

eliminating racism empowering women

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Minimum Wage

Today, the federal minimum wage is \$6.55 per hour. The minimum wage does not increase automatically and it is not adjusted for inflation. In 2007, the federal minimum wage was increased for the first time in 10 years. The new federal minimum wage is \$6.55 or \$13,624 a year for a worker who works 40 hours a week, 52 weeks a year.

The Fair Labor Standards Act (FLSA), which sets a wage floor or a level that wages are not allowed to fall below, was enacted in 1938. To raise the federal minimum wage, Congress must pass a bill and the President must sign it to amend the Fair Labor Standards Act.

Many states also have minimum wage laws. Thirty-two states and the District of Columbia pay more than the federal minimum wage. These states include: Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Hawaii, Illinois, Iowa, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oregon, Pennsylvania, Rhode Island, Vermont, Washington, Wisconsin and West Virginia. Ten states have laws that set the minimum wage at the federal level. These states include: Idaho, Indiana, Kentucky, Nebraska, North Dakota, Oklahoma, South Dakota, Texas, Utah, and Virginia. Georgia, Kansas and Wyoming have lower minimum wage rates than the federal limit and five states (Alabama, Louisiana, Mississippi, South Carolina, and Tennessee) have no laws governing minimum wage. However, in cases where the state and federal minimum wage differ, the employee is entitled to the higher of the two minimum wages.¹

VIEW POINTS

Advocates for raising the minimum wage argue that raising the minimum wage helps women, girls and their families better afford basic necessities including food, medicine, and clothing for their families or even expand housing, education, and child care options. Advocates also believe that no one who works for a living should be living in poverty, yet a working mother or father who earns the federal minimum wage of \$6.55 an hour will still not make enough to move their family out of poverty.

Opponents of raising the minimum wage argue businesses should set the level of wages not the government. Opponents also believe that increasing the minimum wage helps mostly teenagers, not adults or families, and results in businesses reducing hiring because of the higher costs in employee wages.

YWCA POSITION

Raising the minimum wage helps women, girls and their families better afford basic necessities including food, medicine, and clothing for their families or even expand housing, education, and child care options. The YWCA applauds the action of Congress and the President to raise the minimum wage. However, the YWCA believes that no one who works should be living in poverty. To that end, the YWCA supports initiatives to increase the income of women, including policies that raise the minimum wage, protect overtime, strengthen equal pay, maintain the earned income tax credit, oppose the privatization of Social Security, and expand non-traditional training for women from all socioeconomic and racial backgrounds.

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FACTS

- **A minimum wage worker who earns \$6.55 an hour will still not make enough to move out their family out of poverty.** The new federal minimum wage will be \$13,624 a year for a worker who works 40 hours a week, 52 weeks a year. This is \$7,576 dollars below the poverty line for a family of four, roughly \$3,976 below the poverty line for a family of three and \$376 below the poverty line for a family of two.
- **Every year that Congress fails to raise the minimum wage, families slip further into poverty.**
- **The minimum wage is a women's issue.** 60.6% of workers who would benefit from a minimum wage increase are women.
- **The minimum wage is a civil rights issue.** People of color would benefit from a minimum wage increase, as they are overrepresented in the low wage labor market.
- **A minimum wage increase enhances the quality of life for families.** An increase of \$1.85 in the minimum wage would add \$3,848 to a full time minimum wage worker's yearly pay- enough to buy more than a year worth of groceries or nearly 9 months of rent for a three-person family.

ⁱ United States Department of Labor. (January 2008) Minimum Wage Laws in the States. <http://www.dol.gov/esa/minwage/america.htm>.