



FACT SHEET: RAISING THE MINIMUM WAGE

North Carolina needs an economy that works for all and ensures broadly shared prosperity.

That means creating good jobs that pay workers enough to afford the basics for themselves and their families—enough to buy groceries, pay the rent, put gas in the car or ride the bus, and send their children to day care. The purpose of a minimum wage is to ensure that everyone is paid at least the minimum needed to survive, but because the minimum wage has not kept up with inflation it is not serving that purpose. Today, hundreds of thousands of working North Carolinians don't earn enough to make ends meet, which in turn hurts business sales and long-term economic prosperity.

The Facts about Minimum Wage

- North Carolina's minimum wage has been stuck at \$7.25 an hour since 2009, the last time the federal minimum wage was increased. Thirty states have increased the minimum wage above \$7.25.
- Until 1968, the federal minimum wage was regularly updated to keep pace with inflation and productivity. If that trend had continued, the minimum wage would be roughly \$23 today.¹
- The federal poverty level for a family of four is \$32,150², but a family with two full-time minimum-wage workers only earns roughly \$30,000 per year.
- Approximately 1.3 million North Carolinians are living under the federal poverty level.³
- An average family of four in North Carolina actually needs to earn \$97,550 to afford the basics. That is \$23.40 per hour for two full-time wage earners.⁴

Raising the Minimum Wage is Good for Business and the Economy

- Because low-wage workers spend a large proportion of their new wages on goods and services, increasing their wages will stimulate the economy, benefiting both their communities and local businesses.⁵
- Businesses also benefit from decreased turnover, especially among small businesses and businesses in low-wage industries.⁶ It also reduces worker absenteeism.⁷

Raising Wages NC
Coalition
Minimum Wage
Fact Sheet
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raisingwagesnc.org

Raising the Minimum Wage is Good for North Carolina's Working People

- Raising the minimum wage to \$17 per hour by 2028 would give an over \$4,240 raise per year to 1.3 million working people in North Carolina – for a total statewide wage boost of nearly \$5.5 million.⁸
- An analysis of increasing the minimum wage to just \$15 per hour by 2025⁹ revealed that:
 - More than 88 % of the working people in the state who would benefit from the raise are older than 20, and nearly one-third are 40 or older.
 - Nearly 1 in 4 parents, including more than 4 in 10 single parents in the state would benefit, seeing an average increase in wages of \$2,903 annually.
 - More than 580,000 Black and Hispanic or Latino workers would see their paychecks go up by an average of \$3,159.
- Families of color have disproportionately suffered from wage inequality. Thirty-two percent of Black workers and 41 percent of Hispanic or Latino workers earn less than \$15 per hour, compared to just 16 percent of white workers.¹⁰
- As of 2018, nearly half of all U.S. workers making less than \$15 an hour were in positions classified as essential.¹¹ In North Carolina, average hourly wages for all workers in food preparation and serving, personal care, and healthcare support occupations were below \$15/hour, and women in these positions earned less than their male counterparts.¹²

Both the **Economic Security Act of 2025 (H339/ S326)** and **Fair Minimum Wage Act (H353)** propose raising the minimum wage and would provide a much-needed boost to households facing rising inflation and housing costs and strengthen North Carolina's economy.

¹ Baker, Dean. "CORRECTION: \$23 per Hour Minimum Wage? How Our Economy Broke the Link between Minimum Wage and Productivity." Center for Economic and Policy Research, 18 Aug. 2021, <https://cepr.net/press-release/26-per-hour-minimum-wage-how-our-economy-broke-the-link-betweenminimum-wage-and-productivity/>.

² <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>

³ <https://ncbudget.org/new-census-poverty-data-1-3-million-living-in-poverty-in-nc/>

⁴ <https://ncbudget.org/2025-living-income-standard/>

⁵ Roberts, Lily, and Ben Olinsky. "Raising the Minimum Wage Would Boost an Economic Recovery—and Reduce Taxpayer Subsidization of Low-Wage Work." Center for American Progress, 27 Jan. 2021, <https://www.americanprogress.org/article/raising-minimum-wage-boost-economic-recovery-reduce-taxpayer-subsidization-low-wage-work/>.

⁶ Wursten, Jesse and Michael Reich. "Small Businesses and the Minimum Wage." Institute for Research on Labor and Employment (IRLE) Working Paper No. 102-23, 7 Mar. 2023, <https://irle.berkeley.edu/publications/working-papers/small-businesses-and-the-minimum-wage/>

⁷ "Minimum Wages, Sickness Absenteeism, and Non-Sickness Absenteeism, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1588294

⁸ <https://www.epi.org/publication/rtwa-2023-impact-fact-sheet/>

⁹ Unpublished analysis by the Economic Policy Institute for the North Carolina Justice Center. Projections based on American Community Survey (ACS) 2015-19 5-year estimates and demographic distributions from the 2022 Current Population Survey (CPS). For more details see Technical Methodology by Dave Cooper, Zane Mokhiber, and Ben Zipperer. <https://www.epi.org/publication/minimum-wage-simulation-model-technical-methodology/>

¹⁰ Ibid.

¹¹ Kinder, Molly and Laura Stateler. "Essential workers comprise about half of all workers in low-paid occupations. They deserve a \$15 minimum wage." Brookings, 5 Feb 2021. Accessed at <https://www.brookings.edu/blog/the-avenue/2021/02/05/essential-workers-deserve-minimum-wage-increase/>

¹² Cunningham, Brandon, Ana Pardo and Mariya Shcheglovitova. "State of Working North Carolina: Looking Back on the Pandemic – How the COVID-19 policy response deepened inequality in the workforce and what workers are doing about it." North Carolina Justice Center, December 2022. See Table 1 (via 2016-2020 ACS 5yr estimates). <https://stateofworkingnc.org/wp-content/uploads/2022/12/SOWNC-Report-2022.pdf>