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"It's Time To Raise The Minimum Wage"

Treasury Secretary Robert E. Rubin
Commerce Secretary Ronald Brown
Labor Secretary Robert B. Reich
Council of Economic Advisers Joseph E. Stiglitz
National Economic Adviser Laura D'Andrea Tyson

As President Clinton says, work and dignity go hand in hand. The President's economic growth strategy has stressed deficit reduction; open trade; and education, training, and technology. Yet, we must never forget that all of these policies are simply means to ensuring that we are rewarding work, increasing opportunity, and raising wages and living standards for millions of working families in pursuit of the American dream.

While the President's economic growth agenda has already helped our economy reduce unemployment from over 7 percent to 5.5 percent, cut the deficit nearly in half, and spur the creation of 8.4 million jobs, this nation still has further to go to ensure that we reward work and raise wages. We should all be gratified that after a decade-long decline, real hourly earnings have now finally started to rise -- and we have maintained the working family tax cut we passed in 1993 for 15 million~~y~~ households.

Nonetheless, as the President says, this is a record to build on, not sit on. The issue of stagnant wages is a 20-year problem. While it won't be solved overnight, it also cannot be ignored or remembered only in a political season.

One action that we can take right now -- today -- to raise wages and tell every American how much this country values work, is to insist that the minimum wage be a living wage.

To ensure that we are meeting our challenge to honor and reward work, the President has proposed a 90-cent increase in the minimum wage, spread over two years. That's the exact same plan that won overwhelming bipartisan support when Congress voted to raise the minimum wage in 1989. Indeed, the first 45 cents of the new increase would not even restore the value of the minimum wage lost since the last increase -- five years ago today. And if we do not act this year, the minimum wage will fall to a 40-year low in terms of purchasing power.

Of the ten million workers who would benefit from President Clinton's minimum wage increase, 69 percent are adults, age 20 or over. The average minimum wage worker brings home half of the family's earnings. And, according to the Bureau of Labor Statistics, 59 percent are women -- many of whom are also shouldering most of the burden at home. A minimum wage increase can make a real difference for a working family. For a full-time minimum wage worker, it means an additional \$1,800 in earnings -- enough to buy seven months of groceries.

Opponents of a minimum wage increase often assert that it will cost jobs. But the weight of the evidence supports the conclusion that a moderate minimum wage increase -- like the President's proposal -- would not have a significant effect on employment. For example, several studies extended older ones that had claimed that raising the minimum wage reduces employment. These studies, when updated, found that a minimum wage increase no longer significantly affected jobs.

Therefore, a vote for the minimum wage is a pro-family, pro-work vote. If we honor work and family, we have an obligation to ensure that we are encouraging people who work hard at low wages to get ahead -- instead of letting them fall through the cracks or fall onto welfare. As the President says, a vote for the minimum wage is a vote for America's values. No parent should have to work full time and raise their children in poverty. If we value work and we value families, we ought to raise the value of the minimum wage.

We must ensure that we grow the economy and everyone has the opportunity to share in the growth. Raising the incomes of America's lowest-paid workers is an important part of meeting this challenge. But there is a greater issue here -- an issue of values and the kind of society we would like to be. President Clinton expanded the Earned Income Tax Credit in 1993 and is pushing for a minimum wage increase in order to ensure that every citizen who puts in a full day's work earns enough to stay out of poverty.

America cannot afford to leave anyone behind. People who work at the minimum wage help keep America going. The very least we can do for them is to make work pay. The time has come for Congress to raise the minimum wage.

George

Senators cave action
on Hill on gas tax — Dems
unlikely to use cloture to
force min. wage. attachment.
If we want the "win-win,"
we are going to have to
move this along hard &
fast.

Ran