



Wisconsin's Path to Shared Prosperity Ensuring Working Families Can Succeed

All Wisconsin workers should be able to support their families, put food on the table, and make ends meet. But state lawmakers have eroded worker protections by favoring corporate handouts over common-sense reforms that support workers and boost the economy. In doing so, Wisconsin policymakers have contributed to a growing economic divide in our state—a divide that disproportionately increases economic hardship for families of color.

To improve the economic security of Wisconsin families, we should increase the minimum wage and the Earned Income Tax Credit, take a strong stand against wage theft, and give all workers access to paid family and sick leave. We have outlined the key steps below.

Increase the Minimum Wage

Wisconsin's minimum wage of \$7.25 has not been raised since 2009, and it has lost 17% of its value since then to inflation. Raising the minimum wage supports low-wage workers, particularly women and people of color, and it remains a critical step toward reducing the growing economic disparities in our state. Most other states have a higher minimum wage than Wisconsin, and on Election Day voters in two conservative states—Missouri and Arkansas—overwhelmingly approved ballot initiatives that will raise their state's minimum wage and boost the pay of 1 million workers. In Missouri, the minimum wage will be increased from \$7.85 to \$12.00 an hour by 2023. Arkansas voters approved a minimum wage increase from \$8.50 to \$11.00 an hour by 2021. Wisconsin should incrementally increase its minimum wage by at least as much as those two states, with a target of \$15 per hour in 2025.

Create a State Earned Income Tax Credit for Childless Adults

The Earned Income Tax Credit (EITC) does a great job

of providing relief for low-wage workers. But among the 30 states with an EITC for working parents, Wisconsin is the only one that doesn't also include adults without dependent children. In order to help make work pay and to increase economic security, our state should make childless adults eligible for a state EITC that matches the federal EITC.

Increase the EITC for Families with Children

The EITC is an effective tool for reducing poverty among working parents and their children. Research shows that children whose families receive the EITC are healthier, do better and go further in school, and earn more as adults. Unfortunately, Governor Walker's first budget bill reduced the Wisconsin EITC for working families with two or more children. It's time to reverse that decision and give a boost to families struggling to make ends meet.

Combat Wage Theft

Wisconsin communities need a solid transportation Wage theft costs low-wage American workers an estimated \$50 billion per year because employers do not pay them what they are owed. Wisconsin should enact

and enforce a strong wage theft prevention law similar to the ones enacted in California and Maryland in recent years.

Require Paid Family and Sick Leave

State and federal policy choices can help lessen the burden of income inequality by removing impediments to work and ensuring that low-income working families earn more. One important way to accomplish those objectives is to expand access to paid family leave and sick days. Only a small percentage of Wisconsin workers have paid family or medical leave, so many workers who need to take time off to care for themselves or a loved one face a significant loss of income. State and federal regulations require some employers to provide unpaid family leave, but new parents may not be able to afford to go months without a paycheck at a time when they are taking on new expenses. The four states that have implemented paid family leave fund the program through employee-paid payroll taxes and administer it through disability programs. Ten states require paid sick leave, typically in the form of a statutory requirement for employers.

Roll Back State Preemption of Local Ordinances

In recent years, Wisconsin has adopted a number of laws that invalidate local ordinances that set minimum standards for worker benefits. In light of the failure of state policymakers to stand up for workers and adopt benefit standards that improve conditions for workers, it's time for the state to stop preempting local officials from responding to the needs in their own communities.