

To: Members of Congress
Date: February 16, 2021

Raising the federal minimum wage to \$15 an hour and eliminating the subminimum tipped wage is critical to fueling an equitable recovery from the COVID-19 pandemic and giving communities across the country the resources they need to rebuild after a year of economic devastation.

Shamefully, the minimum wage has been stuck at \$7.25 for more than a decade, the longest period of time without an increase in the minimum wage in our nation's history. Black and Latino workers, including those who have risked their lives on the frontlines of the pandemic, have been paid poverty wages for too long, deepening racial and economic divisions that have existed for generations.

But as our nation works to combat this once in a century pandemic, we also have a once in a generation opportunity to build a new future in our communities in which every worker is respected, protected and paid enough to sustain a family. In order to set our country on the path to truly building back better, **we are urging Congress to pass a \$15 minimum wage for all workers as part of the first COVID-19 relief package.**

\$15/hr will revitalize the economy and reduce racial inequality

President Joe Biden has placed raising the minimum to \$15 an hour at the [core of his American Rescue Plan](#), understanding that the widely popular policy **would boost pay for 32 million** workers. Fifteen dollars an hour would lift millions out of poverty, as 59% of families living below the poverty line would get a raise.

A \$15 minimum wage is among the most powerful tools for delivering economic justice to communities of color. It would [lift up wages](#) for nearly one third of Black workers and a quarter of Latino workers. One in four workers who would benefit from a \$15/hr minimum wage are Black or Latina women. History shows how transformative a \$15 wage can be, as raising the minimum wage in the 1960's [directly led](#) to a 20 percent drop in income inequality for Black Americans.

COVID-19 has exposed the seams in our economy that existed long before the pandemic, revealing just how vulnerable generations of low wages and racial injustice have left working families. **There's nowhere in the country where you [can afford](#) a two-bedroom apartment on anything close to the \$7.25 federal minimum.** In most counties across the country, the [living wage](#) — the wage necessary to support a family when taking into account necessary expenses — far exceeds the current federal minimum wage of \$7.25. Millions of tipped workers and workers with disabilities receive a subminimum wage of \$2.13 an hour, which civil rights scholar Michelle Alexander has called a “legacy of slavery”
The American people understand that nobody can survive and thrive on \$7.25, which is why

they overwhelmingly support raising the minimum wage to \$15/hr. The passage of a \$15 minimum wage by [more than 60% of voters in Florida](#) last November — even as former President Trump sailed to victory in the state — shows that higher pay is not a left or right issue, it's a right or wrong one. A recent poll showed [most Americans \(72%\)](#) support raising the minimum wage, including a majority of Republicans and Independents. Another [recent poll](#) showed that 73 percent of voters making under \$30,000 per year support a \$15 minimum wage.

\$15/hr will grow the economy and save taxpayers money

Lobbyists and corporations have wielded a number of misleading arguments and scare tactics against a minimum wage increase, but these positions aren't borne out by the facts. In reality, [multiple studies](#) have shown a \$15 wage increases take-home pay for workers, reduces turnover for businesses, and [leads to no appreciable job losses](#).

Under the Raise the Wage Act, the federal floor would rise gradually to \$15, giving businesses of all sizes time to adjust and fueling growth at the same time. Small businesses have [spoken out](#) in support of \$15, arguing that \$15 is a “powerful way to boost the economy because it puts money in the pockets of people who most need to spend it.” Proposals to [undermine](#) the federal minimum wage by substituting for regional wage floors would leave millions of workers out, cement low-wages in low-wage areas, and [exacerbate racial inequality](#).

[Leading economists](#), including Treasury Secretary Janet Yellen, have concluded the potential for job loss is “[very minimal](#)” in the face of the benefits. The Congressional Budget Office's forecast that raising the minimum wage could lead to some job loss [has been refuted multiple](#) times, including by the [New York Federal Reserve](#).

While the CBO also forecasts that a \$15 minimum wage would increase the federal deficit, Michael Reich of the Institute for Research on Labor and Employment at the University of California at Berkeley argues that \$15 would in fact [save taxpayers](#) more than \$65 billion annually through increases in payroll tax revenues and decreases in public assistance. Researchers at the University of California at Berkeley Labor Center recently found workers paid less than \$15 cost taxpayers \$107 billion per year in public assistance.

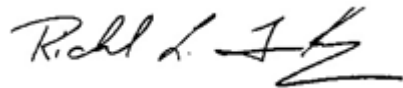
Workers have been speaking out and walking off the job to demand \$15 for years. Now, it's up to our nation's leaders to deliver much-needed raises for tens of millions of Americans through the first COVID-19 relief package that is currently moving through the reconciliation process. If Congress has used reconciliation to pass trillion-dollar tax cuts for billionaires and giant corporations, Congress can also use reconciliation to lift millions of working people out of poverty.

The evidence is overwhelmingly clear: Raising the minimum wage and eliminating the subminimum tipped wage is an urgent and necessary first step to helping the nation recover from COVID-19, growing the economy and lifting up communities across the country. Nearly 60 years ago, Martin Luther King Jr. and labor leaders insisted the

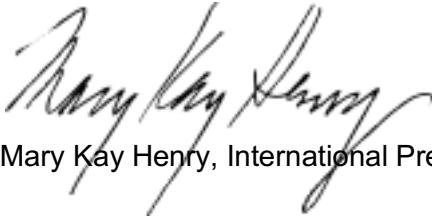
agenda of the March on Washington include a \$2/hr minimum wage, which today would equal \$15/hr. We didn't fulfill that promise then, we must fulfill it now. Congress must take action without excuses and without delay.



The Rev. Dr. William J. Barber II, President, Repairers of the Breach; Co-chair, Poor People's Campaign: A National Call for Moral Revival



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