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Gov. Wolf: Minimum Wage Increase and Tax Cut Would Boost Incomes of Many Essential Workers

*1.1 million workers benefit with path to \$15 minimum wage
Builds on proposed tax cut for 2.8 million Pennsylvanians
Supports essential workers struggling with poverty wages*

Harrisburg, PA – Building on his plan [to cut personal income taxes for 2.8 million Pennsylvanians](#), Governor Tom Wolf wants to help thousands of essential workers struggling to buy food and avoid homelessness because of poverty wages. Today, the governor renewed his call to increase the state’s embarrassingly low minimum wage to \$12 per hour on July 1, with annual increases of \$0.50 until reaching \$15 per hour on July 1, 2027.

Creating a path to \$15 will raise the incomes of more than 1.1 million Pennsylvania workers, provide better stability for women, rural and tipped workers and allow thousands of people to work their way off public assistance and strengthen the economy for everyone.

“This is not about \$7.25, it’s about the nearly 1 million Pennsylvanians who will get a raise at \$12 an hour,” said Gov. Wolf. “Too many essential workers are earning poverty wages while putting themselves at risk to keep our society running. They keep food on shelves, move crucial supplies, take care of our children, and support people with disabilities. And thousands of them earn poverty wages. These hardworking people deserve better. They deserve a living wage.”

Red state support

In the November 2020 election, voters in Florida – which has a Republican governor and legislature and voted for President Trump – passed a constitutional amendment to raise its minimum wage to \$15 by 2026. More than 60 percent of Florida voters supported the measure to help lift the wages of workers in the southern state.

Nationally, eight states are on a path to \$15, including our neighboring states of Maryland, New Jersey, and New York. Approximately 42 percent of the US workforce will have a \$15 minimum

wage by 2026. **Two-thirds of Americans support a \$15 minimum wage**, according to a Pew Research Center survey. Pennsylvania's workers must not be left further behind.

The governor was joined for a press conference by Sen. Christine Tartaglione, minority chairwoman of the Senate Labor & Industry Committee, Rep. Patty Kim and Little Amps Coffee CEO Peter Leonard.

"In our current economic and social climate, raising the minimum wage through legislation such as my SB 12 is prudent and urgent," Senator Tartaglione said. "It is supported by a preponderance of academic and scientific research and would improve wage equity for women and minorities. Furthermore, it is endorsed by an overwhelming majority of Pennsylvanians. I thank Governor Wolf for prioritizing a fairer and more equitable minimum wage, and for supporting our lowest-paid workers and their families."

"For too long, the minimum wage of \$7.25 has been stuck at its current outdated level," said Rep. Patty Kim. "We desperately need to raise the minimum wage floor. Rising costs are drowning these workers who can't keep their heads above financial waters. People who work full-time should not run out of money before paying their basic necessities. Gradually raising the minimum wage to \$15 an hour will give these hard workers the breathing room that they need and deserve."

Closing the gender pay gap and debunking harmful myths

Raising the minimum wage will improve the economic security of women and is a step toward closing the gender pay gap. Of the 1 million workers getting a boost in income from a \$15 minimum wage, six in ten are women. Additionally, 75 percent of the workers are age 20 or older and nearly 40 percent work full-time, which refutes harmful stereotypes by making clear that hundreds of thousands of adults are stuck making poverty wages

A higher minimum wage also saves tax dollars by reducing costs for state assistance programs and increase tax revenue. Nearly 38,000 adults will leave Medicaid at \$12 an hour and approximately 64,400 adults work their way off the program at \$15. Raising the wage also increases state tax revenue, providing an additional \$116 million at \$12 an hour and \$320 million at \$15 an hour, while helping local businesses by inject more than \$4 billion into the state's economy.

Pennsylvania's minimum wage has been stuck at \$7.25 an hour since 2009, the lowest minimum wage allowed by federal law. A full-time, year-round minimum wage worker earns only \$15,080 annually, less than the federal poverty threshold for a family of two.

Cutting taxes for working class families and small businesses

In addition to raising wages for 1.1 million workers, the governor's plan provides a historic tax cut for millions of workers by making the tax system fairer for those who most need the help.

Under the Governor's proposal, 2.8 million Pennsylvanians will get a personal income tax cut, saving an average of \$536 a year. This includes 412,000 seniors who will save an average of

\$529 in taxes and more than 767,000 people who will pay \$0, saving hundreds of dollars for their family budgets.

The tax cut also helps small businesses with over 400,000 business owners saving \$240 million, and nearly 300,000 sole proprietorships, often the smallest of businesses, getting a \$175 million tax cut. Sixty-two percent of sole proprietorships pay less or the same amount of tax under this proposal.

“No one who works hard should be living in poverty,” said Gov. Wolf. “I am pleased that the Biden Administration also sees the importance of ensuring that workers earn a living wage, but we cannot wait for the federal government to act. We have a responsibility to Pennsylvania workers, and we must act now to raise the minimum wage and make the tax system more fair. A livable wage helps workers, brings more money to local businesses and grows the economy for everyone.”

In 2018, the governor signed an executive order raising the minimum wage for commonwealth employees under the governor’s jurisdiction to \$12 an hour with a pathway to \$15 by 2024. Today, the minimum wage for state workers is \$13 an hour.

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