

Raise the \$7.25 Federal Minimum Wage

By [Sylvia Allegretto](#)

The inflation-adjusted federal minimum wage is at a 69-year low and has been stuck at \$7.25 since 2009. Since then, inflation has eroded its value by 30 percent. While much higher minimums have been passed by many states, 20 states still have the federal policy in place, leaving millions of workers behind.

Today, the US Federal minimum wage:

- is a poverty level wage for a full-time single worker.
- would be just over \$12 if adjusted to its 1968 high point – a very low bar given how much richer, more educated and productive workers are today.
- would be about \$25 if it had tracked productivity growth since 1968.
- ranks 21st in the world, even as we are the wealthiest country.

Solution: Raise the Federal Minimum Wage

The 2025 Raise the Wage Act offers a reasonable blueprint for action. It would have increased the minimum to \$17 by 2023, indexed it to the median wage in 2031, phased out the \$2.13 tipped wage in 2032, and eliminated subminimum wages for youth and workers with disabilities.

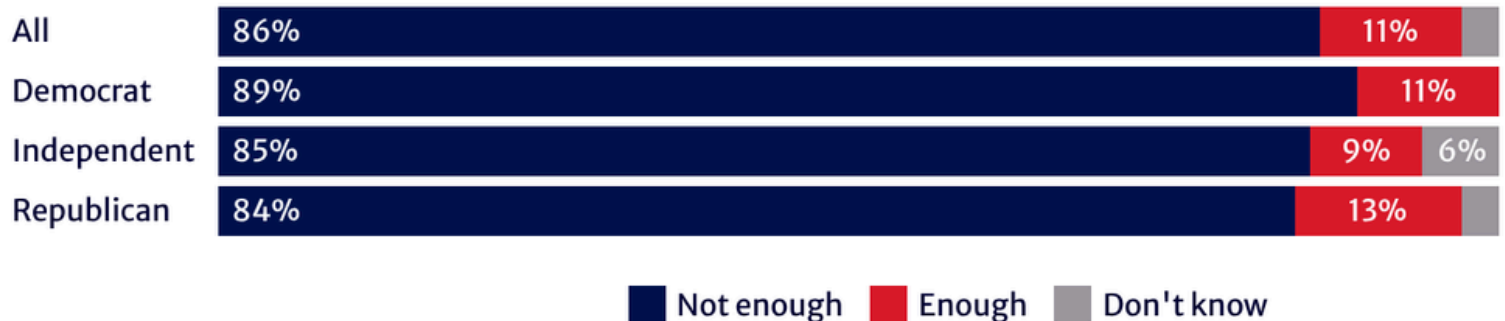
- Raise the wage to a meaningful higher standard with a reasonable phase-in.
- Allow for annual increases to at least keep up with the cost of living.
- Allow for periodic assessment to make sure it is still a meaningful floor that provides for an increase in the standard of living for the lowest earners.

Public Support for a Higher Minimum Wage is Overwhelming

Data in the figure below reflect responses to the question: “Do you think the \$7.25 federal minimum wage is enough for the average American worker to have a decent quality of life; that is, the ability to afford basic necessities such as groceries, rent or mortgage payment, transportation, and other essentials without struggling?”

A Majority Agree That \$7.25 Federal Minimum Wage Falls Short

Share of likely voters who think the federal minimum wage is enough for the average American worker to have a decent quality of life



Source: Data for Progress, April 19–22, 2024. Independent includes unaffiliated and third party voters.



Historical inaction on the federal minimum wage has left it to lose its value for years on end. Increases have been left to the realm of politics instead of addressing issues of fairness and the needs of our lowest earners and their standard of living. The vast majority of likely voters agree that \$7.25 is far too low, and 64 percent of them supported an increase to \$17 in 2024.

Resources:

- [Voters Think it is Time to Raise the Minimum Wage](#), Lew Blank, **Data for Progress**, April 26, 2024.
- [Fair Labor Standards Act of 1938: Maximum Struggle for a Minimum Wage](#), Jonathan Grossman, **US Department of Labor**.
- [Minimum Wage Tracker](#), **Economic Policy Institute**.
- [Minimum wage: State Solutions to the US Worker Rights Crisis](#), David Cooper, **Economic Policy Institute**, July 30, 2025.
- [The \\$7.25 Federal Minimum Wage is Too Damn Low & Has Been So For Too Damn Long](#), Sylvia Allegretto, **CEPR**, July 30, 2024.
- [Minimum Wages in the 21st Century](#), Arin Dube & Attila Lindner, **Handbook of Labor Economics**, Chapter 4, 2024.