#### Economic Policy Institute





# Raising the Minimum Wage: A Key Strategy to End Hunger in America

It is time for our country to act by raising the minimum wage and support the Raise the Wage Act of 2019.

Americans aspire to jobs with family-supporting wages and benefits, but the economy is not delivering enough to workers and families. More than 10 million working people have incomes below the poverty line. Millions more workers struggle to meet their basic needs, including their ability to put food on the table. For decades now, growth in the economy has been uneven, fueling an erosion of workers' incomes and job benefits. Stagnant wages for the bottom half of the population and economic growth predominantly concentrated at the top of the income scale are one reason why 40 million households struggle with hunger.

Hunger and adequate wages are inextricably linked. When people do not earn enough to cover basic needs, families must choose between paying for food, rent, transportation, or medical care. Cutting back on food is often the first line of defense against insufficient incomes.

Restoring the value of the minimum wage — and helping families cover basic needs — is essential to addressing hunger. The federal minimum wage of \$7.25 an hour has not increased since 2009. A more adequate minimum wage would foster the nation's economic strength and growth to be shared in more equitable ways. Low-income workers and their families would benefit the most from a higher minimum wage, leading to reduced poverty, hunger, and income inequality.

## An Overview of the Raise the Wage Act

The Raise the Wage Act of 2019 would gradually raise the federal minimum wage to \$15 an hour by 2024.

Raise the federal minimum wage to \$8.55 an hour in 2019, and increase it over the next five years until it reaches \$15 an hour in 2024.

- After 2024, adjust the minimum wage each year to keep pace with growth in the typical worker's wages.
- Sunset the much-criticized subminimum wages for workers with disabilities employed in sheltered workshops and for workers under age 20.

### The Benefits of the Raise the Wage Act

Based on the Economic Policy Institute's 2017 analysis, the Raise the Wage Act would have the following benefits:

- lift pay for 40 million workers nearly 26.6 percent of the U.S. workforce;
- reverse decades of growing pay inequality between the lowest-paid workers and the middle class;
- generate \$120 billion in higher wages for workers that would benefit their households and their communities;
- stimulate the economy, and spur greater business activity and job growth;
- increase pay for manufacturing workers, construction workers, preschool teachers, nursing assistants, and more: and
- significantly benefit workers of color and help to close the gender wage gap.

#### **Call to Policymakers**

Support the Raise the Wage Act of 2019: This Act was introduced by Senators Bernie Sanders (VT) and Patty Murray (WA); and Representatives Robert C. "Bobby" Scott (VA), Mark Pocan (WI), and Stephanie Murphy (FL). The time is now to invest in low-income wage earners. The potential benefits of a \$15 minimum wage far exceed the potential costs. Higher wages mean more food on the table, lower health care costs, and a better economy for communities and the nation.