

RAISE *the* WAGE

FACT SHEET

The Raise the Wage Act of 2021

Gradually increasing the federal minimum wage to \$15 by 2025

After more than a decade with no increase in the federal minimum wage – the longest period in U.S. history – there is now no place in America where a full-time worker making the federal minimum wage can afford rent, food, and other essentials.

As a result, millions of our nation’s workers – including many of our celebrated essential workers – are working full-time jobs but are still struggling to make ends meet. [One in nine](#) U.S. workers is paid wages that leave them in poverty, even when working full time and year-round.

The *Raise the Wage Act* will give millions of Americans a long-overdue raise and lift struggling workers and their families out of poverty.

The *Raise the Wage Act of 2021* would:

- Gradually raise the federal minimum wage from \$7.25 to \$15 by 2025;
- Index future increases in the federal minimum wage to median wage growth to ensure the value of minimum wage does not once again erode over time;
- Guarantee tipped workers are paid at least the full federal minimum wage by phasing out the subminimum wage for tipped workers, which will ensure decent, consistent pay without eliminating tips;
- Guarantee teen workers are paid at least the full federal minimum wage by phasing out the rarely used subminimum wage for youth workers; and
- End subminimum wage certificates for workers with disabilities 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 Americans a raise. According to forthcoming analysis by the Economic Policy Institute, gradually raising the minimum wage to \$15 would increase wages for nearly 32 million workers. Once fully phased in, this translates into an annual pay increase of about \$3,300 for the average affected year-round worker.

Reward essential workers. A majority of workers who would benefit from a \$15 minimum wage are essential and frontline workers who have demonstrated their importance to our communities and our economy throughout the pandemic. More than one-third of those working in residential or nursing care facilities would get a raise.

Lift workers out of poverty. The [Congressional Budget Office’s \(CBO\)](#) cautious report on a similar proposal estimated that gradually raising the minimum wage to \$15 would lift 1.3 million Americans out of poverty, including 600,000 children. The *Raise the Wage Act* would increase pay for roughly 6 in 10 working families whose total family income is below the poverty line.

Reduce racial and gender inequality. Raising the federal minimum wage is a powerful tool to address racial pay inequality. Under the *Raise the Wage Act*, nearly one-third of all Black workers and one-quarter of Latinos would get a raise. In addition, women comprise nearly 60 percent of workers who would see their pay increase under the bill.

Accelerate our economic recovery and build back a better economy. When we put money in the pockets of low-wage workers and their families, they will spend that money in local businesses. In fact, Congress first established the federal minimum wage in 1938 – under the shadow of the Great Depression – to support American workers and boost the economy. The *Raise the Wage Act* will help ensure that all Americans share in the economic recovery.

<i>Scheduled Minimum Wages Increases Under the Raise the Wage Act of 2021</i>				
Year	Minimum Wage	Tipped Wage	Youth Wage	14(c) Wage
Current	\$7.25	\$2.13	\$4.25	Subminimum Wages
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	Equal to Standard Minimum Wage
2027		Equal to Standard Minimum Wage	Equal to Standard Minimum Wage	