FOIA Number: 2016-0531-F

FOIA MARKER

This is not a textual record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

Collection/Record Group:	Clinton Presidential Records
Subgroup/Office of Origin:	Legislative Affairs
Series/Staff Member:	Elisa Millsap
Subseries:	

OA/ID Number:	6522
FolderID:	

Folder Title:
Events in White House, February 1995: Minimum Wage Announcement Rose Garden 02/03/1995

Stack:	Row:	Section:	Shelf:	Position:
S	26	3	6	3

PRESIDENT CLINTON ANNOUNCES INCREASE IN MINIMUM WAGE

Friday, February 3, 1995

To reward work in an economy that in 1994 saw the best job growth in a decade, President Clinton will today announce his proposal to raise the minimum wage to $5.15 an hour over two years -- through two 45 cent increases.

This news comes in the midst of more good news today for the economy under the Clinton administration. This morning, the Department of Labor reported that more than 6 million jobs have been created since President Clinton took office. In addition, the unemployment rate has dropped 20 percent to date under President Clinton.

A fact sheet and charts on the President's minimum wage proposal are available in the lower press office.

House Minority Leader Richard Gephardt (D-MO) will open the announcement in the Rose Garden today, followed by Senate Minority Leader Tom Daschle (D-SD). The Vice President will then speak and introduce the President for his remarks.

-30-30-30-

REWARDING WORK:
THE CASE FOR INCREASING THE MINIMUM WAGE

The President's proposal would increase the minimum wage from $4.25 to $5.15 over two years, through two 45 cent increases. The last increase, passed by an overwhelming, bipartisan vote in 1989, and implemented in 1990 and 1991, was also a 90 cent increase in two 45 cent stages. For a full-time, year-round worker at the minimum wage, a 90 cent increase would raise yearly income by $1,800 -- as much as the average family spends on groceries in over 7 months.

MAINTAINING THE HISTORIC VALUE OF WORK: If the minimum wage were to stay at its current level ($4.25), it would fall to its lowest real level in forty years. Indeed, the value of the minimum wage is now 27% lower than it was in 1979, and has fallen 45 cents in real value since its last increase in April of 1991. The first half of the President's 90 cent proposal simply restores the minimum wage to its value from the last increase.

RAISING THE MINIMUM WAGE PRIMARILY HELPS ADULT WORKERS --MOST OF WHOM RELY ON THEIR MINIMUM WAGE JOBS TO SUPPORT THEIR HOUSEHOLDS: Nearly two-thirds of minimum wage workers are adults (63%); over one third of all minimum wage workers (36%) are the sole breadwinners in their families; the average minimum wage worker brought home over half of his or her family's earnings. Thus, a rise in the minimum wage is a significant boost to the standard of living to millions of households.

REWARDS WORK OVER WELFARE: The minimum wage increase provides another crucial measure to reward work and ensure that there is a strong incentive to choose work over welfare.

BETWEEN 11 MILLION AND 14 MILLION WORKERS WOULD BENEFIT FROM THE PRESIDENT'S PROPOSAL TO INCREASE THE MINIMUM WAGE: An estimated 11 million workers, paid by the hour, earn between $4.25 and $5.14. Research indicates that an increase in the minimum wage to $5.15 could have a "ripple" effect on another 3.5 million workers who earn within 50 cents of the new minimum wage.

EMPIRICAL EVIDENCE SHOWS THE PRESIDENT'S PROPOSAL CAN INCREASE WAGES WITHOUT COSTING JOBS: Over a dozen empirical studies have found that moderate increases in the minimum wage do not have a significant impact on employment. These studies include state-specific research that shows that higher state increases in the minimum wage did not result in significant job impacts. As Nobel Laureate Robert Solow stated: "[T]he evidence of job loss is weak. And the fact that the evidence is weak suggests that the impact on jobs is small."

A 90 CENT INCREASE IN THE MINIMUM WAGE WILL LIFT A FAMILY OF FOUR OUT OF POVERTY: The dramatic extension of the Earned Income Tax Credit helped lift hundreds of thousands of working families out of poverty. Yet, by 1996, even the EITC is not enough to lift above the poverty line a family of four making the minimum wage. With the 90 cent minimum wage increase, food stamps, and the EITC, a family of four with a year-round minimum wage worker would be lifted above the poverty line.

THE LAST MINIMUM WAGE -- ALSO 90 CENTS -- GARNERED STRONG BIPARTISAN SUPPORT. In 1989, the minimum wage was passed by votes of 382 to 37 (135 Republicans) in the House, and 89 to 8 in the Senate (36 Republicans) and was supported by Senator Dole and Rep. Gingrich.

POTUS 'S
Min Wage Announcement
Fri 2/3
9:30 - 10:00 am
Rose Garden / back up 450
OEOB

Bus: 9 am House Steps
to NW Gate

* Some ofc. may already know abt it *

Eleanor No

104th Advisory Committee

Charles Stenholm	56605	Lois
John Murtha	52065	Colette
Patricia Schroeder	54431	Bert
Louise Slaughter	53615	Julie
John Dingell	54071	Sherri
Lou Stokes	57032	Sally
Bill Hefner	53715	Madie
Donald Payne	53436	Rhonda
Ed Pastor	54065	Jackie
Nita Lowey	56506	Randy
Martin Olav Sabo	54755	Bonnie Marjorie ✓
Earl Pomeroy	52611	Michael ✓
Sam Gejdenson	52076	Scott
Jack Reed	52735	✓ N
Harold Ford	53265	Carol N
Richard Neal	55601	Cathy
Maxine Waters	52201	Bill ✓
Charles Rangel	54365	Ron ✓

Melissa

Gli

DEMOCRATIC LEADERSHIP

Elected Leadership:
~~RAC~~ Gephardt.
Bonior
Fazio
Kennelly

DCCC Chairman:
Frost

Carrie

Deputy Whips:
Lewis
Richardson
DeLauro
Chet Edwards

Co-Chair of Steering Cmte. and Vice Chairs:
Hoyer
Serrano
Pete Peterson

Research -- Vice Chairs:
Dave Obey
Eva Clayton

Joss

Policy Vice Chairs:
George Miller
John Spratt

Communications Vice Chairs:
Dick Durbin
Kweisi Mfume

COMMITTEE ON ECONOMIC AND EDUCATIONAL OPPORTUNITIES

104TH CONGRESS

DEMOCRATS

1. William (Bill) Clay .... Missouri
2. George Miller .... California
3. Dale E. Kildee .... Michigan
4. Pat Williams .... Montana
5. Matthew G. Martinez .... California Charles
6. Major R. Owens .... New York
7. Thomas C. Sawyer .... Ohio
8. Donald M. Payne .... New Jersey
9. Patsy T. Mink .... Hawaii
10. Robert E. Andrews .... New Jersey
11. Jack Reed .... Rhode Island
12. Tim Roemer .... Indiana
13. Eliot L. Engel .... New York Eric
14. Xavier Becerra .... California
15. Robert C. "Bobby" Scott .... Virginia
16. Gene Green .... Texas
17. Lynn Woolsey .... California
18. *Carlos Romero-Barcelo .... Puerto Rico
19. Mel Reynolds .... Illinois

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release February 3, 1995

REMARKS BY THE PRESIDENT
AT MINIMUM WAGE EVENT

The Rose Garden

9:35 A.M. EST

THE PRESIDENT: Good morning. When we scheduled this out here, we had a different forecast. (Laughter.) But here we are, the hardy party. (Laughter.)

Today marks the completion of two full years of economic reports in our administration. This morning the Department of Labor reported that nearly six million jobs have come into our economy since I took office two years ago. 1994 was the best year for job growth in a decade. The unemployment rate has dropped 20 percent in the last two years, and the combined rates of unemployment and inflation are at a 25-year low. Ninety-three percent of this job growth has been in the private sector. That's the highest percentage of private sector jobs created in any administration in half a century -- eight times as many per month as during the four years before I took office.

The majority of these jobs have been created in higher-wage occupations. And in the 12 years before I took office, while our economy lost two million manufacturing jobs, in the last 17 months we have gained 300,000 manufacturing jobs.

I'm proud of this record, but I am also keenly aware of the fact that not all Americans have benefitted from this recovery; that too many Americans are still in what the Secretary of Labor has called, "the anxious class" -- people who are working harder for the same or lower wages.

From the end of World War II until the late 1970s, the incomes of all Americans rose steadily together. When the wealthiest Americans did better, so did the poorest working Americans in roughly the same proportion. But since 1979, the income of the top 20 percent of our people has grown significantly, while the income of the last 80 percent grew barely at all, or not at all, or actually dropped. Much of the problem in the widening income gap among working Americans depends upon whether they have skills or not to compete in the global economy.

A male college graduate today earns 80 percent more than a person with only a high-school degree. That's why we've pursued the far-reaching education agenda that the members here on this platform have been so actively involved with, making it easier and more affordable to get college loans. That's why I proposed the Middle Class Bill of Rights to help parents with their children's education and with their own and to improve the way we provide help to workers who are trying to get retraining skills.

But another no-less-important part of this problem is the declining value of full-time wages for many, many jobs. I believe if we really honor work, anyone who takes responsibility to work full time should be able to support a family and live in dignity. That is the essence of what I meant in the State of the Union address and what I have talked about for three years now with

MORE

the New Covenant. Our job is to create enough opportunity for people to earn a living if they'll exercise the responsibility to work.

That's why we fought so hard to expand the earned income tax credit -- a working family tax cut for 15 million families in 1993; precisely why we're calling on Congress today to raise the minimum wage 90 cents to $5.15 per hour. The only way to grow the middle class and shrink the underclass is to make work pay. And in terms of real buying power, the minimum wage will be at a 40-year low next year if we do not raise it above $4.25 an hour.

If we're serious, let me say this, too, emphatically -- if we are serious about welfare reform, then we have a clear obligation to make work attractive and to reward people who are willing to work hard. I hope more than anything that we will have a genuine bipartisan, well-founded welfare reform legislation this year that will encourage work and responsible parenting and independence. But we cannot hope to have it succeed unless the people we are asking to work can be rewarded for their labors.

Let me close with one observation about recent history. In 1990, Congress raised the minimum wage according to the exact same scheduled I proposed today -- 45 cents a year for two years. That increase was passed by overwhelming majorities in both Houses with -- let me emphasize -- majority support from both parties. This has always been a bipartisan issue.

If, in 1990, because the minimum wage had not been raised in such a long time, a Republican President and a Democratic Congress could raise the minimum wage, surely, in 1995, facing the prospect that work -- full-time work could be at a 40-year low in buying power unless we act, a Congress with a Republican majority and a Democratic President can do the same for the American people.

Thank you very much. And thank you all.

END 9:41 A.M. EST

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release February 3, 1995

REMARKS BY THE PRESIDENT AT MINIMUM WAGE EVENT

The Rose Garden

9:35 A.M. EST

THE PRESIDENT: Good morning. When we scheduled this out here, we had a different forecast. (Laughter.) But here we are, the hardy party. (Laughter.)

Today marks the completion of two full years of economic reports in our administration. This morning the Department of Labor reported that nearly six million jobs have come into our economy since I took office two years ago. 1994 was the best year for job growth in a decade. The unemployment rate has dropped 20 percent in the last two years, and the combined rates of unemployment and inflation are at a 25-year low. Ninety-three percent of this job growth has been in the private sector. That's the highest percentage of private sector jobs created in any administration in half a century -- eight times as many per month as during the four years before I took office.

The majority of these jobs have been created in higher-wage occupations. And in the 12 years before I took office, while our economy lost two million manufacturing jobs, in the last 17 months we have gained 300,000 manufacturing jobs.

I'm proud of this record, but I am also keenly aware of the fact that not all Americans have benefitted from this recovery; that too many Americans are still in what the Secretary of Labor has called, "the anxious class" -- people who are working harder for the same or lower wages.

From the end of World War II until the late 1970s, the incomes of all Americans rose steadily together. When the wealthiest Americans did better, so did the poorest working Americans in roughly the same proportion. But since 1979, the income of the top 20 percent of our people has grown significantly, while the income of the last 80 percent grew barely at all, or not at all, or actually dropped. Much of the problem in the widening income gap among working Americans depends upon whether they have skills or not to compete in the global economy.

A male college graduate today earns 80 percent more than a person with only a high-school degree. That's why we've pursued the far-reaching education agenda that the members here on this platform have been so actively involved with, making it easier and more affordable to get college loans. That's why I proposed the Middle Class Bill of Rights to help parents with their children's education and with their own and to improve the way we provide help to workers who are trying to get retraining skills.

But another no-less-important part of this problem is the declining value of full-time wages for many, many jobs. I believe if we really honor work, anyone who takes responsibility to work full time should be able to support a family and live in dignity. That is the essence of what I meant in the State of the

the New Covenant. Our job is to create enough opportunity for people to earn a living if they'll exercise the responsibility to work.

That's why we fought so hard to expand the earned income tax credit -- a working family tax cut for 15 million families in 1993; precisely why we're calling on Congress today to raise the minimum wage 90 cents to $5.15 per hour. The only way to grow the middle class and shrink the underclass is to make work pay. And in terms of real buying power, the minimum wage will be at a 40-year low next year if we do not raise it above $4.25 an hour.

If we're serious, let me say this, too, emphatically -- if we are serious about welfare reform, then we have a clear obligation to make work attractive and to reward people who are willing to work hard. I hope more than anything that we will have a genuine bipartisan, well-founded welfare reform legislation this year that will encourage work and responsible parenting and independence. But we cannot hope to have it succeed unless the people we are asking to work can be rewarded for their labors.

Let me close with one observation about recent history. In 1990, Congress raised the minimum wage according to the exact same scheduled I proposed today -- 45 cents a year for two years. That increase was passed by overwhelming majorities in both Houses with -- let me emphasize -- majority support from both parties. This has always been a bipartisan issue.

If, in 1990, because the minimum wage had not been raised in such a long time, a Republican President and a Democratic Congress could raise the minimum wage, surely, in 1995, facing the prospect that work -- full-time work could be at a 40-year low in buying power unless we act, a Congress with a Republican majority and a Democratic President can do the same for the American people.

Thank you very much. And thank you all.

END 9:41 A.M. EST

PRESIDENT CLINTON ANNOUNCES INCREASE IN MINIMUM WAGE

Friday, February 3, 1995

To reward work in an economy that in 1994 saw the best job growth in a decade, President Clinton will today announce his proposal to raise the minimum wage to $5.15 an hour over two years -- through two 45 cent increases.

This news comes in the midst of more good news today for the economy under the Clinton administration. This morning, the Department of Labor reported that more than 6 million jobs have been created since President Clinton took office. In addition, the unemployment rate has dropped 20 percent to date under President Clinton.

A fact sheet and charts on the President's minimum wage proposal are attached.

House Minority Leader Richard Gephardt (D-MO) will open the announcement in the Rose Garden today, followed by Senate Minority Leader Tom Daschle (D-SD). The Vice President will then speak and introduce the President for his remarks.

-30-30-30-

REWARDING WORK: THE CASE FOR INCREASING THE MINIMUM WAGE

The President's proposal would increase the minimum wage from $4.25 to $5.15 over two years, through two 45 cent increases. The last increase, passed by an overwhelming, bipartisan vote in 1989, and implemented in 1990 and 1991, was also a 90 cent increase in two 45 cent stages. For a full-time, year-round worker at the minimum wage, a 90 cent increase would raise yearly income by $1,800 -- as much as the average family spends on groceries in over 7 months.

MAINTAINING THE HISTORIC VALUE OF WORK: If the minimum wage were to stay at its current level ($4.25), it would fall to its lowest real level in forty years. Indeed, the value of the minimum wage is now 27% lower than it was in 1979, and has fallen 45 cents in real value since its last increase in April of 1991. The first half of the President's 90 cent proposal simply restores the minimum wage to its value from the last increase.

RAISING THE MINIMUM WAGE PRIMARILY HELPS ADULT WORKERS -- MOST OF WHOM RELY ON THEIR MINIMUM WAGE JOBS TO SUPPORT THEIR HOUSEHOLDS: Nearly two-thirds of minimum wage workers are adults (63%); over one third of all minimum wage workers (36%) are the sole breadwinners in their families; the average minimum wage worker brought home over half of his or her family's earnings. Thus, a rise in the minimum wage is a significant boost to the standard of living to millions of households.

REWARDS WORK OVER WELFARE: The minimum wage increase provides another crucial measure to reward work and ensure that there is a strong incentive to choose work over welfare.

BETWEEN 11 MILLION AND 14 MILLION WORKERS WOULD BENEFIT FROM THE PRESIDENT'S PROPOSAL TO INCREASE THE MINIMUM WAGE: An estimated 11 million workers, paid by the hour, earn between $4.25 and $5.14. Research indicates that an increase in the minimum wage to $5.15 could have a "ripple" effect on another 3.5 million workers who earn within 50 cents of the new minimum wage.

EMPIRICAL EVIDENCE SHOWS THE PRESIDENT'S PROPOSAL CAN INCREASE WAGES WITHOUT COSTING JOBS: Over a dozen empirical studies have found that moderate increases in the minimum wage do not have a significant impact on employment. These studies include state-specific research that shows that higher state increases in the minimum wage did not result in significant job impacts. As Nobel Laureate Robert Solow stated: "[T]he evidence of job loss is weak. And the fact that the evidence is weak suggests that the impact on jobs is small."

A 90 CENT INCREASE IN THE MINIMUM WAGE WILL LIFT A FAMILY OF FOUR OUT OF POVERTY: The dramatic extension of the Earned Income Tax Credit helped lift hundreds of thousands of working families out of poverty. Yet, by 1996, even the EITC is not enough to lift above the poverty line a family of four making the minimum wage. With the 90 cent minimum wage increase, food stamps, and the EITC, a family of four with a year-round minimum wage worker would be lifted above the poverty line.

THE LAST MINIMUM WAGE -- ALSO 90 CENTS -- GARNERED STRONG BIPARTISAN SUPPORT. In 1989, the minimum wage was passed by votes of 382 to 37 (135 Republicans) in the House, and 89 to 8 in the Senate (36 Republicans) and was supported by Senator Dole and Rep. Gingrich.

Appendix Table. Value of the Minimum Wage, 1955-1995

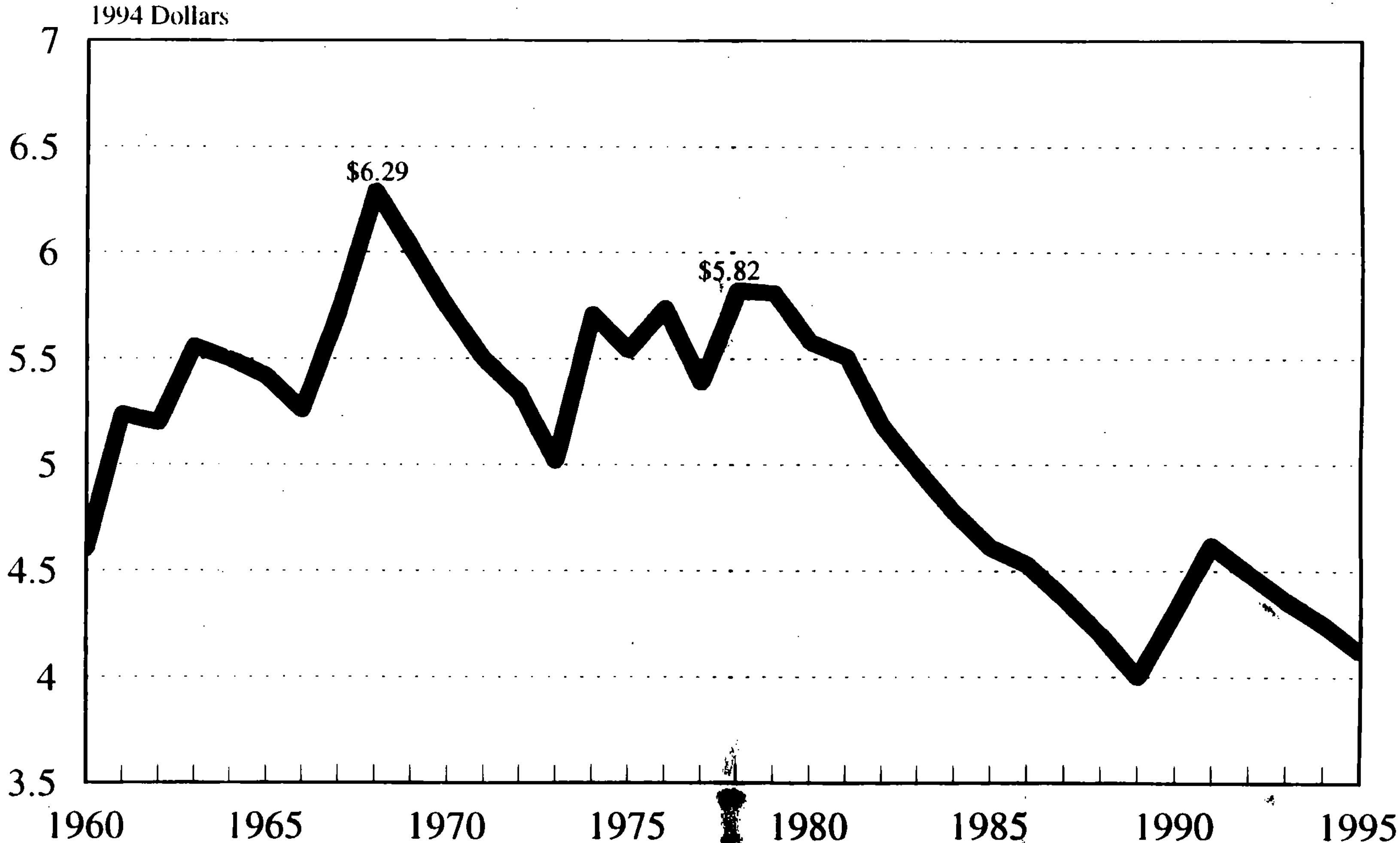
Year	Value of the Minimum Wage, Nominal Dollars	Value of the Minimum Wage, 1995 Dollars*	Minimum Wage as a Percent of the Average Private Nonsupervisory Wage
1955	$0.75	$3.94	43.9%
1956	1.00	5.16	55.6
1957	1.00	5.01	52.9
1958	1.00	4.87	51.3
1959	1.00	4.84	49.5
1960	1.00	4.75	47.8
1961	1.15	5.41	53.7
1962	1.15	5.36	51.8
1963	1.25	5.74	54.8
1964	1.25	5.67	53.0
1965	1.25	5.59	50.8
1966	1.25	5.43	48.8
1967	1.40	5.90	52.2
1968	1.60	6.49	56.1
1969	1.60	6.21	52.6
1970	1.60	5.92	49.5
1971	1.60	5.67	46.4
1972	1.60	5.51	43.2
1973	1.60	5.18	40.6
1974	2.00	5.89	47.2
1975	2.10	5.71	46.4
1976	2.30	5.92	47.3
1977	2.30	5.56	43.8
1978	2.65	6.00	46.6
1979	2.90	5.99	47.1
1980	3.10	5.76	46.5
1981	3.35	5.68	46.2
1982	3.35	5.36	43.6
1983	3.35	5.14	41.8
1984	3.35	4.93	40.3
1985	3.35	4.76	39.1
1986	3.35	4.67	38.2
1987	3.35	4.51	37.3
1988	3.35	4.33	36.1
1989	3.35	4.13	34.7
1990	3.80	4.44	37.9
1991	4.25	4.77	41.1
1992	4.25	4.63	40.2
1993	4.25	4.50	39.2
1994	4.25	4.38	n/a
1995	4.25	4.25	n/a

*Adjusted for inflation using the CPI-U-X1.

Source: Center on Budget and Policy Priorities

The Real Minimum Wage

1960-1995



NOTE: Minimum wage is in 1994 CPI-U-X1 Dollars. The inflation rate for 1995 is assumed to be 3.2 percent.