

The impact of the Raise the Wage Act of 2023

Fact Sheet • By [Ben Zipperer](#) • July 25, 2023

What does the Raise the Wage Act of 2023 do?

The federal minimum hourly wage is just \$7.25 and has not increased since 2009. The Raise the Wage Act of 2023, introduced in the U.S. House of Representatives and U.S. Senate on July 25, 2023, would gradually raise the federal minimum wage to \$17 an hour by 2028. The bill would also gradually raise and then eliminate subminimum wages for tipped workers, workers with disabilities, and youth workers, so that all workers covered by the Fair Labor Standards Act (FLSA) would be at the same wage level.

What would its impact be?

EPI's analysis shows that raising the federal minimum wage to \$17 by 2028 would impact 27,858,000 workers across the country, or 19% of the U.S. workforce. The increases would provide an additional \$86 billion annually in wages for the country's lowest-paid workers, with the average affected worker who works year-round receiving an extra \$3,100 per year.

Who would be affected?

Table 1 shows EPI's estimates of the population of workers, by demographic and other characteristics, who would benefit from the Raise the Wage Act of 2023.

Key numbers

27,858,000

Number of workers affected

19%

Share of U.S. workforce affected

\$86 billion

Total additional wages provided

\$3,100

Average increase per worker

How many workers would benefit in each state?

Table 2 shows the estimated impact of the Raise the Wage Act of 2023 by state.

Why are workers in some states less likely to be affected?

In summer 2023, [19 states and localities implemented minimum wage increases based on state, local, or municipal laws](#) that already set the minimum wage higher than the federal standard. In total, 30 states and the District of Columbia have a [minimum wage above the federal minimum](#), and many more localities have minimum wages above their state minimum wage. Workers in most of these states will still benefit from a \$17 federal minimum wage, but the effect is muted because low-wage workers in those states have already seen wage increases above the federal minimum.

California, the District of Columbia, Hawaii, and Washington all have state- or municipality-level minimum wage laws that will set minimum wages close to, or above, the Raise the Wage Act's proposal of \$17 by 2028. Because of this, only a small number of workers in those states would be directly affected by the federal policy as state/local laws will have already raised the wages of low-wage workers in those jurisdictions. Because of the smaller impacted population, more detailed impact estimates are unavailable for those states. (Cells for which data are unavailable are marked with * in Table 2.)

Why is it critical that the Raise the Wage Act be passed?

[As EPI's state-by-state minimum wage tracker shows](#), raising the federal minimum wage is critical to protect workers (especially in the South) who have been left behind. A higher federal minimum wage can build on existing state-level standards and [lock in the wage gains](#) made by low-wage workers in the economic recovery from the COVID-19 pandemic.

Assumptions and documentation for EPI's Minimum Wage Simulation Model

- The estimates are for the year 2028, when the policy's regular minimum wage is \$17 and the tipped minimum wage is \$15.
- The underlying wage distribution is based on the 2022 Current Population Survey.
- The simulation assumes nominal wage growth will be at a 5.0% annual rate between 2022 and 2023, and at an annual rate of 0.5% plus projected CPI growth in subsequent years.
- The simulation accounts for estimated effects of projected state and local minimum wages between 2023 and 2028.
- To read more about the EPI Minimum Wage Simulation Model, [see the description in Cooper, Mokhiber, and Zipperer \(2019\)](#).

Table 1

Demographic characteristics of U.S. workers who would benefit if the federal minimum wage were raised to \$17 by 2028

Group	Total workforce	Directly affected	Share directly affected	Indirectly affected	Share indirectly affected	Total affected	Share of group who are affected	Group's share of total affected
All workers	146,831,000	14,727,000	10.0%	13,131,000	8.9%	27,858,000	19.0%	100.0%
Gender								
Male	75,687,000	5,695,000	7.5%	5,440,000	7.2%	11,135,000	14.7%	40.0%
Female	71,143,000	9,032,000	12.7%	7,691,000	10.8%	16,723,000	23.5%	60.0%
Age group								
Ages 16–19	5,293,000	2,833,000	53.5%	664,000	12.5%	3,497,000	66.1%	12.6%
Age 20 or older	141,538,000	11,893,000	8.4%	12,467,000	8.8%	24,361,000	17.2%	87.4%
Ages 16–24	19,834,000	7,306,000	36.8%	3,346,000	16.9%	10,652,000	53.7%	38.2%
Ages 25–39	50,112,000	4,021,000	8.0%	4,824,000	9.6%	8,845,000	17.7%	31.8%
Ages 40–54	45,431,000	1,762,000	3.9%	2,764,000	6.1%	4,526,000	10.0%	16.2%
Age 55 or older	31,453,000	1,638,000	5.2%	2,197,000	7.0%	3,835,000	12.2%	13.8%
Race/ethnicity								
White, non-Hispanic	86,494,000	7,040,000	8.1%	6,501,000	7.5%	13,541,000	15.7%	48.6%
Black, non-Hispanic	17,619,000	3,023,000	17.2%	2,205,000	12.5%	5,228,000	29.7%	18.8%
Hispanic, any race	28,750,000	3,703,000	12.9%	3,378,000	11.7%	7,081,000	24.6%	25.4%
Asian, non-Hispanic	9,717,000	416,000	4.3%	642,000	6.6%	1,058,000	10.9%	3.8%
Other race/ethnicity	4,251,000	545,000	12.8%	406,000	9.5%	950,000	22.4%	3.4%
Not person of color	86,494,000	7,040,000	8.1%	6,501,000	7.5%	13,541,000	15.7%	48.6%
Person of color	60,336,000	7,687,000	12.7%	6,630,000	11.0%	14,317,000	23.7%	51.4%
Family status								
Married parent	36,637,000	1,449,000	4.0%	2,035,000	5.6%	3,484,000	9.5%	12.5%
Single parent	13,290,000	1,918,000	14.4%	1,810,000	13.6%	3,728,000	28.0%	13.4%
Married, no children	37,987,000	1,574,000	4.1%	2,327,000	6.1%	3,901,000	10.3%	14.0%
Unmarried, no children	58,917,000	9,786,000	16.6%	6,959,000	11.8%	16,745,000	28.4%	60.1%
Education								
Less than high school	14,247,000	3,813,000	26.8%	2,180,000	15.3%	5,993,000	42.1%	21.5%
High school	36,207,000	5,281,000	14.6%	4,970,000	13.7%	10,251,000	28.3%	36.8%
Some college, no degree	33,167,000	4,445,000	13.4%	3,828,000	11.5%	8,273,000	24.9%	29.7%
Associates degree	13,417,000	780,000	5.8%	1,081,000	8.1%	1,861,000	13.9%	6.7%
Bachelors degree or higher	49,793,000	407,000	0.8%	1,072,000	2.2%	1,480,000	3.0%	5.3%

Table 1 (cont.)

Group	Total workforce	Directly affected	Share directly affected	Indirectly affected	Share indirectly affected	Total affected	Share of group who are affected	Group's share of total affected
All workers	146,831,000	14,727,000	10.0%	13,131,000	8.9%	27,858,000	19.0%	100.0%
Family income								
Less than \$25,000	15,606,000	5,043,000	32.3%	3,424,000	21.9%	8,467,000	54.3%	30.4%
\$25,000–\$49,999	27,224,000	3,088,000	11.3%	3,625,000	13.3%	6,713,000	24.7%	24.1%
\$50,000–\$74,999	25,596,000	2,137,000	8.3%	2,223,000	8.7%	4,360,000	17.0%	15.7%
\$75,000–\$99,999	21,089,000	1,390,000	6.6%	1,386,000	6.6%	2,776,000	13.2%	10.0%
\$100,000–\$149,999	28,247,000	1,529,000	5.4%	1,381,000	4.9%	2,910,000	10.3%	10.4%
\$150,000 or more	27,841,000	1,032,000	3.7%	910,000	3.3%	1,942,000	7.0%	7.0%
Family income-to-poverty ratio								
In poverty	9,860,000	4,186,000	42.5%	1,765,000	17.9%	5,951,000	60.4%	21.4%
100–199% poverty	20,025,000	3,957,000	19.8%	4,190,000	20.9%	8,147,000	40.7%	29.2%
200–399% poverty	45,502,000	3,969,000	8.7%	4,482,000	9.8%	8,450,000	18.6%	30.3%
400%+ poverty	71,444,000	2,615,000	3.7%	2,695,000	3.8%	5,309,000	7.4%	19.1%
Work hours								
Part-time (<20 hours per week)	8,450,000	2,313,000	27.4%	1,135,000	13.4%	3,448,000	40.8%	12.4%
Mid-time (20–34 hours)	20,979,000	5,896,000	28.1%	3,434,000	16.4%	9,330,000	44.5%	33.5%
Full-time (35+ hours)	117,401,000	6,518,000	5.6%	8,562,000	7.3%	15,080,000	12.8%	54.1%
Industry								
Agriculture, fishing, forestry, mining	2,263,000	265,000	11.7%	171,000	7.6%	436,000	19.2%	1.6%
Construction	8,478,000	333,000	3.9%	540,000	6.4%	873,000	10.3%	3.1%
Manufacturing	15,914,000	712,000	4.5%	1,002,000	6.3%	1,713,000	10.8%	6.1%
Wholesale trade	3,888,000	220,000	5.7%	265,000	6.8%	485,000	12.5%	1.7%
Retail trade	16,898,000	3,327,000	19.7%	2,331,000	13.8%	5,658,000	33.5%	20.3%
Transportation, warehousing, utilities	7,978,000	341,000	4.3%	488,000	6.1%	829,000	10.4%	3.0%
Information	2,970,000	122,000	4.1%	108,000	3.6%	231,000	7.8%	0.8%
Finance, insurance, real estate	9,333,000	229,000	2.5%	348,000	3.7%	577,000	6.2%	2.1%
Professional, science, management services	9,611,000	148,000	1.5%	205,000	2.1%	353,000	3.7%	1.3%
Administrative, support, waste services	5,811,000	756,000	13.0%	732,000	12.6%	1,488,000	25.6%	5.3%
Educational services	14,461,000	899,000	6.2%	786,000	5.4%	1,685,000	11.7%	6.0%

Table 1 (cont.)

Group	Total workforce	Directly affected	Share directly affected	Indirectly affected	Share indirectly affected	Total affected	Share of group who are affected	Group's share of total affected
All workers	146,831,000	14,727,000	10.0%	13,131,000	8.9%	27,858,000	19.0%	100.0%
Health care, social assistance	21,163,000	1,915,000	9.0%	1,934,000	9.1%	3,848,000	18.2%	13.8%
Arts, entertainment, recreational services	2,994,000	561,000	18.7%	440,000	14.7%	1,001,000	33.4%	3.6%
Accommodation	1,736,000	372,000	21.4%	313,000	18.0%	685,000	39.5%	2.5%
Restaurants	10,032,000	3,572,000	35.6%	2,313,000	23.1%	5,885,000	58.7%	21.1%
Other services	5,896,000	830,000	14.1%	966,000	16.4%	1,796,000	30.5%	6.4%
Public administration	7,404,000	125,000	1.7%	191,000	2.6%	316,000	4.3%	1.1%
Tipped occupations								
Nontipped	142,827,000	13,435,000	9.4%	11,134,000	7.8%	24,568,000	17.2%	88.2%
Tipped	4,004,000	1,292,000	32.3%	1,998,000	49.9%	3,290,000	82.2%	11.8%
Sector								
For-profit	111,766,000	12,872,000	11.5%	11,324,000	10.1%	24,196,000	21.6%	86.9%
Nonprofit	12,979,000	889,000	6.8%	846,000	6.5%	1,735,000	13.4%	6.2%
Government	22,085,000	966,000	4.4%	961,000	4.4%	1,927,000	8.7%	6.9%

Notes: Values reflect the population estimated to be affected by the proposed change in the federal minimum wage. Wage changes resulting from scheduled state and local minimum wage laws are accounted for by EPI's Minimum Wage Simulation Model. Totals may not sum due to rounding. Shares calculated from unrounded values. Directly affected workers will see their wages rise as the new minimum wage rate will exceed their current hourly pay. Indirectly affected workers have a wage rate just above the new minimum wage (between the new minimum wage and 115% of the new minimum). They will receive a raise as employer pay scales are adjusted upward to reflect the new minimum wage.

Source: Economic Policy Institute Minimum Wage Simulation Model; see [Technical Methodology by Cooper, Mokhiber, and Zipperer \(2019\)](#).

Economic Policy Institute

Table 2

Summary of effects in 2028 of increasing the minimum wage to \$17 by 2028, by state

State	Total workforce	Directly affected	Share directly affected	Indirectly affected	Share indirectly affected	Total affected	Share of the state workforce affected	Average annual wage increase of affected workers (2023\$)	Total annual wage change (2023\$, millions)	Percent change in average annual wages of affected workers
U.S. total	146,831,000	14,727,000	10.0%	13,131,000	8.9%	27,858,000	19.0%	\$3,100	\$86,352	12.1%
Alabama	1,963,000	349,000	17.8%	192,000	9.8%	541,000	27.5%	\$4,279	\$2,313	17.4%
Alaska	330,000	21,000	6.4%	32,000	9.7%	53,000	16.1%	\$1,876	\$100	6.5%
Arizona	3,021,000	290,000	9.6%	340,000	11.3%	630,000	20.9%	\$961	\$606	3.4%
Arkansas	1,213,000	219,000	18.0%	118,000	9.7%	337,000	27.8%	\$3,607	\$1,215	13.8%
California	18,427,000	*	*	*	*	*	*	*	*	*
Colorado	2,681,000	161,000	6.0%	231,000	8.6%	392,000	14.6%	\$1,018	\$399	3.7%
Connecticut	1,706,000	14,000	0.8%	35,000	2.1%	50,000	2.9%	\$6,471	\$321	22.8%
Delaware	427,000	61,000	14.2%	44,000	10.2%	104,000	24.4%	\$2,412	\$251	9.4%
District of Columbia	363,000	3,000	0.7%	4,000	1.1%	7,000	1.8%	*	*	*
Florida	8,925,000	1,135,000	12.7%	1,188,000	13.3%	2,323,000	26.0%	\$1,233	\$2,863	4.3%
Georgia	4,552,000	722,000	15.9%	479,000	10.5%	1,202,000	26.4%	\$4,269	\$5,131	17.0%
Hawaii	685,000	*	*	*	*	*	*	*	*	*
Idaho	721,000	112,000	15.5%	76,000	10.5%	188,000	26.0%	\$3,519	\$661	14.5%
Illinois	5,918,000	570,000	9.6%	600,000	10.1%	1,170,000	19.8%	\$1,426	\$1,669	5.3%
Indiana	2,976,000	407,000	13.7%	314,000	10.5%	721,000	24.2%	\$3,506	\$2,528	14.7%
Iowa	1,479,000	231,000	15.6%	156,000	10.6%	387,000	26.2%	\$3,258	\$1,261	14.0%
Kansas	1,341,000	191,000	14.3%	136,000	10.1%	327,000	24.4%	\$3,619	\$1,184	15.1%
Kentucky	1,825,000	311,000	17.0%	172,000	9.4%	483,000	26.5%	\$4,156	\$2,007	17.6%
Louisiana	1,900,000	420,000	22.1%	191,000	10.1%	611,000	32.1%	\$5,174	\$3,159	20.9%
Maine	600,000	34,000	5.7%	72,000	12.0%	106,000	17.7%	\$1,285	\$136	5.0%
Maryland	2,929,000	197,000	6.7%	190,000	6.5%	387,000	13.2%	\$2,721	\$1,053	10.1%
Massachusetts	3,399,000	30,000	0.9%	440,000	13.0%	471,000	13.8%	\$1,859	\$875	7.2%
Michigan	4,310,000	535,000	12.4%	401,000	9.3%	936,000	21.7%	\$3,313	\$3,101	14.0%
Minnesota	2,715,000	133,000	4.9%	255,000	9.4%	388,000	14.3%	\$1,462	\$567	6.4%
Mississippi	1,162,000	283,000	24.3%	132,000	11.3%	414,000	35.7%	\$4,822	\$1,998	19.1%
Missouri	2,694,000	346,000	12.9%	299,000	11.1%	646,000	24.0%	\$2,403	\$1,552	9.3%
Montana	452,000	64,000	14.1%	49,000	10.9%	113,000	25.0%	\$2,514	\$284	10.5%
Nebraska	922,000	121,000	13.1%	73,000	7.9%	194,000	21.0%	\$2,212	\$428	9.2%

Table 2 (cont.)

State	Total workforce	Directly affected	Share directly affected	Indirectly affected	Share indirectly affected	Total affected	Share of the state workforce affected	Average annual wage increase of affected workers (2023\$)	Total annual wage change (2023\$, millions)	Percent change in average annual wages of affected workers
U.S. total	146,831,000	14,727,000	10.0%	13,131,000	8.9%	27,858,000	19.0%	\$3,100	\$86,352	12.1%
Nevada	1,377,000	176,000	12.7%	205,000	14.9%	380,000	27.6%	\$2,281	\$867	7.5%
New Hampshire	668,000	71,000	10.6%	53,000	8.0%	124,000	18.6%	\$3,289	\$409	14.7%
New Jersey	4,232,000	253,000	6.0%	493,000	11.7%	746,000	17.6%	\$1,867	\$1,392	6.8%
New Mexico	890,000	139,000	15.6%	107,000	12.1%	246,000	27.7%	\$3,057	\$753	11.6%
New York	9,053,000	211,000	2.3%	1,383,000	15.3%	1,595,000	17.6%	\$1,184	\$1,888	4.2%
North Carolina	4,461,000	760,000	17.0%	528,000	11.8%	1,289,000	28.9%	\$4,240	\$5,465	17.1%
North Dakota	367,000	36,000	9.9%	30,000	8.1%	66,000	18.0%	\$3,404	\$224	14.5%
Ohio	5,193,000	724,000	13.9%	548,000	10.5%	1,272,000	24.5%	\$2,994	\$3,807	12.6%
Oklahoma	1,666,000	347,000	20.8%	189,000	11.3%	536,000	32.2%	\$4,252	\$2,279	16.7%
Oregon	1,828,000	*	*	141,000	7.7%	141,000	7.7%	\$626	\$88	2.3%
Pennsylvania	5,763,000	724,000	12.6%	508,000	8.8%	1,232,000	21.4%	\$3,968	\$4,890	17.2%
Rhode Island	502,000	36,000	7.2%	48,000	9.5%	84,000	16.7%	\$2,257	\$190	9.0%
South Carolina	2,125,000	364,000	17.1%	220,000	10.4%	584,000	27.5%	\$4,309	\$2,516	17.5%
South Dakota	401,000	51,000	12.8%	44,000	11.0%	96,000	23.8%	\$2,619	\$250	10.6%
Tennessee	2,915,000	493,000	16.9%	293,000	10.1%	786,000	27.0%	\$4,269	\$3,355	17.2%
Texas	13,086,000	2,254,000	17.2%	1,266,000	9.7%	3,521,000	26.9%	\$4,597	\$16,185	18.1%
Utah	1,384,000	167,000	12.1%	142,000	10.3%	309,000	22.4%	\$3,038	\$940	13.5%
Vermont	292,000	21,000	7.3%	24,000	8.4%	46,000	15.7%	\$1,606	\$74	6.5%
Virginia	3,926,000	426,000	10.9%	350,000	8.9%	776,000	19.8%	\$2,655	\$2,061	10.1%
Washington	3,367,000	*	*	*	*	*	*	*	*	*
West Virginia	684,000	115,000	16.9%	66,000	9.7%	182,000	26.5%	\$3,742	\$679	15.4%
Wisconsin	2,754,000	355,000	12.9%	239,000	8.7%	594,000	21.6%	\$3,474	\$2,063	15.6%
Wyoming	260,000	39,000	15.1%	26,000	9.8%	65,000	24.9%	\$4,288	\$278	17.4%

Notes: Values reflect the population estimated to be affected by the proposed change in the federal minimum wage. Wage changes resulting from scheduled state and local minimum wage laws are accounted for by EPI's Minimum Wage Simulation Model. Totals may not sum due to rounding. Shares calculated from unrounded values. Directly affected workers will see their wages rise as the new minimum wage rate will exceed their current hourly pay. Indirectly affected workers have a wage rate just above the new minimum wage (between the new minimum wage and 115% of the new minimum). They will receive a raise as employer pay scales are adjusted upward to reflect the new minimum wage. Values marked * cannot be displayed because of sample size restrictions.

Source: Economic Policy Institute Minimum Wage Simulation Model; see [Technical Methodology by Cooper, Mokhiber, and Zipperer \(2019\)](#).

Economic Policy Institute