



THE WORKING FAMILIES AGENDA



FACT SHEET: Boosting Wages

A raise is long overdue for most hardworking Americans. It is past time to *boost wages* so that working families can make ends meet.

- Between 1948 and 1973, American workers' productivity increased by almost 97 percent, and hourly compensation increased by 91 percent – growing at nearly equal rates. But from 1973 to 2014, productivity increased by 72 percent, while hourly compensation only grew by 9 percent. The rich have continued to get richer while the rest of America is just treading water.
- In our country, no one who works full-time should have to live in poverty. But working full-time at the federal minimum wage of \$7.25 an hour leaves a family of three in poverty.
- One of the biggest factors suppressing wage growth for workers over the last four decades has been the decline in union density. In the mid-1950s, the percentage of workers belonging to a union was at 33 percent. But from 1973 to 2007, private sector union density in the U.S. decreased from 34 percent to 8 percent for men, and from 16 percent to 6 percent for women. This decline is largely the result of employer interference with workers' attempts to organize and form a union.
- Employees who are misclassified as independent contractors are often cheated out of their pay and denied critical employment protections. In 2009, GAO estimated that misclassification cost the federal government \$2.72 billion in revenue in one year.

The Working Families Agenda includes legislation that would *boost wages* by raising the minimum wage, making it possible for workers to bargain for a fair deal at work, and keeping employers from cheating working people out of their pay.

- The **Raise the Wage Act** increases the minimum wage and abolishes the outdated tipped minimum wage. Raising the minimum wage to \$12 by 2020 will help more families make ends meet, expand economic opportunity, and build an economy that works for all families, not just the wealthiest few. Raising the minimum wage over the next five years means that nearly 35 million workers will get a raise, generating more than \$110 billion in economic activity. It would especially benefit workers of color and women, who make up a disproportionate share of the low-wage workforce.
- The **Workplace Action for a Growing Economy (WAGE) Act** would strengthen workers' ability to collectively bargain for higher wages and better working conditions. Restoring workers' ability to form a union is critical to raising wages since, on average, unionized workers earn \$207 a week more than their non-union counterparts.
- The **Payroll Fraud Prevention Act** would end improper classification of employees as independent contractors, restoring workplace protections for millions of employees who have been misclassified.

When working families have money in their pockets, they buy food, houses, and other goods and services—creating jobs for their fellow Americans. Hardworking people deserve more than just living paycheck to paycheck. These policies will help ensure that all working families get their fair shot at the American Dream.