

# Pay Workers a Living Wage Act

Senator Bernard Sanders (I-VT), Rep. Keith Ellison (D-MN), and Rep. Raul Grijalva (D-AZ)

The Pay Workers a Living Wage Act phases in a \$15 minimum wage by 2020 over 5 steps, increasing to \$9 in 2016, \$10.50 in 2017, \$12.00 in 2018, \$13.50 in 2019, and \$15 in 2020. After 2020, the minimum wage will be indexed to the median hourly wage. The tipped minimum wage will be gradually eliminated.

- No one working full time should be in poverty. It is time to pay workers a living wage of at least \$15 an hour.
- Around 53 million U.S. workers make less than \$15 per hour, including more than 50% of African-American workers and close to 60% of Latino workers. About half (46%) of workers making less than \$15 per hour are age 35 or older.
- American workers are among the most productive in the world, but in most industries the share of revenues going to wages has dropped, while the share going to profits has soared. If the minimum wage had been raised since 1968 at the same rate as inflation and productivity -- i.e., the rate at which the average worker produces income for the employer -- it would be more than \$26 per hour.
- Studies have found that if the minimum wage workers saw the same massive increases in income that the richest 1% have had since the 1970s, the lowest-paid worker in America today would be making over \$28 an hour.
- Seattle, San Francisco, and Los Angeles have already raised their minimum wage to \$15. Similar increases are being considered in other cities and states across the country, including: Washington, DC; Sacramento, CA; Olympia, WA; Kansas City, MO; Delaware; and Massachusetts.
- A national poll released in January 2015 showed that 63% of Americans -- representing all demographics -- support raising the federal minimum wage to \$15 per hour.
- The National Employment Law Project (NELP) conducted an extensive review of research and studies related to the impact of a \$15 minimum wage. The results showed no negative impact on employment levels or job growth, but a \$15 wage would have a substantially positive impact on the local economy, as increased earnings result in boosts to consumer spending, and as businesses benefit from reduced employee turnover and increased productivity and customer satisfaction.
- Specific to the fast food industry, which employs 47% of all minimum wage workers, a University of Massachusetts-Amherst study concluded that an increase to a \$15 minimum wage could be fully absorbed by the employers without resorting to cuts in employment levels, lowering the average profit rate, or reallocating funds from other areas of operation.
- U.S. taxpayers are bearing the costs for those employers that are not paying their employees a living wage. Minimum wage workers are enrolled in public assistance programs at more than twice the rate of the overall workforce. More than half of all fast food workers receive public assistance, which cost taxpayers \$7 billion in 2013, according to researchers at UC Berkeley's Labor Center.
- In January 2014, the community of SeaTac, Washington increased their minimum wage to \$15. Since then, the unemployment rate in SeaTac has dropped from 6.3% in January 2014 to 4.6% in April 2015. Before the increase, local employers warned that there would be lay-offs and shutdowns as a result; however, many of these same local business owners have instead seen significant growth and expansion since the minimum wage was increased.