



POLICY BRIEF

# RAISE THE MINIMUM WAGE AND VALUE WORKING PEOPLE

## THE PROBLEM

All working people should be able to support themselves and their families. But far too often, employers do not provide the wages, hours, or benefits that people need to achieve economic security and stability. Millions of workers—**mostly women, and disproportionately women of color**—struggle to support themselves and their families on poverty-level wages. Women’s overrepresentation in low-paid and tipped jobs is one factor driving the persistent gender wage gap: overall, **women working full time, year-round typically are paid just 83 cents for every dollar paid** to their male counterparts—and this gap is wider for many women of color compared to white, non-Hispanic men. **LGBTQI+ workers** and **people with disabilities** also face substantial wage gaps relative to other workers.

Congress has not raised the federal minimum wage in well over a decade. **Thirty states and the District of Columbia currently have minimum wages above the federal level of \$7.25 per hour**—but in far too many states, the minimum wage still leaves workers near or below the poverty level, even when they work full time. And wages are even lower for many **tipped workers**, who are predominantly women, and disproportionately women of color. In all but seven states, employers can count a portion of tips toward wages (known as a “tip credit”) and pay their tipped employees a minimum cash wage that is lower than the regular minimum wage. This tipped minimum cash wage has been just \$2.13 an hour at the federal level for more than 30 years, and in most states, **employers can still pay tipped workers less than \$5 per hour**, forcing the many women and **LGBTQI+ people** in these jobs to rely on variable tips for virtually all of their income—and putting them at a particularly high risk of both **economic insecurity** and **sex harassment**. In addition, most states allow employers to pay a subminimum wage—**often just a few dollars per hour**—to people with disabilities working in

segregated environments known as “sheltered workplaces,” which both reflects and reinforces harmful stereotypes and undermines disabled workers’ economic security.

## THE SOLUTION

According to the Economic Policy Institute, a single worker without children needs at least [\\$17 an hour to meet basic needs](#), and workers in costlier areas and those supporting families need more. The federal [Raise the Wage Act](#) bill would raise the nationwide minimum wage to \$17 per hour over five years, and many states should view \$17 per hour as a starting point; in other states, an even higher level will be an appropriate goal.

- **Gradually raise the state minimum wage** to at least \$17 per hour—ideally more—phased in over several years.
- **Raise the minimum cash wage** for tipped workers until it matches the regular minimum wage, so that all working people are paid at least this regular minimum wage before tips, also known as “One Fair Wage.”
- **Include all other working people who are currently excluded** from the regular minimum wage (e.g., people with disabilities, young workers, farm workers, domestic workers).
- **Index the minimum wage to rise annually** based on increases in median wages or the cost of living.

## TALKING POINTS ON THE SOLUTION

- **All working people—regardless of race, class, or gender**—want jobs that allow them to support their families and live with dignity. Everyone deserves a fair wage for a day’s work.
- **Raising the minimum wage is an important tool to narrow race and gender wage gaps.** Because women—particularly [Black women](#), [Indigenous women](#), and [Latinas](#)—often are concentrated in low-paid jobs, where their work is undervalued, they [benefit the most when the minimum wage goes up](#).
- **By ensuring that a higher minimum wage applies to tipped workers**, people with disabilities, young workers, domestic workers, agricultural workers, and anyone else who has been excluded from this basic labor protection, states can work to diminish, rather than entrench, inequities.
- **In One Fair Wage states, where employers are required to pay tipped workers the regular minimum wage before tips**, [women in tipped jobs experience far lower poverty rates](#) than their counterparts in states with a \$2.13 tipped minimum cash wage.
- **One Fair Wage can benefit businesses, too:** From January 2021 to May 2023, One Fair Wage states saw [53% growth](#) in the leisure and hospitality industry, compared with just 19% growth in states with lower wages for tipped workers.
- **Decades of research studying the impact of state and local minimum wage increases** shows that these measures consistently [boost incomes](#) for workers and their families [without costing jobs](#).
- **Raising the minimum wage also benefits employers**, since it can not only boost consumer demand but also [reduce employee turnover](#), [increase productivity](#), and [improve customer service](#). In a 2024 poll, [61% of small business owners supported raising the minimum wage in their state](#).
- **Increased public investments can ensure that low-paid child care workers and direct care workers such as home health aides and nursing assistants in nursing homes**—who are overwhelmingly women, disproportionately Black women and Latinas—fully benefit from minimum wage increases, without increasing costs for the families they serve.

## PUBLIC POPULARITY

- In **2023 polling**, most voters (76%) support raising the minimum wage to \$17 per hour, and a similar share (74%) support a \$20 minimum wage.
- In **2024 polling**, a large share of voters (73%)—across races, genders, and political affiliations—support requiring employers to pay all employees, including tipped workers, at least the federal minimum wage (before tips).

## STATES THAT HAVE PASSED THESE POLICIES

- Legislatures in 11 states—California, Connecticut, Delaware, Hawai'i, Illinois, Maryland, Massachusetts, New Jersey, New York, Rhode Island, and Virginia—and the District of Columbia have all enacted laws to **raise the minimum wage to \$15 per hour, or even higher**; D.C.'s minimum wage is currently \$17.50 per hour, for example, and Hawai'i's will reach \$18 by 2026. The minimum wage in Washington is currently \$16.28 per hour due to automatic increases based on inflation, and in several additional states with similar indexing mechanisms (such as Arizona, Colorado, Maine, Oregon), the minimum wage is currently above \$14 per hour and will continue to rise.
- In 2022, **voters in Nebraska approved a ballot initiative** to increase the minimum wage to \$15 per hour by 2026, as did **voters in Florida in 2020**.
- **Seven states** have One Fair Wage policies: Alaska, California, Minnesota, Montana, Nevada, Oregon, and Washington. **Michigan** will begin phasing in a minimum wage increase, including a One Fair Wage policy, in February 2025.
- **Flagstaff**, Arizona, Washington, D.C., and **Chicago** are all currently phasing in One Fair Wage policies. Washington, D.C.'s policy was enacted through a ballot initiative approved by **74% of voters**.
- Voters in **Alaska**, **California**, and **Missouri** will consider minimum wage increases on the ballot in November 2024; in **Massachusetts**, they will consider adopting one fair wage for tipped workers. No minimum wage increase has failed on a state ballot **since 1996**.



Members of the DC Fair Price Fair Wage Coalition hold a rally to demand that the DC Council protect wage increases for tipped workers.