

# Workers Across New Jersey Need \$15 and One Fair Wage



New Jersey



The Raise the Wage Act, which would raise the minimum wage for all workers in the United States to \$15 an hour and phase out the subminimum wage for tipped workers, would significantly reduce poverty in New Jersey.

➤ In New Jersey, the minimum wage is \$12.00 for all workers, while the subminimum wage stands at only \$4.13 for tipped workers.<sup>1,2</sup>

Although the hourly median wage in New Jersey is \$21.64, 49% of workers make far less.<sup>3</sup> About a third of the overall workforce (over 1.2 million workers) earns an hourly median wage below \$15. Those who earn less than \$15 an hour work primarily in the service industry and are essential workers.<sup>4</sup> Workers earning under \$15 comprise 58% of all workers receiving food stamp benefits in New Jersey.<sup>5</sup> The food service sector is one of the largest employers in New Jersey, and it provides some of the lowest wages in the state.<sup>6</sup>

TABLE 1: TOP 10 LARGEST OCCUPATIONS IN WEST VIRGINIA

JOB TITLE	Workforce	Median Hourly Wage
Laborers and Freight, Stock, and Material Movers, Hand	133,980	\$13.71
Retail Salespersons	125,470	\$11.97
Cashiers	80,140	\$10.91
Registered Nurses	312,960	\$40.35
Fast Food and Counter Workers	78,900	\$10.37
Customer Service Representatives	68,780	\$18.35
Janitors and Cleaners Except Maids and Housekeeping Cleaners	67,210	\$14.33
Office Clerks, General	66,760	\$16.48
Stockers and Order Fillers	65,580	\$12.79
Waiters and Waitresses	62,540	\$11.60

Source: U.S. Bureau of Labor Statistics. (May 2019). Occupational Employment Statistics - New Jersey. All Occupations and hourly median wage. [https://www.bls.gov/oes/current/oes\\_nj.htm](https://www.bls.gov/oes/current/oes_nj.htm)

TABLE 2: OTHER OCCUPATIONS UNDER \$15

JOB TITLE	Workforce	Median Hourly Wage
Home Health and Personal Care Aides	57,060	\$12.21
Maids and Housekeeping Cleaners	21,930	\$12.62
Childcare Workers	19,090	\$12.59
Substitute Teachers, Short-Term	18,130	\$13.93
Bartenders	16,570	\$13.14
Miscellaneous Assemblers and Fabricators	15,090	\$14.06
Packaging and Filling Machine Operators and Tenders	14,200	\$13.26
Food Servers, Nonrestaurant	13,840	\$11.91
Dining Room and Cafeteria Attendants and Bartender Helpers	12,340	\$10.94

Source: U.S. Bureau of Labor Statistics. (May 2019). Occupational Employment Statistics - New Jersey. All Occupations and hourly median wage. [https://www.bls.gov/oes/current/oes\\_nj.htm](https://www.bls.gov/oes/current/oes_nj.htm)



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## Most Essential Workers Lack a Living Wage to Feed Their Families

Over a third of all workers who earn under \$15 an hour in New Jersey have at least one child. In New Jersey, a single adult with just one child will need \$36.61 hourly or about \$76,000 annually to cover minimal rent, food, transportation, and other basic living costs.<sup>7</sup> However, 72% of New Jersey workers, who work predominantly in the food, health, and general service industry, still fall far below the liveable wages necessary to provide for their families.<sup>8</sup>

TABLE 5: TIPPED WORKERS DISPROPORTIONATELY REPRESENT VULNERABLE POPULATIONS

56%	Women Tipped Workers
52%	People of Color Tipped Workers
31%	Tipped Workers with Children
8%	Tipped Workers Using Food Stamps

Source: Steven Ruggles, Sarah Flood, Ronald Goeken, Josiah Grover, Erin Meyer, Jose Pacas and Matthew Sobek. IPUMS USA: Version 10.0 [dataset]. Minneapolis, MN: IPUMS, 2020. <https://doi.org/10.18128/D010.V10.0>



## New Jersey Workers Would Thrive with One Fair Wage

Currently, 9.2% of the total New Jersey population (8,882,190) lives in poverty.<sup>10</sup> Using the federal poverty line,<sup>11</sup> currently at least 555,301 New Jersey workers who are currently employed live under the poverty level. **All of these workers would be lifted out of poverty by raising the minimum wage to \$15 an hour for all workers, including tipped workers, reducing the poverty level in New Jersey to 3%, a 68% reduction in the state poverty level.**

TABLE 3: MEDIAN HOURLY WAGES (INCLUDING TIPS) IN NEW JERSEY

\$21.64	All Workers
\$12.71	All Workers Under \$15
\$12.61	All Tipped Workers

TABLE 4: ALL WORKERS WITH CHILDREN

44%	All Workers
36%	All Workers Under \$15
31%	All Tipped Workers

Source: Bureau of Labor Statistics. May 2019 Occupational Employment Statistics for Food Preparation and Serving Related Occupations. Customarily tipped restaurant positions: Bartenders, Waiters and Waitresses, Dishwashers, Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop, Cooks, Restaurant, Dining Room and Cafeteria Attendants and Bartender Helpers. Other non-restaurant tipped positions: Barbers, Hairdressers, Hair Stylists, and Cosmetologists, Baggage Porters and Bellhops, Parking Attendants, Usher, Lobby Attendants, and Ticket Takers, Accessed 02/11/2021.

Source: Steven Ruggles, Sarah Flood, Ronald Goeken, Josiah Grover, Erin Meyer, Jose Pacas and Matthew Sobek. IPUMS USA: Version 10.0 [dataset]. Minneapolis, MN: IPUMS, 2020. <https://doi.org/10.18128/D010.V10.0>



## Tipped Workers Disproportionately Represent Vulnerable Populations

The subminimum wage for tipped workers, a literal legacy of slavery, disproportionately impacts women and workers of color in New Jersey. Today, over half (56%) of tipped workers in New Jersey are women, and 52% are workers of color.<sup>9</sup> Tipped workers use food stamps at nearly twice the rate of all other workers in New Jersey.

TABLE 6: AMOUNT OF WORKERS IMPACTED BY \$15 MINIMUM WAGE

1,232,580	Workers Receiving Wage Increase <sup>12</sup>
30%	All Workers Receiving Wage Increase
555,301	Workers Lifted Out of Poverty <sup>13</sup>
68%	Reduction in State Poverty Level

Source: Steven Ruggles, Sarah Flood, Ronald Goeken, Josiah Grover, Erin Meyer, Jose Pacas and Matthew Sobek. IPUMS USA: Version 10.0 [dataset]. Minneapolis, MN: IPUMS, 2020. <https://doi.org/10.18128/D010.V10.0>

1 U.S. Department of Labor. (February 2021). State Minimum Wage Laws. Accessed 02/16/21. <https://www.dol.gov/agencies/whd/minimum-wage/state>

2 U.S. Department of Labor. (February 2021). Minimum Wage for Tipped Employees. Accessed 02/16/21. <https://www.dol.gov/agencies/whd/state/minimum-wage/tipped>

3 U.S. Bureau of Labor Statistics. (May 2019). Occupational Employment Statistics - New Jersey. All Occupations and hourly median wage. [https://www.bls.gov/oes/current/oes\\_nj.htm](https://www.bls.gov/oes/current/oes_nj.htm)

4 Ibid.

5 Calculation of population reporting food stamp reciprocity. Subpopulation of those currently employed. Retrieved from IPUMS USA: Version 10.0 [dataset]. Minneapolis, MN:

IPUMS, <https://usa.abacus.ipums.org/session?session=1~191127%2C190853~2710~191164%211.2.3.4.5~1148678~t--weighted-count>

6 See note 3

7 MIT Living Wage Calculator - New Jersey as a whole, Accessed 02/11/21, <https://livingwage.mit.edu/states/34>

8 See note 3

9 Calculation of population reporting race and ethnicity. Subpopulation of those currently employed. Retrieved from IPUMS USA: Version 10.0 [dataset]. Minneapolis, MN: IPUMS, 2020. <https://usa.abacus.ipums.org/session?session=1~191089%2C191109~2710~191127%211165088~1148706~t-weighted-count>

10 U.S. Census. (2019). Quick Facts: New Jersey. Accessed

02/11/21. <https://www.census.gov/quickfacts/fact/table/NJ/PST120219>

11 The 2019 federal poverty line is \$12,490 for a household of 1 and increases by \$4,420 for each additional household member. For a conservative estimate, we calculated the number of currently employed workers in households of 1 who earned less than \$10,000 and the number of currently employed workers in households of 2 or more who earned less than \$15,000 to produce the total number of currently employed workers who earn less than the federal poverty line. A \$15 wage would bring all of these workers above the federal poverty line for all households of 1 and 2 or more.

12 See note 3

13 See note 11