

WHO IN PA BENEFITS FROM AN INCREASE IN THE MINIMUM WAGE TO \$15 PER HOUR?

Governor Wolf is calling on the General Assembly to raise the minimum wage to \$12 in July 2021, followed by 50-cent yearly increases until July 2027 when the minimum wage would be \$15 per hour. Here is who will benefit. A federal proposal to increase the minimum wage to \$15 per hour by 2025 would benefit 8% more Pennsylvanians.

HOW MANY? More than 1.6 million workers in Pennsylvania would benefit from a \$15 per hour minimum wage in 2027—that's 27.5% of Pennsylvania's workforce. (Approximately 1.1 million workers would be directly affected because they earn less than \$15; over 511,000 workers earning within 115% of the proposed \$15 wage would be indirectly affected because pay scales are expected to be adjusted upwards.)

HOW MUCH? On average, each affected worker would see a \$3,800 increase in income for year-round, full-time work. (The initial step to \$12 would increase the average affected worker's year-round, full-time income by \$3,100 per year.)

WHO? More than 82% of workers who would be affected by a \$15 minimum wage in 2027 are over 20 years old. More than half of all Pennsylvania workers who would receive a raise have a family income that is less than \$49,999, and almost 20% of people who would benefit, are in households earning below the poverty line. Forty percent of all single parents in Pennsylvania would see a raise under the proposal. (Of all workers who would benefit, 32.3% are 40 years or older.)

This wage increase would help to stabilize the lives of individuals and families who are reeling from economic impacts caused by the pandemic. **Most of the workers who benefit are employed in service industries that have been severely impacted by the pandemic, such as restaurants and retail trade.** In addition, 27% of all Pennsylvania health care workers would see an increase in income. (Of restaurant workers, 81% would benefit, as would 50% of all retail trade workers.)

Black, Hispanic, and female workers have been hit especially hard during the COVID-19 pandemic as they are overrepresented in frontline industries and that lost business because of the virus. **Under this proposal, 40% of all Black workers and 48% of all Hispanic workers in Pennsylvania would see an increase. Women make up 61% of all workers who would benefit.**

WHEN & WHY? The time to raise the minimum wage is now. **The minimum wage was established in 1938, partly to give workers' more buying power and lift us out of the Great Depression.** COVID-19 has sent shockwaves through our economy and undermined our well-being. **Raising the minimum wage would be a massive and much-needed economic stimulus that would directly benefit many of the most vulnerable workers in Pennsylvania while restoring our economy to health.**

Source: Keystone Research Center analysis based on estimates from the Economic Policy Institute Minimum Wage Simulation Model using data from the Census Bureau, Bureau of Labor Statistics, and Congressional Budget Office.



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