Economic Policy Institute

The impact of the Raise the Wage Act of 2025

Fact Sheet • By Ben Zipperer • April 7, 2025

What does the Raise the Wage Act of 2025 do?

The federal minimum hourly wage is just $7.25 and has not increased since 2009. The Raise the Wage Act of 2025, introduced in the U.S. House of Representatives and U.S. Senate on April 7, 2025, would incrementally raise the federal minimum wage to $17 an hour by 2030. 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 have the same wage floor.

What would its impact be?

EPI's analysis shows that raising the federal minimum wage to $17 by 2030 would impact 22,247,000 workers across the country, or 15% of the U.S. wage-earning workforce. The increases would provide an additional $70 billion annually in wages for the country's lowest-paid workers, with the average affected worker who works year-round receiving an extra $3,200 per year.

Key numbers

22,247,000
Number of workers affected

15%
Share of U.S. workforce affected

$70 billion
Total additional wages provided

$3,200
Average increase per worker

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 2025.

How many workers would benefit in each state?

Table 2 shows the estimated impact of the Raise the Wage Act of 2025 by state. States that will have the

highest share of workers receiving wage increases are often in the South, where both wages and minimum wages tend to be the lowest, like Mississippi, Louisiana, and Oklahoma.

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

In January 2025, 21 states and dozens of 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 local-level minimum wage laws that will set minimum wages above the Raise the Wage Act's proposal of $17 by 2030. Because of this, only a small number of workers in those states would be affected by the federal policy as state and local laws will have already raised the wages of low-wage workers in those jurisdictions. Because of the smaller impacted population, estimates of affected workers 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 over the last several years.

Assumptions and documentation for EPI's Minimum Wage Simulation Model

- The estimates are for the year 2030, when the policy's regular minimum wage would be $17 and the tipped minimum wage would be $15.
- The underlying wage distribution is based on the 2024 Current Population Survey.
- The simulation assumes nominal wage growth will be at a 3.5% annual rate between 2024 and 2025, and at an annual rate of 0.8% plus projected Consumer Price Index growth in subsequent years.
- The simulation accounts for estimated effects of projected state and local minimum wages between 2025 and 2030.

- To read more about the EPI Minimum Wage Simulation Model, see the description in Cooper, Mokhiber, and Zipperer (2019).

Table 1

Demographic characteristics of United States workers who would benefit if the federal minimum wage were raised to $17 by 2030

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	**149,194,000**	**10,339,000**	**6.9%**	**11,908,000**	**8.0%**	**22,247,000**	**14.9%**	**100.0%**
Gender								
Male	76,726,000	4,451,000	5.8%	5,068,000	6.6%	9,519,000	12.4%	42.8%
Female	72,468,000	5,888,000	8.1%	6,840,000	9.4%	12,729,000	17.6%	57.2%
Age group								
Teenager	6,018,000	1,839,000	30.5%	1,283,000	21.3%	3,121,000	51.9%	14.0%
Age 20 or older	143,175,000	8,501,000	5.9%	10,625,000	7.4%	19,126,000	13.4%	86.0%
Age 16 to 24	20,664,000	4,073,000	19.7%	3,697,000	17.9%	7,770,000	37.6%	34.9%
Age 25 to 39	51,199,000	2,710,000	5.3%	3,642,000	7.1%	6,352,000	12.4%	28.6%
Age 40 to 54	44,930,000	1,868,000	4.2%	2,435,000	5.4%	4,303,000	9.6%	19.3%
Age 55 or older	32,400,000	1,689,000	5.2%	2,133,000	6.6%	3,822,000	11.8%	17.2%
Race/ethnicity								
White, non-Hispanic	81,221,000	5,041,000	6.2%	5,981,000	7.4%	11,022,000	13.6%	49.5%
Black, non-Hispanic	17,892,000	1,934,000	10.8%	1,805,000	10.1%	3,738,000	20.9%	16.8%
Hispanic, any race	31,495,000	2,378,000	7.5%	2,875,000	9.1%	5,253,000	16.7%	23.6%
Asian, non-Hispanic	10,750,000	378,000	3.5%	559,000	5.2%	937,000	8.7%	4.2%
Other race/ethnicity	7,835,000	609,000	7.8%	689,000	8.8%	1,298,000	16.6%	5.8%
Not person of color	81,221,000	5,041,000	6.2%	5,981,000	7.4%	11,022,000	13.6%	49.5%
Person of color	67,973,000	5,298,000	7.8%	5,927,000	8.7%	11,226,000	16.5%	50.5%
Family status								
Married parent	35,929,000	1,333,000	3.7%	1,657,000	4.6%	2,991,000	8.3%	13.4%
Single parent	12,671,000	1,058,000	8.3%	1,240,000	9.8%	2,297,000	18.1%	10.3%
Married, no children	38,517,000	1,661,000	4.3%	2,232,000	5.8%	3,892,000	10.1%	17.5%
Unmarried, no children	62,077,000	6,288,000	10.1%	6,779,000	10.9%	13,067,000	21.0%	58.7%
Education								
Less than high school	13,072,000	2,014,000	15.4%	1,807,000	13.8%	3,822,000	29.2%	17.2%
High school	35,742,000	3,606,000	10.1%	4,225,000	11.8%	7,831,000	21.9%	35.2%

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	**149,194,000**	**10,339,000**	**6.9%**	**11,908,000**	**8.0%**	**22,247,000**	**14.9%**	**100.0%**
Some college, no degree	29,349,000	2,469,000	8.4%	3,000,000	10.2%	5,470,000	18.6%	24.6%
Associates degree	13,479,000	765,000	5.7%	1,012,000	7.5%	1,777,000	13.2%	8.0%
Bachelors degree or higher	57,552,000	1,485,000	2.6%	1,863,000	3.2%	3,348,000	5.8%	15.0%
Family income								
Less than $25,000	8,347,000	2,794,000	33.5%	1,773,000	21.2%	4,568,000	54.7%	20.5%
$25,000 – $49,999	18,473,000	1,999,000	10.8%	2,795,000	15.1%	4,795,000	26.0%	21.6%
$50,000 – $74,999	22,052,000	1,618,000	7.3%	2,183,000	9.9%	3,801,000	17.2%	17.1%
$75,000 – $99,999	20,745,000	1,109,000	5.3%	1,568,000	7.6%	2,677,000	12.9%	12.0%
$100,000 – $149,999	33,223,000	1,304,000	3.9%	1,804,000	5.4%	3,108,000	9.4%	14.0%
$150,000 or more	44,968,000	1,135,000	2.5%	1,548,000	3.4%	2,683,000	6.0%	12.1%
Family income-to-poverty ratio								
In Poverty	8,220,000	2,764,000	33.6%	1,470,000	17.9%	4,235,000	51.5%	19.0%
100 – 199% poverty	16,355,000	2,482,000	15.2%	3,123,000	19.1%	5,604,000	34.3%	25.2%
200-399% poverty	44,863,000	3,070,000	6.8%	4,274,000	9.5%	7,344,000	16.4%	33.0%
400%+ poverty	79,755,000	2,023,000	2.5%	3,041,000	3.8%	5,064,000	6.4%	22.8%
Work hours								
Part time (<20 hours per week)	9,584,000	1,545,000	16.1%	1,309,000	13.7%	2,854,000	29.8%	12.8%
Mid time (20-34 hours)	19,301,000	3,082,000	16.0%	3,162,000	16.4%	6,244,000	32.4%	28.1%
Full time (35+ hours)	120,308,000	5,712,000	4.7%	7,437,000	6.2%	13,149,000	10.9%	59.1%
Industry								
Agriculture, fishing, forestry, mining	1,968,000	155,000	7.9%	137,000	7.0%	292,000	14.8%	1.3%
Construction	8,959,000	474,000	5.3%	513,000	5.7%	987,000	11.0%	4.4%
Manufacturing	15,708,000	660,000	4.2%	778,000	4.9%	1,437,000	9.1%	6.5%
Wholesale trade	3,057,000	137,000	4.5%	151,000	4.9%	288,000	9.4%	1.3%
Retail trade	16,401,000	1,889,000	11.5%	1,911,000	11.6%	3,800,000	23.2%	17.1%
Transportation, warehousing, utilities	8,919,000	456,000	5.1%	511,000	5.7%	967,000	10.8%	4.3%
Information	2,787,000	116,000	4.2%	107,000	3.9%	223,000	8.0%	1.0%
Finance, insurance, real estate	9,580,000	273,000	2.8%	311,000	3.2%	584,000	6.1%	2.6%

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	**149,194,000**	**10,339,000**	**6.9%**	**11,908,000**	**8.0%**	**22,247,000**	**14.9%**	**100.0%**
Professional, science, management services	11,890,000	268,000	2.3%	262,000	2.2%	530,000	4.5%	2.4%
Administrative, support, waste services	5,815,000	483,000	8.3%	543,000	9.3%	1,026,000	17.6%	4.6%
Educational services	15,231,000	1,027,000	6.7%	1,008,000	6.6%	2,035,000	13.4%	9.1%
Healthcare, social assistance	21,744,000	1,320,000	6.1%	1,390,000	6.4%	2,710,000	12.5%	12.2%
Arts, entertainment, recreational services	2,998,000	339,000	11.3%	418,000	13.9%	757,000	25.2%	3.4%
Accommodation	1,327,000	161,000	12.2%	229,000	17.2%	390,000	29.4%	1.8%
Restaurants	9,223,000	1,851,000	20.1%	2,498,000	27.1%	4,349,000	47.2%	19.5%
Other services	5,898,000	526,000	8.9%	907,000	15.4%	1,433,000	24.3%	6.4%
Public administration	7,687,000	205,000	2.7%	234,000	3.0%	439,000	5.7%	2.0%
Tipped occupations								
Not tipped	145,714,000	9,753,000	6.7%	9,703,000	6.7%	19,456,000	13.4%	87.5%
Tipped occupations	3,480,000	587,000	16.9%	2,205,000	63.4%	2,792,000	80.2%	12.5%
Sector								
For profit	110,647,000	8,287,000	7.5%	9,817,000	8.9%	18,104,000	16.4%	81.4%
Nonprofit	14,671,000	857,000	5.8%	866,000	5.9%	1,723,000	11.7%	7.7%
Government	23,875,000	1,195,000	5.0%	1,225,000	5.1%	2,421,000	10.1%	10.9%

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).

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Table 2

Summary of effects in 2030 of increasing the minimum wage to $17 by 2030, by state

State	Total workforce	Total Affected	Share of group who are affected	Average annual wage increase of affected workers (2025$)	Total annual wage change (2025$, millions)	Percent change in average annual wages of affected workers
U.S. total	**149,194,000**	**22,247,000**	**14.9%**	**$3,158**	**$70,247**	**11.3%**
Alabama	2,055,000	567,000	27.6%	$4,155	$2,357	15.7%
Alaska	309,000	25,000	8.2%	*	*	*
Arizona	3,225,000	504,000	15.6%	$752	$379	2.4%
Arkansas	1,233,000	314,000	25.5%	$3,293	$1,034	11.8%
California	17,759,000	*	*	*	*	*
Colorado	2,811,000	210,000	7.5%	$737	$155	2.1%
Connecticut	1,697,000	42,000	2.5%	*	*	*
Delaware	466,000	74,000	15.9%	$1,928	$143	6.8%
District of Columbia	363,000	*	*	*	*	*
Florida	9,563,000	2,143,000	22.4%	$962	$2,062	3.0%
Georgia	4,816,000	1,085,000	22.5%	$4,077	$4,426	15.1%
Hawaii	622,000	*	*	*	*	*
Idaho	809,000	165,000	20.4%	$3,433	$566	13.3%
Illinois	5,819,000	801,000	13.8%	$1,178	$943	4.0%
Indiana	3,053,000	646,000	21.2%	$3,786	$2,447	14.8%
Iowa	1,442,000	308,000	21.4%	$3,198	$986	13.0%
Kansas	1,322,000	286,000	21.7%	$3,514	$1,006	14.0%
Kentucky	1,841,000	478,000	25.9%	$3,790	$1,810	14.4%
Louisiana	1,805,000	596,000	33.0%	$5,193	$3,094	19.3%
Maine	597,000	64,000	10.8%	$1,241	$80	4.7%
Maryland	2,957,000	306,000	10.4%	$2,488	$762	8.5%
Massachusetts	3,396,000	269,000	7.9%	$2,126	$572	6.9%
Michigan	4,326,000	738,000	17.0%	$864	$637	3.3%
Minnesota	2,721,000	325,000	11.9%	$1,720	$558	6.6%
Mississippi	1,142,000	425,000	37.2%	$4,566	$1,941	16.9%
Missouri	2,732,000	530,000	19.4%	$1,228	$651	4.3%
Montana	466,000	73,000	15.6%	$2,307	$168	8.2%
Nebraska	912,000	143,000	15.7%	$1,899	$272	6.7%
Nevada	1,447,000	311,000	21.5%	$2,347	$731	7.2%

Table 2 (cont.)

State	Total workforce	Total Affected	Share of group who are affected	Average annual wage increase of affected workers (2025$)	Total annual wage change (2025$, millions)	Percent change in average annual wages of affected workers
U.S. total	**149,194,000**	**22,247,000**	**14.9%**	**$3,158**	**$70,247**	**11.3%**
New Hampshire	678,000	78,000	11.5%	$3,734	$292	14.9%
New Jersey	4,442,000	122,000	2.8%	$5,280	$645	13.6%
New Mexico	907,000	237,000	26.1%	$2,750	$651	9.5%
New York	8,792,000	213,000	2.4%	$2,683	$572	6.0%
North Carolina	4,682,000	1,263,000	27.0%	$3,772	$4,765	14.0%
North Dakota	353,000	46,000	13.2%	$3,311	$154	13.0%
Ohio	5,215,000	940,000	18.0%	$2,773	$2,606	10.5%
Oklahoma	1,654,000	469,000	28.4%	$4,277	$2,008	15.8%
Oregon	1,859,000	132,000	7.1%	$478	$63	1.7%
Pennsylvania	5,768,000	1,066,000	18.5%	$3,609	$3,848	14.3%
Rhode Island	507,000	64,000	12.6%	$2,117	$135	7.4%
South Carolina	2,236,000	577,000	25.8%	$4,141	$2,390	15.5%
South Dakota	409,000	70,000	17.1%	$2,320	$162	8.5%
Tennessee	3,052,000	634,000	20.8%	$4,223	$2,679	15.4%
Texas	13,896,000	3,258,000	23.4%	$4,910	$15,997	18.3%
Utah	1,578,000	317,000	20.1%	$3,225	$1,021	13.5%
Vermont	290,000	26,000	9.0%	*	*	*
Virginia	3,942,000	586,000	14.9%	$2,838	$1,662	9.9%
Washington	3,546,000	*	*	*	*	*
West Virginia	682,000	186,000	27.2%	$3,963	$737	15.0%
Wisconsin	2,758,000	468,000	17.0%	$3,281	$1,537	13.5%
Wyoming	242,000	52,000	21.7%	$4,381	$229	17.0%

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. Affected workers include both directly affected workers (who will see their wages rise as the new minimum wage rate will exceed their current hourly pay) and indirectly affected workers (who have a wage rate just above the new minimum wage (between the new minimum wage and 115% of the new minimum, and who 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).

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