

FACT SHEET

Raise the Wage Act of 2021

Raising the Federal Minimum Wage to \$15 an Hour by 2025 Will Give Nearly 32 Million Workers a Raise

Nobody who works 40 hours a week should live in poverty, yet millions of workers making as little as \$7.25 an hour struggle to put food on the table and keep a roof over their head. The last time Congress legislated a raise in the minimum wage was in 2007, marking the longest time in the 82 year history of the federal minimum wage that Congress has gone without passing legislation to raise it.

Millions of frontline workers have put their lives on the line to feed us, care for us, and keep us safe while making poverty wages. It is long past time we gave these struggling families and heroic workers a raise.

In the richest country in the history of the world, no one should have to lose sleep over how to feed their children, pay the rent, or afford their medication. This legislation would be a tremendous victory for working people and a step forward toward creating an economy that works for all, not just the wealthy and well-connected.

The *Raise the Wage Act of 2021* would:

- Gradually increase the federal minimum wage from \$7.25 an hour today to \$15 an hour by 2025;
- Index future increases in the federal minimum wage to median wage growth to ensure the value of the minimum wage does not erode over time;
- Gradually raise the minimum wage paid to tipped workers from \$2.13 an hour today to the full federal minimum wage to ensure consistent, livable pay;
- Guarantee teenaged workers are paid at least the full federal minimum wage by repealing the subminimum wage for young workers.
- End subminimum wage certificates for workers with disabilities and gradually raise the subminimum wage to the full federal minimum wage to provide opportunities for workers with disabilities to be competitively employed and participate more fully in their communities.

The *Raise the Wage Act of 2021* would:

Give nearly 32 million workers a raise. [Independent analysis](#) of the *Raise the Wage Act of 2021* finds that the legislation would raise wages for nearly 32 million American workers—more than 20 percent of the workforce. This would put an extra \$3,300 in the pockets of full-time workers.

Restore the purchasing power of the minimum wage. Since the minimum wage rose to its current \$7.25 an hour in 2009, it has [lost 17 percent of its purchasing power](#). Since 1968, the

minimum wage has lost more than 30 percent of its purchasing power. In fact, if the minimum wage had kept pace with productivity since 1968, it would stand at [more than \\$24 an hour](#) today.

Close racial income disparities. Currently, [nearly half](#) of all Black and Latino workers make less than \$15 an hour. Raising the minimum wage to \$15 an hour will disproportionately raise wages for historically marginalized workers and close racial income gaps in our economy.

Stimulate the economy. Today, 70 percent of Gross Domestic Product is fueled by consumer spending. The *Raise the Wage Act of 2021* will generate \$107 billion in additional wages, putting more money in the hands of working people who will stimulate the economy, helping create jobs in local communities and reducing poverty. And contrary to corporate talking points, a [2019 review](#) of 138 minimum wage increases at the federal, state, and local level since 1984 found no evidence of reduced employment.

Reduce public assistance spending. Nearly half of workers who would get a raise under the Raise the Wage Act have [at least one family member in a public assistance program](#), totaling \$107 billion annually. Raising the minimum wage would result in substantial reductions in federal assistance spending.

Appendix: Scheduled Minimum Wage Increases

YEAR	Minimum Wage	Tipped Wage	Youth Wage	14(c)
2020	\$7.25	\$2.12	\$4.25	Subminimum Wage
2021	\$9.50	\$4.95	\$6.00	\$5.00
2022	\$11.00	\$6.95	\$7.75	\$7.50
2023	\$12.50	\$8.95	\$9.50	\$10.00
2024	\$14.00	\$10.95	\$11.25	\$12.50
2025	\$15.00	\$12.95	\$13.00	\$15.00
2026	Index to median wages	\$14.95	\$14.75	Standard MW & index moving forward
2027		Standard MW & index moving forward	Standard MW & index moving forward	