



February 10, 2021

Dear Member of Congress:

On behalf of the 170,000 members and supporters of the American Association of University Women (AAUW), I write to urge you to support and advocate for swift passage of the Raise the Wage Act of 2021. This critical legislation would gradually increase the federal minimum wage from \$7.25 to \$15 per hour by 2025 and help to narrow racial and gender wage gaps.

Today, millions of women live in poverty because our federal minimum wage is inadequate for ensuring the economic well-being of workers and their families. The federal minimum wage is currently only \$7.25 per hour and has been since 2009, and just \$2.13 per hour for tipped workers, which has not changed since 1991.¹ Women comprise a majority of the low-wage workforce, and Black women and Latinas are significantly overrepresented in the low-wage workforce.² Nearly two-thirds of minimum wage workers in the United States are women.³ Some workers with disabilities are paid a subminimum wage through certificates issued by the Department of Labor. This is not even close to a living wage, which is necessary to lift workers out of poverty. A woman with two children working full-time at minimum wage earns an annual salary of \$14,500 – \$5,000 below the poverty line.⁴

Women's overrepresentation in low-wage jobs is a significant factor contributing to the gender pay gap. Currently, women working full-time, year-round are typically being paid only 82 cents for every dollar paid to men.⁵ The pay gaps are even wider for women of color. Black women and Latinas make, respectively, 63 and 55 cents on the dollar as compared to non-Hispanic, white men.⁶ Women make up almost 60 percent of the workers who would benefit from a \$15 minimum wage, making this bill instrumental for helping to close the gender wage gap.⁷ An earlier analysis by the Economic Policy Institute shows that increasing the federal minimum wage to \$15 would give more than 31 percent of all working women a raise, including 41 percent of Black working women, 38 percent of working Latinas, 29 percent of white working women, and 23 percent of Asian working women.⁸ Essential and frontline workers, the majority of whom are women⁹, struggle to get by on less than \$15 hour. If Raise the Wage is passed, 43 percent of retail sector workers, 43 percent of custodial and cleaning workers, 35 percent of residential/nursing home workers, and 64 percent of food service workers would all see raises in income.

Congress must take action to increase the minimum wage by passing the Raise Wage Act of 2021. If enacted, this legislation would raise the federal minimum wage to \$9.50 this year and increase it over the next five years until it reaches \$15 an hour in 2025. After 2025, the minimum wage will be adjusted each year to keep pace with growth in the median wage. The bill phases out the outdated subminimum wage for tipped workers, and also sunsets the ability of employers to pay workers with disabilities a subminimum wage. The benefits to the country are substantial: the Congressional Budget Office (CBO) indicates that raising the federal minimum wage would benefit 27 million

workers and would lead to a 10-year increase in wages for the low-wage workforce that has largely borne the brunt of the pandemic-induced economic recession.¹⁰ The CBO's analysis predicts that the higher minimum wage would lift nearly one million people out of poverty and would significantly reduce spending for public assistance programs.

AAUW is committed to improving the lives of women and their families. I urge you to support and pass the Raise the Wage Act of 2021 to ensure the economic security of women and families across the country. Cosponsorship and votes associated with this legislation may be scored in the AAUW Action Fund *Congressional Voting Record for the 117th Congress*. Please do not hesitate to contact me at nielsonk@aauw.org or 202.728.7617 or Leticia Bustillos, Federal Policy Manager, at bustillosl@aauw.org or 202.785.7724 if you have any questions.

Sincerely,



Kate Nielson
Senior Director of Public Policy, Legal Advocacy & Research

¹ Allegreto, S., & Cooper, D. (2014). *Twenty-Three Years and Still Waiting for Change Why It's Time to Give Tipped Workers the Regular Minimum Wage*. <https://files.epi.org/2014/EPI-CWED-BP379.pdf>.

² Patrick, P., Berlan, M., & Harwood, M. (2018). "Low-Wage Jobs Held Primarily by Women Will Grow the Most Over the Next Decade." National Women's Law Center. <https://nwlc-ciw49tixgw5lbab.stackpathdns.com/wp-content/uploads/2016/04/Low-Wage-Jobs-Held-Primarily-by-Women-Will-Grow-the-Most-Over-the-Next-Decade-2018.pdf>.

³ National Women's Law Center (2021). "Women and the Minimum Wage." <https://nwlc.org/resources/women-and-minimum-wage-state-state/>

⁴ U.S. Census Bureau. (2020). "Poverty Thresholds: Poverty Thresholds by Size of Family and Number of Children." <https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-poverty-thresholds.html>.

⁵ American Association of University Women. (2020). "The Simple Truth about the Gender Pay Gap." <https://www.aauw.org/resources/research/simple-truth/>.

⁶ *Id.*

⁷ Economic Policy Institute. (2021). "Why the U.S. needs a \$15 minimum wage: How the Raise the Wage Act would benefit U.S. workers and their families." <https://www.epi.org/publication/why-america-needs-a-15-minimum-wage/>.

⁸ Cooper, D. (2019). "Raising the federal minimum wage to \$15 by 2024 would lift pay for nearly 40 million workers." Economic Policy Institute. <https://www.epi.org/files/pdf/160909.pdf>.

⁹ Jocelyn Frye. (2020). "On the Frontlines at Work and at Home: The Disproportionate Economic Effect of the Coronavirus Pandemic on Women of Color." Center for American Progress. <https://www.americanprogress.org/issues/women/reports/2020/04/23/483846/frontlines-work-home/>; Robertson, C., & Gabeloff, R. (2020, April 18). "How Millions of Women Became the Most Essential Workers in America." *The New York Times*. <https://www.nytimes.com/2020/04/18/us/coronavirus-women-essential-workers.html>.

¹⁰ Bivens, J., Cooper, D., Shierholz, H., & Zipperer, B. (2021). "CBO analysis confirms that a \$15 minimum wage raises earnings of low-wage workers, reduces inequality, and has significant and direct fiscal effects." Economic Policy Institute. <https://www.epi.org/blog/cbo-analysis-confirms-that-a-15-minimum-wage-raises-earnings-of-low-wage-workers-reduces-inequality-and-has-significant-and-direct-fiscal-effects-large-progressive-redistribution-of-income-caused/>.