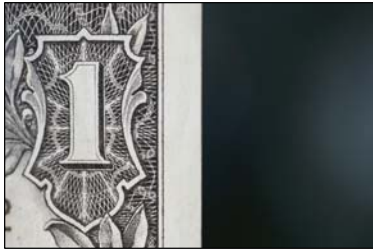


STRENGTHENING AMERICA'S MIDDLE CLASS

SUPPORT THE FAIR MINIMUM WAGE ACT



110TH CONGRESS

THE HONORABLE GEORGE MILLER
CHAIRMAN
COMMITTEE ON EDUCATION AND LABOR
UNITED STATES HOUSE OF REPRESENTATIVES

2007

Fair Minimum Wage Act

The Fair Minimum Wage Act would give a much needed pay raise to up to **15 million** of America's lowest-paid workers. Introduced by Representative George Miller (D-CA), the bill would increase the minimum wage by \$2.10 – from \$5.15 to \$7.25 an hour over two years. The bill would also extend the minimum wage to the Commonwealth of the Northern Mariana Islands, a U.S. territory in the Pacific Ocean where Jack Abramoff and then-House Majority Whip Tom DeLay undermined efforts to provide basic labor standards.

How the Fair Minimum Wage Act would work:

60 days after enactment:

The minimum wage would increase from the current \$5.15 to \$5.85.

One year after first increase:

The minimum wage would increase to \$6.55.

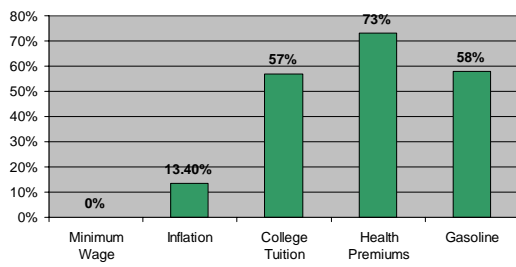
One year after second increase:

The minimum wage would finally increase to \$7.25.

Minimum Wage Value At a 51-Year Low

Despite rising health care, college and energy costs, the minimum wage has been **frozen at \$5.15 per hour for more than nine years**. This has been the longest period without a minimum wage increase in history. A full-time minimum wage worker in 2006 earns only \$10,712 – which is \$5,888 less than the \$16,600 needed to lift a family of three out of poverty. Today, the buying power of the minimum wage is **at its lowest level in 51 years**. Meanwhile, the average CEO was paid 821 times more than a minimum wage worker in 2005. [Source: Economic Policy Institute, 6/06]

Minimum Wage Frozen While Cost of Basic Items Skyrockets,
2000-2005



[Source: College Board, U.S. Energy Information Administration, Kaiser Family Foundation, U.S. Bureau of Labor Statistics]

Millions Will Benefit From Increase

Nearly **15 million Americans** will likely benefit from the Fair Minimum Wage Act – 6.6 million directly and 8.3 million indirectly.

- ✓ Almost 60% of the 15 million workers who would benefit from a minimum wage increase are women.
- ✓ About 35% are people of color.
- ✓ The vast majority – 80% – are adults.
- ✓ 54% of them work full time (35+ hours).
- ✓ Families with affected workers rely on those workers for more than half of their family's income. 46% of all families with affected workers rely solely on the earnings from those workers.
- ✓ 7.3 million children would see their parents' income rise.

[Source: Economic Policy Institute, 11/06]

*"American workers are long overdue for a raise. ... Imagine working for the better part of an hour and only being able to afford a gallon of milk – how do you ever make ends meet? The answer is: you don't."
-- Rep. George Miller*

Helping Workers Doesn't Mean Hurting Business

Past minimum wage increases have not had a negative economic impact. In the four years after the last increase, the economy enjoyed its strongest growth in over three decades, adding nearly 11 million new jobs.

In fact, small business employment grew more in states with a higher minimum wage between 1997 and 2003 than in federal minimum wage states – 9.4% versus 6.6%. Retail establishments – another major minimum-wage sector of the economy – saw their payroll grow by 12.3% in higher minimum wage states and by only 6.4% in low minimum wage states between 1998 and 2003 [Source: Center for American Progress and Policy Matters Ohio, 5/06]



Bipartisan Support for Minimum Wage Increase

- ✓ In July 2006, **64 House Republicans** joined the **House Democratic Caucus** in voting for a \$7.25 per hour minimum wage under a vocational education bill.
- ✓ This past summer, a total of **48 House Republicans** signed a letter to then-Majority Leader Boehner asking for legislation increasing the federal minimum wage.
- ✓ When the minimum wage bill was offered as an amendment in the House Appropriations Committee by Congressman Hoyer in June 2006, it was adopted by the committee **with the support of all Democrats and 7 Republicans**.
- ✓ An outright majority of Senators, **including eight Republicans**, voted for a minimum wage increase in June 2006.

Overwhelming Support from Experts and All Americans

- ✓ **The American people want a minimum wage increase.** In the 2006 elections, voters passed all 6 state ballot initiatives increasing the statewide minimum wage. As of January 1, 2007, 28 states and the District of Columbia will have higher minimum wages than the federal minimum. A post-election *Newsweek* poll found that **89%** of Americans support increasing the federal minimum wage. [Source: Reuters, 11/11/06]
- ✓ **665 economists agree: raise the minimum wage.** In October 2006, the Economic Policy Institute released a statement in support of the minimum wage increase signed by 665 economists, including 5 Nobel Laureates. According to the statement, the economists “believe that a modest increase in the minimum wage would improve the well-being of low-wage workers and would not have the adverse effects that critics have claimed.” [Source: Economic Policy Institute, 10/06]



Representative George Miller (D-CA)

***CHAIRMAN
Committee on Education and Labor***

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