latino men.24 In contrast, white men earned a median hourly wage of $21 per hour.25
• According to the Pew Research Center, “Black and Hispanic men, for their part, have made no progress in narrowing the wage gap with white men since 1980, in part because there have been no improvements in the hourly earnings of white, black or Hispanic men over this 35-year period.”26
• As noted above, a $15 minimum wage would directly raise the wages of almost 60 percent of Latino workers and more than half of African American workers, directly narrowing the racial pay gap.
• And while income inequality has widened significantly in recent years, wealth inequality has worsened at an even faster rate.27 The richest top 1 percent own 40 percent of the nation’s wealth while the bottom 80 percent own only 7 percent. See Figure 9.

Michelle, Restaurant Worker (Georgia and Alabama)

Michelle has worked low-wage restaurant and fast-food jobs in Georgia and Alabama. While in Atlanta, Michelle worked for a barbeque restaurant where she earned $5.15 per hour, plus tips. She realized soon after starting that her employer was violating the law, however. She was instructed to claim a certain amount in tips each time she clocked-out, even if she didn’t actually earn that amount. She felt that she couldn’t ask her employer to comply with the law and wanted to find another job, but she needed the work. She eventually transitioned to a job as a dishwasher at the same restaurant. Despite working close to full-time, her paychecks were never more than $300, and she was forced to live in her car in a hotel parking lot. She also suffers from colitis and couldn’t afford to buy the healthy food she needed. Simply trying to maintain her health and hygiene was exhausting.

Michelle moved to Alabama earlier this year to try and make it work in a new place. She found a job at a Burger King, but she still struggled to make ends meet and lived in an abandoned car for a while. While working the morning shift at Burger King one day, Michelle met organizers from the Fight for $15. The movement has “started to educate me,” she said. “I’m getting educated on our rights.” Michelle goes to rallies and protests and is trying to convince other workers to join her so they can push for change together. The fact that Burger King fired her in April after her employer found out that she had participated in a rally has only made Michelle more determined. Michelle knows she’s “more valuable” and “deserve[s]” a $15 minimum wage. Moreover, as an African American woman, Michelle feels that it is especially important for her to be a part of the movement for higher wages. “It’s been hard and the pathways have been designed for us to fail, but we support a lot of our families, our future, and our
men,” she said. When she thinks about what a $15 minimum wage would mean for her, Michelle sees a future where she “could afford to maintain [her] health” and in which she would have “stability, like a home and reliable transportation.”

**Figure 9. Ownership of U.S. Wealth**

- The median net worth of white families is now more than ten times that of African American or Latino families. A 2013 federal survey showed that a typical African American family’s net worth lags behind a typical white family’s net worth by $131,000. Moreover, approximately one-quarter of African American families surveyed had less than $5 in reserve, while low-income white families had about $375 in reserve.
- The consequences of the racial wealth gap are far-reaching. Low wages, compounded by the growing wealth gap, contribute to a cycle of debt and poverty for many African Americans. Predatory lending practices in communities of color exacerbate this. A recent Federal Reserve survey found that “about three times as many blacks reported taking out a high-interest payday loan in the previous year as did whites at the same income level.”
- Across the country, African Americans living in poverty are also finding themselves caught in a cycle of debt and prison when police disproportionately stop and ticket or arrest African Americans for low-level misdemeanors, such as “high grass and weeds” or driving with a suspended driver’s license. Courts around the country have disproportionately, and unlawfully, jailed African Americans for failure to pay court fines and fees despite individuals’ inability to pay.
- Many factors contribute to the racial wealth gap, including rates of homeownership, education, income disparities, and disparities in African Americans’ and Latinos’ access to jobs with benefits like health insurance or retirement. Wealth can also impact future generations in the form of inheritances, gifts, assistance with higher education, help with down payments for large expenses like a first home, or support launching a new business.
- While increasing the minimum wage to $15 cannot alone close the racial pay or wealth gaps, it would directly increase the incomes of millions of African American and Latino workers earning under $15, bringing African American and Latino workers closer to economic security and helping to reduce the racial wealth gap over time.

**The Gender Pay & Wealth Gaps**
- In addition to being disproportionately represented amongst low-wage workers in the U.S., women continue to face a persistent gender pay gap. In 2015, the median hourly wage for
women was 80 percent of the median hourly wage for men. Women of color experience an even larger wage gap. In 2015, the median African American woman earned 63 percent of what the median white man earns, and the median Latina woman earned 54 percent of that same white male median wage.

- Notably, while women have made some progress since the 1970s when it comes to the gender pay gap, that progress has stalled in recent years. Between 1973 and 2000, the gender pay gap decreased by 17 percent, but it only decreased by 5.8 percent from 2000 to 2015, and the small improvement after 2000 was largely due to the stagnation of men’s wages.

- As the Economic Policy Institute (EPI) has argued, to fully address the gender pay gap and improve the economic security of women, we must address both stagnating wages and inequality. In fact, EPI found that if the gender wage gap had been eliminated and inequality had not increased from 1979 to 2014, a woman’s hourly median wage “could be over 70 percent higher today—$26.04 instead of $15.21.”

- Increasing the minimum wage to $15 would benefit almost half of all women workers in the U.S. while helping to lift standards for all workers.

- While the wealth gap is more difficult to measure on the basis of gender than race, because wealth is often measured at the household level, we know that men have more wealth than women at every income level.

- A 2008 Race, Poverty & the Environment Report found that “[n]ever-married women have the least wealth of all household types, owning less than a quarter of the wealth owned by never-married men.” And “[n]ever-married women’s median net worth is just over $2,500 compared to the $148,700 median net worth of married individuals.”

- An analysis by Sociologists for Women in Society found that “[w]omen of color face the compounding negative wealth effects of being both a woman and a person of color.” It highlighted that “[s]ingle black and Hispanic women ages 18-64 have a median wealth of $100 and $120, respectively, which is less than 1% of the wealth of their same-race single male counterparts.” In addition, “[n]early half of all single black and Hispanic women under age 65 have zero, or negative wealth (negative wealth occurs when the value of assets is lower than the value of debts)” while “23% of single white women, 33% of single black men and 38% of single Hispanic men have zero or negative wealth.”

- As with the gender pay gap, increasing the incomes of women earning below $15 per hour could play an important role in gradually decreasing the gender wealth gap, especially for women of color.

A $15 an Hour Minimum Wage Could Significantly Impact Future Generations of Women and People of Color

- In addition to helping workers make ends meet, the higher pay resulting from minimum wage increases translates to a range of important educational and health improvements in the lives of struggling low-paid workers and their children.

- A study by the National Institutes of Health estimated that an additional $4,000 per year for the poorest households means an additional year of education for a child in that household.

- The Center on Budget and Policy Priorities reported that “[f]or each $1,000 increase in annual income over two to five years, children’s school performance improves on a variety of measures, including academic test scores.”
• A Human Impact Partners study found that raising California’s minimum wage to $13 per hour by 2017 would significantly improve the health and well-being of California residents. It stated that “Californians would experience fewer chronic diseases and disabilities; less hunger, smoking and obesity; and lower rates of depression and bipolar illness.”

Santa, McDonald’s Employee (Houston, TX)

Santa has worked for McDonald’s in Houston, Texas, for 22 years. For most of that time, she worked at two separate McDonald’s franchises to make ends meet. She started out earning $5.15 per hour and now earns $9.00 per hour. Despite health problems, Santa has to keep working with no paid sick days in order to pay for her medicine, water, electricity, and food. In fact, she was once suspended for three days from work because she was forced to take a sick day.

Santa’s working conditions have made her feel powerless at times. Even with all of her experience—Santa cleans, works as a cashier, and does any other job required of her—she has no money left over after paying her car payments, insurance, gas, and other basic necessities. She explained that this “makes you sad because you don’t have anything left for any luxuries, such as filling up the fridge with food.” She also wants more time with her children, a twenty-year-old daughter and two sons, ages twelve and eight. Her daughter graduated from high school, but she couldn’t afford to continue her studies and now works at a McDonald’s, too. For Santa, this hurts—she’s made so many sacrifices, but she wasn’t able to give her daughter a better future. “I want a dignified life that they deserve,” she said, adding “Sometimes, I get home just to put on another work shirt, and my son will say to me, how long will this go on? I can only look at him with my heart breaking and go.”

Santa has always been a person who fights to overcome big challenges, however. When she learned about the Fight for $15, she was feeling abused at work—even going to the bathroom was causing problems with her supervisor. “They don’t care if you’ve eaten or not,” she said. A co-worker told Santa that she was going to a Fight for $15 meeting. There were only a few people at the beginning, but she kept going. Her youngest son told her, “Mami, if I can fight for $15, then I’ll go with you so that you can have more time to spend with me. Let’s go!” As a Latina, Santa sees the Fight for $15 as an especially important fight. “There’s racism,” she said. “One figures this out when there’s something to fight for.” Santa now dedicates her free time to the campaign, often alongside other single moms. “It’s a sacrifice, but I see a better future for our children,” she said, “I don’t want them to suffer like I have. . . . We are in the fight and nothing is impossible.”

A Federal $15 Minimum Wage Is Especially Important for the 21 States Where the Minimum Remains at the Federal $7.25 Rate, Many of Which Have Large African American Populations and High Poverty Rates

• Raising the federal minimum wage to $15 is especially important for workers in the 21 states where the minimum wage remains at the federal minimum wage rate of $7.25. See Figure 10.
• The 21 states where the minimum wage remains at just $7.25 per hour have some of the largest African American populations in the country. Seven of the ten states, including
Washington, D.C., with the highest African American populations subject workers to a $7.25 minimum wage. See Table 1.

- Based on 2015 data, the states with the highest percentage of hourly-paid workers who earn at or below the federal $7.25 rate were Alabama, Louisiana, Mississippi, and Virginia.55

**Figure 10. The 21 States Where the Minimum Wage is $7.25 Per Hour**

![Map showing states with minimum wage of $7.25]

| Table 1. Seven of the Ten States (Including Washington, D.C.) With the Highest Percentage of African Americans Have a Minimum Wage of Only $7.25 |
|---|---|
| State | Percentage of State Population That Is African American |
| 1. District of Columbia | 48% |
| 2. Mississippi* | 38% |
| 3. Louisiana* | 32% |
| 4. Georgia* | 32% |
| 5. Maryland | 30% |
| 6. South Carolina* | 28% |
| 7. Alabama* | 27% |
| 8. Delaware | 22% |
| 9. North Carolina* | 22% |
| 10. Virginia* | 20% |

*State Minimum Wage Remains at $7.25/Hr.*

• The 21 states where the minimum wage is no higher than the federal $7.25 rate face some of the highest levels of poverty in the U.S. Of the 20 states with the highest poverty levels, half are states that have failed to raise their minimum wage above the federal $7.25 per hour. Moreover, of the twenty states with the highest rates of African Americans in poverty, half maintain a $7.25 minimum wage. See Table 2.

• Without a federal increase to the minimum wage, workers in the mostly Republican-dominated states that remain at $7.25 are unlikely to see any increases to their minimum.

<table>
<thead>
<tr>
<th>State</th>
<th>Percentage of African Americans Living in Poverty</th>
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<tbody>
<tr>
<td>1. Maine</td>
<td>48%</td>
</tr>
<tr>
<td>2. Wisconsin*</td>
<td>38.6%</td>
</tr>
<tr>
<td>3. Iowa*</td>
<td>37.2%</td>
</tr>
<tr>
<td>4. Minnesota</td>
<td>36.5%</td>
</tr>
<tr>
<td>5. Oregon</td>
<td>36.1%</td>
</tr>
<tr>
<td>6. Mississippi*</td>
<td>36%</td>
</tr>
<tr>
<td>7. North Dakota*</td>
<td>34.8%</td>
</tr>
<tr>
<td>8. Michigan</td>
<td>34.7%</td>
</tr>
<tr>
<td>9. Ohio</td>
<td>34.2%</td>
</tr>
<tr>
<td>10. Arkansas</td>
<td>33.8%</td>
</tr>
<tr>
<td>11. Louisiana*</td>
<td>33.3%</td>
</tr>
<tr>
<td>12. Nebraska</td>
<td>33%</td>
</tr>
<tr>
<td>13. West Virginia</td>
<td>32.4%</td>
</tr>
<tr>
<td>14. Kentucky*</td>
<td>32.3%</td>
</tr>
<tr>
<td>15. Indiana*</td>
<td>32.2%</td>
</tr>
<tr>
<td>16. South Dakota</td>
<td>31.9%</td>
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<tr>
<td>17. Alabama*</td>
<td>31.6%</td>
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<td>18. Illinois</td>
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<td>30.4%</td>
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<tr>
<td>20. South Carolina*</td>
<td>29.7%</td>
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*State Minimum Wage Remains at $7.25/Hr.

Conclusion

Raising the minimum wage is an issue of economic justice as well as racial justice and gender equality. People of color play an integral role in our economy, but they lag behind their white counterparts in terms of income and wealth accumulation. They have ultimately not fully overcome the legacies of their past exploited, uncompensated labor and restricted participation in this country’s social and economic life. Policymakers at the federal, state, and local levels should see the campaigns for a $15 minimum wage, which are gathering strength across the country, as an opportunity to make significant inroads in helping workers make ends meet and alleviating the especially intractable economic barriers that continue to harm women and people of color in this country.

Endnotes

5. Id.
6. Id.
7. Id.
8. Id.
9. Id.
10. Id. at 2, 34.
11. Id. at 4.
12. Id. at 9–18.
13. Id. at 10.
14. Id. at 11.
15. Id. at 12.
16. Id. at 13.
17. Id.
18. Id. at 14.
19. Id.
20. Id. at 15.
21. Id. at 17.
22. Id. at 18.
23. Id.
25. Id. White men “are often used in comparisons such as this because they are the largest demographic group in the workforce—33% in 2015.” Id. Notably, the median hourly earnings of Asian men outpaced those of white men at $24. Id.
26. Id.
28. Id.
29. Id.
31. Id.
32. Id.
34. Id.
36. Id. at 5.
40. Id.
42. Id. at 4.
43. See supra note 4 at 5.
46. See supra note 44 at 80.
47. Id.
48. See supra note 45 at 2.
49. Id.
50. Id.
54. Id.
56. “Minimum Wage Laws in the States,” United States Department of Labor, Wage and Hour Division, August 1, 2016, https://www.dol.gov/whd/minwage/america.htm. Wyoming and Georgia have a state minimum wage lower than the federal minimum wage. Tennessee, Louisiana, Mississippi, Alabama, and South Carolina do not have their own state minimum wage. Id.
57. NELP estimates of U.S. Census Bureau, 2010-2014 American Community Survey 5-Year Estimates, Percent of People Below Poverty Level in the Past 12 Months (For Whom Poverty Status is Determined) – United States (including Washington, D.C., excluding Puerto Rico).