Contact: Lorena Roque, Associate Director for Labor Policy, CLASP at **lroque@clasp.org**.
Contact: Elyse Shaw, Director of the Education, Labor & Worker Justice Team, CLASP at **eshaw@clasp.org**.
Contact: Juan Carlos Gomez, Director of Legislative Affairs, CLASP at **jgomez@clasp.org**.

CLASP
The Center for Law and Social Policy

Living Wages & Good Jobs

The United States has an affordability problem: wages have not kept up with the rising cost of living.

Introduction: The Problem and Solution

The United States has an affordability problem: wages have not kept up with the rising cost of living. Since the start of the second Trump Administration in January 2025, inflation has soared, unionization rates have fallen, worker protections have been weakened, and it's becoming increasingly easier for employers to discriminate against their workers. Through policies, executive orders, and other administrative actions, the administration has made the cost of living unaffordable and workplaces less safe, and cut worker rights. The current war with Iran and consumer tariffs have also cost workers, triggering rising prices of basic necessities for millions of households.[1]

The modern economy is constantly changing. Many Americans are working more than one job to make ends meet, such as taking on app-based gig work with few benefits. But all workers need a high-quality job that pays a living wage with benefits such as paid sick days, paid family and medical leave, health insurance, and retirement benefits. The right to a union and bargain collectively greatly contributes to financial stability and affordability, as workers can demand higher wages, predictable schedules, and improvements on workplace benefits.

Current State of Play

The Attack on Labor Unions and Workers' Rights

The second Trump Administration has made it harder for workers to collectively organize in the workplace. In fact, Trump's National Labor Relations Board (NLRB) oversaw a 30 percent drop in union elections from 2024 to 2025[2]--an outcome of Trump firing an NLRB board member, which resulted in the board's inability to reach quorum for 345 days. That, in turn, meant that the board could not enforce workers' rights such as cases involving alleged illegal firings and other unfair labor practices. Additionally, President Trump has issued executive orders that strip union protections from more than one million federal workers.[3]

Eliminating Evidence of Workplace Discrimination

The administration has weaponized the U.S. Equal Employment Opportunity Commission (EEOC) by stripping civil rights protections for women, transgender workers, and other protected groups. The EEOC has attempted to remove Title VII protections from transgender workers, announced it will no longer process complaints alleging disparate impact violations–a cornerstone of civil rights enforcement for over 50 years–and dismantled critical infrastructure for monitoring workplace discrimination.[4] In July 2026, the EEOC voted to issue a proposed rule to eliminate demographic workforce data collection known as EEO-1, along with other data collection requirements.[5] Without this data, workplace discrimination against women, people of color, and other marginalized groups would be harder to identify. These EEOC data have been used to facilitate civil rights enforcement, guide evidence-based policymaking, and help employers evaluate their own practices for the past 60 years. They have also provided substantial evidence of workplace discrimination based on race and gender, harming workers in hiring, advancement, and remuneration. Without race and gender workforce data, the federal government, employers, and states will no longer be able to identify hiring, pay, and promotion disparities, job segregation, and other barriers to equal opportunity at work.

Workplaces Have Become More Dangerous

The second Trump Administration has also made workplaces across the country more dangerous. In July 2025, the Department of Labor (DOL) introduced an extensive plan to reduce regulations affecting important workplace safety regulations in the Occupational Safety and Health Administration (OSHA), including removing safety risks that are "inseparable" from certain jobs, terminating COVID-related deaths and hospitalization monitoring, and removing respiratory protection standards and musculoskeletal injury reporting.[6] These policy changes hurt Latino, Black, immigrant, and women workers the most. In fact, Latino workers experience the highest rates of fatal occupational injury, and Black workers also face elevated risks.[7] Immigrant workers are overrepresented in industries with dangerous conditions, including construction, agriculture, warehousing, and manufacturing.

Workplace safety and health are not limited to injuries or fatalities. Gender-based violence and harassment (GBVH) is deeply embedded across low-wage jobs and male-dominated industries. This includes sectors

such as hospitality, domestic work, agriculture, construction, and warehousing. Women—particularly Black women, immigrant women, and women in temporary roles—face heightened exposure to harassment, assault, and coercion on the job.[8] Federal workplace safety frameworks provide limited proactive protections against these forms of harm. OSHA does not offer a comprehensive standard that addresses GBVH as a workplace safety issue, and enforcement mechanisms remain limited. These gaps leave workers without consistent tools for prevention or accountability.

Who is Affected?

While 36.8 million Americans, or 11.1 percent of the population, live in poverty, millions of Americans are among the "working poor", which is defined as people who have spent at least 27 weeks working or looking for work during a year but have incomes below the national poverty line ($14,580 for individuals and $19,720 for a family of two).[9] The latest data shows that in 2023, 6.1 million people were considered "working poor." Women, Latino, and Black workers are more likely than men and white workers to be among those working and still in poverty.

6.1 million **people counted among the "working poor" in 2023 — working or looking for work, with incomes below the poverty line**

This is due in large part to disproportionately low wages and earnings. While the federal minimum wage hasn't been raised since 2009, individual purchasing power has decreased significantly. After adjusting for inflation, today's minimum wage of $7.25/hour is 40 percent lower than the minimum wage in 1970, which would be $13.77/hour in today's dollars.[10] While the majority of states, territories, and districts have adopted higher minimum wage laws than the federal government, not all have. These discrepancies in wage laws create racial and geographic disparities in both wages and poverty.[11]

$7.25 /hour

today's federal minimum wage — 40 percent lower than the 1970 minimum wage, adjusted for inflation

Workers who work part-time, whether involuntarily or voluntarily, are much more likely to be part of the working poor. Involuntary part-time work is defined as workers who work part-time due to being unable to find full-time work; and women make up the majority of part-time workers.[12] Due to low wages and rising inflation, people need to take on more work, sometimes multiple jobs, to make ends meet. The gig economy, which historically has a low barrier to entry, has led to a significant increase in the number of people working through an app-based platform. App-based work has risen exponentially in recent years, with 64 million people in the U.S. engaged in some form of gig work and 7.3 million working in app-based delivery or ride hailing in 2023.[13] However, due to the misclassification of gig workers as independent contractors instead of

employees, these workers do not have access to minimum wage protections, employer-sponsored health care, Social Security benefits, and unemployment insurance. This misclassification creates a two-tiered system in the labor market: app-based jobs are missing equitable protections, resulting in lower wages and no benefits.

App-based work is not the only low-wage, precarious industry in which workers, rather than the employer or government, take on job-related risks and receive few non-wage benefits or legal protections.[14] Temporary work through staffing agencies is a high-traffic and high-profit industry meant to serve workers seeking job training for further work opportunities. These agencies largely serve communities of color, Black communities, and women of color. The amount of workers hired through staffing agencies is increasing, with an estimated 13 million to 16 million U.S. workers hired through staffing agencies annually.[15] Yet federal policy does not enforce or regulate temporary work and allows large companies in sectors such as warehousing, manufacturing, and retail to pay these workers low wages, risk their health and safety, and discriminate against workers of color.

While the cost of living continues to rise, wages remain stagnant and people are increasingly looking for different jobs in the labor market. Growing industries such as app-based gig work and temporary work are unregulated and put workers at risk. Federal policy must fill this gap and create a standard for what a high-quality job in the United States looks like.

A Bold Vision Forward: A High-Quality Job for All

Everyone deserves a high-quality job: one that pays a living wage; promotes safety and health; is free from GBVH; has a stable work schedule; protects a worker's right to collectively bargain; and provides access to benefits such as paid sick days, paid family and medical leave, health insurance, and retirement benefits. Such jobs allow people to balance work, school, and family obligations and promote both economic stability and career advancement.

Support Living Wages and Equal Pay for All Workers

Raising the minimum wage is not enough to afford the basic costs of living in 2026. According to the MIT Living Wage Calculator, a "living wage" for a single adult with no dependents would be $25.98 per hour or roughly $54,000 a year for residents of Washington, D.C.[16]

Currently, almost 26 million workers are earning less than $17 per hour, 42 million workers are earning less than $20 per hour, and over 66 million workers are earning less than $25 per hour.[17] This means that half of the U.S. workforce is earning less than the living wage required to afford basic needs.

over

66

million

workers earn less than $25 an hour — half the U.S. workforce earns less than a living wage

Ensuring that all workers earn a living wage means removing certain exceptions from current labor law. The $2.14/hour federal tipped wage, $3.50/hour disability wage, and incarcerated worker wage of less than $1/hour, all of which perpetuate the legacy of slavery, must be abolished.[18] The Fair Labor Standards Act, which was implemented in 1938, left out minimum wage protections for all workers in the agriculture, farmwork, and domestic industries. Almost seventy years later, Black and Latino workers continue to be overrepresented in these low-wage fields: in 2022, 78 percent of U.S. agriculture workers identified as Latino, 34 percent of whom were women.[19] Black women are still disproportionately represented in domestic and care jobs, such as home health aides, personal care aides, and child care workers. In fact, one in five workers in these sectors is a Black woman.[20]

The **Living Wage for All Act** would get us closer to ensuring all workers earn a living wage. It would raise the federal minimum wage to $25 per hour through a phased approach that reflects both the cost of living and the structure of the modern economy. It would also eliminate all subminimum wages, including for tipped workers, youth workers, and workers with disabilities, ensuring that every worker is guaranteed a full wage from their employer.[21]

The modern economy demands app-based gig and temp work, and we must ensure these sectors pay a living wage, protect workers from on-the-job risks, and meet basic living standards, including a strong ABC test against misclassification.[25]

By establishing a strong, protective, pro-employee test, policymakers can streamline the process for workers to prove they are employees who have been misclassified as independent contractors. The **Empowering App-Based Workers Act** would create important protections for gig workers across the country and ensure they are paid more fairly.

AFFORDABILITY CRISIS IN PRACTICE

$875 a month
TO COVER LIVING EXPENSES ON MINIMUM WAGE


A SINGLE PARENT


WASHINGTON, D.C.

Consider a single parent making minimum wage in Washington, DC—the district/state[22] with the highest minimum wage in the country—of $18.40 an hour, which would equate to an annual salary of $38,272.[23] On average, housing alone costs $27,768 per year for a single parent with one child in the District of Columbia,[24] leaving only $10,504 for the entire rest of the year—or just $875 a month—to cover all other expenses including food, transportation, utilities, health care, and child care. **Even in the state with the highest minimum wage, a single parent earns too little to cover all their monthly bills and will be forced to pick and choose between paying for food or keeping the lights on.**

Support Policies That Protect Workers' Right to Organize

Protecting unions and the right to collectively organize is vital to raising wages and safeguarding democracy. On average, unions raise wages of their workers by 10 to 15 percent, while also improving benefits and workplace procedures such as retirement plans and predictable scheduling.[26] These improvements contribute substantially to financial stability for families and positively impact affordability. Research has shown that tripling union membership[27] would:

- **Deliver a 14.5 percent raise for the median worker,** amounting to more than $7,700 annually, or nearly $270,000 over a 35-year career.
- **Shift $1.2 trillion to workers annually.**
- **Significantly narrow racial wage gaps.** Because unions tend to boost wages more for Black and Latino workers than for white workers due to job sectors such as construction and manufacturing, tripling union membership would close racial wage gaps by more than one-third.
- **Increase the number of people with health insurance.** Since unions increase other forms of compensation, like health insurance benefits, the number of non-elderly people without health insurance would fall by approximately 25 percent. Unions further reduce uninsured rates by advocating for increased public benefits like Medicaid.

- **Strengthen communities.** States with high union density invest more in public education, have higher unemployment insurance benefits, and have adopted Medicaid expansion.
- **Protect democracy.** Unions boost voter turnout, equip workers with civic skills, and actively defend voting rights. States with high union density have passed far fewer voter restriction bills than states with low density.[28]

Legislation, such as the **Protecting Workers Right to Organize (PRO) Act** would make it easier for workers to collectively organize. It would impose fines of between $50,000 and $100,000 on employers that fire employees who try to unionize their workplace. It would also require the NLRB to seek a court injunction to immediately reinstate workers if they have been illegally fired for union activity; prohibit employers from holding "captive audience" meetings, which are meant to intimidate employees and discourage employees from organizing, and from forcing employees to enter into arbitration agreements, which is when employees waive their right to collective and class action lawsuits;[29] and set a timeline for the collective bargaining process between unions and employers, as well as prohibit the delay of union elections by having the NLRB set union election guidance.

Support a Federal Jobs Guarantee

During the 1963 March on Washington, Martin Luther King Jr. advocated for a job guarantee as a pillar of economic justice, demanding that the United States government "guarantee a job to all people who want to work and are able to work."[30] Indeed, the civil rights movement understood that a federal jobs guarantee could be a powerful tool in building public infrastructure and achieving racial and economic equality.

> *"Guarantee a job to all people who want to work and are able to work."*
>
> MARTIN LUTHER KING JR. · 1963 MARCH ON WASHINGTON

In August 2026, 4.1 percent of people were unemployed, making the number of unemployed people approximately 7 million. An additional 4.4 million people were underemployed, meaning they were seeking full-time jobs but could only get part-time jobs. Finally, there are currently 5.7 million people who are not in the labor force but who want a job.[31] That means there are currently 17.1 million people who would benefit from a federal jobs guarantee. This policy would disproportionately benefit Black and Latino workers as these workers face a stark income gap compared to white workers.[32] For example, Black women spent twice as long finding a job as white women in the second half of 2025, and young Black workers were twice as likely to be unemployed.[33] Workers of color still face discrimination in the labor market and are most often the "first ones fired, last one hired" during economic recessions. A federal jobs guarantee would be economically inclusive to all workers who face discrimination in the workplace, including workers with disabilities, transgender workers, caregivers, and people with criminal records.

17.1 million people who would benefit from a federal jobs guarantee

A federal jobs guarantee would stabilize the United States during an economic recession, stabilizing consumer spending and making the economy more resilient against global shocks. A resolution has been introduced to ensure a federal jobs guarantee, which supports the right to a quality job on public projects across the country. These projects are current gaps in the U.S. economy and society such as child care, public education, early childhood education, and implementing environmental conservation initiatives.[34]

Support Policies that Promote a Workplace Free from Gender-Based Violence and Harassment

GBVH in the workplace is about having power over someone, not about sexual desire or attraction. This pervasive form of violence and harassment is rooted in unequal power relations between and among women and men, and it both reflects and reinforces the subordinate status of women in many societies. Experiencing GBVH at work can have significant financial impacts, as it can interrupt or slow down career advancement or even push survivors from their jobs altogether.[35] While costs to survivors vary depending on the circumstances, the survivor's occupation, and their career trajectory, GBVH at work can cost survivors anywhere from $600 to $1.3 million over their lifetime.[36] The affordability crisis only fuels conditions that leave workers in positions where they feel they have to continue to work in unsafe work conditions in order to make ends meet.

Congress can robustly implement policies to protect workers from violence and harassment in the workplace. In fact, states such as Maine have already taken the lead by identifying GBVH as a consequential barrier to workplace safety, dignity, and economic opportunity. The Maine Department of Labor has directed their state OSHA office to integrate GBVH prevention work in their OSHA policies, regulations, and practices.

The **BE HEARD in the Workplace Act** is federal legislation that would help eliminate GBVH in the workplace. The bill invests in research about the economic impact of workplace harassment, requires regular reporting on the prevalence of workplace harassment, and ensures that workers have access to more information and training about what constitutes harassment and their rights if they are harassed. It also negates mandatory arbitration and pre-employment non-disclosure agreements, which prevent workers from coming forward and holding perpetrators and businesses accountable, and strengthens existing civil rights laws.

Endnotes

1 Paul Wiseman, "Iran war hits home as gasoline prices fuel significant U.S. inflation jump," PBS News, May 12, 2026, https://www.pbs.org/newshour/economy/iran-war-hits-home-as-gasoline-prices-fuel-significant-u-s-inflation-jump.

2 Aurelia Glass, "NLRB-Overseen Union Elections Fell in 2025 Amid Trump Administration Attacks," Center for American Progress, February 11, 2026, https://www.americanprogress.org/article/nlrb-overseen-union-elections-fell-in-2025-amid-trump-administration-attacks/.

3 "Executive Order on 'Exclusions from Federal Labor-Management Relations Programs," Economic Policy Institute, December 17, 2025, https://www.epi.org/policywatch/executive-order-on-exclusions-from-federal-labor-management-relations-programs/.

4 Elyse Shaw and Lorena Roque, "The Dangerous and Violent Reality of Controlling Women," Center for Law and Social Policy, March 27, 2026, https://www.clasp.org/blog/the-dangerous-and-violent-reality-of-controlling-women/.

5 Equal Employment Opportunity Commission, "Notice of Proposed Rulemaking: Removal of Reporting Requirements," Federal Register, July 23, 2026, https://www.federalregister.gov/documents/2026/07/23/2026-14937/removal-of-reporting-requirements.

6 Lulit Shewan, "The Trump Administration is Making Your Workplace More Dangerous," CLASP, October 28, 2025, https://www.clasp.org/blog/the-trump-administration-is-making-your-workplace-more-dangerous/.

7 National Safety Council, "Work Injuries and Illness by Race or Ethnic Origin," 2024, https://injuryfacts.nsc.org/work/industry-incidence-rates/work-injuries-and-illnesses-by-race-or-ethnic-origin/.

8 Lulit Shewan, "On May Day, Workplace Harm is Being Shaped by Policy Choices," CLASP, May 1, 2026, https://www.clasp.org/blog/on-may-day-workplace-harm-is-being-shaped-by-policy-choices/.

9 "A Profile of the Working Poor, 2023," U.S. Bureau of Labor Statistics, December 2025, https://www.bls.gov/opub/reports/working-poor/2023/home.htm.

10 "Federal Minimum Wage in Real and Nominal Terms in the United States from 1950 to 2025," Statista, July 2026, https://www.statista.com/statistics/1065466/real-nominal-value-minimum-wage-us/.

11 "State Minimum Wages Summary," National Conference of State Legislatures, July 1, 2026, https://www.ncsl.org/labor-and-employment/state-minimum-wages#:~:text=Currently%2C%2034%20states%2C%20territories%20and,wage%20of%20%247.25%20per%20hour.

12 "Labor Force Statistics from the Current Population Survey," U.S. Bureau of Labor Statistics, last modified February 20, 2026, https://www.bls.gov/cps/cpsaat08.htm.

13 Łukasz Below, Ph.D., "The Gig Economy: A Tale of Two Labor Markets," ADP Research, November 20, 2025, https://www.adpresearch.com/research/the-gig-economy-a-tale-of-two-labor-markets.

14 Anasua Bhattacharya, PhD. and Tapas Ray, PhD., "Precarious Work, Job Stress, and Health-related Quality of Life," Centers for Disease Control and Prevention, August 9, 2022, https://blogs.cdc.gov/nioshscience-blog/2022/08/09/precarious-work/.

15 Lulit Shewan, "Temporary Staffing Agencies: Anti-Black Racism and Inefficacy by Design," CLASP, February 12, 2025, https://www.clasp.org/blog/temp-staffing-anti-black-racism-design/.

16 "Living Wage Calculation for District of Columbia," MIT Living Wage Calculator, last updated February 15, 2026, https://livingwage.mit.edu/states/11.

17 "Low Wage Workforce Tracker," Economic Policy Institute, June 2026, https://www.epi.org/low-wage-workforce/.

18 Michelle Alexander, The New Jim Crow: Mass Incarceration in the Age of Colorblindness (revised edition), The New Press, 2012, https://thenewpress.org/books/the-new-jim-crow/.

19 "Farm Labor," Economic Research Service, U.S. Department of Agriculture, November 18, 2025, https://www.ers.usda.gov/topics/farm-economy/farm-labor#:~:text=Average%20age%20in%20years,22.

20 Marina Zhavoronkova, Rose Khattar, and Matthew Brady, "Occupational Segregation in America," Center for American Progress, March 29, 2022, https://www.americanprogress.org/article/occupational-segregation-in-america/.

21 "H.R. 8555 - Living Wage For All Act," 119th Congress.

22 As of September 30, 2026, 69 localities have adopted minimum wages above the state minimum wage. See "Minimum Wage Tracker," Economic Policy Institute, https://www.epi.org/minimum-wage-tracker/.

23 Assumes full-time, year round employment.

24 "Family Budget Calculator," Economic Policy Institute, https://www.epi.org/resources/budget/.

25 Named after the three interlocking elements of the test–parts A, B, and C–this test establishes a presumption that an individual performing services for an employer is an employee, not an independent contractor, unless the employer can prove three factors: A. The work is done without the direction and control of the employer; B. The work is performed outside the usual course of the employer's business; and C. The work is done by someone who has their own independent business or trade doing that kind of work.

26 "Fact Sheet: Treasury Department Releases First-Of-Its-Kind Report on Benefits of Unions to the U.S. Economy," U.S. Department of the Treasury, August 28, 2023, https://home.treasury.gov/news/press-releases/jy1706.

27 Heidi Shierholz, Celine McNicholas, Josh Bivens, et al., "The case for tripling union membership," Economic Policy Institute, July 15, 2026, https://www.epi.org/publication/the-case-for-tripling-union-membership-how-rebuilding-union-power-would-strengthen-workers-the-economy-and-our-democracy/.

28 Shierholz, et al., "The case for tripling union membership."

29 "How the PRO Act Will Help Employees Advocate for Improvements at Work," AFL-CIO, "What is the PRO Act?" https://aflcio.org/how-pro-act-will-help-employees-advocate-improvements-work.

30 "The 1963 March on Washington," NAACP, https://naacp.org/find-resources/history-explained/1963-march-washington.

31 "News Release: The Employment Situation – August 2026," Bureau of Labor Statistics, U.S. Department of Labor, September 4, 2026, https://www.bls.gov/news.release/pdf/empsit.pdf.

32 Janis Bowdler and Benjamin Harris, "Racial Inequality in the United States," U.S, Department of the Treasury, July 21, 2022, https://home.treasury.gov/news/featured-stories/racial-inequality-in-the-united-states.

33 Mrinmoyee Chatterjee, Jennifer Turner, and Salma Elakbawy, "Barriers, Not Bootstraps: Job Prospects are Uneven for Young Black Women," Institute for Women's Policy Research, July 14, 2026, https://iwpr.org/articles/barriers-not-bootstraps-job-prospects-are-uneven-for-young-black-women/.

34 "With Unemployment Rising Under Trump, Pressley Renews Call for Federal Jobs Guarantee," Congresswoman Ayanna Pressley, U.S. House of Representatives, September 17, 2026, https://pressley.house.gov/2026/09/17/news-with-unemployment-rising-under-trump-pressley-renews-call-for-federal-job-guarantee/.

35 Elyse Shaw, Ariane Hegewisch, and Cythia Hess, "Sexual Harassment and Assault at Work: Understanding the Costs," Institute for Women's Policy Research, October 2018, https://iwpr.org/wp-content/uploads/2020/09/IWPR-sexual-harassment-brief_FINAL.pdf.

36 Meera Jagannathan "Sexual Harassment at work can cost survivors up to $1.3 million over a lifetime," MarketWatch, August 4, 2021, https://www.marketwatch.com/story/how-much-does-workplace-sexual-harassment-cost-over-a-lifetime-up-to-1-3-million-a-new-study-estimates-11626990097.