

The Impact of a \$15 Minimum Wage in Pennsylvania

OVER 143,000 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.

Pennsylvania will experience significant economic consequences:

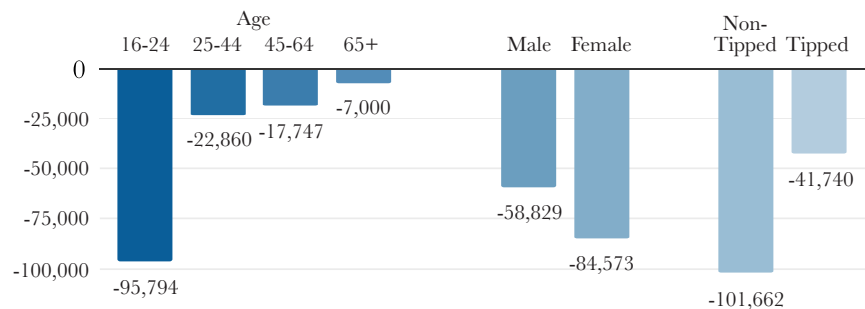
- The state can expect to **lose as many as 143,402 jobs**. Sixty-seven percent of these lost jobs will be held by workers aged 16-24, and 59% of lost jobs will be held by women.
- The **restaurant and bar industry will account for 39% of total job losses**, and 29% of lost jobs will be those held by tipped workers.
- The proposal will **cost PA employers over \$5.8 billion** when phased in.

THE IMPACT IN PA:

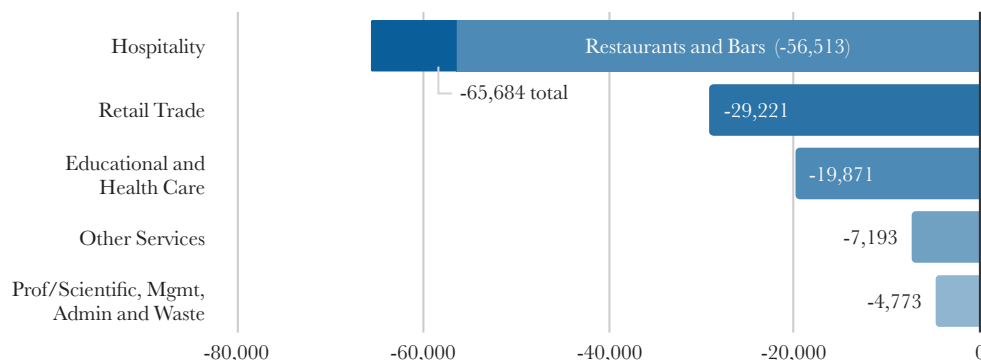
Current minimum wage: \$7.25/hr
Tipped minimum wage: \$2.83/hr, plus tips to equal at least \$7.25/hr

Biden's proposal would raise the current minimum wage by **107%**, and the tipped minimum by **430%**.

\$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>