



OXFAM REPORT

THE CRISIS OF LOW WAGES IN THE US

WHO MAKES LESS THAN \$15 AN HOUR IN 2022?



OXFAM

About the online interactive map of low wages

Since 2014, Oxfam has been producing interactive maps that illustrate percentages of workers in the US earning low wages. The 2022 edition offers new research that shows all workers earning less than \$15 an hour, including minimum and subminimum wages.

The interactive map is here: www.oxfamamerica.org/lowwagemap2022

About the research and report

The author of this report is Kaitlyn Henderson, PhD; it is based on primary research by Stephen Stapleton and Kaitlyn Henderson.

About the data

The Oxfam Minimum Wage Model sources microdata from the 5-year Census American Community Survey (ACS-PUMS), and employs Current Population Survey (CPS-ORG) March 2021 data as formatted and made available by CEPR. For more, please see the section on Methodology.

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INTRODUCTION

In the United States there are millions of low-wage workers. As witnessed throughout the COVID-19 pandemic, low-wage workers provide some of the most essential services in the country. These are the workers who care for our loved ones, transport and harvest our food, stock our shelves, and deliver our packages. Without these workers, our economy grinds to a halt, as does the functioning of our society. Despite their critical contributions, this workforce has been trapped in working poverty for decades. In fact, according to data compiled by Oxfam, as of 2022, more than 31.9 percent of the US labor force, or 51.9 million workers, currently make less than \$15 per hour, and many are stuck at the federal minimum wage, which is less than half of that hourly rate.¹ If Congress were to enact legislation changing the hourly minimum wage and who qualifies—making the law more equitable and inclusive—millions of workers would be lifted from poverty.

We use American Community Survey data to gather wages, demographics, and household data. For more information, please visit the Oxfam website.

The last time the federal minimum wage changed was in 2009, when the wage was lifted to \$7.25 per hour. Even in 2009, the minimum wage was not sufficient to provide for the most basic costs of living in any state in the United States. But in 2022, with inflation at a 40-year high, \$7.25 covers very little. While many states and cities have lifted their minimum wages above the federal minimum—in which case the higher standard has precedence—it takes an act of Congress to lift the wage floor for the whole country, something that would benefit *all* workers, even those already making more than \$7.25 per hour, and the US economy as a whole.

Additionally, many workers in the United States earn an even lower hourly wage than \$7.25. When the Fair Labor Standards Act (FLSA) was enshrined into federal law in 1938, creating the minimum wage and provisions for overtime and child labor, it excluded many workers from the newly created minimum wage mandate and other protections. Among those excluded were farmworkers, domestic workers, and restaurant workers—workforces that were overwhelmingly Black. In 1966, Congress amended the FLSA to include restaurant workers,² but these workers were offered a subminimum “tipped wage,” with the assumption that restaurant patrons would make up the difference in gratitude for hard work. Legally, if tipped wage employees do not receive tips sufficient to at least equal the minimum wage, employers are required to subsidize wages to equate to the federal minimum wage. However, enforcement of this provision is difficult, and rampant wage theft occurs within tipped wage industries.³ Moreover, since 1991, the federal tipped minimum wage in the United States has been stuck at \$2.13 an hour, an amount less than 30 percent of the federal minimum wage.⁴

In addition to restaurant workers being added to the FLSA at a subminimum wage in 1966, the FLSA evolved a few more times to reflect hard-won battles by workers and worker advocates seeking higher wages and stronger inclusions. The aforementioned 1966 amendment extended minimum wage provisions to some farmworkers, and to workers in public schools, nursing homes, laundries, and construction. Then, in 1974, the FLSA expanded to include many domestic workers, and in the 1977 amendment, large agricultural employers were required to provide minimum wages to their workers. In 1989, small retailers were required to pay minimum wages.⁵ More recently, in 2015, minimum wages were extended to direct care workers, a subcategory of domestic workers previously excluded, bringing minimum wage mandates to certified nursing assistants, home health aides, personal care aides, caregivers, and companions.⁶

Although the fight against minimum wage exclusions has won many important victories, a handful of minimum wage exclusions exist, meaning employers can still legally pay workers—known as subminimum wage workers—less than \$7.25 per hour. For example, full-time students can legally be paid 85 percent of the minimum wage if they are employed 20 hours or less per week, eight hours or less per day, during the school year and 40 hours per week when school is not in session. Employers of full-time students include colleges and universities, and the retail, service, and agriculture sectors. Similarly, high school students in vocational fields of study can be paid 75 percent of the minimum wage. (Such jobs are often called “shop courses,”⁷ and student jobs at colleges and universities are often known as “work-study” positions.)⁸ Employers can also apply for a certificate from the Department of Labor under section 14(c) of the FLSA that allows them to pay workers with disabilities a subminimum wage. This exclusion from the minimum wage for workers with disabilities is limited to individuals impaired by “a physical or mental disability, including those relating to age or injury” and does not apply to anyone “who works or handles goods that are moving in interstate commerce” or works for a company with annual sales of \$500,000 or more.⁹ While these exclusions are discrete, none should exist.

Aside from tipped wage workers and subminimum wage workers, there remain other workers who are not covered by the FLSA wage provisions. In the agricultural sector, these workers include those who work for employers who did not utilize 500 “man days” of any quarter of the preceding year, piece-rate harvest workers working less than 13 weeks per year, minors 16 and under hand-harvesting for piece-rate pay working with their parents, agricultural employer family members, and range workers for livestock.¹⁰ In the care sector, certain home care workers who provide what the Department of Labor terms “companionship services” or who provide “fellowship and protection” to someone who is elderly, ill, injured, disabled, or requires assistance caring for themselves are also excluded from FLSA provisions. The exclusion of these workers requires they spend no more than 20

percent of their workweek in companionship services,¹¹ and these workers are excluded from overtime restrictions as well as federal minimum wage provisions.¹²

The result of these laws is the reality of working poverty in the US: millions of people working but living in poverty and anxiety, a single lost paycheck away from despair. What would be a starting point toward eradicating working poverty in the United States? Raising the minimum hourly wage for *all* workers to \$15. We must also end subminimum wages as a policy and include all workers within the framework of minimum wage. Although Oxfam does not consider \$15 per hour to be a “living wage,” the long fight at the state and federal level for a \$15 minimum wage¹³ is a starting point toward achieving true living wages, and created the threshold for our calculation of low-wage workers in the United States. The 51.9 million workers in the United States who currently make less than \$15 per hour would be boosted by such an increase.

This report is a departure from Oxfam’s [Minimum Wage Map](#) presented in our report [Ten Years Without a Raise](#), published in 2019. That map focused on workers who would benefit from a raise in the federal minimum wage, but it excluded workers who did not earn a minimum wage. In this year’s report, the Low Wage Map is reframed to focus on the impact of a universal minimum wage. The numbers of our 2022 map reflect not just who would benefit from a change in the federal minimum wage, but who would benefit from a universal minimum wage, and how these changes would advance the cause of racial, gender, and social justice in the United States. As a consequence of this reframing, our numbers in 2022 include all workers currently making less than \$15 an hour: tipped wage workers, subminimum wage workers, gig workers, farmworkers, care workers, and minimum wage workers in all 50 states plus the District of Columbia and Puerto Rico.

Also, unlike our past minimum wage maps and reports, this report marks the first time Oxfam has included Puerto Rico in our analysis. Although a commonwealth rather than a state, Puerto Rico maintains the ability to set its own minimum wages laws and standards. The island until recently followed US federal minimum wages, but on September 21, 2021, the governor of Puerto Rico signed the “Minimum Wage Act,” which created a higher minimum wage on the island as of January 1, 2022. The act raised the hourly minimum wage from \$7.25 to \$8.50, and includes mandates for continued wage increases in 2023 and 2024. The act also created a new commission—composed of members of the Department of Labor, representatives of labor unions, representatives of business and industry, and an economist referred by the University of Puerto Rico—that sits within the Department of Labor and oversees the enactment of the new minimum wage law. Puerto Rico’s legislation is but one example of local governments stepping up to compensate for federal inaction on wages. Also, although Puerto Rico raised its

minimum wage in 2022, the increase still only benefits workers covered by the FLSA.

Oxfam's 2022 Low Wage Map asks not just who makes the federal minimum wage, but who makes less than \$15 per hour. Given that a wage of \$15 per hour translates to only \$31,200 a year for a full-time worker at 40 hours per week, the results of this research are shocking and unacceptable for any society, let alone one of the richest countries in the world.

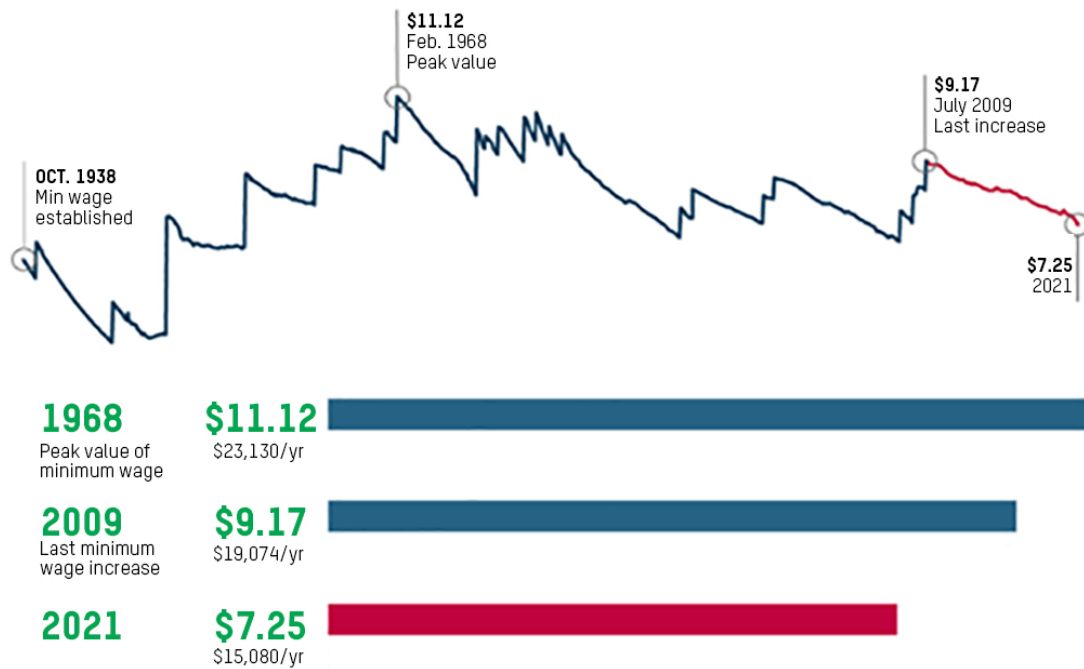
STAGNATING WAGES, RISING INEQUALITY

Over the past 50 years, wealth inequality in the United States has grown astronomically. According to economist Emmanuel Saez, the top 10 percent of earners in the US make more than nine times as much as the bottom 90 percent.¹⁴ This disparity grows worse when considering the top 0.1 percent of earners in the United States. Those at the very top in the US are making 196 times the income of the entire bottom 90 percent.¹⁵ Such huge differences are not natural. They are created through policy that prioritizes shareholders and corporations over working people and that keeps minimum wages stagnating at low levels. These policy choices create a lack of oversight that allows wealth to grow unchecked at exponential levels, while full-time working families making the minimum wage are trapped in cyclical poverty.

Our current 13-year period of minimum wages stuck at \$7.25 is officially the longest that Congress has gone, since the creation of the FLSA during President Roosevelt's New Deal, without raising the minimum wage. Adjusted for inflation, the highest value of the minimum wage occurred in 1968 and has been eroding ever since. In today's dollars, the minimum wage in 1968 was the equivalent of \$11.12 per hour. When adjusting for inflation, the current minimum wage was worth 21 percent more when it passed in 2009, making real earnings at that time equivalent to \$9.17 an hour in today's market.¹⁶ The buying power of the current minimum wage has not kept up with real cost of living or inflation since it was passed 13 years ago. Now with the impact of the COVID-19 pandemic on the global supply chain driving up the price of even the most basic foodstuffs,¹⁷ compounded by the country's lack of an adequate social safety net,¹⁸ even more families are put at risk by federal inaction on wages. Figure 1 illustrates the real value of the US federal minimum wage from 1938 to 2021.

Figure 1. Real value of the federal minimum wage, 1938–2021

REAL VALUE OF THE MINIMUM WAGE (ADJUSTED FOR INFLATION)



All values are in June 2021 dollars. Source: Economic Policy Institute, based on FLSA and amendments.
<https://www.epi.org/blog/the-minimum-wage-has-lost-21-of-its-value-since-congress-last-raised-the-wage/>

President Roosevelt’s New Deal established the minimum wage in 1938 to help lift the pay floor for workers in the US, to boost purchasing power to help restart the economy, and to combat the widespread poverty created during the Great Depression.¹⁹ However, this policy has failed to keep up with rising inflation and it excluded many workers of color from the start.

As noted, the FLSA also includes parameters for subminimum wage work that enable employers to pay wages even below the federal minimum. Tipped wage jobs, or jobs such as those in the restaurant industry that assume workers will receive at least \$30 a month in tips, are jobs where employers are federally required to pay a “direct wage” of only \$2.13 an hour. These tipped jobs, held largely by women and disproportionately by women of color, are impacted by the reality of rampant wage theft. According to the National Women’s Law Center, the poverty rate of tipped wage workers is 2.5 times that of workers overall.²⁰ And as mentioned above, some workers are still excluded from FLSA minimum wage provisions. Oxfam believes that caveats to paying workers the minimum wage, already a poverty wage in the US, must be eliminated.

OXFAM DATA

The new interactive low wage map from Oxfam American illustrates the numbers and percentages of workers who would benefit from an end to subminimum wages and a raise in the federal hourly minimum wage to \$15. Our map shows demographic details of this population for all 50 states plus the District of Columbia and Puerto Rico. These numbers are a representation of full-time working individuals, ages 16 and up, and include parental status, as well as an intersectional analysis of race and gender.²¹ The numbers are stark:

- Almost one-third (31.9 percent) of the labor force in the United States earns less than \$15 per hour as of 2022. In other words, more than 51.9 million people in the United States are earning less than \$31,200 a year.
- Ending subminimum wages and increasing the minimum wage would have an immense impact on historically marginalized communities.
 - 39.9 percent of self-identified women in the workforce (30.8 million) are making less than \$15 an hour.
 - 50 percent of self-identified women of color in the workforce (14.7 million) are making less than \$15 an hour.
 - Four in 10—41.8 percent (25.7 million)—of self-identified people of color in the workforce are making less than \$15 an hour.
 - Well over half of self-identified single parents—57.5 percent (11.2 million people)—make less than \$15 an hour.
 - The overwhelming majority of people who would benefit from a raise in wages are not teenagers, but adults. While some 5.8 million teenagers (ages 16–19) make less than \$15 per hour, 46.1 million adults (ages 20 and up) make less than \$15 per hour.

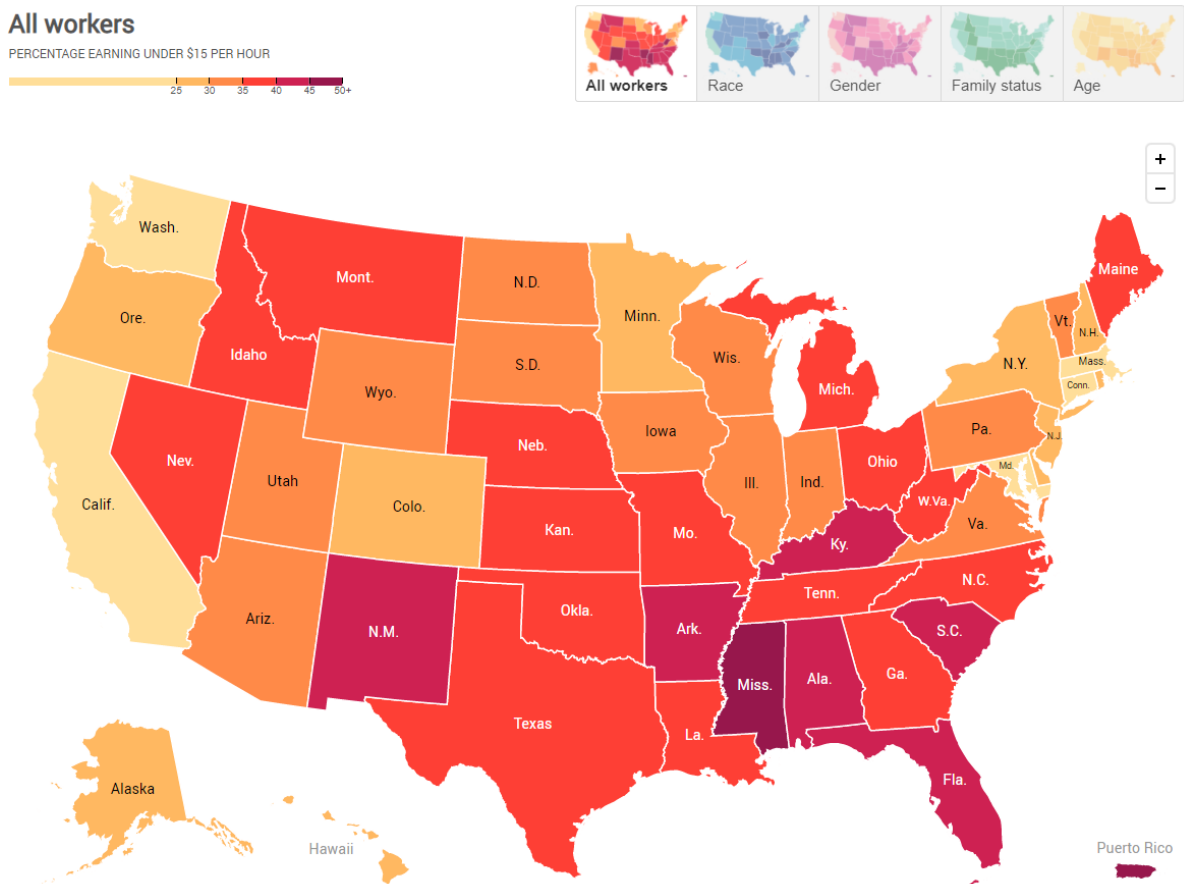
Our data demonstrate how working families, working women, and especially working women of color are struggling in the face of low wages—despite their inherent worth and dignity, not to mention the tremendous value they create for employers and society. The solution is simple: Congress must act, and must act quickly.

Sex versus gender

Because Oxfam relied on census data for demographic information, our demographic parameters reflect the limitations created by the census around expressing one's identity. In terms of gender, census forms only offer options within the binary of male versus female, which are biological designations, often referred to as a person's *sex* and not forms of self-expressions often associated with expressions of gender. However, because the census allows an individual to choose for themselves the assignment, throughout this report we use the term *women*, which is considered a more expansive gender identity. Oxfam is cognizant that when filling out a census form not all people are

thinking of their biology and they may choose instead the category that best aligns with their gender identity. And as the term *sex* is misleading, Oxfam refers to the maps focusing on male versus female workers as gender and not *sex*, but it is important to identify and acknowledge the difference between expressions of identity and the weight they carry. While biological sex is an assignment at birth, gender is an expression of self. The census allows people to choose their sex for themselves, though it still only allows individuals to choose within a binary. Although Oxfam does not condone this limited understanding of gender, our research depended on—and is limited by—this data source.

Figure 2. Map of all workers who earn less than \$15



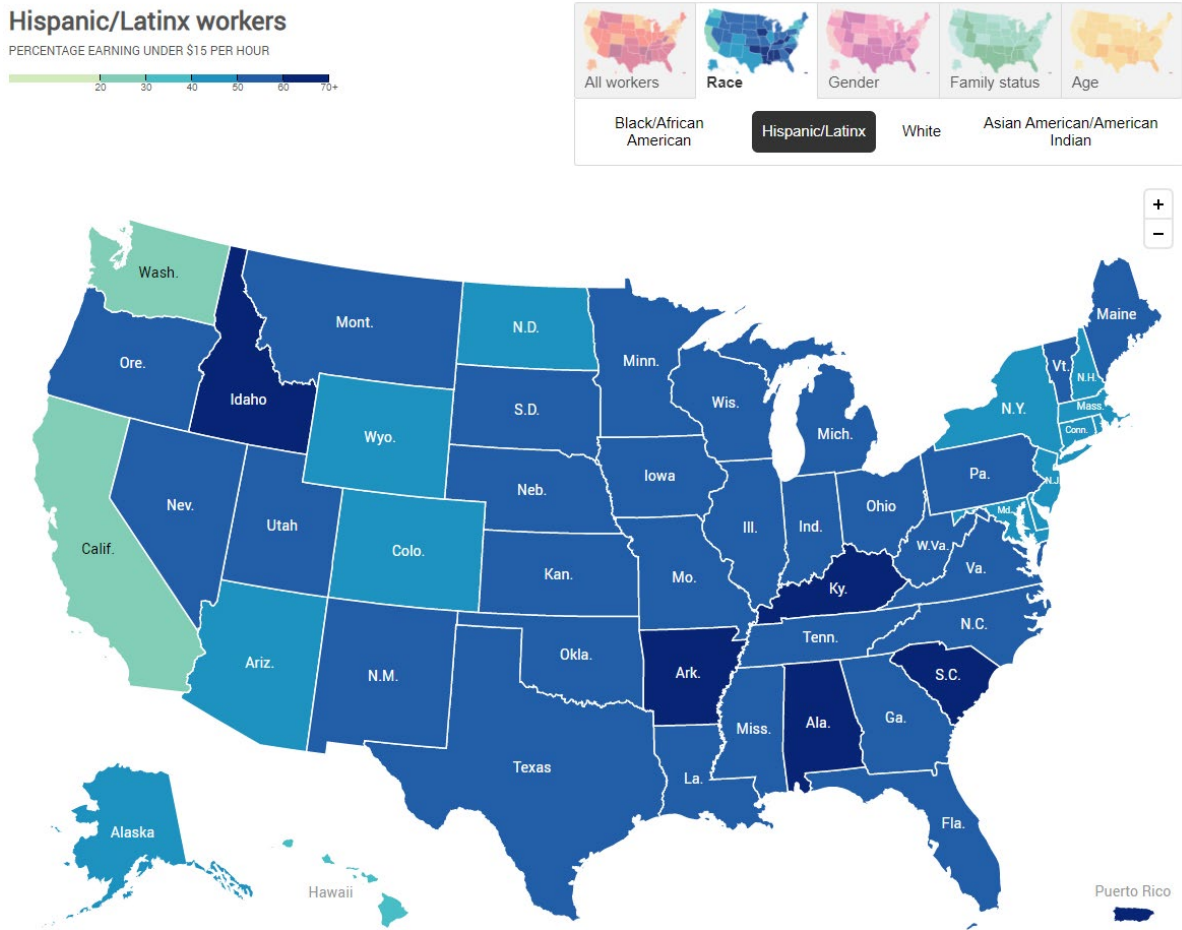
At the national level, and as we have seen in Oxfam’s 2021 [Best States to Work Index](#), there are huge discrepancies in income and wages based simply on where a worker lives.²² As demonstrated in the national map of all workers (Figure 2), the states in darker red have a higher percentage of workers who would benefit from a higher wage, while states in lighter colors have a lower percentage. The US South performs worst, where in states like Mississippi a full 45 percent of the state’s workforce earns under \$15 an hour. This percentage is even larger in Puerto Rico, where 76.5 percent of the island’s workers earns less than \$15 per hour.

On the other end of the spectrum, in states with higher minimum wages (and, in some cases, an equivalent tipped wage), a lower percentage of people earns under \$15 per hour. Indeed, the place with the highest minimum wage—the District of Columbia—leads the country with the lowest percentage of workers earning wages under \$15 an hour. As the only district or state with a current minimum wage of more than \$15 an hour, the percentage of DC workers earning under \$15 (8.5 percent) is a reflection of subminimum wage earners in the district, as DC still has a lower tipped wage than minimum wage. Washington state has a minimum wage of \$14.49, and only 14.2 percent of its workforce earns under \$15. Next, California, with its strong minimum wage and equivalent tipped wage, has 17.9 percent of workers earning under \$15. The impact of strong wage policies determines whether families can afford to pay their bills and live free of the fear that a single lost paycheck will spell ruin. The difference is powerful.

RACE/ETHNICITY

The United States has long had a race-based wage gap, where workers of color receive lower pay than their white peers for the same job, task, or role. This pay gap is widest between white and Hispanic/Latinx workers, where for every dollar earned by a white worker, a Hispanic/Latinx worker earns 73 cents. This pay gap is especially striking given that Hispanic/Latinx workers comprise the largest proportion of workers after white workers in the United States. At the national level, white workers make up 63 percent of the workforce; of the remaining 37 percent of workers, Hispanic/Latinx workers represent nearly half that number, accounting for 17 percent of the workforce.²³

Figure 3. Map of Hispanic/Latinx workers who earn less than \$15

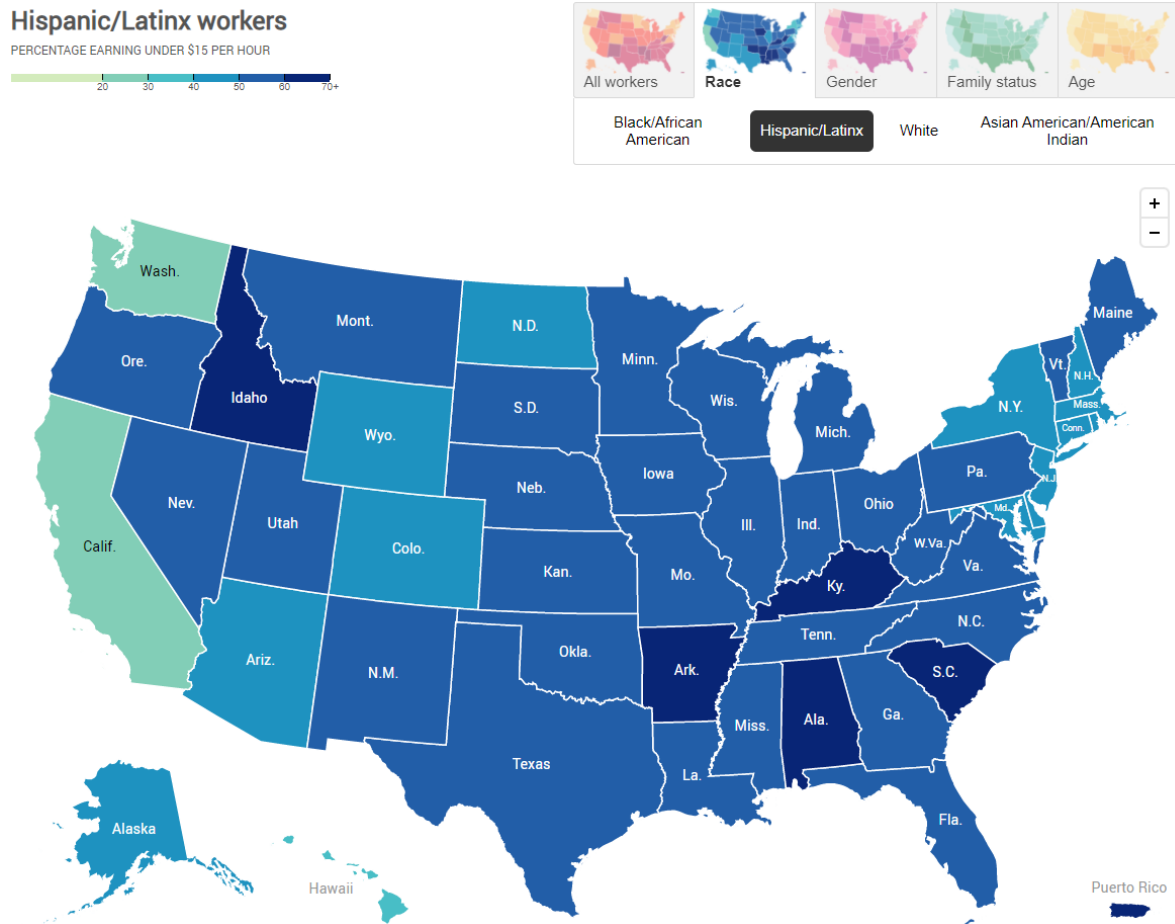


According to Oxfam data, 46.2 percent of Hispanic/Latinx workers earn less than \$15 per hour at the national level, though this percentage may be higher in some states. In Texas, for example, where the hourly minimum wage is stuck at the federal minimum of \$7.25 and there is a large Hispanic/Latinx population, more than 54.2 percent of Hispanic/Latinx workers earns less than \$15 per hour. In California, which has the country’s largest Hispanic/Latinx population and one of the highest state-level minimum wages, 28.8 percent of Hispanic/Latinx workers earn less than \$15. Figure 3 shows the states where Hispanic/Latinx workers earn less than \$15.

At the national level, after Hispanic/Latinx workers, Black workers comprise the second-largest proportion of workers of color. Per the Department of Labor, 11 percent of workers in the United States are Black, and yet a strong wage gap between Black workers and their white counterparts persists. For every dollar a white worker earns, a Black worker earns 76 cents.²⁴ This wage gap is also represented by the disproportionate percentage of Black workers at the national and state level earning less than \$15 per hour. According to Oxfam’s data, 47 percent of Black workers earn less than \$15 per hour. In the Deep South, where

minimum wages are lower and the historical legacy of racism and slavery cuts deep, the proportion of Black workers earning less than \$15 per hour goes well above the national average of 47 percent. Figure 4 shows the states where Black workers earn less than \$15.

Figure 4. Map of Black workers who earn less than \$15



In Mississippi, which has a high percentage of Black residents, 62.9 percent of Black workers earn less than \$15 per hour. In Louisiana, the proportion of Black workers earning less than \$15 per hour also eclipses the national average, coming in at 58.1 percent.

The percentages of workers of color earning less than \$15 per hour at the national and the state levels is worrying, and have implications beyond hourly or annual wages. The persistence of racialized pay gaps contributes to racialized wealth gaps (meaning disparities in the building of financial stability and financial freedom in the form of equity). According to the Federal Reserve, familial- or generational-built wealth among families varies significantly by race. As of 2020, white families had eight times the typical wealth of a Black family and five times the wealth of a Hispanic/Latinx family.²⁵ The low-wage economy in the United States, which relies

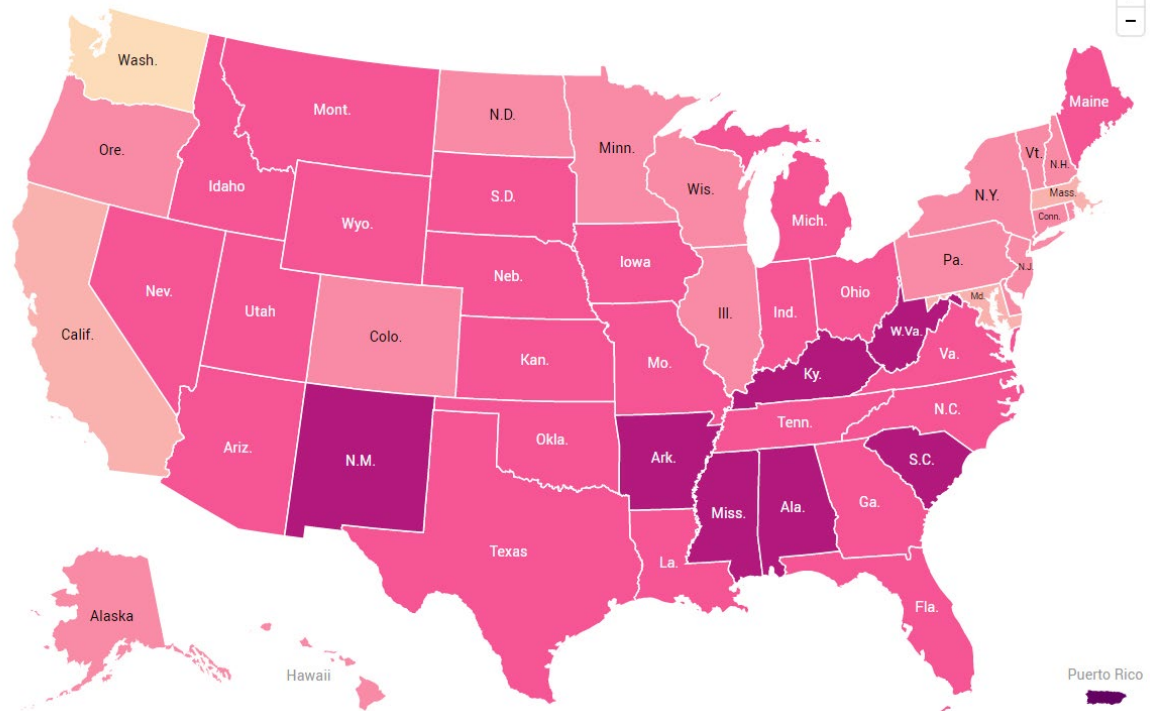
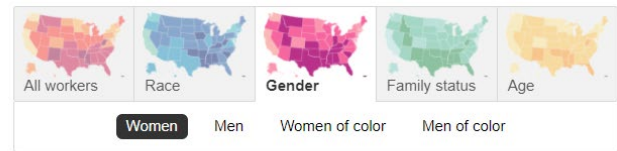
on the cheap labor of workers to keep consumer costs low and shareholder returns high, has long contributed to these wealth disparities. And although wages alone are not the sole culprit for gross wealth disparities among communities of color,²⁶ the reality that low-wage workers are disproportionately workers of color and are long deserving of higher wages is undeniable.

GENDER

When focusing on gender, our results are also striking. For every state—even those with a smaller proportion of the working population earning less than \$15 per hour—the percentage of workers earning below \$15 per hour is higher for women workers. The gender pay gap in the United States holds true regardless of income level, but women are also often occupationally segregated into lower-income jobs. According to the National Women’s Law Center, at the national level, women comprise nearly six of 10 low-wage workers, despite representing only 47 percent of the workforce.²⁷ The gendered impact of low-wage work is made clear by Oxfam’s findings and can be seen in Figure 5.

Working women

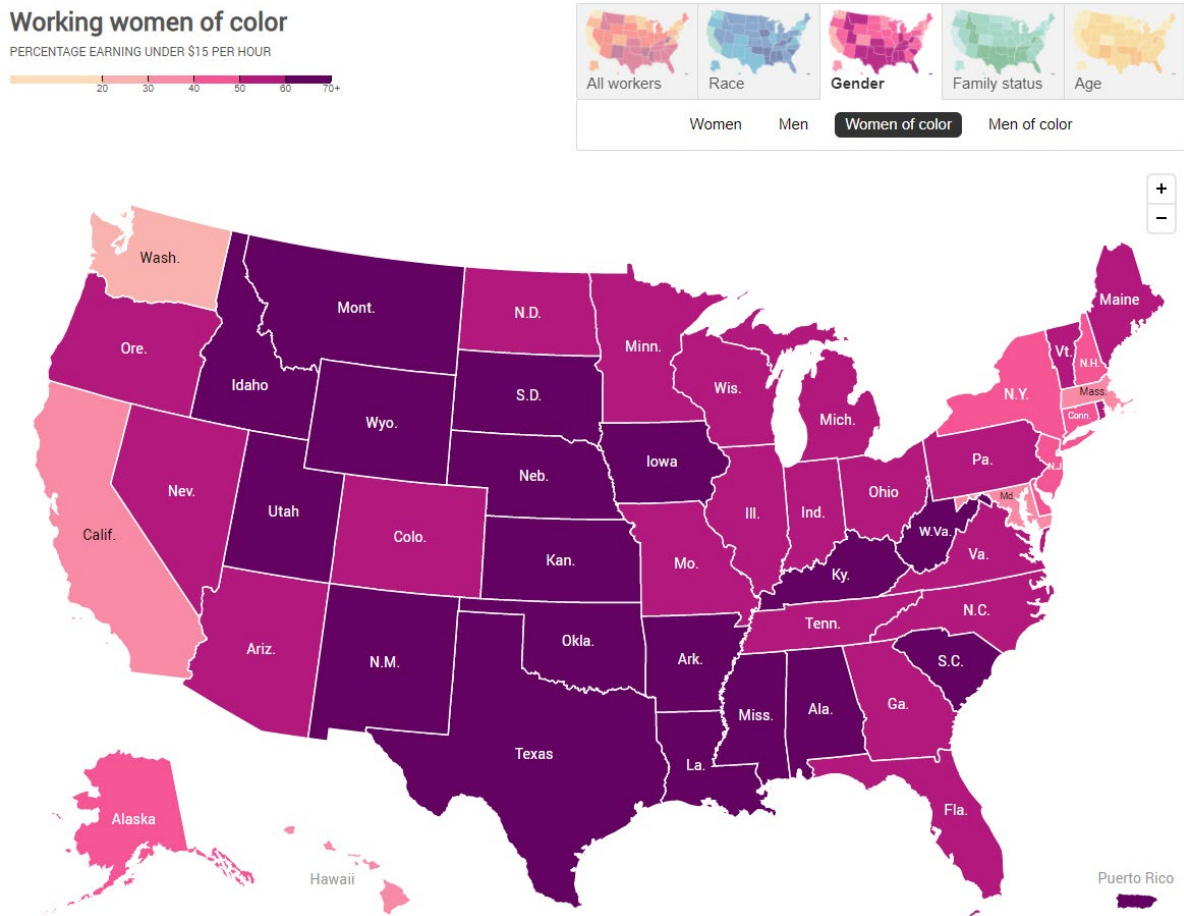
PERCENTAGE EARNING UNDER \$15 PER HOUR



In Mississippi, the only state in the country that does not have an equal pay mandate in law, and a state where more than 45 percent of workers earn less than \$15 per hour, the percentage of women earning less than \$15 per hour rises to 55.2 percent. Even in the District of Columbia, where 8.5 percent of workers make less than \$15 per hour, the percentage of women making less than \$15 per hour climbs to 11.6 percent.

Moreover, the pandemic has demonstrated the way US society places less value on what is often considered “women’s work.” The most striking example, made abundantly clear by COVID-19, is the way society undervalues—and underpays—child care workers. In the United States, more than 95 percent of child care workers are women, disproportionately women of color, and they are notably underpaid.²⁸ The average annual salary of a child care worker in 2021 was \$24,230, or less than \$12 per hour.²⁹ These crucial service providers, needed by countless working families, are monetarily valued less in our society than all other teachers, including preschool and kindergarten teachers.³⁰

While gendered work is clearly valued less in the United States, this reality becomes more shocking when seen through an intersectional lens. While women continue to be paid less than men for the same work, women of color in the United States earn lower wages still. Based on Oxfam’s low-wage modeling, the proportion of women of color earning less than \$15 per hour at every state level shoots above even the women’s metric (Figure 6).



When looking at the same two places representing opposite ends of a worker wage spectrum in the United States—DC and Mississippi—the results continue to be astounding. In Mississippi, where 45.3 percent of all workers make less than \$15 and 55.2 percent of women make less than \$15, the share of those making less than \$15 per hour rockets up to 69.7 percent for women of color. In other words, more than two out of every three working women of color in Mississippi make less than \$15 per hour. In the District of Columbia, where 8.5 percent of workers make less than \$15 per hour and 11.6 percent of women make less than \$15 per hour, the percentage grows to 16.9 percent for women of color. The importance of this intersectional analysis allows us to understand the myriad ways bias and systemic marginalization affect people whose multiple identities target some form of

discrimination. For women of color, their race and their gender create layered discriminations that result, in this case, in disproportionately low wages.

While race is a huge factor behind pay gaps in the United States, the worst pay gap is experienced by women of color. Women in general are typically paid 83 cents on the dollar for every white non-Hispanic man in the same role. Yet when taking race as well as gender into account, pay falls even lower. On average, Black women are paid 64 cents to the dollar earned by white men peers; American Indian women are paid 60 cents; and Latina or Hispanic women 57 cents.³¹ These compounding marginalizations, a dynamic for which civil rights lawyer and scholar Kimberlé Crenshaw coined the term “intersectional” in 1989, define how systems in the United States have long been built to specifically benefit white men to the harm of all others.³²

As we seek to build and create new policy solutions, we must first understand the multiple and intersecting systems at play that maintain imbalanced power structures. Only with the deep knowledge of how systems, such as pay structures, keep women of color at a purposeful and structural disadvantage can we write new policies to create more equitable systems. One of the most important steps toward this goal is to eradicate subminimum wages, particularly given that women, and especially women of color, are disproportionately represented in tipped wage positions. And in states that continue to have a subminimum tipped wage, poverty rates are nearly 30 percent higher than states where the minimum wage is extended to tipped wage workers.³³

PANDEMIC PROFITS

In January 2022, the US Bureau of Labor Statistics (BLS) released new information on inflation revealing that by the end of December 2021, 12-month inflation had reached its highest level since 1982, at 7 percent above the previous year, with the cost of nearly everything increasing. The highest gains in average prices, according to the Consumer Price Index (CPI), were in housing costs, used vehicles, and food;³⁴ two of these three areas (housing and food) are where low-income families spend the majority of their income.³⁵ Essentially, over the course of the second year of the pandemic, with the impact of shipping delays and supply chain disruptions, everything US consumers buy became notably more expensive. With wages continuing to stagnate, the power of the dollar continuing to fall, and inflation at a generational high, the ability for workers and working families to afford even the most basic foodstuffs is called into question.

The economic impact of the COVID-19 pandemic was not shared equally among all members of US society. Although essential workers³⁶ earned hazard or “hero” pay in

2020 for continuing to show up at their jobs and thus keeping our society connected and alive at the beginning of the pandemic, these pay benefits stalled or ended in 2021, leaving essential workers (who continued to be at high risk of illness because of their jobs) without appropriate pay or a social safety net.³⁷ And essential workers comprise a disproportionate percent of workers making less than \$15 an hour. Almost half (47 percent) of essential workers make less than \$15 per hour. So, despite COVID-19 shining a spotlight on how important the warehouse workers, delivery drivers, and grocery workers are, in the United States these crucial workers still make an inadequate wage.³⁸ Meanwhile, on the other end of the economic spectrum, the shareholders and executives of the largest corporations in the US realized record profits.

Even before the pandemic, CEOs were earning well beyond their fair share of profits from their organizations. According to a report by the Economic Policy Institute (EPI), as of 2019, CEOs are paid an average of 320 times what a typical worker employed at their company earns. In 1989, the same ratio of CEO-to-worker pay was 61-to-1. From 1978 to 2019, worker pay grew an average of 14 percent. For CEOs, the rate was 1,167 percent.³⁹

Through the COVID-19 pandemic, as workers were let go and production slowed, CEO profits grew at astronomical rates. The embrace of shareholder capitalism has led to gross economic inequality where even as companies are closed and workers are furloughed or laid off, the profits of CEOs and shareholders soared.⁴⁰

In the United States, the value we attribute to shareholders is somehow greater than the value we attribute to the workers who make our society function. The COVID-19 pandemic made that disparity abundantly clear. It is long past time to adjust our priorities to reflect the value and decency inherent in all work by paying workers a higher wage, adjusting the compensation of CEOs and shareholders, and moving to an economic model that prioritizes people over profits. As Senator Elizabeth Warren demonstrated in 2019, only two pennies on the dollar of every person earning more than \$1 million per year would offset these enormous and disproportionate gains of the last many years to broaden our country's social safety net and ensure a more equitable redistribution of resources.⁴¹

LIVING WAGE

The concept of a living wage is a powerful one that is easily grasped and recognized, yet difficult to codify and define. This difficulty is partly because it is a concept that must be flexible enough to reflect local economic and cultural realities, yet robust enough to prevent misapplication. At their heart, living wages are about working families being able to afford a basic but decent lifestyle in the

context of their local communities, including, at a minimum, sufficient income to cover necessities like food, housing, (including heating or cooling and other utilities), transportation, health care, child care, taxes, and more. Living wages should also allow for saving for life's inevitable contingencies, like weddings and funerals, and some discretionary spending for entertainment that is part of leading a decent life. The concept is central to the social contract and the American Dream—it is the essential promise upon which our economy functions: that workers can survive on the wages they earn from their labor. Where the promise is broken, we see a path of unsustainability, poverty, and precarity with wide-reaching impacts.

The idea of living wages has been effectively deployed by advocates and politicians who leverage its compelling and self-evident nature to advance the cause of low-wage workers. Sometimes companies have applied it to themselves after wage increases in efforts to improve their image—but in Oxfam's view, living wages cannot be measured in isolation, focused exclusively on a number; they must be understood holistically and within the context of a worker and their family's well-being. So, for instance, a company that pays a higher hourly wage but cuts hours and benefits to keep workers in precarity is not providing living wages.

Our interactive map and data demonstrate the proportion of state-level populations making less than \$15 per hour and advances the argument that the United States needs a universal minimum wage devoid of exceptions or exclusions. However, we recognize that a \$15 hourly wage is not adequate to provide for a basic but decent standard of living for a family in the vast majority of the US. Although the \$15 figure has become an effective and powerful rallying cry, and some politicians and others have equated it to a living wage, most activists in the wage movement acknowledge that it is just a start. This shortfall, for instance, is why the Fight for \$15 movement is most properly understood as the fight for \$15 *and a union*.⁴² Advocates recognize that a wage of \$15 per hour is not a ceiling but a floor for decent livelihood in America, and that only when it is paired with strong worker voice and decent work can it be secure. In the American policy environment, it is vital that we not let the perfect be the enemy of the good. A \$15 per hour wage is a vital first step on a longer path to true living wages that can sustain a family and lift working families and the American economy from its current unsustainable trajectory.

But what is a living wage, and how can we recognize it? How can consumers support and incentivize companies to pay living wages? The details can be complex, but broadly speaking, there is a global consensus around the definition adopted by the [Global Living Wage Coalition](#):

The remuneration received for a standard work-week by a worker in a particular place sufficient to afford a decent standard of living for

the worker and her or his family. Elements of a decent standard of living include food, water, housing, education, health care, transportation, clothing, and other essential needs including provision for unexpected events.⁴³

In 2021, Oxfam America developed a voluntary living wage standard for US employers called Living Wage For US,⁴⁴ which calculates benchmarks of living wages in every county in the US and helps incentivize and celebrate employers who meet the Living Wage for US standard. This standard was developed in dialogue with labor advocates and other allied organizations, as well as forward-looking employers, and it is grounded in a robust methodology that aligns with globally recognized best practices for determining living wages.

POLICY RECOMMENDATIONS

RAISE THE MINIMUM WAGE

- At the federal level, it is long past time that Congress pass the Raise the Wage Act to raise wages beyond poverty levels and solve many of the crucial deficiencies and unacceptable exclusions in our national minimum wage regime (see the text box below for details on the Raise the Wage Act).
- Beyond creating a universal minimum wage and raising the wage floor to \$15 per hour for all workers, Congress can index wage increases to inflation, similar to the system used for increases to Supplementary Security Income, Social Security payments, and civil service retirement, military retirement, and veterans' pensions and compensation, among other retirement programs. The precedent set within the federal government for inflation indexes creates a strong option for minimum wage legislation at the federal level. The District of Columbia and many states—including Colorado, Maine, Minnesota, Montana, New York, South Dakota, Vermont, and Washington—have already adopted this approach for setting new minimum wages.
- States and localities can also lead the way, implementing their own versions of minimum wage laws. It is vital that such laws not only raise wages to higher thresholds, but also close gaps and deficiencies in the federal minimum wage, like the exclusion of many categories of workers from minimum wage protections.

THE RAISE THE WAGE ACT OF 2021

The act, introduced in the House and Senate in January 2021, would:

- Gradually increase the hourly minimum wage from \$7.25 to \$15 within four years of enactment.
- Create a system for future increases tied to median wage growth to be sure the value of the minimum wage does not weaken over time.
- Gradually increase the subminimum wage for tipped workers from \$2.13 (set in 1991) to the full federal minimum wage.
- Repeal the youth subminimum wage (which allows employers to pay \$4.25 per hour to workers under 20 for 90 calendar days).
- End subminimum wage certificates for workers with disabilities, and make all workers eligible for the minimum wage.

END STATE WAGE PREEMPTION POLICIES

- Many states have policies prohibiting localities from setting minimum wages above state wages. While the federal government continues to delay creating a higher minimum wage and ending subminimum wages, states have the power to end wage preemption (or the restriction of cities, counties, or localities from setting their own higher wages from state standards). Ending such policies creates an opening for localities to establish living wage provisions and to reflect the true cost of living at the local level within their local minimum wages.⁴⁵

SUBSIDIZE CHILD CARE WORKER WAGES

- In this report, we discuss how child care is one of the most underpaid professions in the United States. The wages of child care workers certainly need to be increased to at least \$15/hour, though as the industry exists now, increases in wages equates to an increase in child care costs for families. Similar to K–12 education in the US, the federal government needs to heavily subsidize the child care and the early learning sector so that child care workers can earn a decent wage, while families pay no more than 7 percent of their income on child care (what the Department of Health and Human Services deems “affordable child care”). The federal government must subsidize the child care sector nationally to enable childcare workers to be paid a higher wage.

INCENTIVIZE LIVING WAGES THROUGH PROCUREMENT POLICY

- Governments at all levels also have a range of additional levers they can pull to incentivize, if not require, the payment of robust living wages within their jurisdiction. One of the most powerful tools is the power of procurement policies. Procurement requirements can be restructured in ways that provide additional incentives (or remove disincentives) for bidders who can demonstrate that they are paying their workers a living wage. At the federal level, the US government is the single largest buyer of goods and services in the world; such purchasing power can translate into significant leverage and impact.
- The Biden administration’s rule requiring a \$15 wage per hour for employees of federal contractors, which went into effect on January 30, 2022, is one example of this kind of procurement policy. Making wages of at least \$15 per hour a clear requirement for contractors raises wages for approximately

390,000 workers, the majority Black or Hispanic,⁴⁶ and has ripple effects beyond that contractor workforce. However, as we know, \$15 per hour is not a living wage in most of the US, and the administration could go further by awarding additional points in procurement bidding for employers willing to go above and beyond this threshold. This approach would be substantially different from the Fair Pay and Safe Workplaces rule of the Obama administration, which also sought to leverage the federal procurement system, in that case by requiring disclosure of past significant labor rights violations by prospective contractors. (Fair Pay and Safe Workplaces was rescinded by Congress under the Congressional Review Act at the start of the Trump administration.)

- Another example of such a system is the Good Food Purchasing Program, which leverages municipal procurement to advance a set of core values, including labor rights.⁴⁷ Such systems can and should be implemented by municipal and county governments, and should include a specific focus on promoting living wages among the publicly funded workforces in their communities.

METHODOLOGY

The Oxfam Low Wage Model sources microdata from the most recent 5-year American Community Survey (ACS-PUMS)⁴⁸ to generate a sample of wage earners (a snapshot of people at the national and state level). It then employs Current Population Survey (CPS-ORG) data compiled by the Center for Economic and Policy Research (CEPR)⁴⁹ to model the hourly wage of these populations, and ultimately it simulates how these wages might change if subminimum wages were abolished and all workers made a minimum of \$15 per hour. This model is built specifically to estimate how a universal minimum wage increase impacting both tipped and non-tipped workers would change wages in the 50 US states, the District of Columbia, and Puerto Rico. Our construction also allows us to estimate who may be locked out of federal legislation owing either to their exclusion (see introduction for explanation of excluded workers) or to wage theft practices.⁵⁰

To construct the model, microdata from currently working individuals 16 and older are weighted to form a representative sample of the civilian labor force at the state level. This weighting is done through an iterative fitting process called “raking,” whereby survey responses are reweighted to better represent state aggregate demographics like age distribution and proportions of gender, races/ethnicities, family status, education level, and the interaction between these various characteristics. Oxfam uses projected national-level growth rates for various key demographics to simulate changing working population composition and size from data sourced in 2019 to 2022. Sample weights are scaled to Bureau of Labor Statistics civilian labor force estimates so that projected numbers of low-wage workers are consistent with reported 2021 state-level statistics.

Next, hourly wages are modeled and refined through a modification of the Economic Policy Institute’s [minimum wage simulation model](#).⁵¹ There are two primary limitations of using ACS microdata in calculating hourly wages: (1) respondents report the number of weeks worked within bins rather than exact counts, and (2) reported total wages are more prone to error, introducing a degree of variation that may mask demographic trends in wage disparities.

To identify a discrete number of weeks worked, we use a secondary data source (CPS-ORG). CPS reports discrete weeks worked values for respondents, meaning we may create an ordinary least squares (OLS) regression model from shared demographic and workplace variables to predict weeks worked in our primary data sample.⁵² Weeks worked are modeled with respect to respondent demographics like race/ethnicity, gender, and family composition, in addition to employment characteristics like industry, occupation, and full-time status. A separate model is created for each weeks worked bin, and state-level fixed effects are added to

account for any variation at the state level. CPS-ORG data is collected in March, meaning the removal of workers reporting 13 or fewer weeks worked, given this bin is significantly wider, introducing a high degree of variance highly dependent on model specification.⁵³ From these data, we derive a first calculated hourly wage for each worker in our sample.

Because our analysis is specifically interested in demographic wage disparities, we average this first calculated wage with a secondary measure derived by modeling hourly wage directly from respondent demographic characteristics. This calculation is especially important for smaller demographic groups, where wage reporting error may lead to severe underreporting of low-wage workers in our model. This step is again done with CPS-ORG data, which tends to have more accurate wage reporting. In a similar fashion to the weeks worked model, hourly wage is predicted from respondent demographics and employment characteristics and includes state and survey year fixed effects.

This modeling approach gives us a more reasonable distribution of wages by state and survey year. However, it does not account for the fact that wages have changed over the five-year survey. To pull all hourly wages forward to 2019 dollars, we assume that workers in a certain percentile of a state's wage distribution for a given year would be making the same as a worker in a similar wage percentile for that state in 2019.⁵⁴ We use the 2019 state-level distribution of hourly wages from the CPS-ORG data for this final step of wage corrections. Using this approach has the added benefit of partially correcting for the long tails of our hourly wage predictions, as CPS-ORG wage data is less prone to mismeasurement.

Wages may also naturally grow due to macroeconomic factors beyond the control of state legislatures. To account for this growth, we calculate statewide average wage growth rates by comparing the most recent five years of CPS-ORG hourly wage data available for the bottom 20 percent of hourly wages in each state. Because these data only capture wage changes up to 2019, we impose an assumption of zero real wage growth from 2020 to 2021 to down-weight assumed natural growth rates.⁵⁵

Finally, the impact of scheduled minimum wage changes is modelled into 2022. We account both for workers specifically targeted by a minimum wage increase, and for workers who might be proximally affected due to having a wage at or near the new minimum wage. It is of note that even after correcting for wage mismeasurement, a number of workers are still reporting an hourly wage well beneath their state's minimum wage for non-tipped employees. We assume workers making less than 70 percent of the current minimum wage would not benefit from non-tipped minimum wage increases, either because of wage theft practices or because they are employed as a tipped worker. As such, there are a substantial number of workers who remain locked out of rising wages in our

simulation. After modeling wages out to 2022, we calculate what proportion of workers are earning less than \$15 per hour at both state and aggregate levels both for the population as a whole and for specific demographic groups of policy interest.

END NOTES

¹ Our estimates project 162.89 million people in the total labor force in the United States. For a full explanation of our calculations, see the methodology section.

² Michelle Alexander, "Tipping Is a Legacy of Slavery," *New York Times*, February 5, 2021, <https://www.nytimes.com/2021/02/05/opinion/minimum-wage-racism.html>; and Sylvia A. Allegretto and Steven C. Pitts, *To Work with Dignity: The Unfinished March Toward a Decent Minimum Wage* (Economic Policy Institute, 2013), 12, <https://files.epi.org/2013/Unfinished-March-Minimum-Wage.pdf>.

³ See *No Rights, Low Wages, No Service: How Increased Violations of Workers' Rights in 2021, Coupled with High Harassment and Low Wages and Tips, Have Pushed Workers to Leave the Service Sector* (One Fair Wage and Food Labor Research Center, 2021), https://onefairwage.site/wp-content/uploads/2021/09/0FW_NationalWageTheft.pdf.

⁴ Many states have eliminated the subminimum tipped wage, offering the minimum wage to tipped wage workers instead. These states include Alaska, California, Minnesota, Montana, Nevada, Oregon, and Washington. For more state-level wage policies, see Oxfam's [Best States to Work Index](https://www.oxfamamerica.org/explore/countries/united-states/poverty-in-the-us/map-best-states-to-work-2021/) at <https://www.oxfamamerica.org/explore/countries/united-states/poverty-in-the-us/map-best-states-to-work-2021/>.

⁵ US Department of Labor, Wage and Hour Division, "History of Changes to the Minimum Wage Law," n.d., <https://www.dol.gov/agencies/whd/minimum-wage/history>.

⁶ US Department of Labor, Wage and Hour Division, "Fact Sheet: Application of the Fair Labor Standards Act to Domestic Service, Final Rule," September 2013, <https://www.dol.gov/agencies/whd/fact-sheets/flsa-domestic-service>.

⁷ US Department of Labor, Wage and Hour Division, "Questions and Answers About the Minimum Wage," n.d., <https://www.dol.gov/agencies/whd/minimum-wage/faq#full>.

⁸ All employers of full-time students require a certificate from the Department of Labor to pay these lower wages.

⁹ US Department of Labor, Wage and Hour Division, "Fact Sheet #39: The Employment of Workers with Disabilities at Subminimum Wages," revised July 2008, <https://www.dol.gov/sites/dolgov/files/WHD/legacy/files/whdfs39.pdf>.

¹⁰ US Department of Labor, Wage and Hour Division, "Fact Sheet #12: Agricultural Employers Under the Fair Labor Standards Act," revised January 2020, <https://www.dol.gov/sites/dolgov/files/WHD/legacy/files/whdfs12.pdf>. "Man days" are any day an employee performs agricultural work for at least one hour.

¹¹ US Department of Labor, Wage and Hour Division, "Fact Sheet #79A: Companionship Services Under the Fair Labor Standards Act (FLSA)," September 2013, <https://www.dol.gov/agencies/whd/fact-sheets/79a-flsa-companionship>.

¹² For the full list of workers also excluded from overtime mandates, see US Department of Labor, elaws Advisors, "Fair Labor Standards Act Advisor," n.d., <https://webapps.dol.gov/elaws/whd/flsa/screen75.asp#:~:text=Executive%2C%20administrative%2C%20professional%20and%20outside,overtime%20provisions%20of%20the%20FLSA>.

¹³ The fight for \$15 started in 2012 in New York City and spread from there. See "About Us," The Fight for \$15, visited March 8, 2022, <https://fightfor15.org/about-us/>.

¹⁴ "Income Inequality in the United States," fact sheet, Inequality.org, visited January 18, 2022, <https://inequality.org/facts/income-inequality/>.

¹⁵ Ibid.

¹⁶ Ben Zipperer, "The Minimum Wage Has Lost 21% of Its Value Since Congress Last Raised the Wage," *Working Economics Blog*, Economic Policy Institute, July 22, 2021, <https://www.epi.org/blog/the-minimum-wage-has-lost-21-of-its-value-since-congress-last-raised-the-wage/>.

¹⁷ For the impact of supply chains on foodstuff price increases, see US Chamber of Commerce, “4 Factors Driving Food Price Inflation,” November 10, 2021, <https://www.uschamber.com/economy/4-factors-driving-food-price-inflation>.

¹⁸ For example, the Supplemental Nutrition Assistance Program (SNAP) is a federal program designed to help low-income families pay for food, yet on average offers only \$1.40 per person per meal, doing little to systemically combat food insecurity and hunger. For more, see “A Quick Guide to SNAP Eligibility and Benefits,” Center on Budget and Policy Priorities, January 6, 2022, <https://www.cbpp.org/research/food-assistance/a-quick-guide-to-snap-eligibility-and-benefits>.

¹⁹ Holly Sklar and Alissa Barron-Menza, “Raising the Minimum Wage to \$15 Helps Small Businesses,” *Business for a Fair Minimum Wage*, February 24, 2021, <https://www.businessforafairminimumwage.org/sites/default/files/BFMW%20Raising%20Min%20Wage%20Helps%20Small%20Business%20Feb%2024%202021.pdf>.

²⁰ Morgan Harwood, Jasmine Tucker, and Julie Vogtman, “One Fair Wage: Women Fare Better in States with Equal Treatment for Tipped Workers,” fact sheet, National Women’s Law Center, February 2021, <https://nwlc.org/wp-content/uploads/2021/02/OFW-Factsheet-2021-v2.pdf>.

²¹ Because Oxfam sourced data from the American Community Survey (ACS) and Current Population Survey (CPS), the racial markers used in our data reflect census racial markers. For gender, respondents to the survey self-identify their sex as either male or female. And for race/ethnicity, respondents can choose between “Asian American or Other Pacific Islander,” “Black or African American,” “American Indian or Alaskan Native,” and “Hispanic, Latino, or Spanish origin” of any race. Whiteness is typically measured by those who check “white” in the racial box and “not of Hispanic, Latino, or Spanish origin” in the ethnicity box. This data is also a reflection of what people self-report as their income, their age, and their familial status.

²² Oxfam America, *Best and Worst States to Work in America 2021* (2021), <https://www.oxfamamerica.org/explore/countries/united-states/poverty-in-the-us/map-best-states-to-work-2021/>.

²³ US Department of Labor, Office of Federal Contract Compliance Programs, “Earnings Disparities by Race and Ethnicity,” n.d., <https://www.dol.gov/agencies/ofccp/about/data/earnings/race-and-ethnicity>.

²⁴ Ibid.

²⁵ Neil Bhutta et al., “Disparities in Wealth by Race and Ethnicity in the 2019 Survey of Consumer Finances,” *FEDS Notes*, Board of Governors of the Federal Reserve System, September 28, 2020, <https://www.federalreserve.gov/econres/notes/feds-notes/disparities-in-wealth-by-race-and-ethnicity-in-the-2019-survey-of-consumer-finances-20200928.htm>.

²⁶ Liz Mineo, “Racial Wealth Gap May Be a Key to Other Inequities,” *Harvard Gazette*, June 3, 2021, <https://news.harvard.edu/gazette/story/2021/06/racial-wealth-gap-may-be-a-key-to-other-inequities/>.

²⁷ Jasmine Tucker and Kayla Patrick, *Low-Wage Jobs Are Women’s Jobs: The Overrepresentation of Women in Low-Wage Work* (National Women’s Law Center, 2017), <https://nwlc.org/wp-content/uploads/2017/08/Low-Wage-Jobs-are-Womens-Jobs.pdf>.

²⁸ Elise Gould, “Child Care Workers Aren’t Paid Enough to Make Ends Meet,” Issue Brief 405, Economic Policy Institute, November 5, 2015, <https://www.epi.org/publication/child-care-workers-arent-paid-enough-to-make-ends-meet/>.

²⁹ Caitlin McLean et al., *Early Childhood Workforce Index—2020* (University of California, Berkeley, Center for the Study of Child Care Employment, 2021), <https://cscce.berkeley.edu/workforce-index-2020/introduction-policy-recommendations/key-findings/>.

³⁰ Ibid. Childcare workers are paid less than many other low-wage professions, including janitorial work (see US Bureau of Labor Statistics, Division of Occupational Employment and Wage Statistics, “37-2011 Janitors and Cleaners, Except Maids and Housekeeping Cleaners,” Occupational Employment and Wages, May 2020, <https://www.bls.gov/oes/current/oes372011.htm>) and restaurant workers (see US Bureau of Labor Statistics, Division of Occupational Employment and Wage Statistics, “35-2014 Cooks, Restaurant,” Occupational Employment and Wages, May 2020, <https://www.bls.gov/oes/current/oes352014.htm>).

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- ³² Kimberlé Crenshaw, “Demarginalizing the Intersection of Race and Sex: A Black Feminist Critique of Antidiscrimination Doctrine, Feminist Theory and Antiracist Politics,” *University of Chicago Legal Forum*, 1989, no. 1, Article 8, <https://chicagounbound.uchicago.edu/cgi/viewcontent.cgi?referer=&httpsredir=1&article=1052&context=uclf>.
- ³³ See National Women’s Law Center, “One Fair Wage: Women Fare Better in States with Equal Treatment for Tipped Workers,” fact sheet, February 2021, <https://nwl.org/wp-content/uploads/2021/02/OFW-Factsheet-2021-v2.pdf>.
- ³⁴ “Consumer Price Index—January 2022,” news release, Bureau of Labor Statistics, Department of Labor, <https://www.bls.gov/news.release/pdf/cpi.pdf>.
- ³⁵ Diane Whitmore Schanzenbach et al., *Where Does All the Money Go: Shifts in Household Spending Over the Past 30 Years* (Hamilton Project and Brookings, June 2016), https://www.hamiltonproject.org/papers/where_does_all_the_money_go_shifts_in_household_spending_over_the_past_30_y.
- ³⁶ Though the Centers for Disease Control and Prevention (CDC) gave suggestions for who should be considered “essential workers” at the start of the COVID-19 pandemic at the federal level, states were allowed to create their own definitions. For a list of which workers were considered “essential” at the state level, see “COVID-19: Essential Workers in the States,” National Conference of State Legislatures, January 11, 2021, <https://www.ncsl.org/research/labor-and-employment/covid-19-essential-workers-in-the-states.aspx>. For a list of “essential workers” per the CDC, see “Interim List of Categories of Essential Workers Mapped to Standardized Industry Codes and Titles,” CDC, March 29, 2021, [https://www.cdc.gov/vaccines/covid-19/categories-essential-workers.html#:~:text=This%20interim%20list%20identifies%20%E2%80%9Cessential,the%20United%20States%20\(U.S.\)](https://www.cdc.gov/vaccines/covid-19/categories-essential-workers.html#:~:text=This%20interim%20list%20identifies%20%E2%80%9Cessential,the%20United%20States%20(U.S.)).
- ³⁷ Molly Kinder, Laura Stateler, and Julia Du, *The COVID-19 Hazard Continues, but the Hazard Pay Does Not: Why America’s Essential Workers Need a Raise* (Brookings, October 2020), <https://www.brookings.edu/research/the-covid-19-hazard-continues-but-the-hazard-pay-does-not-why-americas-frontline-workers-need-a-raise/>.
- ³⁸ Molly Kinder and Laura Stateler, “Essential Workers Comprise About Half of All Workers in Low-Paid Occupations. They Deserve a Living Wage,” *The Avenue* (blog), Brookings, February 5, 2021, <https://www.brookings.edu/blog/the-avenue/2021/02/05/essential-workers-deserve-minimum-wage-increase/#:~:text=Using%20our%20colleagues%20A%20to%20mer,less%20than%20%2415%20an%20hour>.
- ³⁹ Lawrence Mishel and Jori Kandra, *CEO Compensation Surged 14% in 2019 to \$21.3 Million: CEOs Now Earn 320 Times as Much as a Typical Worker* (Economic Policy Institute, August 18, 2020), <https://www.epi.org/publication/ceo-compensation-surged-14-in-2019-to-21-3-million-ceos-now-earn-320-times-as-much-as-a-typical-worker/>.
- ⁴⁰ David Gelles, “CEO Pay Remains Stratospheric, Even at Companies Battered by Pandemic,” *New York Times*, April 24, 2021, <https://www.nytimes.com/2021/04/24/business/ceos-pandemic-compensation.html>.
- ⁴¹ “Ultra-Millionaire (2 Cent) Tax,” toolkit, www.ElizabethWarren.com, updated December 2, 2019, <https://2020.elizabethwarren.com/toolkit/umt>.
- ⁴² National Employment Law Project (NELP), “Fight for \$15 Movement Has Won \$150B in Wage Raises for 26M Workers in Less Than a Decade,” news release, July 27, 2021, <https://www.nelp.org/news-releases/fight-for-15-movement-has-won-150b-in-wage-raises-for-26m-workers-in-less-than-a-decade/#:~:text=Along%20with%20the%20campaign%20to,help%20secure%20all%20of%20these>.
- ⁴³ Global Living Wage Coalition, “What Is a Living Wage?,” n.d., <https://www.globallivingwage.org/about/what-is-a-living-wage/>.
- ⁴⁴ See Living Wage for US, n.d., <https://www.livingwageforus.org>.
- ⁴⁵ For more on state wage preemption, see Economic Policy Institute, “Workers’ Rights Preemption in the US: A Map of the Campaign to Suppress Workers’ Rights in the States,” <https://www.epi.org/preemption-map/>, updated August 2019. Wage preemption policies are also tracked in Oxfam’s Best States to Work Index; see Oxfam America,

Best and Worst States to Work In America 2021 (August 2021), <https://www.oxfamamerica.org/explore/research-publications/best-and-worst-states-to-work-in-america-2021/>.

⁴⁶ Ben Zipperer, "Up to 39,000 Federal Contractors Will Get a Raise Starting Next Week," *Working Economics Blog*, Economic Policy Institute, January 28, 2022, <https://www.epi.org/blog/up-to-390000-federal-contractors-will-get-a-raise-starting-next-week/>.

⁴⁷ See Center for Good Food Purchasing, accessed February 2, 2022, <https://goodfoodpurchasing.org/>.

⁴⁸ <https://www.census.gov/programs-surveys/acs/microdata.html>.

⁴⁹ CEPR data, "CPS ORG Data," n.d., <https://ceprdata.org/cps-uniform-data-extracts/cps-outgoing-rotation-group/cps-org-data/>.

⁵⁰ Note that this estimate may be upward-biased due to misreporting of wages by workers.

⁵¹ David Cooper, Zane Mokhiber, and Ben Zipperer, "Minimum Wage Simulation Model Technical Methodology," Economic Policy Institute, February 26, 2019, <https://www.epi.org/publication/minimum-wage-simulation-model-technical-methodology/>.

⁵² Ordinary least squares modeling will output a regression equation with coefficients on each worker characteristics that describe how that variable might impact our outcome of interest. In a prediction exercise, the overall model—rather than the coefficients on a given variable—is the goal, as it will provide a means to predict outcomes in other samples.

⁵³ Note that we update the population weight raking at this point as well.

⁵⁴ For example, a 2015 worker at the 50th percentile of the Illinois wage distribution would have their wage updated to reflect the 50th percentile of 2019 Illinois wages.

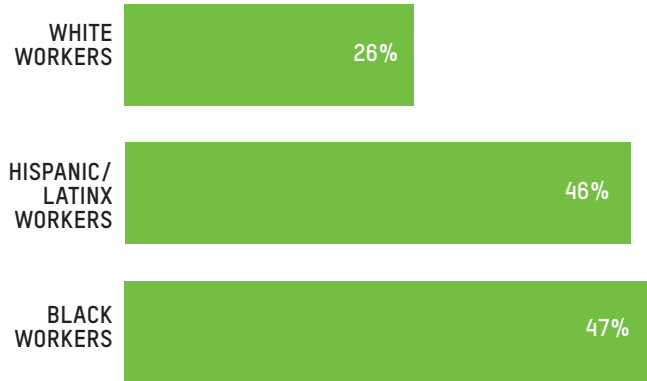
⁵⁵ Assuming different natural wage growth rates for low-wage workers from 2020 and 2022 can have a meaningful impact on the projected number of workers earning less than \$15 per hour in our simulation. From robustness testing, the impact of assuming no wage growth is most localized in states with minimum wage laws just below \$15 per hour. However, there is an argument that accompanying inflation has moderated any wage gains, or even reversed them.

APPENDIX: TABLES OF DEMOGRAPHIC DATA

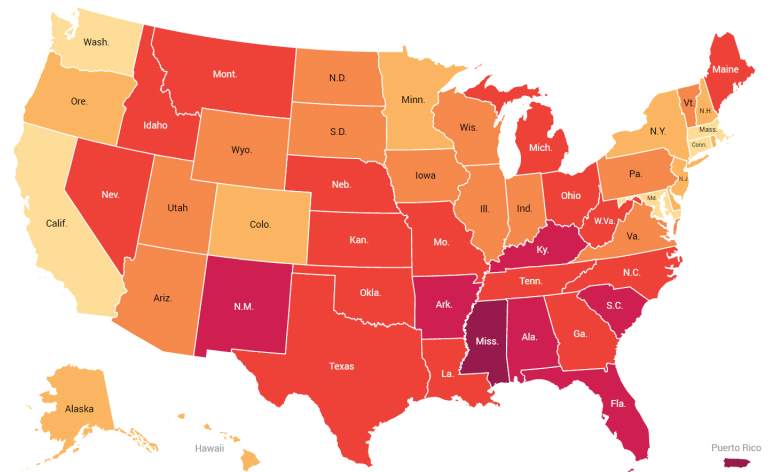
ALL WORKERS EARNING LESS THAN \$15, BY STATE

	STATE	TOTAL WORKFORCE	NUMBER EARNING <\$15	SHARE EARNING <\$15
	UNITED STATES	162,891,467	51,924,658	31.9%
1	District of Columbia	412,788	35,247	9%
2	Washington	3,952,917	561,034	14%
3	California	19,074,870	3,405,104	18%
4	Massachusetts	3,690,317	714,141	19%
5	Maryland	3,132,555	753,231	24%
6	Connecticut	1,826,045	440,843	24%
7	New York	9,229,831	2,312,420	25%
8	New Jersey	4,445,947	1,126,877	25%
9	New Hampshire	744,509	190,808	26%
10	Minnesota	3,030,443	779,945	26%
11	Colorado	3,208,438	858,926	27%
12	Rhode Island	552,166	149,802	27%
13	Hawaii	647,426	176,462	27%
14	Alaska	352,071	99,982	28%
15	Delaware	490,957	143,479	29%
16	Oregon	2,169,925	634,735	29%
17	North Dakota	401,894	121,714	30%
18	Wisconsin	3,108,417	946,880	30%
19	Vermont	318,149	98,523	31%
20	Pennsylvania	6,240,617	1,946,241	31%
21	Illinois	6,271,493	1,956,300	31%
22	Virginia	4,261,535	1,399,200	33%
23	Wyoming	292,216	96,145	33%
24	Iowa	1,662,672	548,589	33%
25	South Dakota	470,859	157,276	33%
26	Indiana	3,311,320	1,115,144	34%
27	Arizona	3,654,052	1,231,238	34%
28	Utah	1,685,176	572,989	34%
29	Maine	677,134	238,422	35%
30	Missouri	3,058,440	1,081,731	35%
31	Georgia	5,177,893	1,873,796	36%
32	Tennessee	3,317,891	1,207,455	36%
33	Kansas	1,500,738	547,930	37%
34	Ohio	5,698,184	2,080,583	37%
35	Nebraska	1,025,621	378,866	37%
36	North Carolina	5,057,733	1,869,127	37%
37	Nevada	1,546,231	577,255	37%
38	Michigan	4,759,380	1,803,297	38%
39	Idaho	909,467	344,875	38%
40	Oklahoma	1,861,892	710,221	38%
41	Louisiana	2,062,975	802,558	39%
42	Montana	544,729	212,992	39%
43	West Virginia	789,907	313,952	40%
44	Texas	14,299,174	5,692,294	40%
45	Alabama	2,227,172	896,551	40%
46	Arkansas	1,353,108	558,648	41%
47	Kentucky	2,002,624	830,832	41%
48	Florida	10,660,197	4,464,287	42%
49	South Carolina	2,405,807	1,029,032	43%
50	New Mexico	952,327	423,336	44%
51	Mississippi	1,262,868	571,567	45%
52	Puerto Rico	1,100,370	841,775	76%

SHARE OF RACIAL/ETHNIC GROUP EARNING UNDER \$15 AN HOUR



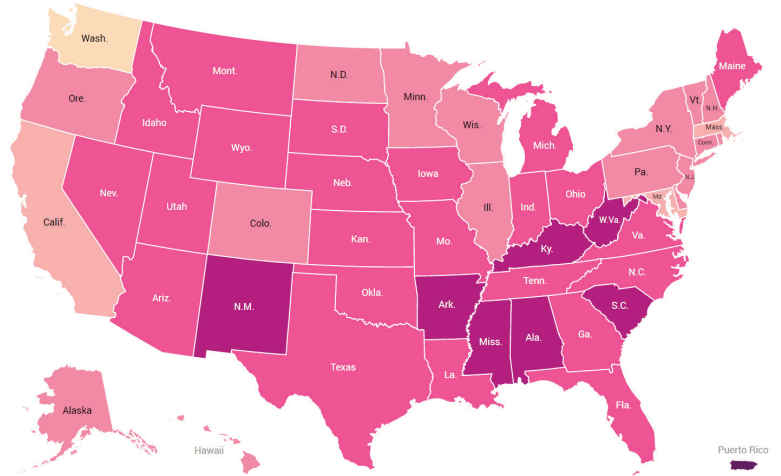
SHARES OF ALL WORKERS EARNING UNDER \$15, BY STATE



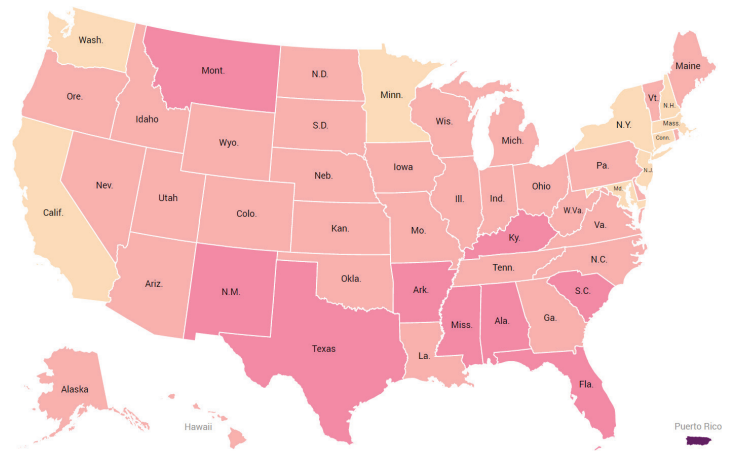
WOMEN WORKERS EARNING LESS THAN \$15 AN HOUR

	STATE	TOTAL WORKFORCE	NUMBER EARNING <\$15	SHARE EARNING <\$15
	UNITED STATES	77,215,147	30,802,707	39.9%
1	District of Columbia	213,842	24,849	12%
2	Washington	1,818,811	359,329	20%
3	California	8,767,420	2,116,373	24%
4	Massachusetts	1,815,858	448,915	25%
5	Maryland	1,539,488	456,647	30%
6	Connecticut	886,779	266,814	30%
7	New York	4,482,582	1,395,429	31%
8	New Jersey	2,113,119	673,525	32%
9	Minnesota	1,453,586	475,069	33%
10	New Hampshire	355,720	116,270	33%
11	Colorado	1,481,261	506,173	34%
12	Rhode Island	268,433	92,166	34%
13	Hawaii	302,236	104,196	34%
14	Alaska	156,621	54,901	35%
15	Oregon	1,028,555	374,029	36%
16	Delaware	240,710	88,110	37%
17	Vermont	156,844	58,243	37%
18	North Dakota	183,410	70,648	39%
19	Wisconsin	1,495,723	586,648	39%
20	Illinois	2,998,255	1,184,754	40%
21	Pennsylvania	3,005,464	1,192,346	40%
22	Virginia	2,034,222	831,850	41%
23	Arizona	1,707,801	707,241	41%
24	Iowa	792,623	334,677	42%
25	South Dakota	221,120	94,180	43%
26	Maine	332,752	144,153	43%
27	Indiana	1,574,815	695,677	44%
28	Missouri	1,476,186	658,937	45%
29	Georgia	2,499,515	1,115,819	45%
30	Wyoming	131,663	59,424	45%
31	North Carolina	2,429,326	1,097,003	45%
32	Utah	751,229	339,668	45%
33	Tennessee	1,590,883	720,059	45%
34	Ohio	2,746,672	1,266,749	46%
35	Nebraska	484,109	223,587	46%
36	Kansas	701,621	324,325	46%
37	Nevada	715,135	331,573	46%
38	Michigan	2,279,291	1,084,126	48%
39	Idaho	416,995	199,757	48%
40	Montana	256,661	124,248	48%
41	Oklahoma	866,924	421,513	49%
42	Texas	6,530,119	3,214,914	49%
43	Louisiana	1,000,927	495,566	50%
44	Florida	5,105,766	2,532,337	50%
45	Alabama	1,068,339	535,919	50%
46	Arkansas	646,486	327,102	51%
47	Kentucky	956,166	487,971	51%
48	West Virginia	371,611	189,834	51%
49	South Carolina	1,168,056	606,293	52%
50	New Mexico	449,763	241,193	54%
51	Mississippi	618,185	341,253	55%
52	Puerto Rico	525,466	410,325	78%

SHARES OF WOMEN EARNING UNDER \$15

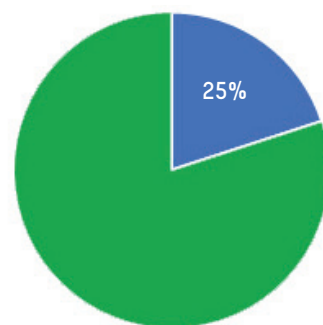


SHARES OF MEN EARNING UNDER \$15

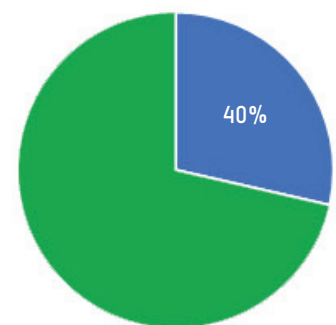


The darker the color, the higher the percentage of low-wage workers in the state. Percentages for all workers range from 8.5 percent (DC) to 77 percent (Puerto Rico). Percentages for men range from 5 percent (DC) to 75 percent (Puerto Rico). Percentages for women range from 12 percent (DC) to 78 percent (Puerto Rico).

SHARE OF GENDER EARNING UNDER \$15 AN HOUR



WORKING MEN

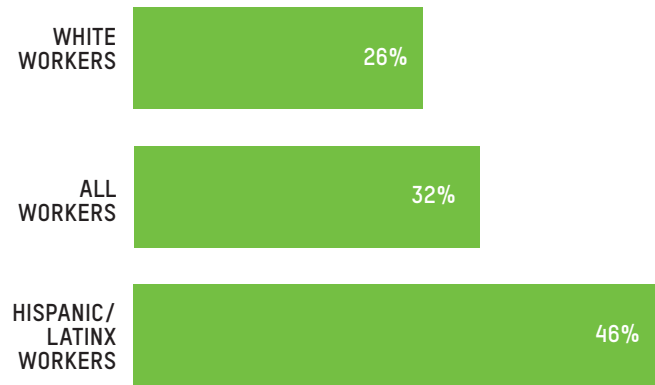


WORKING WOMEN

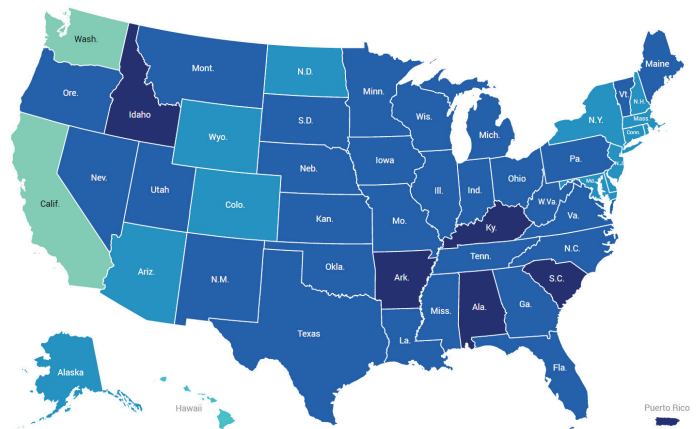
HISPANIC/LATINX WORKERS EARNING LESS THAN \$15

	STATE	TOTAL WORKFORCE	NUMBER EARNING <\$15	SHARE EARNING <\$15
	UNITED STATES	30,122,988	13,906,014	46.2%
1	District of Columbia	46,314	6,753	15%
2	California	7,322,015	2,110,224	29%
3	Washington	483,059	141,895	29%
4	Hawaii	60,210	21,795	36%
5	Massachusetts	409,165	164,867	40%
6	New York	1,731,577	719,175	42%
7	New Hampshire	26,441	11,060	42%
8	Colorado	648,832	273,147	42%
9	Maryland	320,770	136,106	42%
10	New Jersey	913,043	405,865	44%
11	Wyoming	27,967	12,714	45%
12	North Dakota	14,874	6,831	46%
13	Delaware	43,238	20,071	46%
14	Rhode Island	80,337	37,299	46%
15	Alaska	25,524	11,923	47%
16	Connecticut	285,081	134,420	47%
17	Arizona	1,169,876	574,211	49%
18	Minnesota	155,519	77,706	50%
19	Missouri	127,073	63,601	50%
20	Maine	10,942	5,499	50%
21	Illinois	1,079,495	542,539	50%
22	Louisiana	112,345	56,604	50%
23	Virginia	424,391	215,222	51%
24	Oregon	288,987	146,765	51%
25	Iowa	96,456	49,523	51%
26	Florida	3,005,786	1,549,573	52%
27	Indiana	219,480	113,438	52%
28	South Dakota	15,758	8,363	53%
29	Wisconsin	195,971	104,416	53%
30	Utah	240,216	128,088	53%
31	New Mexico	465,043	248,852	54%
32	Pennsylvania	420,216	226,768	54%
33	Texas	5,469,751	2,964,868	54%
34	West Virginia	12,518	6,796	54%
35	Georgia	487,112	266,867	55%
36	Nevada	456,116	250,018	55%
37	Ohio	206,406	113,636	55%
38	Vermont	6,256	3,521	56%
39	Michigan	240,196	136,983	57%
40	Kansas	172,632	99,336	58%
41	Oklahoma	195,175	112,835	58%
42	Tennessee	177,177	102,772	58%
43	Nebraska	102,073	59,347	58%
44	Montana	20,707	12,180	59%
45	North Carolina	460,668	271,832	59%
46	Mississippi	37,659	22,387	59%
47	Alabama	89,819	54,866	61%
48	South Carolina	140,019	85,642	61%
49	Idaho	115,537	71,838	62%
50	Kentucky	77,494	48,386	62%
51	Arkansas	105,367	66,373	63%
52	Puerto Rico	1,084,305	830,221	77%

SHARE OF GENDER RACIAL/ETHNIC GROUP EARNING UNDER \$15 AN HOUR



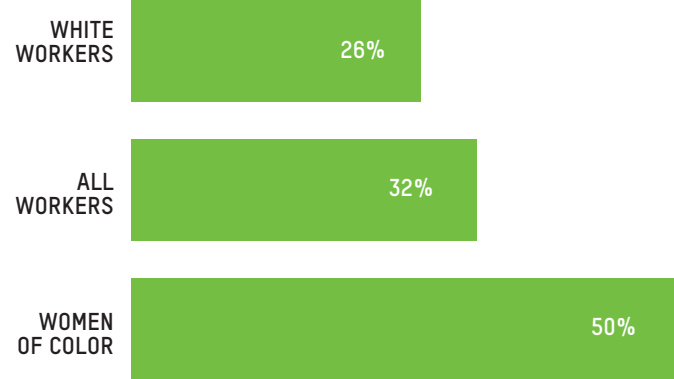
SHARES OF HISPANIC/LATINX WORKERS EARNING UNDER \$15 AN HOUR



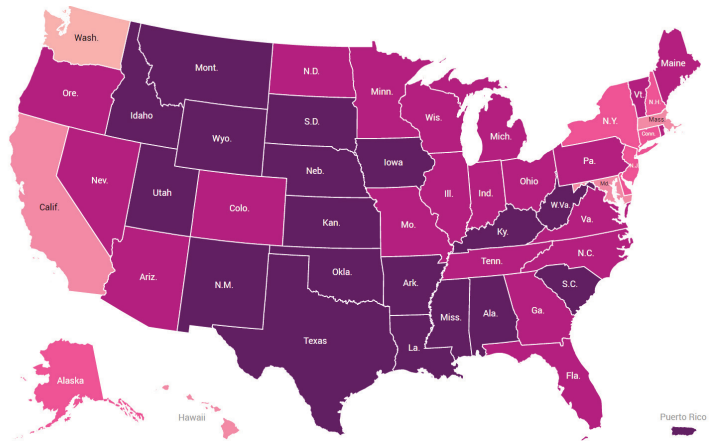
WOMEN OF COLOR WORKERS EARNING LESS THAN \$15

	STATE	TOTAL WORKFORCE	NUMBER EARNING <\$15	SHARE EARNING <\$15
	UNITED STATES	29,261,332	14,709,045	50.3%
1	District of Columbia	123,092	20,747	17%
2	Washington	503,677	143,003	28%
3	California	5,359,522	1,638,984	31%
4	Hawaii	211,507	73,760	35%
5	Maryland	762,219	278,439	37%
6	Massachusetts	473,115	182,489	39%
7	New York	1,935,193	796,827	41%
8	New Jersey	926,694	397,483	43%
9	New Hampshire	28,742	12,846	45%
10	Connecticut	282,385	132,128	47%
11	Alaska	34,008	16,048	47%
12	Delaware	87,183	43,219	50%
13	Colorado	413,012	209,201	51%
14	Oregon	215,271	111,031	52%
15	Minnesota	246,741	127,280	52%
16	Virginia	790,235	410,382	52%
17	Illinois	1,114,077	585,017	53%
18	North Dakota	15,517	8,227	53%
19	Pennsylvania	665,867	356,558	54%
20	Vermont	9,540	5,140	54%
21	Rhode Island	63,894	34,555	54%
22	Georgia	1,216,615	663,374	55%
23	Arizona	693,090	381,738	55%
24	Maine	15,912	8,838	56%
25	Missouri	293,601	165,425	56%
26	Wisconsin	231,136	134,218	58%
27	Tennessee	417,205	245,880	59%
28	Indiana	302,560	178,820	59%
29	Nevada	356,580	212,393	60%
30	North Carolina	871,571	519,496	60%
31	Florida	2,468,908	1,472,904	60%
32	Michigan	542,962	323,973	60%
33	Ohio	548,923	328,245	60%
34	Texas	3,673,976	2,214,611	60%
35	Wyoming	16,753	10,387	62%
36	New Mexico	238,717	148,277	62%
37	Iowa	95,193	59,495	62%
38	Utah	143,070	89,964	63%
39	West Virginia	26,213	16,611	63%
40	Alabama	383,471	246,804	64%
41	Louisiana	418,185	269,504	64%
42	South Dakota	14,005	9,155	65%
43	Kansas	143,265	93,672	65%
44	Oklahoma	184,145	120,700	66%
45	Nebraska	81,838	53,711	66%
46	Montana	15,871	10,461	66%
47	Arkansas	169,367	113,242	67%
48	Kentucky	143,289	95,937	67%
49	South Carolina	435,753	296,891	68%
50	Idaho	60,677	41,474	68%
51	Mississippi	276,812	192,859	70%
52	Puerto Rico	520,180	406,623	78%

SHARE OF GENDER RACIAL/ETHNIC GROUP EARNING UNDER \$15 AN HOUR



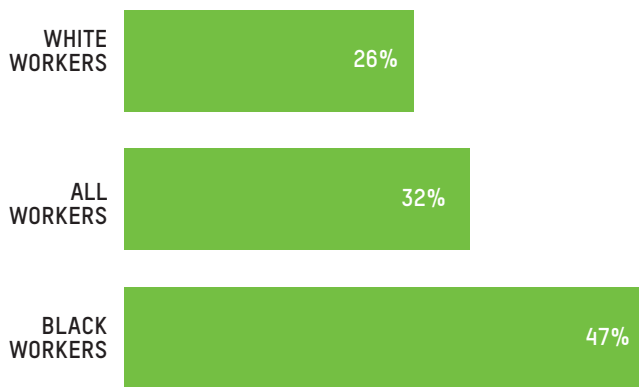
SHARE OF WOMEN OF COLOR EARNING UNDER \$15



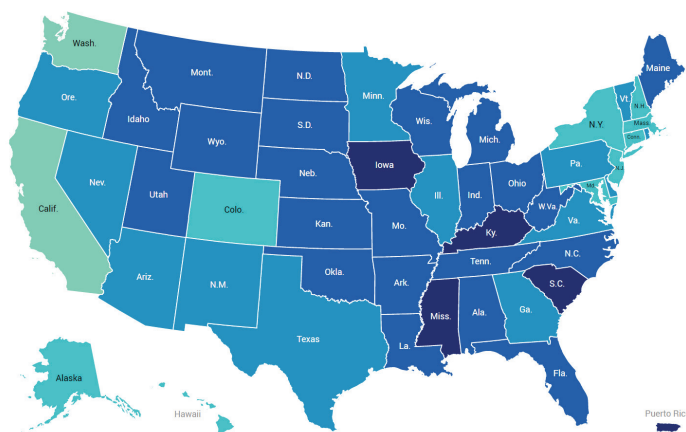
BLACK WORKERS EARNING LESS THAN \$15 AN HOUR

	STATE	TOTAL WORKFORCE	NUMBER EARNING <\$15	SHARE EARNING <\$15
	UNITED STATES	20,490,910	9,624,277	47%
1	District of Columbia	156,743	20,940	13%
2	California	1,147,592	240,677	21%
3	Washington	196,467	43,728	22%
4	Maryland	957,712	291,150	30%
5	Massachusetts	281,813	89,272	32%
6	New York	1,330,341	448,790	34%
7	New Jersey	585,017	211,780	36%
8	Hawaii	20,188	7,404	37%
9	Connecticut	197,234	72,947	37%
10	New Hampshire	12,629	4,906	39%
11	Colorado	143,366	55,763	39%
12	Alaska	15,730	6,174	39%
13	Delaware	110,319	46,590	42%
14	Arizona	192,097	82,078	43%
15	Oregon	53,515	23,406	44%
16	Rhode Island	35,358	15,484	44%
17	Illinois	839,293	380,733	45%
18	Minnesota	195,952	91,205	47%
19	Vermont	4,885	2,290	47%
20	Virginia	847,930	400,661	47%
21	Georgia	1,665,026	792,620	48%
22	Pennsylvania	657,150	313,084	48%
23	Texas	1,793,167	865,904	48%
24	New Mexico	22,374	10,830	48%
25	Nevada	142,860	71,354	50%
26	Missouri	365,414	188,804	52%
27	South Dakota	11,259	5,818	52%
28	Utah	25,126	13,058	52%
29	Indiana	315,373	164,122	52%
30	Tennessee	585,054	307,208	53%
31	North Carolina	1,118,378	587,635	53%
32	North Dakota	13,972	7,429	53%
33	Idaho	8,934	4,789	54%
34	Wyoming	4,207	2,255	54%
35	Kansas	94,937	51,137	54%
36	Maine	10,516	5,714	54%
37	Wisconsin	177,194	97,262	55%
38	Oklahoma	154,789	85,470	55%
39	Montana	4,385	2,443	56%
40	Ohio	720,370	406,072	56%
41	Michigan	647,297	368,397	57%
42	West Virginia	33,591	19,181	57%
43	Florida	1,732,758	990,776	57%
44	Nebraska	52,643	30,260	57%
45	Alabama	595,678	345,795	58%
46	Louisiana	636,731	369,962	58%
47	Arkansas	205,756	123,263	60%
48	Iowa	67,066	41,023	61%
49	Kentucky	184,736	114,875	62%
50	South Carolina	652,276	407,235	62%
51	Mississippi	466,450	293,369	63%
52	Puerto Rico	1,265	1,158	92%

SHARE OF RACIAL/ETHNIC GROUP EARNING LESS THAN \$15 AN HOUR



SHARES OF BLACK WORKERS EARNING LESS THAN \$15 AN HOUR



COVER: While millions of workers in the US earn less than \$15 an hour, the harsh reality is that historically marginalized populations are disproportionately represented, and are often trapped in working poverty. Women of color do more than their fair share of jobs that pay low or subminimum wages, in conditions that are often arduous and demanding.

Photo: pixdeluxe



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