

# COWS

Equity  
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Democracy



## \$15 by 2025

Who Gains with a Higher  
Minimum Wage in Wisconsin

2021

**\$15 BY 2025** *is a short fact sheet about the demographics of who would benefit from raising the minimum wage by 2025 and how Wisconsin compares to other states on this issue.*

## Background

The Economic Policy Institute recently released a [report](#) on The Raise the Wage Act of 2021, which would raise the national minimum wage to \$15 per hour by 2025. Here we summarize findings for Wisconsin and add some context to fill out the picture on wage standards in the state and region.

Wisconsin's wage floor is at the current federal minimum wage \$7.25 per hour. The wage floor has not been raised in over 10 years. Frozen at \$7.25 since 2009, inflation has reduced the purchasing power of the minimum wage by 18 percent.

If the 1968 minimum wage was adjusted for inflation, it would be \$10.59 per hour.

If the minimum wage had grown along with productivity over the last 50 years, it would be \$22 today.

## 30% of Wisconsin workers stand to gain

Nationally, raising the minimum wage to \$15 per hour by 2025 would raise the earnings of 32 million workers, or 21% of the workforce. In Wisconsin, a greater share of the workforce would see a raise.

### Who would benefit in Wisconsin from the \$15 per hour minimum wage by 2025?

Three of every ten workers in the state - more than 843,000 workers - would benefit.

- This includes **21%** of Wisconsin workers with wages currently below the new minimum ("directly affected").
- Another **9%** of workers have wages just above the new minimum and would get raises as pay scales are adjusted upward ("indirectly affected").
- The wage increase would bring higher wages to more than 586,000 directly affected workers and 257,000 indirectly affected workers.

A minimum wage increase to \$15 by 2025 would help close racial, ethnic, and gender wage gaps.

- The wage increase would raise earnings for **HALF** of Black workers in Wisconsin.
- The wage increase would raise earnings for just **OVER HALF** of Hispanic workers in Wisconsin.
- The wage increase would raise earnings for **37%** of women workers in the state.

The national report provides further demographic details; Wisconsin details are available [here](#).

## Wages up and “little to no job losses”

Minimum wage increases have not led to significant job losses.

*“Despite claims that raising the minimum wage would reduce job opportunities for vulnerable groups of workers, the best evidence shows little to no job losses in the wake of minimum wage increases and a net wage gain even if job losses have occurred. These benefits explain why surveys show that the people most likely to support a minimum wage increase are unemployed people, people of color, and women.”*

- Economic Policy Institute

## Other states raise the floor - and Wisconsin workers are left behind

Wisconsin is currently one of just 21 states where the wage floor is set by the federal minimum.

- 29 states and the Washington DC have wage floors above the federal minimum.
- Neighboring states have higher wage floors. In Minnesota the current minimum is \$10.08 per hour and in Illinois it is \$11.
- While many of the states with higher minimum wages are on the coasts, Montana, South Dakota, West Virginia, and Missouri all have minimum wages above Wisconsin's.
- 18 states and Washington DC annually increase their minimum wage so that it keeps pace with inflation.

Minimum wage increases are popular and regularly win on statewide ballots.

- In the November 2020 election, the state of Florida passed a referendum putting that state on the path to a \$15 minimum wage. In the last two decades, statewide minimum wage increases have gone to voters 22 times. In each instance, the wage increase has passed.

Wisconsin cities can't raise the wage floor.

- In Wisconsin, state law denies municipalities the ability to establish wage floors above the state minimum. This means that cities here cannot pursue wage increases for workers as some 45 localities across the United States have. The state legislature could restore localities' right to establish wage floors above the state minimum.

## Conclusion

COWS' [State of Working Wisconsin 2020](#) showed how the pandemic and the COVID-19 economic collapse have exposed and exacerbated economic inequality in the state. The workers that have carried the brunt of the economic burden are disproportionately people of color and women, working in our lowest wage sectors. These are the very workers who stand to gain from a higher minimum wage.

## About COWS

COWS is a nonprofit think-and-do tank, based at the University of Wisconsin-Madison, that promotes “high road” solutions to social problems. These treat shared growth and opportunity, environmental sustainability, and resilient democratic institutions as necessary and achievable complements in human development. Through our various projects, we work with cities around the country to promote innovation and the implementation of high road policy. COWS is nonpartisan but values-based. We seek a world of equal opportunity and security for all.

## Acknowledgments

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**COWS** | Building  
the High Road

University of Wisconsin – Madison

608.263.3889 | [info@cows.org](mailto:info@cows.org)

[cows.org](https://cows.org)