

The Impact of a \$15 Minimum Wage

OVER 2 MILLION JOBS LOST

Economic analysis by Dr. William Even, Miami University, and Dr. David Macpherson, Trinity University.¹

Both President Biden and recent legislation have proposed more than doubling the federal minimum wage to \$15, and raising the separate federal tipped minimum wage by as much as 600 percent. Rather than providing relief from the pandemic, the best economic evidence shows this proposal would worsen its consequences. This analysis is based on a 2019 methodology developed by the nonpartisan Congressional Budget Office, which estimated a loss of 1.3 to 3.7 million jobs from a \$15 minimum wage.² This updated analysis reflects 2020 employment changes.

This proposal will have significant negative economic impacts:

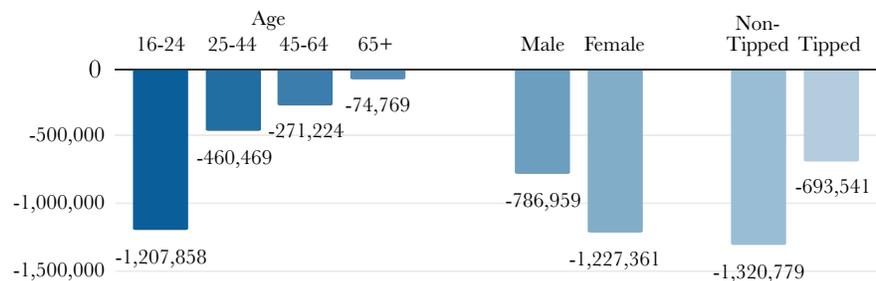
- The nation can expect to **lose more than 2 million jobs**. Sixty percent of these lost jobs will be held by workers aged 16-24, and 61% of lost jobs will be held by women.
- The **restaurant and bar industry will account for 45% of total job losses**, and 53% of lost jobs will be those held by tipped workers.
- The proposal will **cost US employers nearly \$100 billion** when phased in, including \$27 billion for restaurant employers alone.

THE IMPACT NATIONWIDE:

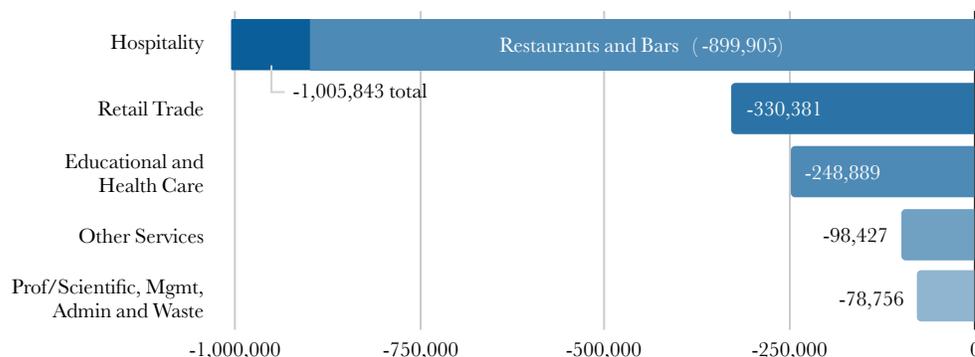
Current minimum wage: \$7.25/hr
Tipped minimum wage: \$2.13/hr, plus tips to equal at least \$7.25/hr

Biden's current proposal would raise the standard minimum wage by **107%**, and the tipped minimum by **604%**.

\$15 Minimum Wage Job Loss By Demographic



Job Loss in Top 5 Industries



¹ <https://epionline.org/studies/the-state-employment-impact-of-a-15-minimum-wage-january-2021/>

² <https://www.cbo.gov/system/files/2019-07/CBO-55410-MinimumWage2019.pdf>