## Raise the Wage Act: Winning the Fight for $\mathbf{\$ 1 5}$ in the House

## Acknowledgements: This fact sheet summarizes research by the Economic Policy Institute and the National

 Employment Law Project.For the first time in over a decade, progressives have a real chance to pass a minimum wage through the House. H.R. 582, the Raise the Wage Act, is ready for a vote. It's time to win the Fight for $\$ 15$ on the House floor!

Working families are counting on their Members of Congress to reject any proposals to weaken the bill and deliver this important victory.

## American workers have waited too long for a raise.

- The federal minimum wage has been stuck at $\$ 7.25$ since 2009.
- A person earning the minimum wage cannot afford a 2-bedroom apartment in any county in the U.S.
- The minimum wage has not increased with economic growth or the rising cost of living. If it had kept pace with productivity since 1968, it would now be over $\$ 20$ per hour.
- The tipped minimum wage has been frozen at $\$ 2.13$ since 1996. In states with a subminimum wage for tipped workers, restaurant workers report double the rates of sexual harassment.
- Current law permits more than 1.3 million workers to be paid subminimum wages, including young people and people with disabilities, sometimes of just pennies per hour.


## The Raise the Wage Act would:

- Raise the federal minimum wage from $\$ 7.25$ to $\$ 15$ over 7 years (by 2025).
- Index the minimum wage to a median worker's wages going forward.
- End the subminimum wage for tipped workers, youth, and people with disabilities.



## When wages increase, workers win.

- 40 million workers would see an increase in wages. The typical worker who would benefit from a $\$ 15$ minimum wage is a 35 -year-old woman with some college education.
- $36 \%$ of working women of color would get a raise under a $\$ 15$ minimum wage.
- One-sixth of educators would benefit from a $\$ 15$ minimum wage; one-fifth of construction workers would see their pay go up; one-fourth of healthcare workers would benefit; and one-fifth of manufacturing workers would get a boost in wages.


## Raising the minimum wage has overwhelming support.

- The Raise the Wage Act is co-sponsored by over 200 Members of Congress.
- 29 states, DC , and 44 localities currently have minimum wages above the federal level.
- Most voters are in favor of a $\$ 15$ minimum wage. In battleground districts, support for a $\$ 15$ minimum wage is even stronger.
- Economists agree that the Raise the Wage Act would raise incomes and boost the economy.
- The Fight for $\$ 15$ and a Union has spread to hundreds of cities and become a core demand for many community organizations across the U.S.


## A federal minimum wage should be a federal minimum wage.

- The federal minimum wage sets a nationwide floor that protects lower-paid workers. Allowing regional variation would collapse that floor and start a race to the bottom.
- In the 22 times the minimum wage has been raised since 1938, Congress has always legislated a single, minimum wage.
- There is already a mechanism for regional variation. States and localities create variation by passing state and local laws to provide a minimum wage above the federal floor.
- A federal floor of $\$ 15$ an hour by 2025 (about $\$ 13$ in today's dollars) is still modest compared to historical levels. In fact, there is no county in America where $\$ 13$ an hour can ensure the economic security of a single individual with no children.
- 21 states have refused to raise the minimum wage - and in many cases have barred cities and counties from doing so. Regional variation would leave people in many of these states permanently earning poverty wages.
- Regional variation proponents may argue that rural areas or small cities cannot support a minimum wage as high as $\$ 15$, but often large companies are the main employer in these areas and have enough labor market influence to set pay standards. If pay is currently at the federal minimum, it is likely a choice by the company rather than an economic necessity.
- Unlike tax giveaways to the rich, raising the minimum wage will boost local economies because low-wage workers will use the raise to buy goods and services they need. This boost would be strongest in poorer, low-wage areas, where consumer demand is most constrained. A regional minimum wage would undercut this boosted demand in the very places that could use it most.
- Accepting regional standards would leave millions of working people behind. 13.6 million fewer people, mainly people of color and women, would see a wage increase if the leading regional minimum wage proposal was adopted.


## Raising the minimum wage is good for businesses, large and small.

- Higher wages increase productivity and result in lower turnover, which is particularly important for smaller businesses that are more sensitive to increased turnover costs.
- There is a large body of research showing that small increases in the minimum wage have little to no impact on employment.
- Studies have demonstrated that increases in the minimum wage boosted job growth for small businesses and retail.
- Polls of small business owners show strong support for raising the minimum wage: 67 percent of small business owners are in favor of raising the minimum wage to $\$ 15$.

