



## **BACKGROUND: Raise the Wage Act**

**\*Updated on 2/9/21\***

Bill name: Raise the Wage Act

Bill sponsors: [H.R. 603](#), sponsored by Rep. Bobby Scott (D-VA), [S. 53](#), sponsored by Sen. Bernard Sanders (I-VT)

**Summary: The Raise the Wage Act would increase the federal minimum wage to \$15 per hour by 2025 through incremental, annual increases.**

- Beyond 2025, the federal minimum wage would automatically increase annually, tied to the percentage increase in the median wages of all workers.
- The federal tipped wage and youth wage would be phased out through a series of annual increases until their elimination in 2027.
- The minimum wage for individuals with disabilities would also be phased out through a series of annual increases until that wage is eliminated in 2025.

**Background:** The last federal minimum wage increase came in 2007. A Democrat-majority Congress approved the Fair Minimum Wage Act of 2007 ([H.R. 2](#)) – increasing the minimum wage from \$5.15 per hour to \$7.25 per hour through three increments over a period of two years. Eighty-two House Republicans and all but three Senate Republicans voted Yes. President Bush signed the wage increase into law as part of a larger emergency supplemental appropriations bill.

In the 116<sup>th</sup> Congress, the Raise the Wage Act was approved by the House on July 18, 2019 by a vote of [231-199](#). Previously, it had been marked up on March 6, 2019 by the House Committee on Education and Labor and approved on a party-line vote of 28-20. There was no legislative activity in the Senate.

The nonpartisan Congressional Budget Office in 2021 released a study on the Raise the Wage Act's effects of increasing the federal minimum wage to \$15 in 2025 and found employment would be reduced by 1.4 million workers.

**Former Labor Secretary Alexander Acosta** told the *Wall Street Journal* in 2019 that more than doubling the federal minimum wage would result in a loss of jobs in the U.S: “What I think is clear is \$15 is something that will undermine this economy and job creation.”

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**Bill Status:** The Raise the Wage Act legislation was reintroduced for the 117<sup>th</sup> Congress on January 26, 2021. This increase to the federal minimum wage has the support of President Biden.

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