

# Why We Should Raise the Minimum Wage in Pennsylvania to \$15 per Hour

**A high minimum wage ensures we have an economy that works for all of us. It protects workers and provides a dignified life.**

- The minimum wage is a critical protection for workers—like the right to form unions, the social safety net, and a tax system that asks the rich to pay at a higher rate than the poor. These policies ensure that our economy works for all of us, not just the wealthy owners of huge corporations.
- We show respect for the dignity of work by ensuring all full-time workers are paid a decent wage that allows them to support themselves and their families. Opponents of a higher minimum wage want the work but won't provide the dignity.
- Since 1947, workers' share of the benefits of the United States economy has shrunk drastically. But our economy is more productive than ever. If the minimum wage had gone up with productivity increases since 1968 it would be over \$23 per hour today. Most of us struggle while the wealthy owners of corporations grow ever richer.
- Our tax dollars subsidize wealthy corporations that fail to pay their workers a living wage by forcing workers to supplement their low wages with social safety net programs.
- Pennsylvania workers have fallen behind because the state hasn't raised the minimum wage in more than 13 years. It is worth 27% less than it was in 2009, the last time it was raised nationally. Adjusted for inflation, the minimum wage is now worth less than at any time since the mid-1950s.
- We need a higher minimum wage to protect workers whose incomes have fallen further behind as inflation has increased, in part, because corporations have ratcheted up prices to make record profits.

## **Fast Facts**

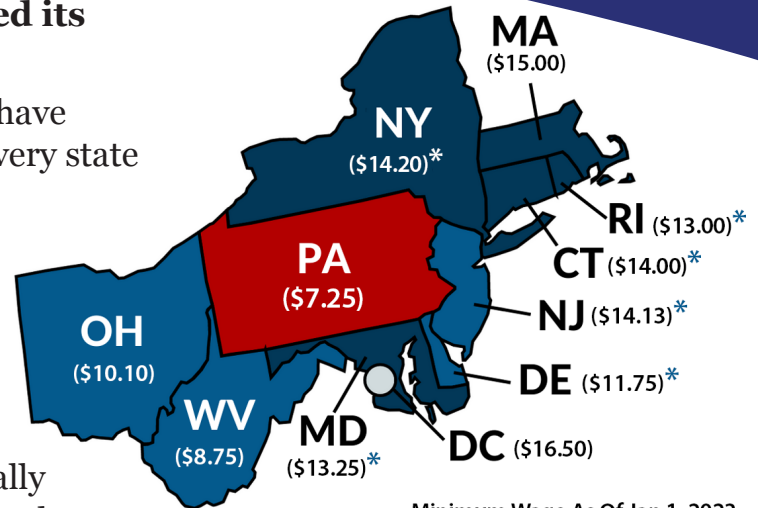
- The minimum wage is a critical protection for ALL workers—just like the right to form unions, the social safety net, and a fairer tax system. Full-time workers deserve a decent wage that allows them to support themselves and their families.
- More than 80% of the workers who would see a pay raise are over the age of 18. These workers are disproportionately women and people of color, and many were “essential” workers during the height of the pandemic.
- Raising the minimum wage is good for local businesses and the economy—and this is the best possible time to do it.

## Every state around Pennsylvania has raised its minimum wage!

- Since 2014, 30 states and Washington, DC, have increased their minimum wage, including every state that borders Pennsylvania.

## Raising the minimum wage dignifies the work of adults who head families.

- Raising the minimum wage benefits low-income workers, who now make below the proposed minimum wage and those who make just above it because businesses typically raise the wages of workers making just above the new minimum wage so as not to lose them to competitors.
- KRC's analysis of \$15-per-hour minimum wage proposals shows that more than 80% of the workers who would see a pay raise are over age 18. These workers are disproportionately women and people of color, and many were "essential" workers during the height of the pandemic.



Minimum Wage As Of Jan 1, 2023

\* ON THE PATH TO \$15/HR BY 2025

image source: Keystone Research Center

## A higher minimum wage would create new jobs.

- Recent research by the [NY Federal Reserve](#), the [Keystone Research Center](#), and [UC Berkeley economists](#) is consistent with earlier research showing that raising the minimum wage doesn't reduce jobs—in fact, it often creates new ones by increasing consumption.

## Raising the minimum wage is good for local businesses and the economy—and this is the best possible time to do it.

- Higher wages for workers mean that they and their families will be spending more in their communities, boosting the local economy and helping Pennsylvania businesses. That is why [dozens of economists](#) have endorsed a minimum wage increase.
- Many small businesses can't hire enough workers right now. They want to pay their employees more but are worried about being at a competitive disadvantage to businesses that pay less. Raising the minimum wage would create a higher wage floor, enabling all businesses to find the workers they need.
- Higher wages increase worker morale and productivity. They also reduce turnover and training costs, benefiting local businesses that are being pressed by the higher wholesale costs charged by large corporations. Pennsylvanians support a higher minimum wage

## Would raising the minimum wage increase prices?

Some prices may go up, but wages would increase faster than prices for a few reasons:

- Wages are only part of the cost of doing business.
- Increased productivity and reduced training costs for employers hold price increases down.

- For example, the cost of a 12-inch, hand-tossed Domino’s pizza averages 1.5% more in the states around PA, even though the minimum wage averages 69% more.

The Impact of the Minimum Wage on the Price of Pizza				
	Price of 12-inch, hand-tossed or thin-crust Domino’s Pizza	Price relative to Harrisburg	State minimum wage as of January 1, 2023	Minimum wage relative to Pennsylvania
Harrisburg, PA	\$10.99	-	\$7.25	-
Annapolis, MD	\$11.99	9.10%	\$13.25	82.76%
Albany, NY	\$11.49	4.55%	\$14.20	95.86%
Trenton, NJ	\$10.99	0.00%	\$14.13	94.90%
Wilmington, DE	\$10.99	0.00%	\$13.25	82.76%
Charleston, WV	\$10.99	0.00%	\$8.75	20.69%
Columbus, Ohio	\$10.49	-4.55%	\$10.10	39.31%
Average difference between PA and surrounding states		1.52%		69.38%

**Pennsylvanians support a higher minimum wage.**

- A [May 2022 poll](#) commissioned by the State Innovation Exchange found that 73% of Pennsylvanians support putting the state on a path to a \$15-per-hour minimum wage. A majority of Pennsylvanians in [every state House and Senate district](#), including the most Republican districts, agree.

**Raising the minimum wage would not create a benefit cliff for low-income workers.**

- [Research by PBPC in 2019](#), and [our recent update](#), show that very few families with low incomes would be worse off because an increase in the minimum wage would reduce their safety net benefits. Since then, changes to eligibility requirements for SNAP and Child Care Works have eliminated the benefit cliff problem.

**Ending state preemption, which prohibits local communities from raising their minimum wage, is needed to protect workers.**

- The cost of living in many Pennsylvania counties—[Philadelphia](#), [Allegheny](#), [Pike](#), and [others](#) is far higher than the state average. Counties should have the option to account for these variations.

**“One fair wage,” an end to the tipped minimum wage, is also needed to protect workers.**

- In Pennsylvania, employers of workers who customarily receive tips are only required to pay their tipped workers a base wage of \$2.83 per hour.
- Forcing workers to rely on tips also encourages sexual harassment in the workplace. One fair wage would protect all workers, especially women, from being abused by customers and employers.

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