

# Federal Minimum & Subminimum Wages: Dynamics & Importance of the Two Tiered System

A Hearing on HR 1010

Richmond, California

March 31, 2014

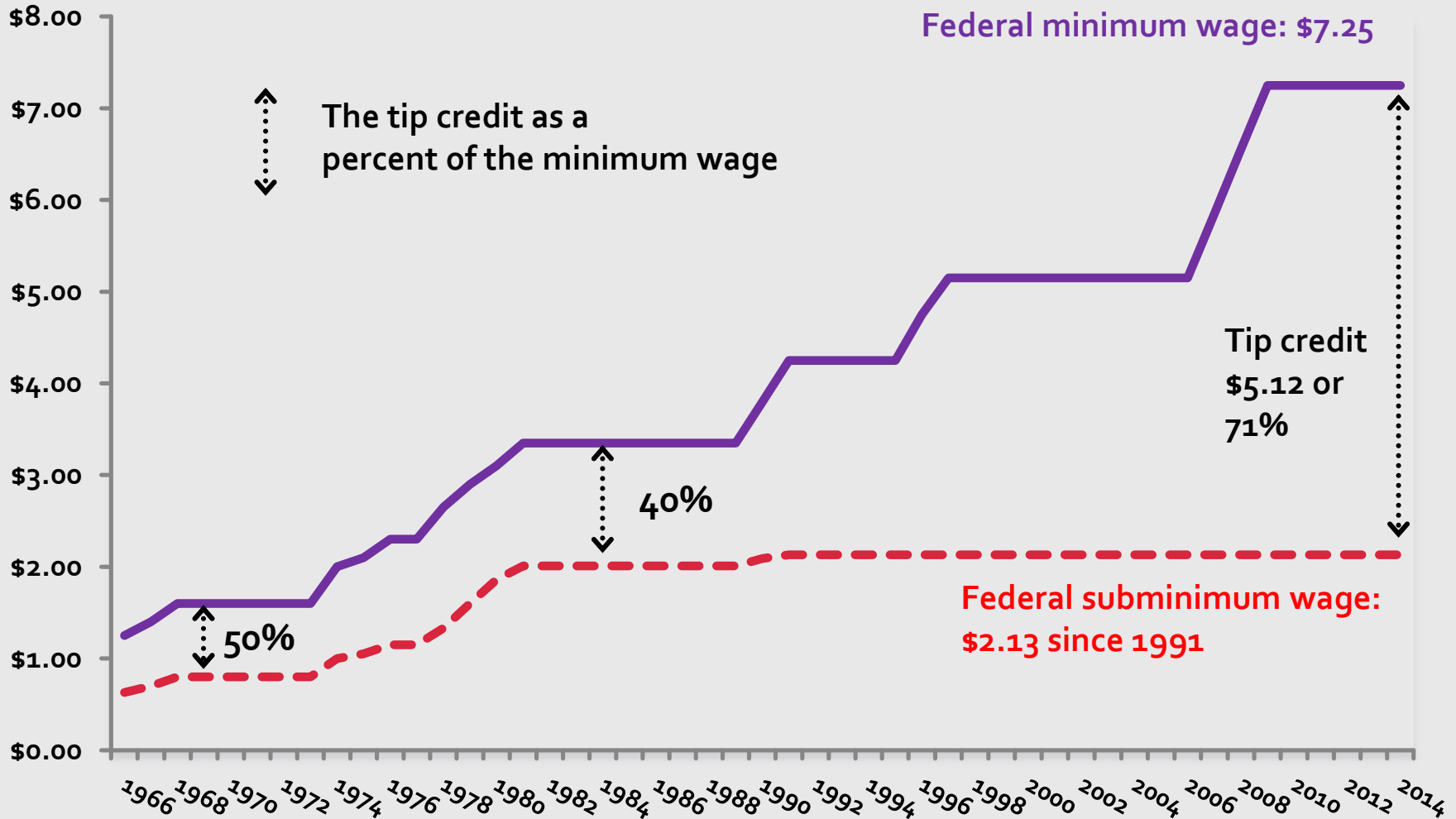
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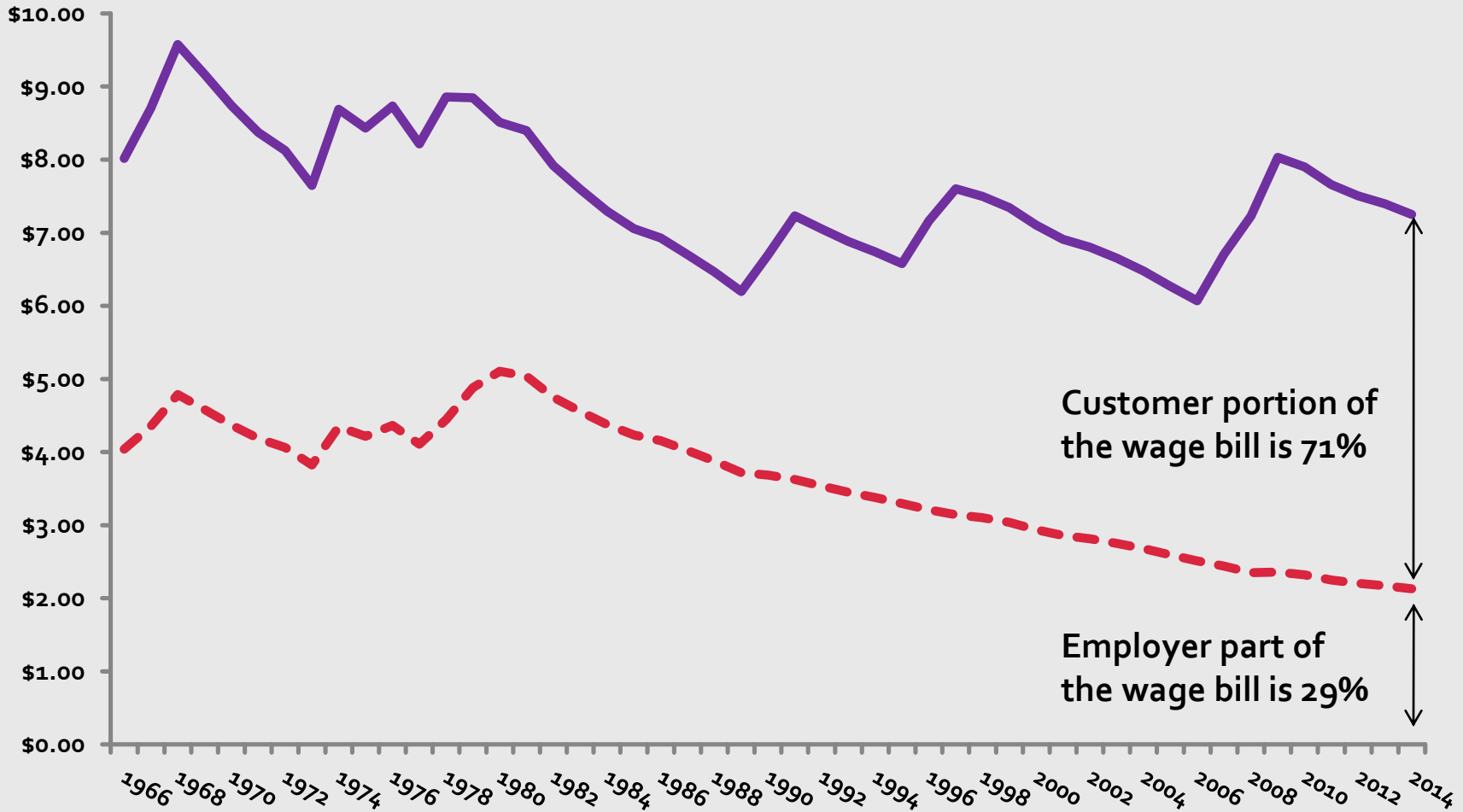
Institute for Research & Labor Employment

University of California, Berkeley

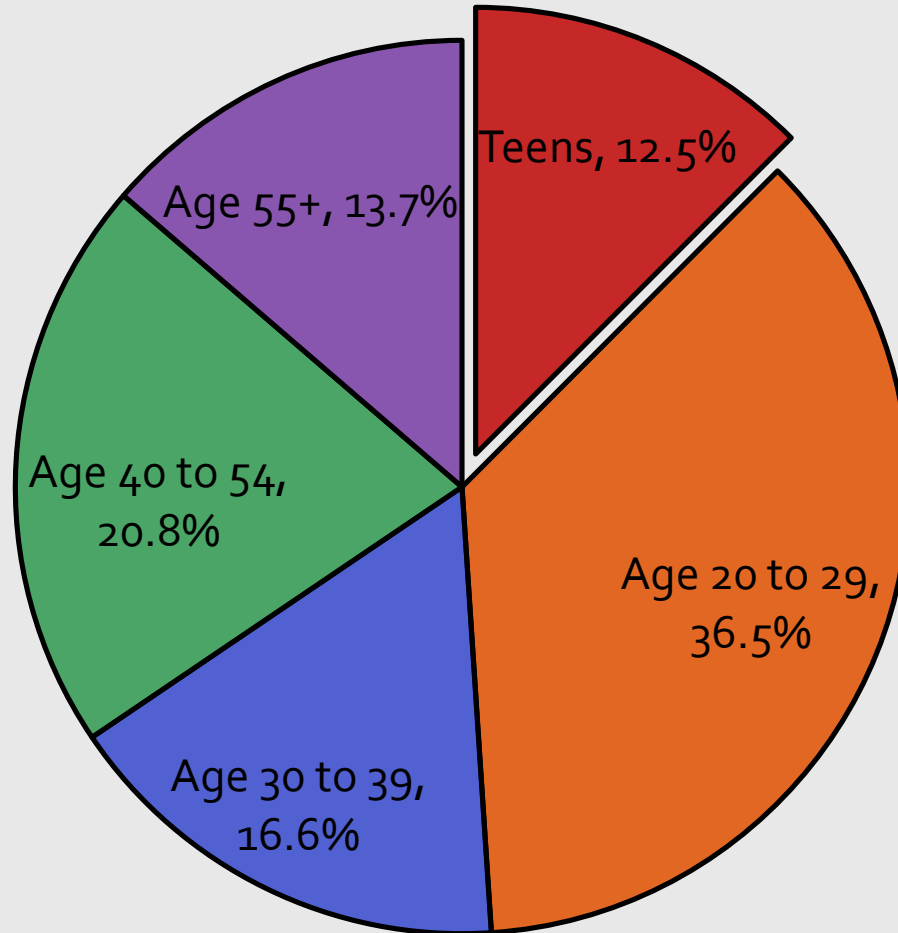
# History of the two tiered system



# Adjusted for price increases



# Myth and reality



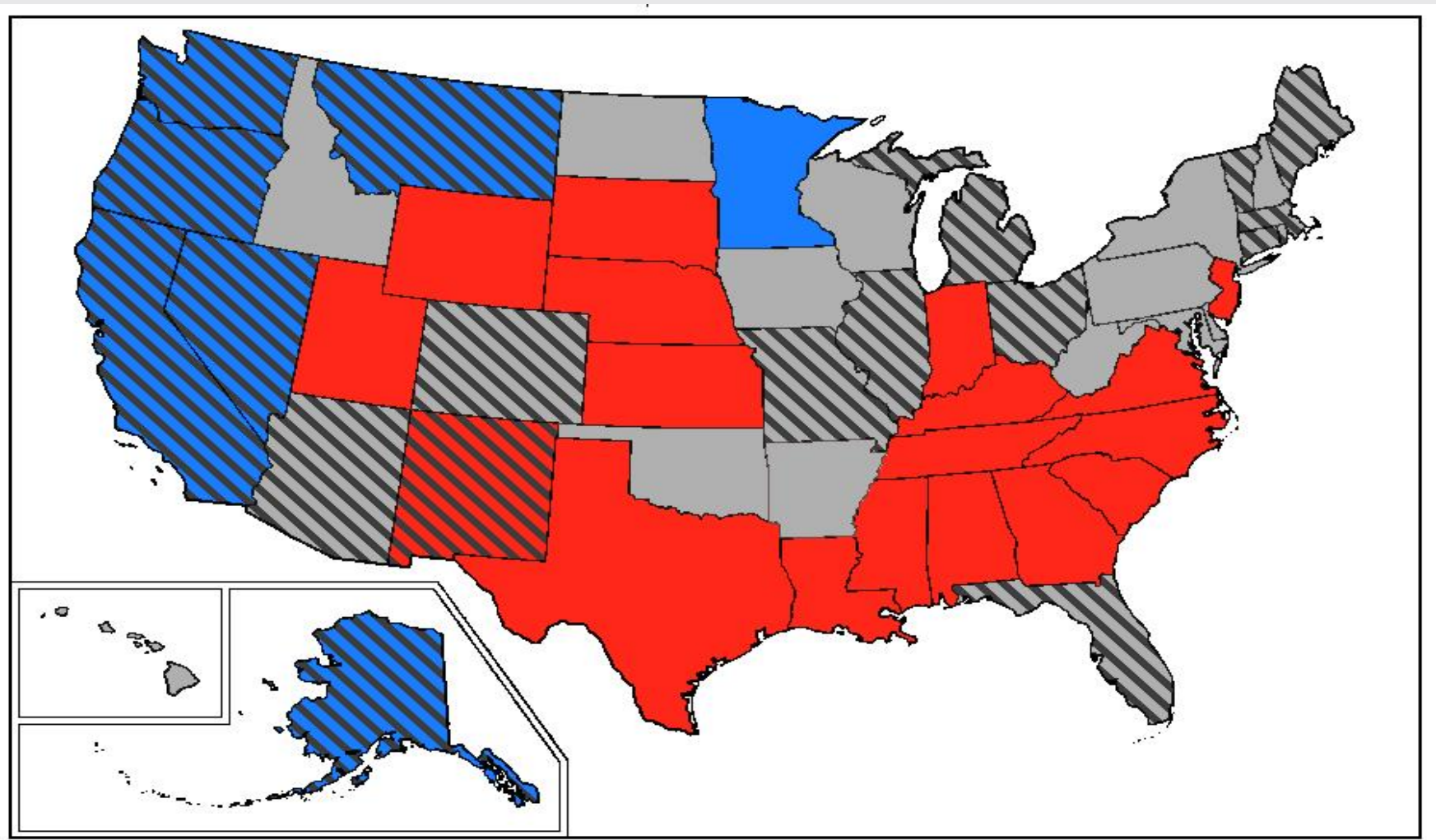
# The importance of HR1010

- Establishes a more meaningful wage floor
- Reconnects the TW to the MW
- Prevents erosion of the wage floors
- Reduces the ranks of the working poor
- Mitigates inequality
- Lessens the gender pay gap
- It is FAIR
- And, it will not cause job loss

# Extra slides

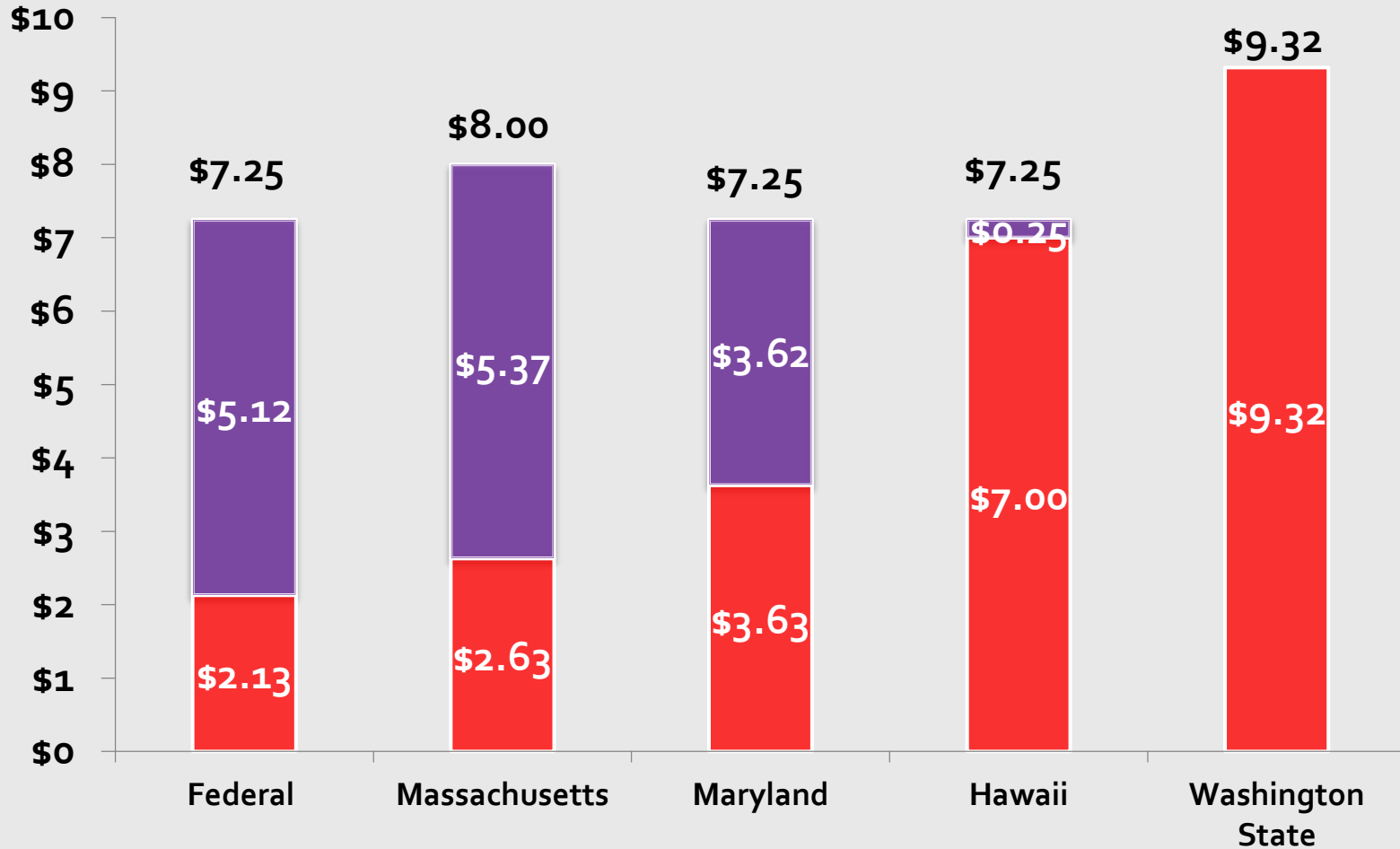
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# Three TW & two MW scenarios



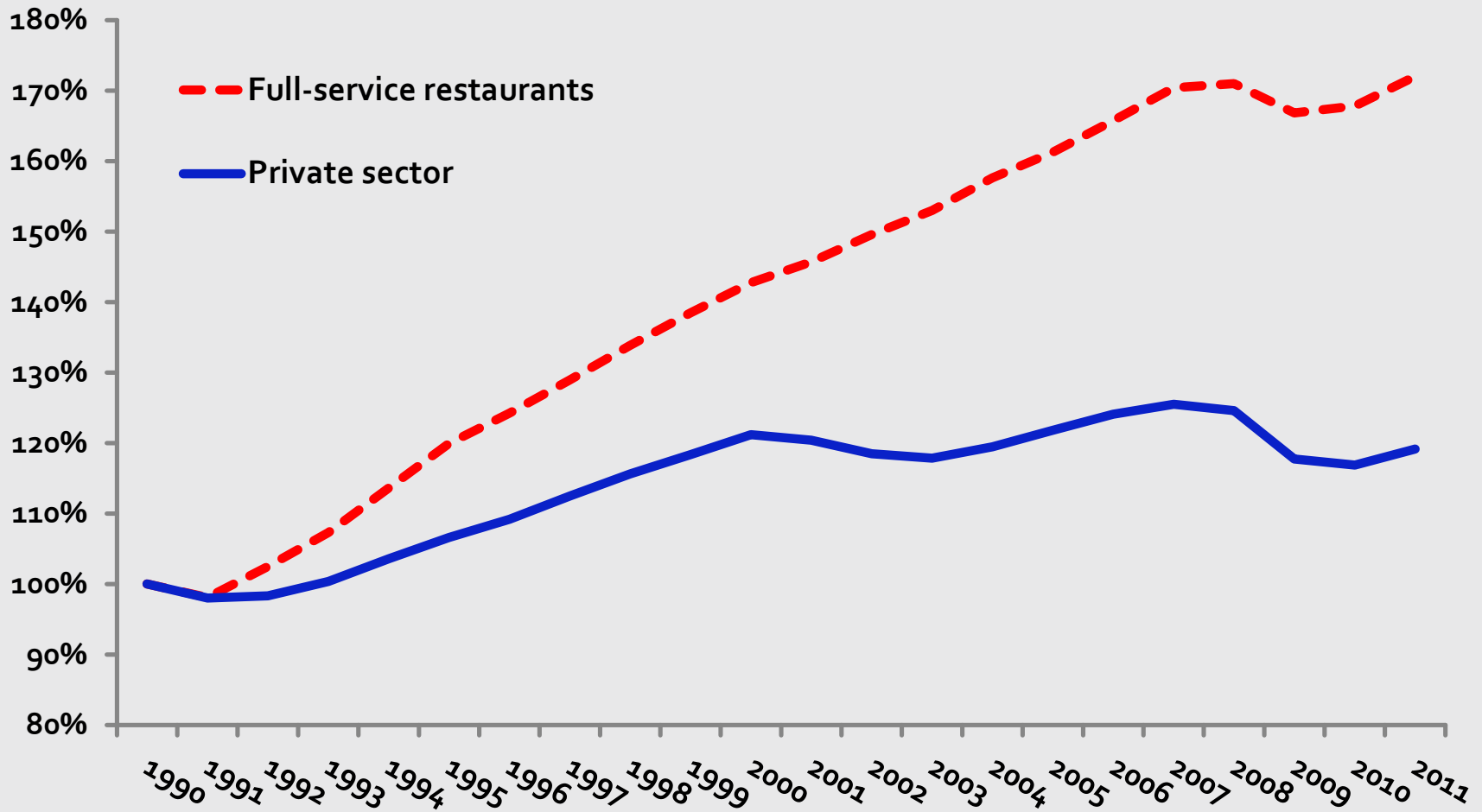
# Tip Credit = MW - TW

Tip Credit  
Tipped Wage





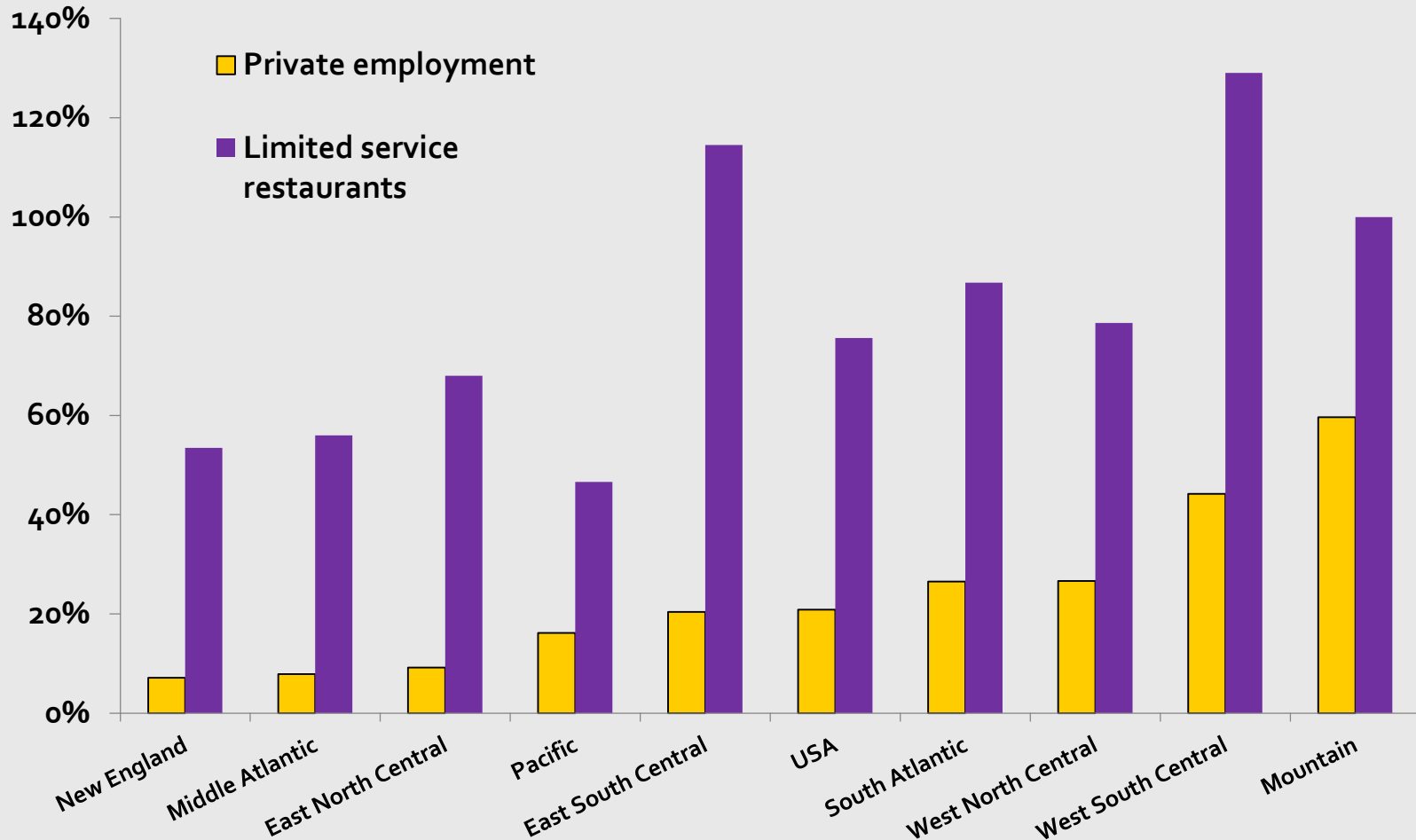
# Employment growth



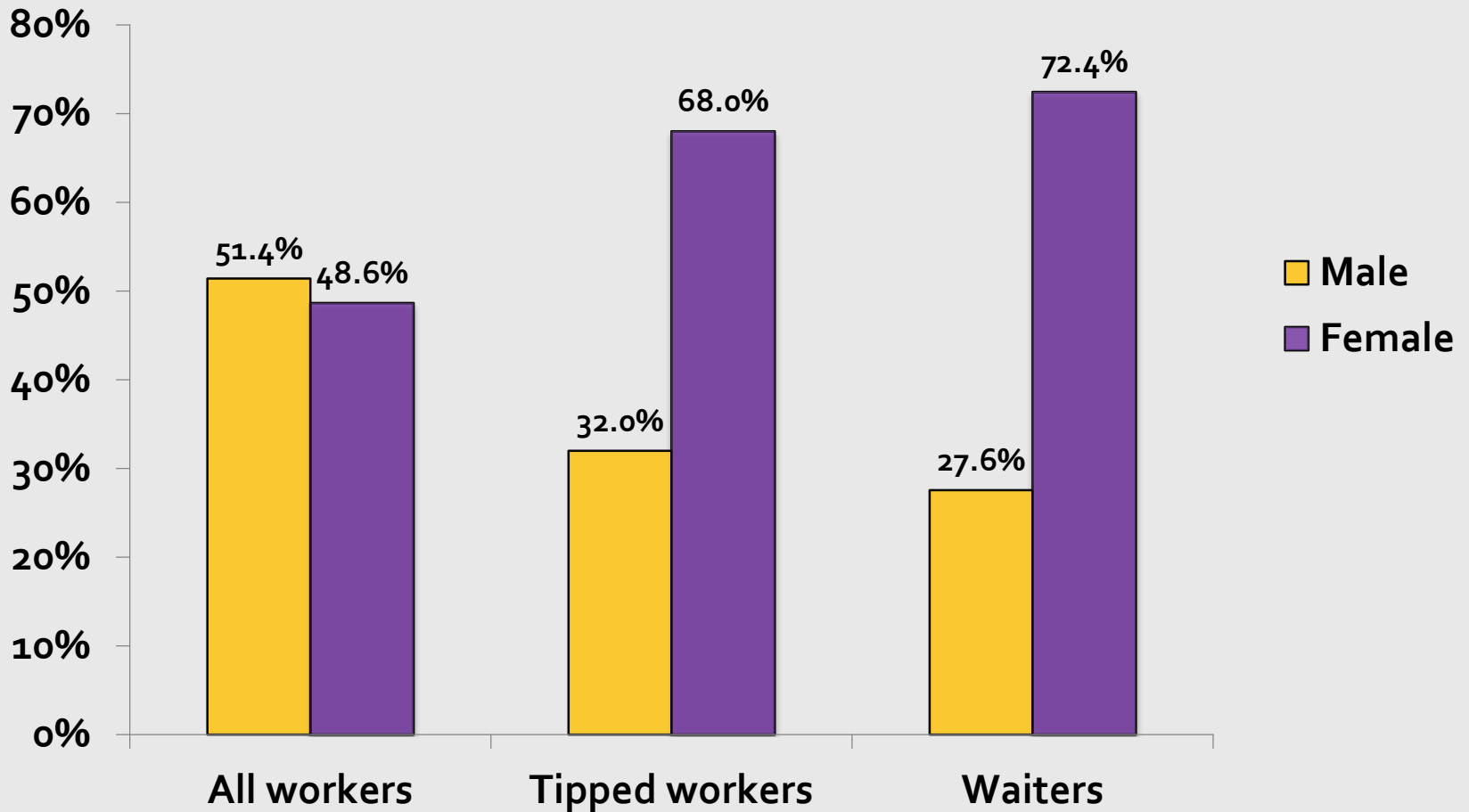
Source: BLS QCEW data.

Allegretto 2014

# Booming industry

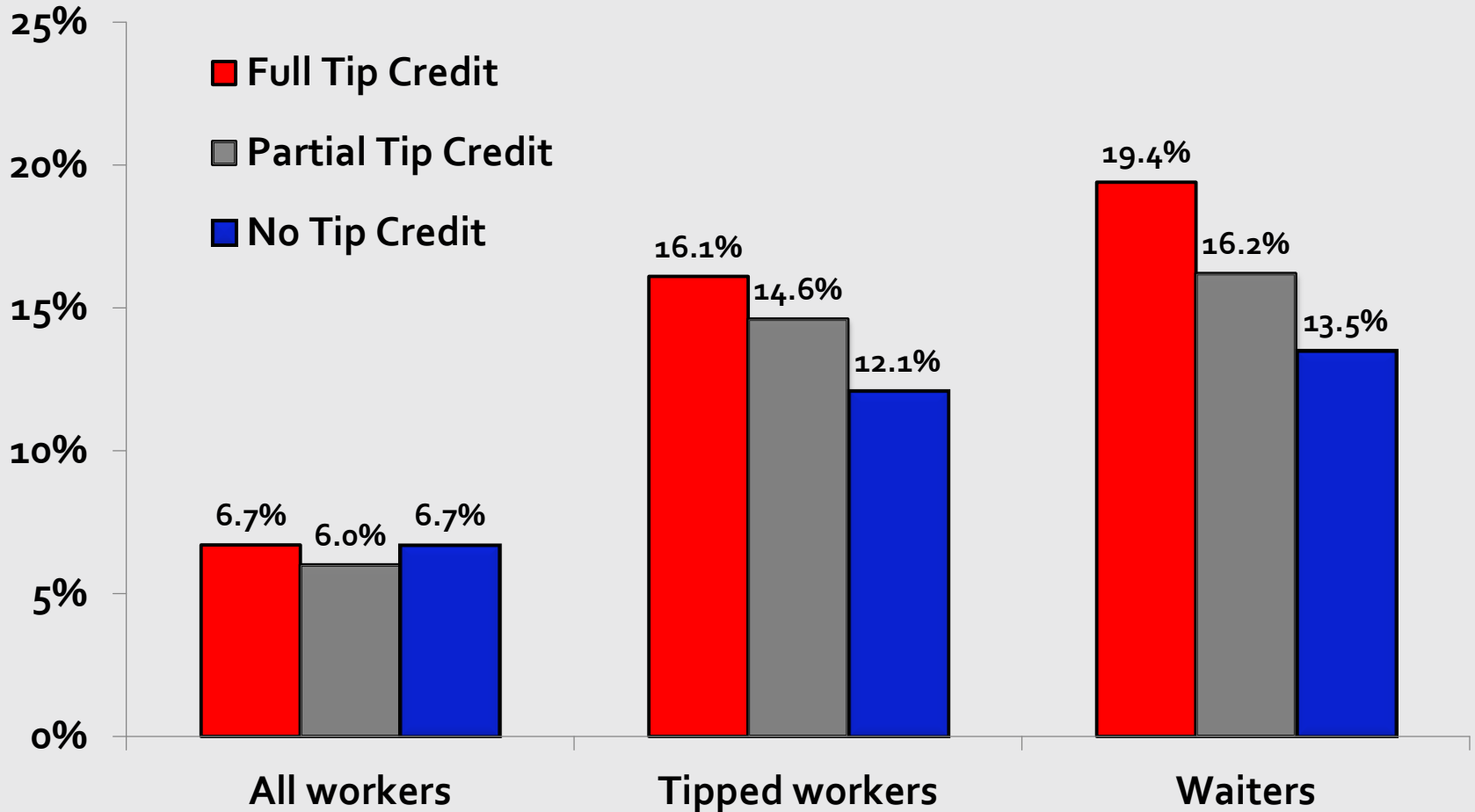


# Gender matters



Source: Allegretto & Filion, EPI 2011. BLS CPS data.

# Poverty rates



Source: Allegretto & Filion, EPI 2011. BLS March CPS data.

# Access to Benefits

