



Minimum Wage Workers Earn Less Money Than Welfare Recipients

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Minimum wage laws are designed to reduce poverty and provide income equality for the American workforce. However, economists vary in their opinion of what a lower wage can buy. Moreover, millions of part-time workers continue their struggle to live on a bare minimum wage earning.

On the other hand, this last August, [Fox News](#) reported close to 110 million Americans are receiving government assistance, including Medicaid, subsidized housing, food stamps, and welfare. In fact, 83 million people collected Medicaid and 51.5 million people collected and used food stamps.

Michael Tanner, from the Cato Institute, reported to *Fox News* that in some states welfare recipients receive benefits that are equivalent to a \$20 an hour salary, whereas most states pay a minimum wage of \$7.25.

Tanner explained the following to *Fox News*.

“So in many cases people could actually do better on welfare than they could in an entry level job.”

Some Americans need support and help in the form of subsidizes like food stamps and Medicaid. However, the benefits derived from welfare programs far surpass the minimum wage employees receive from their employers.

Melissa Boteach, from the Center for American Progress, offered this advice when interviewed by *Fox News*.

“I think a lot of people would do the jobs when they pay a living wage. In addition, there’s growing jobs in health care and information technology and energy. There’s a lot of places where, if able to make investments, we can really grow our economy in those sectors.”

Since July 24, 2009, the federal minimum wage for non-exempt employees was \$7.25. According to a *CBS News* and the *New York Times*, [poll](#) released in September 2014, 70 percent of Americans support increasing the minimum wage to \$10.10.

This last Tuesday, four states voted to increase minimum wages. South Dakota, Nebraska, Alaska, and Arkansas join 14 other states in hiking the minimum wage for their employees.

How many people actually make minimum wage in the United States?

The comparison between minimum wage earners and welfare recipients is surprising.

Minimum wage earners make up a small portion of the American workforce. The U.S. Bureau of Labor Statistics [reports](#) in 2013, 3.3 million workers received the federal minimum wage or lower. Individuals receiving wages lower than the federally required minimum were specific disabled workers, full-time students, or workers receiving tips.

According to [Pew Research Center](#), people at or below the federal minimum wage level are close to 77 percent Caucasian, 64 percent are part-time workers, 50 percent are between the ages of 16-24, and 24 percent are teenagers between the age of 16 to 19.

Over half of the workers are employed in the hospitality and leisure industry, with 14 percent in retail, and 8 percent in the education occupational group.

It appears that people receiving a government subsidize are likely to have more purchasing power from the money they collect from the government.

In the United States, close to 110 million people collect government subsidize, whereas, nearly 3.3 million individuals are receiving minimum wage earnings or less. In addition, statistics show welfare recipients are receiving more money than workers at [minimum wage](#).