

# Raise the Wage Act

Senators Bernard Sanders & Patty Murray, Representatives Bobby Scott & Keith Ellison

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Most Americans have struggled with stagnant or falling wages for decades, making it harder and harder for families to make ends meet. No one in our country who works full-time should live in poverty. Raising the minimum wage to \$15 an hour by 2024 will help more families make ends meet, expand economic opportunity, and help build an economy that works for all families, not just the top one percent.

The Raise the Wage Act would raise the minimum wage to \$15 per hour by 2024 and would be indexed to the median wage growth thereafter. These increases would restore the minimum wage to 1968 levels, when the value was at its peak. The bill would also gradually increase the tipped minimum wage, which has been fixed at \$2.13 per hour since 1991, bringing it to parity with the regular minimum wage. Moreover, it would also phase out the youth minimum wage, that allows employers to pay workers under 20 years old a lower wage for the first 90 calendar days of work.<sup>i</sup> This legislation would give more than 41 million low-wage workers a raise, increasing the wages of almost 30 percent of the wage-earning workforce in the United States.<sup>ii</sup>

## Raising the minimum wage to \$15 by 2024

- **No one working in a full-time job should live in poverty.** In the year 2017, a job should lift workers out of poverty, not keep them in it. It is unacceptable that a parent working full time earning today's minimum wage of \$7.25 is living in poverty.<sup>iii</sup> At its peak in 1968, the minimum wage kept a family of three out of poverty, but not a family of four. A federal minimum wage increase to \$15 in 2024 would raise wages for the parents of 19 million children, nearly one-quarter of all children across the United States. This increase would help more than 41 million workers, 90 percent of whom are adults over the age of 20.
- **The Raise the Wage Act would phase out the outdated and unfair subminimum tipped wage.** Since 1991, the subminimum wage for tipped workers has been fixed at \$2.13 per hour. While tips are expected to supplement the subminimum wage, these tend to be unstable and seasonal, often making employees susceptible to wage theft, and further widening the gender-wage gap as more women tend to be tipped workers. Tipped workers are two times more likely to live below the federal poverty line than the general workforce, and more than 46 percent of tipped workers receive federal assistance.<sup>iv</sup> Upon enactment, the tipped-minimum wage will increase to \$4.15 an hour. The Act would raise the subminimum wage for tipped workers by at least \$1.15 a year until it reaches parity with the full minimum wage.
- **The Raise the Wage Act would maintain the value of the minimum wage by indexing it to median wage growth.** Indexing the minimum wage to median wages would ensure that low-wage workers share in broad improvements in U.S. living standards and would prevent future growth in inequality between low-and middle-wage workers. By indexing the minimum wage growth after 2024, the Raise the Wage Act will prevent any erosion in the minimum wage's inflation-adjusted value.

- **Women would disproportionately benefit from an increase in the minimum wage, helping families make ends meet.** While women make up only 48 percent of the total U.S. workforce, they are over 55 percent of the minimum wage earners who will receive a raise under this bill. Nearly 34 percent – more than one-in-three working women – would receive a raise under a federal minimum wage increase to \$15 an hour by 2024. Moreover, 32 percent of working mothers would receive a raise, as well as almost 17 percent of working fathers. In addition, almost half of all single mothers, and nearly a third of all single fathers would benefit from the Raise the Wage Act.<sup>v</sup>
- **Raising the wage to \$15 an hour by 2024 would benefit minority workers, expanding economic security to more families.** Over 50 percent of African American workers and nearly 60 percent of Latino workers make less than \$15 an hour.
- **Raising the minimum wage would help ensure our economy works for all families, not just the top one percent.** American workers have gone year after year without a real raise, and this is especially true for minimum wage workers. While, labor productivity has more than doubled since the late 1960s, pay for workers generally and for low-wage workers in particular has either stagnated or fallen since the 1970s.<sup>vi</sup> At the same time that most families have been struggling with stagnant or declining wages, income for those at the top has skyrocketed. The richest 1 percent have seen their income grow by 15 percent since 2009 and by more than 130 percent since the late 1960s.<sup>vii</sup> Raising the federal minimum wage to \$15 an hour by 2024 is a meaningful step toward reversing some of these damaging trends in communities and to the economy.
- **More money in the pockets of hard-working Americans is good for the nation's economy.** Increasing the federal minimum wage to \$15 an hour by 2024 would give workers \$144 billion in additional wages by 2024. This will ripple out to the families of these workers and their communities. Because lower-paid workers spend much of their extra earnings, this injection of wages will help stimulate the economy and spur greater business activity and job growth for all Americans.
- **The Raise the Wage Act is front loaded to provide the biggest impact to workers.** Upon enactment, the federal minimum wage would be increased from \$7.25 to \$9.25. The following increases are: \$10.10 (2018); \$11 (2019); \$12 (2020); \$13 (2012); \$13.50 (2013); \$14.20 (2023); \$15.00 (2024).
- **The Raise the Wage Act would help benefit young workers by phasing out the youth minimum wage.** Currently, the youth minimum wage allows employers to pay workers under 20 a lower wage of \$4.25 an hour for the first 90 calendar days of work. While the average minimum wage worker is 36 years old, almost 30 percent are under the age of 25.<sup>viii</sup> Youth wages will increase from \$4.25 to \$5.00 an hour. Each succeeding year will see an increase of at least \$1.05 until the youth wage equals the federal minimum wage.
- **This Act promotes economic self-sufficiency for individuals with disabilities.** One year after enacted, wages for persons with disabilities will incrementally increase two dollars every year until it catches up with the federal minimum wage: \$4.25 (2018); \$6.25 (2019); \$8.25 (2020); \$10.25 (2021); \$12.25 (2022); \$14.20 (2023); \$15.00 (2024).

Note: This factsheet is a compilation of data and analysis on the estimated number of affected workers from the Economic Policy Institute's findings, published on April 20, 2017\*.

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- <sup>i</sup> Department of Labor, “Youth Minimum Wage, Fair Labor Standards.” Wage and Hour Division, Factsheet #32. [07/2008](#)
- <sup>ii</sup> Economic Policy Institute, “Raising the minimum wage to \$15 by 2024 would lift wages for 41 million American workers,” [4/20/17](#).
- <sup>iii</sup> *Id.* [4/20/17](#)
- <sup>iv</sup> Economic Policy Institute. “Twenty-Three Years and Still Waiting for Change.” [7/14/14](#).
- <sup>v</sup> *Id.* [4/20/17](#)
- <sup>vi</sup> *Id.* [4/20/17](#)
- <sup>vii</sup> Alvaredo, Facundo, Anthony B. Atkinson, Thomas Piketty and Emmanuel Saez, The World Top Incomes Database, Accessed [4/24/15](#).
- <sup>viii</sup> *Id.* [4/20/17](#); Reports do not directly indicate a specific group of youth whom are subjected to the federal \$4.25 youth minimum wage, even considering those affected who are low-wage workers under 20 years old.