



NEWS

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Herger Concerned by Minimum Wage Bill

(WASHINGTON, DC) - Congressman Wally Herger today voted against H.R. 2, legislation that would mandate employers to have a minimum wage of at least \$7.25 within two years. Among other reasons, Herger objected to the bill because it did not include provisions to help small businesses offset the costs associated with an increase, and could actually reduce employment among lower wage workers, or lower the hours worked. Herger made the following comment regarding his opposition to the measure:

"Ironically, today's minimum wage legislation could erode work opportunities for the very individuals that it is meant to help, particularly younger workers, those seeking entry-level positions, and those trying to escape welfare," Herger stated. "Simply put, today's action is unbalanced and counterproductive. I strongly believe that the free market--not the government--is best suited to determine the appropriate wages of workers. Small businesses produce two-thirds of our nation's jobs. Federally mandated increases in wages could force such businesses to reduce employment or the hours their employees work."

According to the Census Bureau (2004), there are 74 million workers who earn an hourly wage. Only 2.7 percent earn the federal minimum wage or lower (the latter refers largely to restaurant workers). Half of these workers are below age 25. One-quarter are teenagers. Sixty percent are part-time workers. Further, the majority of individuals earning the minimum wage are not poor, and their median household income is well over \$40,000. In addition, experts point out the majority of those currently earning the federal minimum wage will realize a ten percent wage increase a year from now.

"Without obtaining the input of members of Congress at the committee level, the new majority glossed over the potentially serious consequences of a forced wage increase. I strongly urge the Senate to, at the very least, include key provisions that can help small businesses manage a forced wage increase," concluded Herger.

Twenty-nine states already have a minimum wage higher than the federal limit. At \$7.50 per hour, California's current minimum wage exceeds even the proposed federal mandate. On January 1, 2008, California's minimum wage will reach \$8.00 per hour.

For more information, please visit <http://www.house.gov/herger> on the Internet!