

Raise the Wage! A \$12 Federal Minimum Wage Would Benefit 8.5 Million Latino Workers

An unfair minimum wage disproportionately affects Latinos who are concentrated in low-wage jobs. Congress has not raised the federal minimum wage, currently \$7.25 per hour, since 2009. Worse, the minimum wage for tipped workers has remained \$2.13 per hour for over 20 years.¹ Consequently, many hardworking families struggle to cover the rising cost of living.

Americans support a higher minimum wage to ensure that more people can afford the basics and help the economy grow.² The wage was a notable issue in the 2014 midterm elections, and voters in four states approved an increase.³ According to an election eve poll in 2014, 78% of Hispanics supported an increased minimum wage.⁴

The “Raise the Wage Act” Promises Economic Security for Millions

The “Raise the Wage Act” (S. 1150 and H.R. 2150), introduced by Senator Murray (D–WA) and Representative Scott (D–VA), would increase the federal minimum wage to \$12.00 per hour. The National Council of La Raza (NCLR) supports this legislation because it would accomplish three goals that are critical to the economic security of millions of Latino workers and their families:

- 1. Raise the federal minimum wage to \$12.00 by 2020.** It would increase by 75 cents for the first year and then \$1.00 per year for the next four years.
- 2. Adjust the minimum wage each year, starting in 2021, to keep pace with the rising cost of living.** This policy, known as “indexing,” is already used by 15 states and the District of Columbia to prevent the minimum wage from falling in value each year.
- 3. Gradually raise the minimum wage for tipped workers to equal the minimum wage.** The tipped minimum wage will be phased out and then adjusted each year to keep pace with the rising cost of living.

8.5 Million Latinos Would Benefit from an Increase

Hispanics have the highest labor force participation rate (66%) of any racial or ethnic group, meaning that they compose the most people age 16 and older in the workforce, but they are concentrated in low-wage jobs, including those in tipped-wage industries. Consequently, 43% of Latinos earn poverty-level wages, and two out of three Latinos reported that they did not earn enough to meet their basic expenses in 2014.⁵ Raising the minimum wage to \$12.00 would lift a significant share of Latino workers out of poverty and benefit 38% of Latino workers.

- **8.5 million Latinos will see a wage increase.** Hispanics are overrepresented in low-wage jobs. They represent 16% of the labor force, but nearly 25% of the 35 million workers who would be affected by an increase in the minimum wage.⁶
- **Working mothers would see a boost.** Latinas account for 12% of all workers affected by raising the minimum wage. Nearly one million of these Latina women are single mothers.⁷
- **A minimum wage increase would uplift families.** Forty percent of Latino workers impacted by a raised minimum wage are the sole providers of their family’s income, and nearly two-thirds have a family annual income of less than \$20,000.⁸

Endnotes

¹ The White House, "The Minimum Wage and Tipped Minimum Wage: Important Tools to Lift Wages and Reduce Poverty, Particularly for Women," (Washington, DC: The White House), <https://www.whitehouse.gov/blog/2014/03/26/minimum-wage-and-tipped-minimum-wage-important-tools-lift-wages-and-reduce-poverty-p> (accessed May 2015).

² Guy Molyneux, "Support for a Federal Minimum Wage of \$12.50 or above," (Washington, DC: Hart Research Associates), <https://nelp.org/content/uploads/2015/03/Minimum-Wage-Poll-Memo-Jan-2015.pdf> (accessed May 2015).

³ Josh Barro, "Four States Vote to Raise Minimum Wage," (New York, NY: NY Times), http://www.nytimes.com/2014/11/05/upshot/election-results-2014-minimum-wage.html?abt=0002&abg=1&_r=0 (accessed June 2015).

⁴ Latino Decisions and NCLR, "Election Eve Poll: Final National Results" (Washington DC: Latino Decisions), http://www.latinodecisions.com/files/6414/1520/9800/Election_Eve_2014_-_NATIONAL_TOPLINES.pdf (accessed June 2015).

⁵ National Council of La Raza, "Investing in Our Future: A Latino Policy Agenda for the 114th Congress," (Washington, DC: National Council of La Raza), http://www.nclr.org/images/uploads/publications/2015_nclrpolicyagenda_web.pdf (accessed May 2015).

⁶ Economic Policy Institute, "Data Tables: Raising the Minimum Wage to \$12 by 2020 Would Lift Wages for 35 Million Workers," (Washington, DC: Economic Policy Institute), <http://s4.epi.org/files/pdf/85139.pdf> (accessed May 2015).

⁷ Ibid.

⁸ Ibid.