Minimum Wage Hike: Report Shows Women Would Benefit More

By Anthea Mitchell

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The Obama Administration has been hitting hard on a minimum wage increase recently, and Congress has been working on legislation, however unsuccessfully, for doing the same. Now, a new government report is emphasizing how a minimum wage increase would impact women specifically, and the importance of a tipped minimum wage. It makes the point that the female labor force would be significantly more affected by a minimum wage increase as there are a disproportionate number of women in low paying jobs.

According to the report put together by the National Economic Council, Council of Economic Advisers, Domestic Policy Council, and Department of Labor, women make up 55 percent of workers who would see a wage improvement should it be increased to $10.10 per hour. On top of that, tipped jobs are made up of 74 percent women, and the tipped minimum wage is “at its lowest level since its creation in 1966, after adjusting for inflation,” notes the report. It has been sitting down at $2.13 for more than 20 years, 29 percent of the minimum wage. While employers are supposed to “top up” tipped workers who fail to make minimum wage with tips included, many do not, and it is difficult to enforce the matter.

It also discusses the gender pay gap, an old, but still very much current problem. Today, “[for] every dollar that men earn, women earn just 77 cents,” reads the report, adding that, “Estimates from the President’s Council of Economic Advisers suggest that increasing the minimum wage to $10.10 an hour and indexing it to inflation could close about 5 percent of the gender wage gap.” Of course, this doesn’t fix the root problem of payment discrepancy, but would help those working in lower paying fields to make ends meet.

The report follows President Barack Obama’s increase on the minimum wage for federal workers and his alteration of overtime payment rules for executive and leadership employees, circumventing in any way he can, the Congressional inaction in Congress. Some find this concerning, saying he is overstepping his presidential bounds, while others say that his actions will have unintended and highly negative effects on the job market. “The federal government, in particular, shouldn’t be involved in labor markets in any way, shape, or form. It shouldn’t be setting hours legislation and it shouldn't be providing union protection," said Jeffrey Miron, director of economic studies at Cato Institute, to *The Washington Post.*

"If you don't have a job, you don't qualify for overtime. So what do you get out of it? You get nothing. The president's policies are making it difficult for employers to expand employment," said House Speaker John Boehner (R-Ohio), according to *NPR*, reflecting a great deal of Republican sentiment on proposals to up the wage. Fans of the changes would argue, conversely, that greater pay leads to more spending, which drives the economy and opens the way for more job opportunities. "If you think the problem is insufficient demand, then increasing pay for workers is helpful," said Richard DeKaser, corporate economist for Wells Fargo, to *NPR*. "I would argue that that is where we are."