

# Policy report calls for raise in minimum wage

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Raising the minimum wage to a living wage begins the cycle of lifting single mothers out of poverty, according to a policy report released by the Institute for Urban Policy Research & Analysis (IUPRA) at The University of Texas at Austin.

The U.S. census shows more Americans—46.2 million people—are living in poverty than ever before. And for African American and Hispanic women, a full-time minimum wage job isn't enough to break out of the poverty cycle. According to the report, working women of color make \$0.64 and \$0.56, respectively, for every dollar white men earn.

Shetal Vohra-Gupta, an IUPRA research fellow, said this disparity is concerning because female-led households with children have increased by approximately 10 percent during the past decade—and more families than ever before depend on women as primary breadwinners.

To illustrate the adverse effects of a stagnant minimum wage, the analysis points to Texas, which has the largest number of low-wage workers (\$7.25/hour) in the nation, according to the Bureau of Labor Statistics. Despite its national reputation for economic growth, Texas ranks sixth in the number of people living in poverty, and its poverty rate is growing faster than the national average, according to the 2010 U.S. census.

African American and Hispanic women are hit the hardest. Drawing from U.S. census and American Community Surveys data, the report

shows the nation's total of single-mother households increased 163 percent among Hispanics and 33 percent among African Americans during the past decade.

To rise above the poverty threshold, a single mother raising two children and working full time would need to earn \$17.50 to \$31.60 an hour, according to the Economic Policy Institute, a nonpartisan think tank for economic research. This amount, known as the living wage, is more than twice the average minimum wage in most communities.

The findings indicate that Congress should work to increase the federal minimum wage and then adjust it to inflation in order to increase purchasing power and ultimately boost the U.S. economy.

In a separate policy report, Vohra-Gupta and a team of IUPRA researchers analyzed demographic trends in the African American population in Texas since 1950. The findings show that [single mothers](#) comprise the third largest group of householders. Of the 24 percent living below the poverty level, single mothers comprise 65 percent.

The reports raise important questions about several important issues, such as racial disparities in higher education, the economic toll of a stagnant [minimum wage](#) and the cycle of [poverty](#) among African American single mothers.

Provided by University of Texas at Austin

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