



Raise the Wage Would Increase Pay for One in Five U.S. Workers

Critics of raising the federal minimum wage imply that the benefits would be limited to the approximately 1 million U.S. workers earning \$7.25 per hour or less—presumably high school students working part-time.¹ However, projections by the Congressional Budget Office (CBO) and others tell us that lifting the wage floor to \$15 by 2025 **would benefit more than 20 times as many workers**, the vast majority of whom are adults—most working full-time.²

Raising the floor on wages to \$15 by 2025 would have far-reaching benefits. It would pull 1 million Americans out of poverty, lessen income inequality, narrow the gender wage gap and give nearly one-third of Black and one-quarter of Latino workers a raise. These indirect effects are critical to a fair discussion of the likely impact of raising the federal minimum wage.

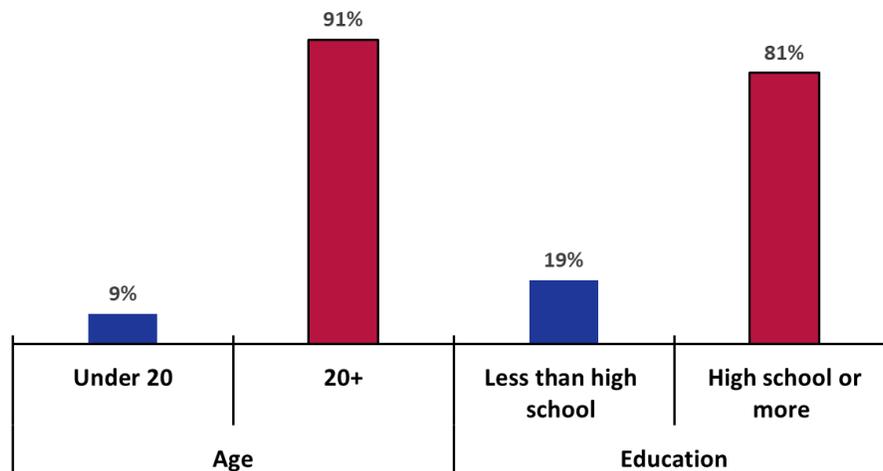
Approximately one in five U.S. workers would get a raise

Up to 32 million low-wage workers, accounting for approximately 20% of the U.S. workforce, would see an increase in wage earnings as a result of a gradual raise of the federal minimum wage to \$15 per hour by 2025.³ According to the CBO, the higher wage floor would shift income toward approximately **17 million workers** who otherwise would be below the new minimum and about **10 million low-wage workers** whose earnings otherwise would be slightly above \$15 per hour.⁴ Year-round workers who would benefit would receive an average annual pay raise of about \$3,400.⁵

The overwhelming majority of those who would benefit are adults

The vast majority (**91%**) of workers who stand to get a raise would be **adults over the age of 20**, not teenagers. An overwhelming share (**81%**) would be **high school graduates**, not high school students.

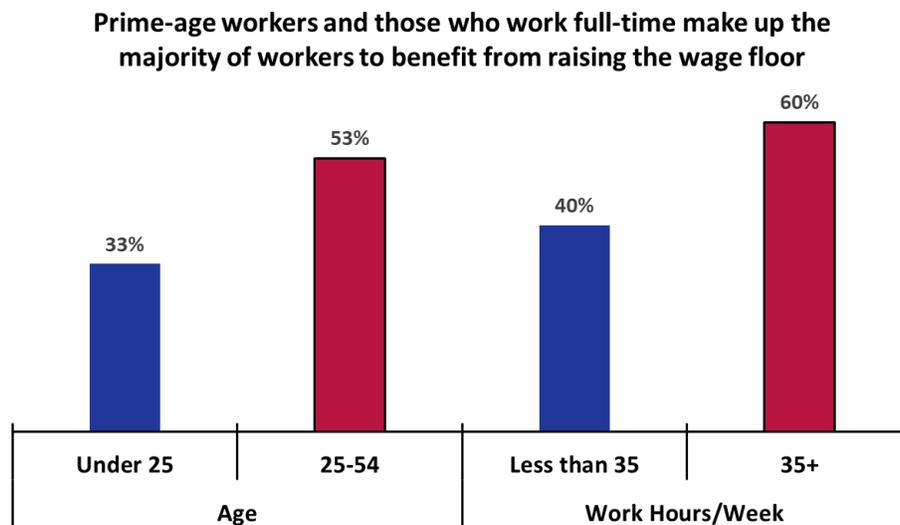
The vast majority of workers to benefit from lifting the wage floor have a high school education and are older than 20



Source: Cooper (2019)

The majority of those who would benefit are prime-age, full-time workers

More than half (53%) of workers who would benefit are adults between the ages of 25 and 54, their most productive years. About 3 in 5 of these workers work full-time (35+ hours per week).



Source: Cooper (2019)

Almost one-third of Black and one-quarter of Latino workers would get a raise

Increasing the federal minimum wage to \$15 would raise earnings for **approximately 6 million Black (31%)** and **8 million Latino (26%)** workers.⁶ Black and Latinos workers are paid 10% to 15% less than White workers with the same characteristics, and increasing the wage floor would help narrow this gap by raising the earnings of these workers.⁷

Women make up almost 60% of those who would get a raise

The median female worker earns about 80 cents for every dollar earned by her male counterpart.⁸ Lifting the wage floor to \$15 by 2025 would help narrow this gap because nearly 60% of those who would benefit are women.⁹ **Almost one-quarter** of those who would get a raise are **women of color**, who are over-represented in underpaid jobs.¹⁰

Raising the wage floor would reduce the gap between the typical worker and the lowest-paid

Fifty years ago, the minimum wage was slightly **above one-half the median wage** of all full-time workers; today, it stands at about **one-third of the median wage**.¹¹ By gradually raising the federal minimum wage to \$15 by 2025, the lowest-paid workers would recover the position they lost in 1968, making well more than half of the projected median wage.¹²

It would lift nearly 1 million Americans out of poverty

About 1 million Americans will be lifted out of poverty as a result of gradually increasing the minimum wage to \$15 per hour by 2025.¹³ **More than half (59%)** of workers whose total family income is below the poverty line will receive a pay increase if the wage floor is raised.¹⁴

Raise the Wage Would Increase Pay for One in Five U.S. Workers

¹ U.S. Bureau of Labor Statistics. “Characteristics of minimum wage workers, 2020.” February, 2021. <https://www.bls.gov/opub/reports/minimum-wage/2020/home.htm>

² U.S. Congressional Budget Office. “The Budgetary Effects of the Raise the Wage Act of 2021.” <https://www.cbo.gov/system/files/2021-02/56975-Minimum-Wage.pdf>

³ Economic Policy Institute. “Why the U.S. needs a \$15 minimum wage.” January, 2021. <https://www.epi.org/publication/why-america-needs-a-15-minimum-wage/>

⁴ U.S. Congressional Budget Office. “The Budgetary Effects of the Raise the Wage Act of 2021.” <https://www.cbo.gov/system/files/2021-02/56975-Minimum-Wage.pdf>

⁵ Zipperer, Ben and Daniel Costa. “Chump change.” *Economic Policy Institute*. <https://www.epi.org/blog/romney-cotton-minimum-wage/>

⁶ Zipperer, Ben and Daniel Costa. “Chump change.” *Economic Policy Institute*. <https://www.epi.org/blog/romney-cotton-minimum-wage/>

⁷ Economic Policy Institute. “Why the U.S. needs a \$15 minimum wage.” January, 2021. <https://www.epi.org/publication/why-america-needs-a-15-minimum-wage/>

⁸ U.S. Bureau of Labor Statistics. “Highlights of women's earnings in 2019.” December, 2020. <https://www.bls.gov/opub/reports/womens-earnings/2019/home.htm>

⁹ Economic Policy Institute. “Why the U.S. needs a \$15 minimum wage.” January, 2021. <https://www.epi.org/publication/why-america-needs-a-15-minimum-wage/>

¹⁰ Economic Policy Institute. “Why the U.S. needs a \$15 minimum wage.” January, 2021. <https://www.epi.org/publication/why-america-needs-a-15-minimum-wage/>

¹¹ U.S. Congress Joint Economic Committee. “The Shrinking Value of the Federal Minimum Wage.” February 2021. https://www.jec.senate.gov/public/_cache/files/2bb65b7d-ec49-460b-b1cc-e64142181f2a/the-shrinking-value-of-the-federal-minimum-wage-final.pdf

¹² Cooper, David. “Raising the federal minimum wage to \$15 by 2024 would lift pay for nearly 40 million workers.” February 2019. *Economic Policy Institute*. <https://www.epi.org/publication/raising-the-federal-minimum-wage-to-15-by-2024-would-lift-pay-for-nearly-40-million-workers/>.

¹³ U.S. Congressional Budget Office. “The Budgetary Effects of the Raise the Wage Act of 2021.” <https://www.cbo.gov/system/files/2021-02/56975-Minimum-Wage.pdf>

¹⁴ Economic Policy Institute. “Why the U.S. needs a \$15 minimum wage.” January, 2021. <https://www.epi.org/publication/why-america-needs-a-15-minimum-wage/>