

The Raise the Wage Act of 2019

This week, the House will vote on the Raise the Wage Act, legislation that will gradually increase the federal minimum wage for the first time in ten years. Since the minimum wage was first established, this has been the longest period of time without Congressional action to increase it. This legislation is a responsible approach to restoring the value of the wage. It will give up to 33 million Americans a pay raise, lift millions out of poverty, and stimulate economic growth.

ABOUT THE RAISE THE WAGE ACT

The last minimum wage increase was enacted into law in 2007 and began to take effect in 2009. Since then, low-wage workers have been left behind. While many states have taken action to raise the minimum wage above the federal level, 56 million workers in 21 states are stuck at the federal minimum wage of \$7.25 per hour, [according to EPI](#). The minimum wage workers in those states have effectively suffered a [17 percent pay cut](#) because of inflation over the last decade.

The Raise the Wage Act would gradually increase the federal minimum wage from \$7.25 per hour to \$15 per hour by 2025, which would raise wages and dramatically improve the quality of living for millions of American workers. The legislation also ensures that all workers earn at least the federal minimum wage by phasing out over time the subminimum wage for tipped workers, youth workers, and Americans with disabilities.

RAISING THE MINIMUM WAGE IS GOOD FOR WORKERS

The Raise the Wage Act:

- Gives up to 33 million workers a raise, [according to CBO](#);
- Directly benefits the low- and middle-income workers who were disadvantaged by the GOP Tax Law that only benefited the rich;
- Ensures that tipped workers will benefit from one fair wage, in addition to tips;
- Eliminates the subminimum wage for young workers, which allows employers to pay employees under 20 an hourly wage of \$4.25 for the first 90 calendar days of their employment; and
- Changes the law to ensure workers with disabilities benefit from the minimum wage, rather than allowing employers and organizations to apply for special certificates to pay individuals with disabilities less than the minimum wage and less than the prevailing wage.

RAISING THE MINIMUM WAGE IS GOOD FOR FAMILIES

- According to CBO, the Raise the Wage Act will lift [1.3 million](#) of American out of poverty, including 600,000 children.
- Also according to CBO, this bill will provide over [23 million women](#) – many of whom are the primary breadwinners in their households – with a raise.

RAISING THE MINIMUM WAGE IS GOOD FOR BUSINESSES & THE ECONOMY

- Raising the minimum wage will put money back in the pockets of workers, generating a collective [\\$118 billion](#) in additional income that workers will then invest back into their communities. *[EPI, 2/5/19]*
- Gradually increasing the minimum wage over six years will give businesses time to plan and make any needed adjustments.
- With a higher minimum wage deterring absenteeism, employers may benefit from reductions in worker turnover.