

The High Moral Stakes of the Policy Battles Raging in Washington

Appendix 2: The Impact of Trump-GOP Policies on Workers and Labor Rights

Opposition to Raising the Minimum Wage

President Trump's <u>Treasury</u> and <u>Labor</u> secretaries do not support raising the minimum wage, even though it has been stuck at just \$7.25 per hour since 2009. Many states have raised their own wage floors, but <u>20 states</u> still use the federal minimum. The annual income of a single adult working full time at the federal minimum leaves this individual below the <u>official poverty line</u> in 2025.

The Economic Policy Institute <u>estimates</u> that 14 million workers earn less than \$15 per hour, accounting for about 10% of all wage and salary workers. Women are more likely to fall below this wage threshold, as 12% of working women earn less than \$15/hour, relative to 8% of working men. Workers of color are also more likely to earn less than \$15/hour, as 14% of Black workers and 12% of Hispanic workers earn less than the wage threshold, relative to 8% of white workers.

Trump also rescinded a Biden executive order that increased the minimum wage for workers on federal contracts. That rule set a floor of \$15 an hour in 2022 and indexed it to inflation. This year it would've been \$17.75 an hour. The Economic Policy Institute estimates that Biden's rule gave a raise to 400,000 low-wage workers, including janitors and security guards in government buildings, food service workers on military bases, and gift shop cashiers in national parks.

The Trump administration's <u>trade policy</u>, centered on retaliatory tariffs, threatens to increase consumer prices, making it even more difficult for low-wage workers to get by.

Slashing the Federal Workforce

The Trump administration, led by Elon Musk and his so-called Department of Government Efficiency (DOGE), has been on a rampage against the federal workforce. As of the middle of April, the administration had fired at least 121,361 federal workers, with many thousands more pressured to resign and more rounds of layoffs to come.

The decimation of this workforce means both the loss of community-supporting, middle class jobs and the loss of the vital services these workers provided across the country. More than 80% of federal employees live outside the Washington, D.C. area. These cuts are a particular blow to Black workers, who make up a disproportionately large share of the workforce at agencies targeted for mass layoffs, including 25.2% of Veterans Affairs and 29.2% of Treasury employees.

The administration has made arbitrary and reckless cuts to some of the most vital public agencies, actions that have nothing to do with improving efficiency.

Examples:

- The administration is planning to cut over <u>80,000 jobs</u> from the **Department of Veterans Affairs**, the agency that provides health care for retired military personnel.
- **Labor Department** cuts have led to the closure of more than 40 offices that inspect mines and other workplaces for safety. Additional <u>planned layoffs</u> will reduce the agency's ability to ensure retirement benefits rights and prevent wage theft, discrimination, and child labor.
- The slashing of 10,000 U.S. Agency for International Development employees is expected
 to lead to an additional <u>6.3 million</u> people around the world dying from HIV-AIDS in the next
 four years.
- The Social Security Administration has laid off 7,000 employees and plans to cut 87% of regional office staff. These moves have already led to long wait times for support for people worried about losing this essential retirement benefit.
- A judge is currently reviewing an order to fire 90% of the 1,700 employees of the Consumer Financial Protection Bureau. During its 14-year history, the CFPB has won nearly \$21 billion in compensation for victims of fraud, racial discrimination in lending, and other financial abuse.

Gutting Worker Rights

Trump has acted aggressively to reverse the <u>Biden administration's progress</u> on worker rights. He started by <u>illegally removing</u> National Labor Relations Board Chair Gwynne Wilcox for allegedly favoring workers' interests over employers. This robbed the NLRB of the quorum necessary to act and also gutted the agency's independence. The D.C. Circuit Court of Appeals ruled to reinstate Wilcox, but on April 9, the <u>Supreme Court blocked</u> this action while litigation is pending.

It's worth noting that Elon Musk has a personal interest in the NLRB's paralysis, given that his SpaceX company was facing a complaint brought to this agency. The \$290 million Elon Musk paid to influence the 2024 election is on par with the NLRB's \$299 million annual budget.

Through a <u>series of executive orders</u>, President Trump has also removed long-standing job protections for federal career employees, making it easier to fire these workers for any reason and taking away the rights of federal workers to <u>collectively bargain</u>.

The Trump administration's assaults on union rights will have damaging ripple effects throughout our economy. Unionized workers earn on average 13.5% more in wages than their non-unionized peers and they enjoy better access to health care, paid sick leave, and retirement benefits. The relatively higher union wage premium for workers of color also means that unions help narrow racial and ethnic pay gaps. Black workers receive a 14.6% and Hispanic workers receive a 17.6% wage boost from being covered by collective bargaining agreements.

Protecting the rights of workers to engage in collective bargaining is even more important now that Trump has called for the removal of diversity, equity, and inclusion (DEI) initiatives in the federal government. Trump also <u>illegally fired</u> two Biden appointees to the Equal Employment Opportunity Commission (EEOC), the federal agency that enforces laws to prohibit employment discrimination.

April 28, 2025