

A \$15 Minimum Wage Is Good For Pennsylvania's Economy and Families

When a significant number of jobs don't pay enough for our neighbors to afford the basics – things like food, car repairs and eyeglasses – it hurts the local economy. For many people in our community, wages are so low that they don't even cover rent and the cost of getting around, forcing working people to rely on the local food bank to help make ends meet. Raising the wage floor can help restore spending on the basics and, in the process, boost the local economy.

Today, in the Pennsylvania Legislature, Senate Bill 12 and House Bill 1215 propose raising the minimum wage to \$15 per hour by 2025. This proposal would boost the wages of 2 million, or 33.7%, of the state's resident workforce. In total, wages in Pennsylvania would increase by \$9.5 Billion.

The majority of workers in the state who would get a raise as a result of a statewide minimum wage increase are adults (89%) working full-time (55%). On average, the workers that would benefit from a minimum wage increase almost half of their family's income.

Twenty-nine states including ALL of our neighboring states have already raised the minimum wage. In our neighboring states that have raised the minimum wage both wage and job growth has been stronger in industries most affected by a minimum wage increase. Raising the minimum wage is a road tested strategy that works as intended making it easier for workers to afford the basics and in the process boosting consumer spending which is good for the broader economy.

A majority (56%) of people support raising the minimum wage to \$15 while establishing one fair wage for the mostly women that currently earn a tipped minimum wage of \$2.83. Yet it has been more than a decade since the legislature took action to raise the wage. Increasing the minimum wage is long overdue, and raising it to \$15 per hour would provide a meaningful boost in family incomes in the region and help make sure the growth of Pennsylvania's economy is broadly shared.

Who Benefits From A \$15 Minimum Wage?

61% are women

27% are people of color

89% are adults

37% are age 40 and older

24% are parents

55% work full time

On average the workers affected earn 49% of their family's income

41% have some college or more

On average the teenagers affected earn 21% of their family's income

Source: Keystone Research Center based on data from the Economic Policy Institute Minimum Wage Simulation Model. Dollar values adjusted by projections for CPI-U in CBO 2018.

Modernizing Pennsylvania's Minimum Wage

WE NEED ONE FAIR WAGE

In Pennsylvania, employers of workers that customarily receive tips are only required to pay their tipped workers a base wage of \$2.83 per hour, provided their workers' weekly income from tips plus their base pay at \$2.83 brings their hourly rate to \$7.25. Even after factoring in tips, tipped workers in states like Pennsylvania earn 11% less than tipped workers in states like Minnesota, Montana, Alaska, Hawaii, Washington, Oregon and California where there is one fair wage for all workers.

Some corporate lobbyists also advocate for a lower minimum wage for teens. For many families, employment by a teen in the family is an important means of making ends meet. In Pennsylvania teens currently earn an average of 23% of their family's income. Denying these families a raise, while giving businesses an incentive to discriminate by age in hiring, is a bad idea.

WE NEED LOCAL CONTROL

The cost of living varies from community to community in Pennsylvania, so it is important when establishing a statewide minimum wage to give local communities the option to establish a higher local minimum wage to better reflect a higher local cost of living.

WE NEED TO STOP WAGE THEFT

One in 10 minimum-wage-eligible workers in Pennsylvania has been the victim of wage theft by their employer. Pennsylvania needs more cops on the beat and larger penalties for employers who willfully violate the law by not paying workers what they are owed.

WE NEED TO ACCOUNT FOR CHANGES IN THE COST OF LIVING

Eighteen states, including New York, New Jersey, Ohio, and the District of Columbia, adjust the minimum wage annually to better reflect changes in the cost of living. Once the minimum wage reaches \$15 per hour, making a small annual adjustment, typically adding about 36 cents depending on rate of growth in median wages, to the minimum wage would stop politicians from using family budgets as a bargaining chip in the political games that dominate decision making in the General Assembly.