

# 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:** National Economic Council  
**Series/Staff Member:** Carl Haacke  
**Subseries:**

---

**OA/ID Number:** 15350  
**FolderID:**

---

**Folder Title:**  
Minimum Wage [binder] [1]

---

|               |             |                 |               |                  |
|---------------|-------------|-----------------|---------------|------------------|
| <b>Stack:</b> | <b>Row:</b> | <b>Section:</b> | <b>Shelf:</b> | <b>Position:</b> |
| S             | 15          | 2               | 9             | 2                |

Minimum Wage

Minimum Wage  
Up to 5/01/96

## **"THE MINIMUM WAGE FOR FAMILIES ACT"**

### **LEGISLATIVE DESCRIPTION AND SUMMARY**

This proposal will fundamentally redesign the EITC, and rename it the "Working Families Support Credit".

### **RATIONALE**

It has become difficult in recent years to support a family on a minimum-wage salary. There is agreement among both Republicans and Democrats that we need to provide assistance to the "working poor", but there is significant disagreement on the best way to accomplish this goal.

The administration has proposed an increase in the minimum wage as the solution to this problem. While such an increase would provide some relief to the working poor, it would also have much more far reaching effects, including placing large economic constraints on the private sector, a loss of entry-level positions, and an inflationary ripple effect on wages. A minimum wage increase would also affect those persons who arguably are not in need of this assistance, such as teenagers working during their summer vacation.

Our proposal would accomplish the goal of providing assistance to those who are truly in need -- working families -- while at the same time avoiding the additional problems associated with a minimum wage increase.

### **BACKGROUND**

The Earned Income Tax Credit (EITC), which was created in 1974, provides a refundable tax credit to lower-income working families with children and currently to some adult childless workers. The EITC has expanded greatly since its creation as a result of both Congressional and Presidential initiatives, including efforts by the Reagan, Bush and Clinton administrations.

**RECIPIENTS**

Under current law, there are an estimated 18.2 million tax units eligible for EITC. 12.7 million of these tax units are families with children, of whom roughly 5.3 million have one child and 7.4 million have two or more children. The remaining 5.5 million eligible tax units are childless workers ages 25 through 64.

**PROPOSAL**

This EITC reform proposal, which builds upon the reforms in the Republican Balanced Budget Act of 1995, will redesign and reform the current EITC program in an effort to return the program to its original purpose of serving low-income working families. The proposal will address the following:

- Convert large annual "lump sum" EITC payments into equal monthly payments so as to more practically supplement family income
- Deny credit to undocumented workers
- Eliminate credit for childless adults
- Increase the support credit for parents
- Rename Earned Income Tax Credit the "Working Families Support Credit"

With the savings generated from these reforms, we will significantly increase the amount of credit recipients of the Working Families Support Credit would receive.

If you believe that those people who are in need of wage assistance are America's working families, as opposed to teenagers employer during their summer vacation, please join us in support of The Minimum Wage Increase for Families Act.

If you would like to cosponsor this legislation or if you have additional questions, please contact Chuck Seyfarth with Representative Hutchinson at 5-4301.

## **The Minimum Wage for Families Act**

A proposal to create a three tiered minimum wage to lift incomes of poor families with children. The three wage rates are :

|                                         |                       |
|-----------------------------------------|-----------------------|
| <b>Individuals</b>                      | <b>\$4.25 an hour</b> |
| <b>Families with 1 child</b>            | <b>\$7.00 an hour</b> |
| <b>Families with 2 or more children</b> | <b>\$8.00 an hour</b> |

### **How does it work ?**

Employers would be able to hire as many job applicants as possible at the current starting wage of \$4.25. The Federal government would provide families with children a monthly cash payment to bring these families up to the \$7 or \$8 level as outlined above. The payments would be administered through the Internal Revenue Service.

### **How much would it cost ?**

This proposal is expected to be scored by the Joint Tax Committee to save at least \$15 billion over 6 years. Much needed reforms of the poorly designed Earned Income Tax Credit will provide significant savings that will be used to increase assistance to those families that actually have to raise children. Any additional savings generated from reforms of the EITC program will be used to finance the \$500 per child tax credit available to all low-income and middle class families.

### **How does it fit with the Republican Tax Cut proposal ?**

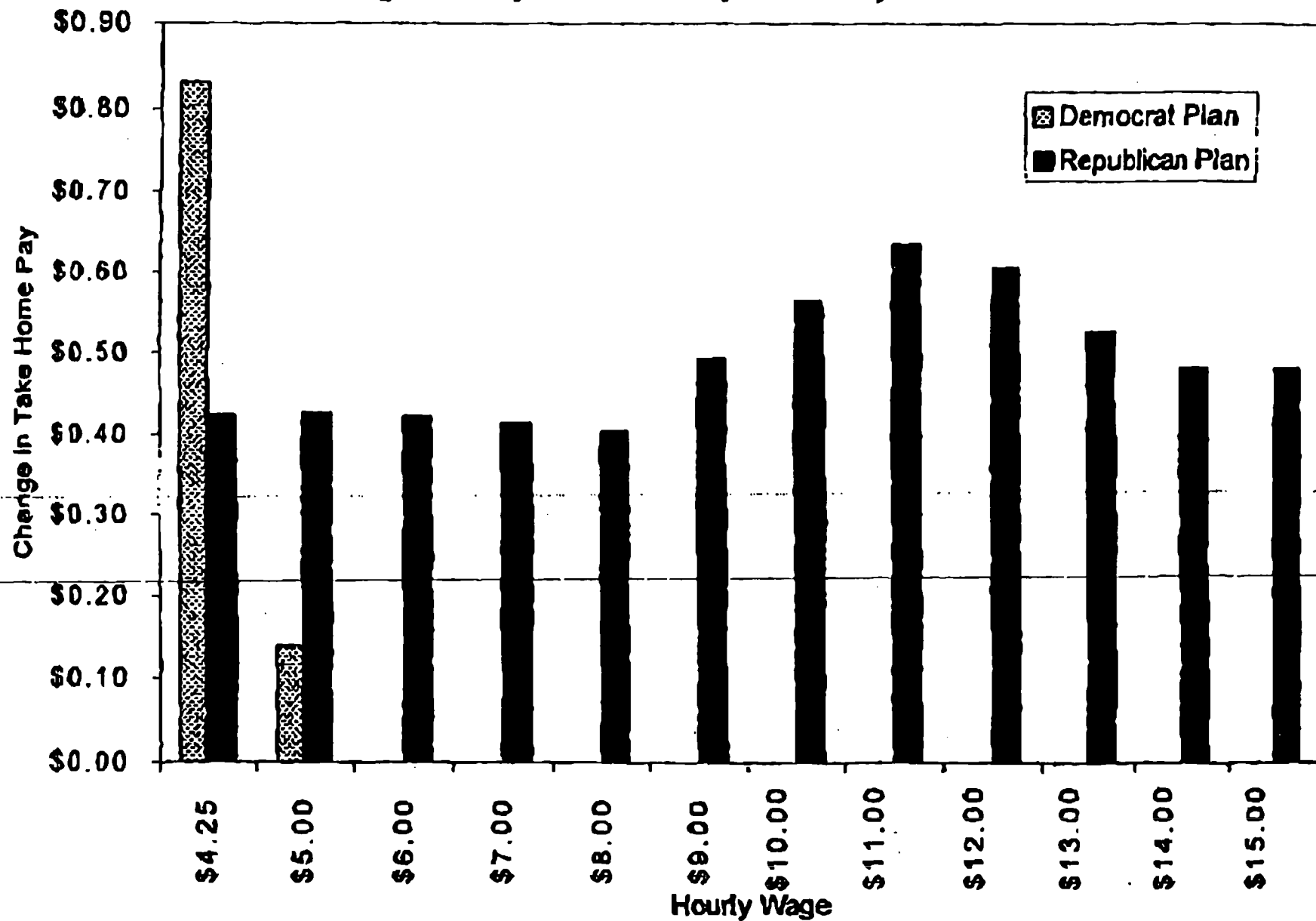
The Minimum Wage for Families Act can be easily integrated into the \$500 per child tax credit proposal. When combined, all families, whether they earn \$4.25 or more an hour, will see their take home pay increase because of this proposal.

### **How does it complement the Republican Welfare Reform proposal ?**

Under the Republican welfare reform proposal, as many as 7 million able-bodied adults on public assistance will be asked to work. Small business can not create 7 million jobs for these often poorly educated individuals at the same time that Democrats want to increase the cost for hiring these workers.

# It's Take Home Pay, Stupid

Change in Hourly Take Home Pay for a Family of Four



Princeton University

Woodrow Wilson School  
of Public and International Affairs  
Robertson Hall  
Princeton, New Jersey 08544-1013  
Tel: (609) 258-4845/4046

April 22, 1996

Alan B. Krueger  
*Bendheim Professor of  
Economics and Public Affairs*

MEMORANDUM FOR SECRETARY ROBERT REICH, CHIEF OF STAFF LEON PANETTA, NEC DIRECTOR  
LAURA TYSON, CEA CHAIRMAN JOSEPH STIGLITZ, GEORGE STEPHANOPOULOS, AND GENE  
SPERLING

FROM: ALAN KRUEGER



SUBJECT: MINIMUM WAGE OPTIONS

As the minimum wage debate moves forward, I thought you might be interested in the following observations.

o Newt Gingrich mentioned that he would tie a minimum wage increase to a youth training wage. President Bush also insisted on a youth training wage in 1989. As a result, Congress passed a youth training wage that allowed a subminimum wage 15 percent below the minimum wage for teenagers for up to 6 months. The youth training wage expired after 3 years, and was not renewed. A Labor Dept. study and several others (including one by Larry Katz and me) found that employers rarely used the subminimum wage. I think the main reason they rarely used it is that they didn't want to pay teenagers and adults a different wage for doing the same work. Employers also complained that the training wage created more red tape. The training wage expired after 3 years, and there was hardly any pressure to renew it.

o Although unions dislike the subminimum wage, since it was hardly used, I would see little harm in accepting a training wage similar to the one passed in 1989. I also would recommend considering that the provision be accepted on a trial basis that expires after 3 years unless Congress then chooses to make it permanent.

o The timing of the minimum wage increase is crucial. For the last increase, a deal to increase the minimum wage was reached in November of 1989. The minimum wage increased 5 months later, on April 1, 1990. The lead time gave employers some time to adapt to the higher wage. A 5 month lead time now would mean the minimum wage would increase effective early October.

o Another, perhaps more important reason, to increase the minimum wage after the summer (e.g., after September 1) is that the summer jobs programs has not been funded, and is likely to be cut back. Without the summer jobs program, many inner city kids will lack job opportunities. Indeed, the minimum wage increase could logically be tied to full funding of the summer jobs program.

o I have heard some discussion about trying to restrict coverage of the minimum wage. There are two important issues here. First, if coverage is tightened, some workers will be exempted from the minimum wage even though they are currently protected by it. This will mean that those workers are susceptible to a wage cut. Second, enforcement of the Fair Labor Standards Act will be even harder if workers are exempt from the minimum wage.

o Instead of adjusting coverage in any deal, I think it makes more sense to consider the tipped minimum wage. Currently, the minimum wage for workers who are paid tips is half the minimum wage, or \$2.13 per hour. Employees count their tips toward meeting the \$4.25 minimum wage. If employees' combined tips and \$2.13 hourly wage do not exceed \$4.25, their employer makes up the difference. If the minimum wage increases to \$5.15, say, the tipped minimum could stay at \$2.13. Tipped workers will still make at least \$5.15 per hour because employers would have to make up any shortfall after tips. I suspect that most restaurants would prefer this provision to likely changes in coverage.

o A novel initiative would be a health insurance offset. Specifically, if minimum wage employers provide health insurance (which they rarely do), the pro-rated hourly cost of that health insurance could be counted towards meeting the minimum wage. For example, if health insurance costs \$1 per hour, and the company pays \$4.50 per hour, then the "full wage" would equal \$5.50 per hour, and the firm would exceed the \$5.15 minimum wage. This new offset would serve two purposes. First, it would encourage more employers to provide health insurance, in keeping with the President's priorities. Second, it would recognize that total compensation is relevant for workers, not just wages. Moreover, I suspect that most minimum wage employers that provide health insurance would increase their workers wages to the new minimum anyway, so in practice this provision would not lower wages. And it would have the advantage of being a New Democrat approach.

o If indexing the minimum wage becomes an issue, there are two critical issues to consider. First, what is the minimum wage indexed to? If it is indexed to the CPI, then it may rise too high relative to wages, if real wages of low-wage workers continue to fall. An alternative approach would be to index the minimum wage to the wage of the worker who falls in the 25th percentile of the wage distribution. The second, issue is political. If the minimum wage is indexed, then the issue of raising the minimum wage will not arise again in the future. And it will be locked in at a relatively low level.

o I see that Joe Stiglitz has taken some heat for statements on the minimum wage in his 1993 text book. I liked Joe's letter to the WSJ. Another possible response is that John Taylor's economics text book (Taylor was a member of George Bush's CEA) states that the effect of a minimum wage on employment is controversial. Also, the 20 House Republicans who support a minimum wage increase released a "Fact Sheet" stating that "raising the hourly [minimum wage] rate has a marginal, and possibly a beneficial, impact on employment."

April 19, 1996

MEMORANDUM FOR GENE SPERLING

FROM: JON ORSZAG   
SUBJECT: Information for Minimum Wage Strategy Meeting

Please find enclosed the following information for the minimum wage strategy meeting at 8:45 am:

1. **The Monthly Real Value of the Minimum Wage from 1989-Present.** This table shows that the minimum wage would need to be raised by 65 cents in order to just restore its lost value since the minimum wage was last increased on April 1, 1991.

It is important to note that the longer Congress delays on a minimum wage increase, the more inflation erodes its real value, and the more it needs to be raised just to keep pace with the cost of living. As a rule of thumb, every month Congress does not act, the real value falls by about one cent.

2. **The Annual Real Value of the Minimum Wage from 1938-1995.** This table -- from the Bureau of Labor Statistics -- is the one Senator Dole's staff will use to calculate what minimum wage increase is necessary to lift the value of the minimum wage back to its level the last time the minimum wage was increased.
  - According to this table, a 50 cent increase is needed to restore the minimum wage's value to its 1991 level. The problem with this analysis is that it fails to account for the fact that inflation eroded the value of the minimum wage in 1991 after the minimum wage was increased in April (so the average for 1991 is lower than its value in the month it was raised) and it fails to take account of inflation since 1995, the last year the table has data.
  - If one used the estimated inflation rate from CBO for 1996, it would show that a 65 cent increase is needed to restore it to its average 1991 level.

|      | Nominal<br>Minimum Wage | Real<br>Minimum Wage |                 |
|------|-------------------------|----------------------|-----------------|
| 8901 | 3.35                    | \$4.30               |                 |
| 8902 | 3.35                    | 4.28                 |                 |
| 8903 | 3.35                    | 4.26                 |                 |
| 8904 | 3.35                    | 4.23                 |                 |
| 8905 | 3.35                    | 4.21                 |                 |
| 8906 | 3.35                    | 4.20                 |                 |
| 8907 | 3.35                    | 4.18                 |                 |
| 8908 | 3.35                    | 4.18                 |                 |
| 8909 | 3.35                    | 4.17                 |                 |
| 8910 | 3.35                    | 4.15                 |                 |
| 8911 | 3.35                    | 4.14                 | Signed by Bush  |
| 8912 | 3.35                    | 4.12                 |                 |
| 9001 | 3.35                    | 4.09                 |                 |
| 9002 | 3.35                    | 4.07                 |                 |
| 9003 | 3.35                    | 4.05                 |                 |
| 9004 | 3.80                    | 4.58                 | \$0.45 INCREASE |
| 9005 | 3.80                    | 4.58                 |                 |
| 9006 | 3.80                    | 4.55                 |                 |
| 9007 | 3.80                    | 4.53                 |                 |
| 9008 | 3.80                    | 4.49                 |                 |
| 9009 | 3.80                    | 4.46                 |                 |
| 9010 | 3.80                    | 4.43                 |                 |
| 9011 | 3.80                    | 4.42                 |                 |
| 9012 | 3.80                    | 4.40                 |                 |
| 9101 | 3.80                    | 4.39                 |                 |
| 9102 | 3.80                    | 4.38                 |                 |
| 9103 | 3.80                    | 4.38                 |                 |
| 9104 | 4.25                    | 4.89                 | \$0.45 INCREASE |
| 9105 | 4.25                    | 4.87                 |                 |
| 9106 | 4.25                    | 4.86                 |                 |
| 9107 | 4.25                    | 4.85                 |                 |
| 9108 | 4.25                    | 4.84                 |                 |
| 9109 | 4.25                    | 4.82                 |                 |
| 9110 | 4.25                    | 4.82                 |                 |
| 9111 | 4.25                    | 4.80                 |                 |
| 9112 | 4.25                    | 4.78                 |                 |
| 9201 | 4.25                    | 4.78                 |                 |
| 9202 | 4.25                    | 4.77                 |                 |
| 9203 | 4.25                    | 4.75                 |                 |
| 9204 | 4.25                    | 4.74                 |                 |
| 9205 | 4.25                    | 4.73                 |                 |
| 9206 | 4.25                    | 4.71                 |                 |
| 9207 | 4.25                    | 4.70                 |                 |
| 9208 | 4.25                    | 4.69                 |                 |
| 9209 | 4.25                    | 4.68                 |                 |
| 9210 | 4.25                    | 4.66                 |                 |
| 9211 | 4.25                    | 4.65                 |                 |
| 9212 | 4.25                    | 4.64                 |                 |
| 9301 | 4.25                    | 4.63                 |                 |
| 9302 | 4.25                    | 4.62                 |                 |
| 9303 | 4.25                    | 4.61                 |                 |
| 9304 | 4.25                    | 4.60                 |                 |
| 9305 | 4.25                    | 4.58                 |                 |
| 9306 | 4.25                    | 4.58                 |                 |
| 9307 | 4.25                    | 4.57                 |                 |
| 9308 | 4.25                    | 4.56                 |                 |
| 9309 | 4.25                    | 4.56                 |                 |
| 9310 | 4.25                    | 4.54                 |                 |
| 9311 | 4.25                    | 4.53                 |                 |
| 9312 | 4.25                    | 4.52                 |                 |
| 9401 | 4.25                    | 4.52                 |                 |
| 9402 | 4.25                    | 4.51                 |                 |
| 9403 | 4.25                    | 4.50                 |                 |
| 9404 | 4.25                    | 4.49                 |                 |
| 9405 | 4.25                    | 4.48                 |                 |
| 9406 | 4.25                    | 4.47                 |                 |
| 9407 | 4.25                    | 4.45                 |                 |
| 9408 | 4.25                    | 4.44                 |                 |
| 9409 | 4.25                    | 4.43                 |                 |
| 9410 | 4.25                    | 4.42                 |                 |
| 9411 | 4.25                    | 4.41                 |                 |
| 9412 | 4.25                    | 4.40                 |                 |
| 9501 | 4.25                    | 4.39                 |                 |
| 9502 | 4.25                    | 4.38                 |                 |
| 9503 | 4.25                    | 4.37                 |                 |
| 9504 | 4.25                    | 4.36                 |                 |
| 9505 | 4.25                    | 4.35                 |                 |
| 9506 | 4.25                    | 4.33                 |                 |
| 9507 | 4.25                    | 4.33                 |                 |
| 9508 | 4.25                    | 4.32                 |                 |
| 9509 | 4.25                    | 4.32                 |                 |
| 9510 | 4.25                    | 4.30                 |                 |
| 9511 | 4.25                    | 4.30                 |                 |
| 9512 | 4.25                    | 4.29                 |                 |
| 9601 | 4.25                    | 4.28                 |                 |
| 9602 | 4.25                    | 4.27                 |                 |
| 9603 | 4.25                    | 4.25                 |                 |

Federal minimum wage in constant dollars, using alternative price indices

| Year | Nominal<br>minimum<br>wage * | Purchasing<br>Power<br>in 1995 dollars<br>using CPI-U | Purchasing<br>Power<br>in 1995 dollars<br>using CPI-W | Purchasing<br>Power<br>in 1995 dollars<br>using CPI-U-X1 |
|------|------------------------------|-------------------------------------------------------|-------------------------------------------------------|----------------------------------------------------------|
| 1938 | \$0.25                       | 2.70                                                  | 2.64                                                  |                                                          |
| 1939 | 0.30                         | 3.29                                                  | 3.21                                                  |                                                          |
| 1940 | 0.30                         | 3.27                                                  | 3.19                                                  |                                                          |
| 1941 | 0.30                         | 3.11                                                  | 3.04                                                  |                                                          |
| 1942 | 0.30                         | 2.80                                                  | 2.74                                                  |                                                          |
| 1943 | 0.30                         | 2.64                                                  | 2.58                                                  |                                                          |
| 1944 | 0.30                         | 2.60                                                  | 2.54                                                  |                                                          |
| 1945 | 0.40                         | 3.39                                                  | 3.31                                                  |                                                          |
| 1946 | 0.40                         | 3.13                                                  | 3.06                                                  |                                                          |
| 1947 | 0.40                         | 2.73                                                  | 2.66                                                  |                                                          |
| 1948 | 0.40                         | 2.53                                                  | 2.48                                                  |                                                          |
| 1949 | 0.40                         | 2.56                                                  | 2.50                                                  |                                                          |
| 1950 | 0.75                         | 4.74                                                  | 4.54                                                  |                                                          |
| 1951 | 0.75                         | 4.40                                                  | 4.30                                                  |                                                          |
| 1952 | 0.75                         | 4.31                                                  | 4.21                                                  |                                                          |
| 1953 | 0.75                         | 4.28                                                  | 4.18                                                  |                                                          |
| 1954 | 0.75                         | 4.25                                                  | 4.16                                                  |                                                          |
| 1955 | 0.75                         | 4.26                                                  | 4.18                                                  |                                                          |
| 1956 | 1.00                         | 5.60                                                  | 5.49                                                  |                                                          |
| 1957 | 1.00                         | 5.42                                                  | 5.29                                                  |                                                          |
| 1958 | 1.00                         | 5.27                                                  | 5.15                                                  |                                                          |
| 1959 | 1.00                         | 5.24                                                  | 5.11                                                  |                                                          |
| 1960 | 1.00                         | 5.15                                                  | 5.03                                                  |                                                          |
| 1961 | 1.15                         | 5.86                                                  | 5.72                                                  |                                                          |
| 1962 | 1.15                         | 5.80                                                  | 5.67                                                  |                                                          |
| 1963 | 1.25                         | 6.23                                                  | 6.08                                                  |                                                          |
| 1964 | 1.25                         | 6.15                                                  | 6.00                                                  |                                                          |
| 1965 | 1.25                         | 6.05                                                  | 5.91                                                  |                                                          |
| 1966 | 1.25                         | 5.88                                                  | 5.74                                                  |                                                          |
| 1967 | 1.40                         | 6.39                                                  | 6.24                                                  | 5.87                                                     |
| 1968 | 1.60                         | 7.01                                                  | 6.85                                                  | 6.47                                                     |
| 1969 | 1.60                         | 6.64                                                  | 6.50                                                  | 6.20                                                     |
| 1970 | 1.60                         | 6.28                                                  | 6.15                                                  | 5.90                                                     |
| 1971 | 1.60                         | 6.02                                                  | 5.89                                                  | 5.66                                                     |
| 1972 | 1.60                         | 5.83                                                  | 5.69                                                  | 5.49                                                     |
| 1973 | 1.60                         | 5.49                                                  | 5.36                                                  | 5.17                                                     |
| 1974 | 2.00                         | 6.18                                                  | 6.04                                                  | 5.87                                                     |
| 1975 | 2.10                         | 5.95                                                  | 5.81                                                  | 5.69                                                     |
| 1976 | 2.30                         | 6.16                                                  | 6.02                                                  | 5.90                                                     |
| 1977 | 2.30                         | 5.78                                                  | 5.66                                                  | 5.55                                                     |
| 1978 | 2.65                         | 6.19                                                  | 6.05                                                  | 5.98                                                     |
| 1979 | 2.90                         | 6.09                                                  | 5.94                                                  | 5.97                                                     |
| 1980 | 3.10                         | 5.73                                                  | 5.60                                                  | 5.74                                                     |
| 1981 | 3.35                         | 5.62                                                  | 5.49                                                  | 5.66                                                     |
| 1982 | 3.35                         | 5.29                                                  | 5.18                                                  | 5.34                                                     |
| 1983 | 3.35                         | 5.13                                                  | 5.03                                                  | 5.12                                                     |
| 1984 | 3.35                         | 4.91                                                  | 4.86                                                  | 4.92                                                     |
| 1985 | 3.35                         | 4.74                                                  | 4.69                                                  | 4.75                                                     |
| 1986 | 3.35                         | 4.66                                                  | 4.62                                                  | 4.66                                                     |
| 1987 | 3.35                         | 4.49                                                  | 4.46                                                  | 4.49                                                     |
| 1988 | 3.35                         | 4.32                                                  | 4.29                                                  | 4.32                                                     |
| 1989 | 3.35                         | 4.12                                                  | 4.09                                                  | 4.12                                                     |
| 1990 | 3.80                         | 4.43                                                  | 4.41                                                  | 4.43                                                     |
| 1991 | 4.25                         | → 4.76                                                | 4.74                                                  | 4.76                                                     |
| 1992 | 4.25                         | → 4.62                                                | 4.61                                                  | 4.62                                                     |
| 1993 | 4.25                         | → 4.48                                                | 4.48                                                  | 4.48                                                     |
| 1994 | 4.25                         | → 4.37                                                | 4.37                                                  | 4.37                                                     |
| 1995 | 4.25                         | → 4.25                                                | 4.25                                                  | 4.25                                                     |

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics, Feb-96

\* The effective dates for minimum wage increases are presented in the attached table.

## Legislative Background - Minimum Wage - 1989

\* Last increase (from \$3.35/hour to \$3.80 on 4/1/90 and \$4.25/hour on 4/1/91) passed Congress in 1989 in a bi-partisan agreement following an earlier veto by **President Bush**:

- o Senate Vote: 89 - 8
  - o House Vote: 382- 37
- (see attached list of votes)

\* **President Bush proposed** the increase to \$4.25 an hour and refused to accept any increase above that;

\* **President Bush had vetoed** a Democratic attempt to raise minimum wage to \$4.55 over three years and Congress failed to override the veto - his first successful veto as President;

\* **Cong. Goodling** (R-PA) was quoted at the time as stating that Republican lawmakers were "uneasy" about President Bush's position and "don't want to go to the wall a second time." Cong. Goodling introduced his own minimum wage bill that proposed a three year phase to \$4.25/hour, a training wage and expansion of the earned-income tax credit. He voted for **final passage** of the minimum wage increase;

\* The **Labor Secretary** at the time was **Elizabeth Dole**;

\* The Senate and the House were both controlled by Democrats;

\* The bill signed by President Bush included a training wage for teenagers between 16 and 19;

\* **Sen. Dole** (R-Kan) (voted for final passage)

"I think that many of us feel that this is not an issue where we ought to be standing and holding up anybody's getting a 30- to 40-cents-an-hour- increase, at the same time we are talking about capital gains. I never thought the Republican Party should stand for squeezing every last nickel from the minimum wage."

\* The Senate tabled an amendment by Sen. Hatch that would have barred Congress from passing any legislation that would increase the costs of certain small business (the small business exemption from the minimum wage was increased to cover small businesses with sales of less than \$500,000 (from \$362,500) by the bill itself;

\* The Senate tabled an amendment by Sen. Gramm (R-Tex) which would have removed the provision which prevented farmers from using the training wage for teenage farmworkers;

\* Much of the current Senate and House Leadership voted for minimum wage increase in 1989 - including **Dole, Lott, Gramm, Gingrich and Kassebaum**. However, **Armey, Delay, Livingston** - voted against (see attached list);

\* Key Senate Republicans supporters in 1989 (supported an attempt at a Dem. compromise)

Sen. Cohen (R-Maine)  
Sen. Hatfield (R-Ore.)  
Sen. Jeffords (R-Vermont)  
Sen. Packwood (R-Ore.)  
Sen. Pressler (R-SD)  
Sen. Specter (R-Penn)

\* Key Senate Republicans in Opposition:

Sen. Mack (R-Florida)  
Sen. Nickles (R-OK)  
Sen. Helms (R-NC)  
Sen. Hatch (R-Utah)

\* Governor Wilson voted for the minimum wage increase as a Senator in 1989.

\* Senate Democrats of concern (voted against Dem. compromise at \$4.55 or cloture in 1989):

Sen. Hollings (D-SC)  
Sen. Bennett Johnston (D-La)  
Sen. Heflin (D-Al)  
Sen. Exon (D - NE)

Sen. Campbell (D-Col) (voted to uphold Bush's veto in House)

Senators in the Democratic and Republican Leadership their votes  
on H.R. 2710 final passage (minimum wage).

#### SENATE LEADERSHIP

YES

##### Democrats

Breaux -- Deputy Whip  
Byrd -- Ranking on Appropriations  
Daschle -- Minority Leader  
Ford -- Minority Whip  
Harkin -- Ranking on the Appropriations, Labor Subcommittee  
Kennedy -- Ranking on the Labor Committee  
Mikulski -- Secretary of the Democratic Party  
Reid -- Co-Chair of the Democratic Policy Committee

##### Republicans

Cochran -- Chair Republican Conference  
Dole -- Majority Leader  
D'Amato -- Campaign Committee Chair  
Lott -- Majority Whip  
Kassebaum -- Chairman of Labor Committee  
Hatfield -- Chair of Appropriations Committee  
Specter -- Chair of the Appropriations Labor Subcommittee

NO

##### Democrats

None

##### Republicans

Mack -- Policy Committee  
Nickles -- Chair of the Republican Policy Committee

**SENATE VOTES ON HR 2710 (Minimum wage -- Final Passage)**  
**Members that are still in the Senate for the 104th Congress)**

**YES**

**Democrats**

Biden  
Bingamen  
Bradley  
Breaux  
Bryan  
Bumpers  
Byrd  
Conrad  
Daschle  
Dodd  
Exon  
Ford  
Glenn  
Graham  
Harkin  
Heflin  
Hollings  
Inouye  
Johnston  
Kennedy  
Kerrey  
Kerry  
Kohl  
Lautenberg  
Leahy  
Levin  
Lieberman  
Mikulski  
Moynihan  
Nunn  
Pell  
Pryor  
Reid  
Robb  
Rockefeller  
Sarbanes  
Shelby  
Simon

**Additonal Democratic Senator that did not vote or express a  
position**  
Baucus

**SENATE VOTES ON HR 2710 (Minimum wage -- Final Passage)**  
**Members that are still in the Senate for the 104th Congress)**

**YES**

**Republicans**

Bond  
Burns  
Chafee  
Coats  
Cochran  
Cohen  
D'Amato  
Dole  
Domenici  
Gorton  
Gramm  
Grassley  
Hatfield  
Jeffords  
Kassebaum  
Lott  
Lugar  
McCain  
McConnell  
Murkowski  
Packwood  
Pressler  
Roth  
Simpson  
Specter  
Stevens  
Thurmond  
Warner

**SENATE VOTES ON HR 2710 (Minimum wage -- Final Passage)**  
**Members that are still in the Senate for the 104th Congress)**

**NO**

**Democrats** (0)

**Republicans**

Hatch

Helms

Mack

Nickles

HOUSE LEADERSHIP VOTES ON FINAL PASSAGE OF HR 2710

HOUSE

Democrats

YES

Gephardt  
Bonior  
Clay  
Obey

NO

None

Repubilcans

YES

Gingrich  
Goodling  
Porter

NO

Armey  
Delay  
Livingston

HOUSE VOTES ON FINAL PASSAGE OF HR 2710 (MINIMUM WAGE) FOR  
MEMBERS OF THE 104TH CONGRESS

YES

Democrats

**A**

Ackerman

**B**

Beilenson

Berman

Bevill

Bonior

Borski

Boucher

Browder

Brown, George

Bryant, John

Burton, Dan

**C**

Cardin

Chapman

Clay

Clement

Coleman

Collins, Cardiss

Condit

Costello

Coyne

**D**

Dellums

DeFazio

de la Garza

Dicks

Dingell

Dixon

Durbin

**E**

Engel

Evans

**F**

Fazio  
Flake  
Foglietta  
Frank  
Frost

**G**

Gejdenson  
Gephardt  
Geren  
Gibbons  
Gonzalez  
Gordon

**H**

Hall, Ralph  
Hall, Tony  
Hamilton  
Hayes  
Hefner  
Hoyer

**J**

Jacobs  
Johnson, Tim  
Johnston, Harry

**K**

Kanjorski  
Kaptur  
Kennedy, Joe  
Kennelly  
Kildee  
Kleczka

**L**

LaFalce  
Lantos  
Laughlin  
Levin  
Lewis, John  
Lipinski  
Lowey

**M**

Manton  
Markey  
Martinez  
Matsui  
McDermott  
McNulty  
Mineta  
Mfume  
Mollohan  
Montgomery  
Murtha

**N**

Neal, Richard

**O**

Oberstar  
Obey  
Ortiz  
Owens, Major

**P**

Pallone  
Parker  
Payne, Donald  
Payne, Lewis  
Pelosi  
Pickett  
Poshard

**R**

Rahall  
Rangel  
Richardson  
Rose

**S**

Sabo  
Sawyer  
Schroeder  
Schumer  
Sisisky  
Skaggs  
Skelton  
Slaughter  
Spratt  
Stark  
Stenholm  
Stokes  
Studds

**T**

Tanner, John  
Taylor, Gene  
Tauzin  
Torres  
Torricelli  
Towns  
Traficant

**V**

Vento  
Visclosky  
Volkmer

**W**

Waxman  
Williams, Pat  
Wilson  
Wise  
Wyden

**Y**

Yates

**Additional Democrats that did not vote yes or no**

**Did not vote or make a position known**

Conyers  
Moakley

**Announced For**

Ford, Harold

HOUSE MEMBERS THAT VOTED FOR FINAL PASSAGE OF HR 2710 (minimum wage) that are in the 104th Congress

YES

Republicans

**B**

Ballenger  
Bateman  
Bliley  
Boehlert  
Bereuter  
Bilirakis

**C**

Coble  
Clinger

**D**

Duncan

**E**

Emerson

**F**

Fields

**G**

Gekas  
Gillmor  
Gilman  
Gingrich  
Goodling  
Gunderson

**H**

Hastert  
Herger  
Houghton  
Hunter  
Hyde

**J**

Johnson, Nancy

**K**

Kasich  
Kolbe

**L**

Leach  
Lewis, Jerry  
Lightfoot

**M**

McCrery  
McDade  
Meyers, Jan  
Moorhead  
Morella  
Myers, John

**P**

Packard  
Petri  
Porter

**Q**

Quillen

**R**

Regula  
Roberts, Pat  
Rogers  
Ros-Lehtinen  
Roth  
Roukema

**S**

Saxton  
Schaefer  
Schiff  
Sensenbrenner  
Shaw  
Shays  
Shuster  
Skeen  
Smith, Chistopher  
Smith Lamar  
Soloman  
Spence  
Stearns

**T**

Thomas, William

**U**

Upton

V  
Vucanvoich

W  
Walker  
Walsh  
Weldon, Curt  
Wolf

Y  
Young, Don  
Young, C.W. "Bill"

---

Additional Republican members that did not vote yes or no

Did not vote or express an opinion

Molinari

HOUSE VOTES ON FINAL PASSAGE OF HR 2710 (MINIMUM WAGE) FOR ALL  
MEMBERS OF THE 104TH CONGRESS

NO

Democrats

Miller, George (California)

Republicans

**A**

Archer  
Armey

**B**

Baker, Richard  
Barton  
Bunning  
Burton

**C**

Callahan  
Crane  
Combest  
Cox

**D**

DeLay  
Dornan  
Drier

**F**

Fawell

**G**

Gallegly  
Goss

**H**

Hansen  
Hancock  
Hefley  
Hunter

**L**

Livingston

**M**

McCollum

**R**

Rohrabacher

**O**

Oxley

**P**

Paxon

**S**

Stump

**MEMBERS OF THE SENATE THAT WERE IN THE HOUSE AND VOTED  
ON FINAL PASSAGE OF HR 2710**

YES -- Democrats

Boxer  
Akaka

YES -- REPUBLICANS

Craig  
Snowe  
DeWine  
Inhofe

Prepared by Clinton-Gore '96  
and DNC

## **SENATOR DOLE AND THE MINIMUM WAGE: WHAT A DIFFERENCE 7 YEARS MAKES**

**Senator Dole Blocks Vote On Minimum Wage Increase.** On March 26, Senator Robert Dole -- in his first official act as the Republican presidential nominee -- blocked a vote to increase the minimum wage and provide a pay raise for 10 million hard-working Americans. As Congress continues to delay, the real value of the minimum wage continues to fall toward its lowest level in 40 years.

**President's Proposal Helps Restore Lost Value Since Last Increase.** President Clinton's proposal to raise the minimum wage is the same one supported by Senator Dole in 1989 -- a 90-cent increase in two equal steps over two years.

- Since the last increase five years ago, the real value of the minimum wage has fallen nearly 50 cents. *The first half of the President's proposal doesn't even restore the minimum wage to its value from the last increase.*

**Five Years Is Too Long Without A Raise.** The five-year anniversary of the last minimum wage increase was April 1; now is the time for Senator Dole to put politics aside, raise the minimum wage, and help lift the lives of 10 million workers.

- Seventy percent of these workers are adults and many are trying to raise their children on \$4.25 an hour.
- The average minimum wage worker brings home half of his or her family's earnings and four out of 10 minimum wage workers are the sole breadwinner in their household.
- For someone who works full-time at the minimum wage, President Clinton's proposal would provide an additional \$1,800 in earnings -- that's enough money for the average American family to buy groceries for seven months.

**Since Senator Bob Dole Came To Washington 36 Years Ago, The Real Value Of Congressional Pay Is Up And The Minimum Wage Is Down.** Since 1960 -- the year Senator Bob Dole was elected to Congress -- the real value of congressional pay has increased by over \$24,000, an increase of 22 percent. During the same period, the real value of the minimum wage has declined by nearly 60 cents, a fall of 13 percent.

### **RAISING THE MINIMUM WAGE: THEN & NOW**

**1989:** Congress passes a 90-cent increase in the minimum wage -- in two equal steps over two years -- with overwhelming, bipartisan support.

**NOW:** President Clinton proposes to increase the minimum wage by 90-cents, in two equal steps over two years.

**1989:** **Senator Bob Dole** votes for a 90-cent increase in the minimum wage.

**NOW:** **Senator Bob Dole** calls current 90-cent minimum wage increase "very controversial" and said "there are going to be a lot of young people who lose their jobs, and a lot of them will be black teenagers." [Source: Elizabeth Shogren, "Dole Gains Upper Hand. Avoids Vote on Raising Minimum Wage," *Los Angeles Times*, March 27, 1996; and Adam Clymer, "Dole Blocks Move To Vote On A Rise For Minimum Wage," *The New York Times*, March 27, 1996..]

**1989:** **Senator Bob Dole:** "[S]ome Democrats would rather score a penny's worth of political points instead of giving working men and women the healthy 90-cent (an hour) increase President Bush has been trying to give them." [Source: Robert Green, "House Fails To Override Bush's Veto Of Minimum Wage Hike," *The Reuter Business Report*, June 14, 1989.]

**NOW:** **Senator Bob Dole** will not allow a vote on President Clinton's proposal to give working men and women a healthy 90-cent an hour pay increase "today, not tomorrow, and not next week." [Source: Adam Clymer, "Dole Blocks Move To Vote On A Rise For Minimum Wage," *The New York Times*, March 27, 1996.]

**1989:** **Senator Bob Dole:** "[T]his is not an issue where we ought to be standing and holding up anybody's getting a 30 to 40 cents an hour pay increase, at the same time that we're talking about capital gains." [Source: *Congressional Quarterly Almanac 1989*]

**NOW:** **Senator Bob Dole** is talking about a capital gains tax cut. He voted for a \$77 billion capital gains tax cut over ten years, 75 percent of which would have gone to people with six-figure salaries. Yet, Senator Dole is "standing and holding up" 10 million workers earning less \$5.15 an hour from getting a pay raise.

**1989:** **Senator Bob Dole:** "I never thought the Republican Party should stand for squeezing every last nickel from the minimum wage." [Source: *Congressional Quarterly Almanac 1989*]

**NOW:** **Senator Bob Dole** "blocks move to vote on a rise for minimum wage" as the last nickel is squeezed from the real value of the minimum wage and it approaches a 40-year low. [Source: Adam Clymer, "Dole Blocks Move To Vote On A Rise For Minimum Wage," *The New York Times*, March 27, 1996.]

**1989:** The real value of the minimum wage was at its lowest level since 1955. So **Senator Bob Dole** voted to increase the minimum wage.

**NOW:** If it is not increased, the real value of the minimum wage will hit at its lowest level since 1955. And **Senator Bob Dole** blocked a vote to increase the minimum wage.

**1989:** The majority of studies showed that a modest minimum wage increase -- like a 90-cent raise -- would cost jobs. And **Senator Bob Dole** still voted for a minimum wage increase.

**NOW:** The majority of recent studies show that a modest minimum wage increase -- like a 90-cent raise -- would not cost jobs. And **Senator Bob Dole** blocked a vote to increase the minimum wage.

- In fact, in the fall of 1995, 101 economists -- including 3 Nobel Prize winners -- signed a statement of support for a minimum wage increase that said: "[T]he evidence from recent economic studies of the effects of increases in federal and state minimum wages at the end of the 1980s and in the early 1990s -- as well as updates of the traditional time-series studies -- suggests that the employment effects were negligible or small."

# **BOB DOLE:**

## **MINIMUM WAGE**

**1961: Voted Against Increasing The Minimum Wage From \$1 to \$1.15 Per Hour.** On March 24, 1961, Dole voted against passage of H.R. 3935, the Fair Labor Standards Amendments of 1961. The bill as amended by Reps. Ayres and Kitchin, raised the minimum wage for the 23.9 million covered workers from \$1 to \$1.15 an hour, and extended minimum wage coverage (at \$1 an hour) but not overtime coverage to 1,300,000 additional workers. Passed 341-35 [CO Almanac, p. 514]

On May 3, 1961, Dole also voted against adoption of the conference report on H.R. 3935, the Fair Labor Standards Amendments of 1961. The conference report raised the minimum wage for 23.9 million workers already covered by the Fair Labor Standards Act to \$1.25 an hour, reached in two steps over two years, and extended minimum-wage coverage (at \$1.25 an hour, reached after four years) and overtime coverage (with some exceptions) to about 3,624,000 additional workers, mainly in the retail trades. Agreed to 230-196 [CO Almanac, p. 518]

**1966: Dole Voted Against Minimum Wage Increase - From \$1.25 to \$1.60**  
Dole voted against HR 13712, to increase the minimum wage for non-farm workers from \$1.25 to \$1.60, and to bring non-farm workers into coverage, as well as extended coverage to an additional 7.9 million workers. [May 26, 1966, 303-93, # 60, CO Almanac, 1966, p. 882]

**1974: Dole Voted for Passage of Minimum Wage Increase - From \$1.60 to \$2.30**  
Dole voted for passage of S 2747, which raised the minimum wage for most non-Farm workers from \$1.60 to \$2.00 one month after enactment and an additional increase to \$2.40 one year later. The bill also extended minimum wage coverage to an additional 6.7 million workers. [March 7, 1974, 69-22, # 58, CO Almanac, 10-S]

*From the floor of the Senate:*

- "I am pleased to support the conference report on the minimum wage bill. . . It primarily seeks to assure a decent living for the American workingman and woman. . . The conference report embodies the traditional concern we have had in this country for the well-being of working people. A living wage for a fair day's work is a hallmark of the American economic philosophy." [March 28, 1974, CR 8768]

**1977: Dole Voted for Passage of Minimum Wage Increase - From \$2.30 to \$3.40**  
Dole voted for HR 3744, which raised the minimum wage from \$2.30 in 1977 to \$2.65 in 1978 to \$2.90 in 1979 to \$3.15 in 1980 to \$3.40 in 1981. The bill also made changes in definition of tip earners and other changes in wage laws. The conference report, adopted by voice vote, too the 1981 value down to \$3.35. [October 7, 1977, 63-24, # 548, CO Almanac, 78-S]

*From the floor of the Senate:*

- "I do not oppose increasing the statutory minimum wage. Inflation has continued to increase to cost of living for each American. Next to our elderly, low-income workers are among the hardest hit by the ravages of inflation. Since the justification for the minimum wage is to insure every working person a livable wage, periodic adjustments may be necessary. . .

If and when the minimum wage should be increased again, Congress should face its responsibility and enact the necessary legislation. [October 7, 1977, CR 32906]

**1987: Dole Opposed Increase In Minimum Wage From \$3.35 — Advocated Sub-minimum Wage.** In March of 1987, Dole opposed Democratic legislation to increase the minimum wage from \$3.35 because he believed it would lead to higher inflation. Dole also said he supported President Reagan's proposal to create a new, sub-minimum wage for teenagers. [BNA, 3/5/87]

**1988: Dole Blames Labor For Not Backing Legislation To Allow A "Training Wage."** Dole and Senate Republicans tried to scuttle the 1988 Democratic attempt to raise the minimum wage by offering legislation creating a "training wage" — below the minimum wage. Dole attacked labor leaders for not supporting the GOP proposal. "The reason we're not getting consideration of our training wage is that the labor unions don't want it... It's not the Republicans versus the Democrats; it's the Republicans versus the labor leaders. They're telling us we can take this [minimum wage proposal] or leave it; we're not going to play games." [AP, 9/22/88]

**1988: Dole Voted for Proceeding to Minimum Wage Bill.** Dole voted in favor of the Byrd motion to proceed to consideration of a bill to raise the minimum wage to \$4.55 over three years. [CQ Almanac, 1988, vt. 330, 53-S]

**1988: Dole Voted Against Ending Filibuster On Minimum Wage.** Dole voted against a Kennedy motion to invoke cloture on, and therefore end, a Hatch-led filibuster of legislation increasing the minimum wage to \$4.55 over three years. The motion failed, 56-35. [AFL-CIO Report on Congress, 1988, vote #336, CQ Almanac, 1988, p. 55-S]

**1989: Dole Sponsored Motion To Recommit Minimum Wage.** Dole sponsored a motion to recommit minimum wage legislation back to the Labor and Human Resources Committee, with instructions to report it back with the Bush administration minimum wage plan, which included raising the minimum wage to \$4.25 over three years as well as a six-month training wage. [*AFL-CIO Report on Congress*, 1989, vote #38, p. 11-S]

**1989: Dole Voted To Increase Minimum Wage.** Dole voted for passage of HR 2710, which increased the minimum wage from \$3.35 to \$4.25 an hour, over two years, and provide a training wage which would last 6 months for employees aged 16 to 19. Democrats originally tried to raise it to \$4.55 but was vetoed by the President and the House did not override the veto. Dole voted against that bill. [*CO Almanac*, 1989, 54-S, vt. 292]

*"I don't think the Republican Party should be known as the party that tried to squeeze the last nickel out of minimum wage."* [UPI, October 31, 1989]

*Remarks from the Senate floor during various debates over the minimum wage increase:*

- *After passage:* "For the simple truth is that everybody won. The President won. Congress won. But, most importantly, the working poor of this country won. And that is good news for all Americans." [November 1, 1989, CR 14472]
- *June 14:* "We have had opportunities to do something really worthwhile for the working men and working women of this country; opportunities to increase the minimum wage.

And we could have done it easily, with a 90-cent increase over a 3-year period in the minimum wage and a 6-month training wage from, \$3.35 to \$4.25 an hour, . . .

Last week--on this floor--I urged Congress to stop playing politics with the minimum wage. I said that playing politics might be fun for some of us around here--but it is not fun for those in this country who really want--and need--a minimum wage increase. . . .

I know I have said it before. But I must say it once again. I supported-- and I continue to support--a minimum wage increase. I voted for it in the past and my record is pretty good. And that is why I--along with my distinguished colleague from Utah--hope that we will be able to reach agreement on a minimum wage bill that will be acceptable to the President." [June 14, 1989, CR 6600]

- *May 17:* "I supported--and I continue to support--a minimum wage increase. I continue to stand by the President. And I commend him for fulfilling a campaign promise by going forward with his own minimum wage proposal. . . .

I have said that as a Republican I am not going to stand here and say you can live on \$3.25 an hour or \$4.55 an hour. [May 17, 1989, CR 5475]

- **April 11:** "To be sure, I am all for helping the working poor. I have spent most of my public life supporting causes on behalf of the working poor. And no one would deny that the working poor are the ones who most deserve a wage increase." [April 11, 1989, CR 3579]
- **April 11:** "He [President Bush] has already said that he would go along with an increase in the minimum wage. Ronald Reagan said no for 8 years and made it stick—\$3.35 for 8 years. George Bush said, well, it is time—as the Senator from Massachusetts and others said, the Senator from Utah--that we take a look at the minimum wage and make adjustments. So we did. Over a 3- year period, it is going to be 90 cents per hour higher." [April 11, 1989, CR 3579]

**1993: Dole Calls Proposal To Increase Minimum Wage A "Big, Big Mistake."** On CBS's "Face The Nation" in August of 1993, Clinton Labor Secretary Robert Reich suggested raising the hourly minimum wage from it's 1990 level, \$4.25 per, and indexing it to automatically reflect cost of living increases. Reich noted that because of inflation, workers receiving the minimum wage earn less than they did in the 1970s and 1980s.

On the same program, Dole said that linking the minimum wage increases to the cost of living "would be a big, big mistake and I don't even think it would pass" in Congress. [AP, 8/23/93]

**1995: Provided The One Vote Margin That Allowed The GOP To Kill Debate On Raising The Minimum Wage.** Dole voted to table the Kennedy Amendment to express he sense of the Senate that the Senate should debate and vote on an amendment to raise the minimum wage before the end of the first session of the 104th Congress. The motion to table, and thus kill the amendment, passed by a one vote margin, provided by Dole, 49-48. [Legislate, 7/31/95, Vt. 1344]

**1995: Again Voted Against Allowing Debate on the Minimum Wage.** Three months later, Dole again voted against a Kennedy motion to express the Sense of the Senate that the Senate should debate and vote on an amendment to raise the minimum wage before the end of the first session of the 104th Congress. The motion failed 51-48/ [Legislate, 10/27/95, Vt. 1519]

**1996: Dole Delays Vote on Minimum Wage.** Dole put off a vote on minimum wage that Kennedy and other Senate members were attempted to bring to the floor. Through parliamentary maneuvers, Dole recommitted the bill and then ended the days session. [AP, 3/26/96]

## **1974:**

**“I am pleased to support the conference report on the minimum wage bill. . . It primarily seeks to assure a decent living for the American workingman and woman. . . The conference report embodies the traditional concern we have had in this country for the well-being of working people. A living wage for a fair day’s work is a hallmark of the American economic philosophy.”**

**-- *Bob Dole on the Senate floor.* [March 28, 1974, CR 8768]**

**1977:**

**"I do not oppose increasing the statutory minimum wage. Inflation has continued to increase to cost of living for each American. Next to our elderly, low-income workers are among the hardest hit by the ravages of inflation. Since the justification for the minimum wage is to insure every working person a livable wage, periodic adjustments may be necessary. . . .**

**If and when the minimum wage should be increased again, Congress should face its responsibility and enact the necessary legislation.**

**-- *Bob Dole on the Senate floor* [October 7, 1977, CR 32906]**

**1989:**

**“I have said that as a Republican I am not going to stand here and say you can live on \$3.25 an hour or \$4.55 an hour.”**

*-- Bob Dole on the Senate Floor*

**[May 17, 1989, CR 5475]**

**1989:**

**“To be sure, I am all for helping the working poor. I have spent most of my public life supporting causes on behalf of the working poor. And no one would deny that the working poor are the ones who most deserve a wage increase.”**

***--Bob Dole on the Senate Floor***

**[April 11, 1989, CR 3579]**

**1989:**

"[T]his is not an issue where we ought to be standing and holding up anybody's getting a 30 to 40 cents an hour pay increase, at the same time that we're talking about capital gains. I never thought the Republican Party should stand for squeezing every last nickel from the minimum wage."

*-- Bob Dole in Congressional Quarterly Almanac 1989*

**1989:**

"[S]ome Democrats would rather score a penny's worth of political points instead of giving working men and women the healthy 90-cent (an hour) increase President Bush has been trying to give them."

-- Bob Dole in Robert Green, "House Fails To Override Bush's Veto Of Minimum Wage Hike, The Reuter Business Report, June 14, 1989.

MAY 1 '96 11:29 FROM

DAVID M. MCINTOSH

2D DISTRICT, INDIANA

GOVERNMENT REFORM AND  
OVERSIGHT COMMITTEESUBCOMMITTEE CHAIRMAN  
NATIONAL ECONOMIC GROWTH,  
NATURAL RESOURCES AND  
REGULATORY AFFAIRSECONOMIC AND EDUCATIONAL  
OPPORTUNITIES COMMITTEE1208 LONGWORTH HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515

(202) 225-0021 PH

(202) 225-3382 FX

E-MAIL: mcintosh@hr.house.gov.

To: *Rich FiestA*

**Congress of the United States**  
**House of Representatives**  
Washington, DC 20515-1402

May 1, 1996

PAGE .001

DISTRICT OFFICE:  
(800) 382-88552908 WEST JACKSON STREET  
SUITE 101  
MUNCIE, IN 47304  
(317) 747-8588 PH  
(317) 747-8588 FXTHE PARAMOUNT CENTRE  
1136 MERIDIAN  
ANDERSON, IN 46016  
(317) 840-29192381 7TH ST.  
COLUMBUS, IN 47201  
(612) 372-8837401 EAST MAIN STREET  
RICHMOND, IN 47374  
(317) 982-2883

## The MINIMUM WAGE TAX CUT: More Take Home Pay -- More Jobs for America

Dear Republican Colleague:

Republicans want low income workers to have more take home pay. Times are tough, but raising the minimum wage is a bad way to accomplish this. Why force employers to pay a slightly higher minimum wage so that Uncle Sam can turn around and collect more taxes? The working poor deserve a tax cut; specifically, a *minimum wage tax cut* that would eliminate federal withholding, Social Security and Medicare taxes for low wage workers.

① **The truth is: A minimum wage increase will costs jobs.**

Dozens of studies show that raising the minimum wage costs entry-level job opportunities, does not help the poor or seniors, and hurts teenage employment, particularly among minority workers.

② **A MINIMUM WAGE TAX CUT will increase take home pay without killing jobs.**

Right now, after taxes are taken out, a minimum wage worker takes home just \$3.76 an hour. If there were no federal withholding, Social Security and Medicare taxes, that worker would take home \$4.57 an hour cash. The President's plan to raise the minimum wage means that these workers will actually take home one penny less (\$4.56) than with a *minimum wage tax cut* and there would be fewer jobs to go around.

③ **How will the MINIMUM WAGE TAX CUT work?**

A worker making \$4.25 an hour would pay no taxes. The employer would continue to set aside 7.65% of wages, but instead of sending it to Washington, the employer would pay this sum to the worker. The *minimum wage tax cut* would be phased out at \$5.25 an hour.

### Status Quo

| Minimum wage rate            | Take-home pay<br>(after hidden taxes) |
|------------------------------|---------------------------------------|
| \$4.25 an hour               | \$3.76 an hour                        |
| \$5.15 an hour<br>(proposed) | \$4.56 an hour                        |

### McIntosh Plan

| Minimum wage | McIntosh plan<br>(take home pay) |
|--------------|----------------------------------|
| \$4.25       | \$4.57                           |

**Estimated job loss = 700,000**

**Estimated job loss = 0**

④ **How much will the MINIMUM WAGE TAX CUT cost?**

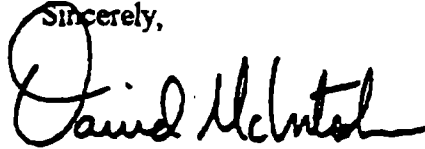
An analysis from the Congressional Budget Office has been requested, but current estimates show that the *minimum wage tax cut* will cost \$8-10 billion. There are about 3 million minimum wage workers and about 10 million making between the minimum wage and \$5.25.

⑤ **How will you pay for the MINIMUM WAGE TAX CUT?**

others work just to put food on the table. The cost of the *minimum wage tax cut* will come from savings in welfare programs. Welfare spending will increase 66% over the next seven years under the President's Budget, it is only fair that the minimum wage worker gets 21% more in take-home pay.

Let's raise take home wages and pass a MINIMUM WAGE TAX CUT.

Sincerely,



David McIntosh  
Member of Congress

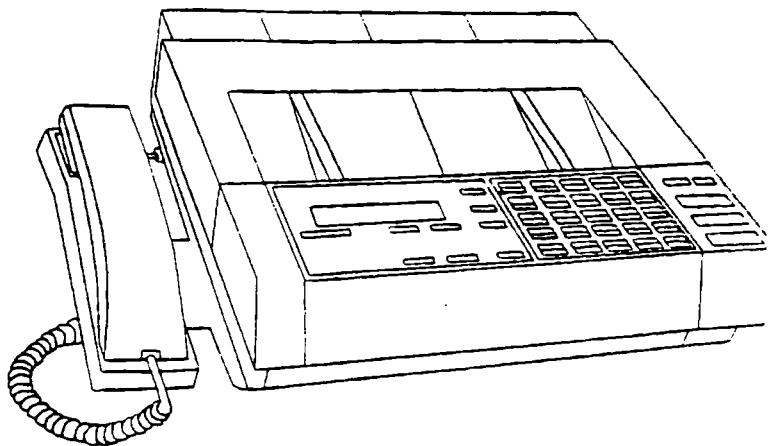
\*\* TOTAL PAGE.001 \*\*

U.S. Department of Labor

Office of the Assistant  
Secretary for Policy  
Washington D C 20210



# FAX COVER SHEET



DATE: 5/1/96

TO: Gene Sperling

FAX NO: 456-2878

COMPANY: \_\_\_\_\_

PHONE NO: \_\_\_\_\_

FROM: Seth Harris

PHONE NO: 215-6197

FAX NO: (202) 219-9216

NUMBER OF PAGES INCLUDING COVER: 4

MESSAGE: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## MEMORANDUM FOR GENE SPERLING

FROM: SETH HARRIS *SH*  
DATE: MAY 1, 1996  
SUBJECT: TEAM ACT AND THE MINIMUM WAGE

As I discussed with Jon Orszag this morning, we have heard rumors that Majority Leader Dole intends to bring the TEAM Act to the floor as early as this Monday. We have also heard that Senator Dole may attempt to include a minimum wage increase in the TEAM Act.

Attached is a letter Secretary Reich sent to Senator Kassebaum last month expressing the Administration's strong opposition to the TEAM Act. The letter offers a brief explanation of the bill and reiterates a veto threat first made by Vice-President Gore in a speech to the AFL-CIO Executive Council in February 1995.

Please let me know if you need any additional information.

VIA FAX

cc: Anne Lewis  
Leslie Loble  
Davitt McAteer  
Geri Palast  
Bill Samuel  
Charles Smith

## U.S. DEPARTMENT OF LABOR

SECRETARY OF LABOR  
WASHINGTON, D.C.

APR 16 1996

The Honorable Nancy Landon Kassebaum  
Chairman  
Committee on Labor  
and Human Resources  
United States Senate  
Washington, D.C. 20510

Dear Chairman Kassebaum:

We understand that your Committee may consider S. 295, the "Teamwork for Employees and Managers Act," on Wednesday, April 17. This bill would amend section 8(a)(2) of the National Labor Relations Act (NLRA) to broadly expand employers' abilities to establish employee involvement programs. I am writing to emphasize the Administration's opposition to S. 295, and to urge your Committee to not order the bill reported.

Section 8(a)(2) of the NLRA states that it is an unfair labor practice for an employer to dominate or interfere with the formation or administration of any labor organization. This provision protects employees from the practice of unscrupulous employers creating company, or sham, unions. Although S. 295 does not state an intent to repeal the protection provided by section 8(a)(2), S. 295 would undermine employee protections in at least two key ways. First, the bill would permit employers to establish company unions. Second, it would permit employers, in situations where the employees have spoken through a democratic election to be represented by a union, to establish an alternative, company dominated organization. Neither of these outcomes is permissible under current law nor should they be endorsed in legislation. Either one would be sufficient to cause me to recommend that the President veto S. 295 or other legislation that permits employers to unilaterally set up employee involvement programs.

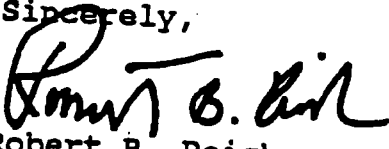
The Administration supports workplace flexibility and high-performance workplace practices that promote cooperative labor-management relations, but has concerns about the impact of the TEAM bill. Current interpretations of the law permit the creation of employee involvement programs that explore issues of quality, productivity, and efficiency.

It should be noted that the National Labor Relations Board has recently decided five cases involving employee involvement programs. In two of the five cases the Board found that the cooperative group at issue did not violate section 8(a)(2). The other three present classic cases supporting the concerns voiced above. Moreover, it appears that several more cases are pending before the Board which concern the relevant issue.

For the foregoing reasons, the Administration opposes the enactment of S. 295. If S. 295 were presented to the President, I would recommend that he veto the bill.

The Office of Management and Budget advises that there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

  
Robert B. Reich

# News Release



U.S. Department of Labor

Office of Public Affairs  
Washington, D.C.

**CONTACT:** Carl A. Fillichio  
**OFFICE:** 202/219-7317 (ext. 118)

**FOR RELEASE:** Immediate  
Wednesday, April 17, 1996

## STATEMENT OF SECRETARY OF LABOR ROBERT B. REICH REGARDING THE MINIMUM WAGE

Today in Washington, 19 House Republicans announced that they will introduce a bill that would increase the minimum wage. On behalf of the President, I want to welcome them to our fight for a decent, fair livable wage.

What happened today proves once again that the debate about the minimum wage is not about Democrats versus Republicans. It is, quite simply, about right versus wrong. It is about fairness for America's working families.

The minimum wage should not be a partisan issue. For half a century, when inflation has eroded the minimum wage, Congress has acted to raise it, and has done so in an overwhelming bipartisan manner.

That is why I think it is high time for Senator Dole to lead, follow or get out of the way. Let the majority rule. Let Democrats and Republicans who support a higher minimum wage have a vote.

#####

NANCY LONDON KASSEBAUM, KANSAS, CHAIRMAN

JAMES M. JEFFORDS, VERMONT  
DAN COATS, INDIANA  
JUDG GREGG, NEW HAMPSHIRE  
BIL FRIST, TENNESSEE  
MIKE DEWINE, OHIO  
JOHN ASHCROFT, MISSOURI  
SPENCER ABRAHAM, MICHIGAN  
SLADE GORTON, WASHINGTON

EDWARD M. KENNEDY, MASSACHUSETTS  
CLAIBORNE PELL, RHODE ISLAND  
CHRISTOPHER J. DODD, CONNECTICUT  
PAUL SIMON, ILLINOIS  
TOM HARKIN, IOWA  
BARBARA A. MIKULSKI, MARYLAND  
PAUL WELLSTONE, MINNESOTA

# United States Senate

COMMITTEE ON LABOR AND  
HUMAN RESOURCES

WASHINGTON, DC 20510-6300

SUSAN K. HATTAN, STAFF DIRECTOR  
NICK LITTLEFIELD, MINORITY STAFF DIRECTOR AND CHIEF COUNSEL

## FAX TRANSMISSION

from the

DEMOCRATIC OFFICE of the

LABOR and HUMAN RESOURCES COMMITTEE

TO: Gene Sperling

FAX#: 456-2878

FR: Nick Littlefield

Date: ~~456-2878~~ April 17, 1995

# of pages to follow: 1

Return fax #: 202/224-5128

If there are problems with this transmission call: 202/224-0767.

Gene - Here is the list of  
members of the minimum wage  
advocacy group. They could use some  
"gunning up" by the White House.  
NLS

# MINIMUM WAGE WORKING COMMITTEE LIST

| <u>Name</u>       | <u>Affiliation</u> | <u>Phone/Fax</u>  |
|-------------------|--------------------|-------------------|
| Marge Allen       | AFSCME             | 429-1184/223-3413 |
| Suzanne Bergeron  | Urban League       | 898-1604/682-0782 |
| Rubie Coles       | Women Work!        | 467-6346/467-5366 |
| Patrick Connover  | UCC                | 543-1517/543-5994 |
| Maria Cuprill     | Cong. Clay         | 226-1881/226-1882 |
| Evy Dubrow        | ILGWU              | 347-7417/347-0708 |
| Sarah Fox         | Sen. Kennedy       | 224-5441/224-3533 |
| Jennifer Friedman | UAHC               | 387-2800/667-9070 |
| Lynn Garfinkel    | CLASP              | 328-5193/328-5195 |
| Jacqueline Hair   | ACTWU              | 628-0214/628-6785 |
| Carol Hamilton    | Women Work!        | 467-6346/467-5366 |
| Wade Henderson    | NAACP              | 638-2269/638-5936 |
| Tom Hester        | Sen. Simon         | 224-7654/224-0868 |
| Norman Hill       | APRI               | 289-2774/289-5289 |
| Ann Hoffman       | ILGWU              | 347-7417/347-0708 |
| Carolyn Kazdin    | ACTWU              | 628-0214/628-6785 |
| Brian Kennedy     | Sen. Simon         | 224-5575/224-0868 |
| Angela Lean       | Sen. Simon         | 224-5575/224-0868 |
| Donna Lenhoff     | WLDF               | 986-2600/986-2539 |
| Karen Lightfoot   | CBPP               | 408-1080/408-1056 |
| Nick Littlefield  | Sen. Kennedy       | 224-5465/224-5128 |
| Colin McGinnis    | Sen. Wellstone     | 224-9536/224-8438 |
| Bernie McKinnon   | UAW                | 828-8500/293-3457 |
| Jane O'Grady      | AFL-CIO            | 637-5393/508-6963 |
| Greg Orlando      | UFCW               | 466-1559/466-1562 |
| Chris Owens       | PDI                | 265-9573/328-6918 |
| Joel Packer       | NEA                | 822-7329/822-7741 |
| Danielle Peterson | CDF                | 662-7883/662-8787 |
| Neal Posdamer     | Sen. Simon         | 224-5575/224-0868 |
| Jody Rabhan       | NCJW               | 296-2588/331/7792 |
| Nicole Robousky   | ADA                | 785-5980/785-5969 |
| John Sciamanna    | Sen. Mikulski      | 224-8875/224-8858 |
| Isaac Shapiro     | CBPP               | 408-1080/408-1056 |
| Thom Shellabarger | USCC               | 541-3189/541-3339 |
| Leon Shull        | ADA                | 785-5980/785-5969 |
| Suzanne Stokes    | BPW/USA            | 293-1100/659-2072 |
| Joanne B. Wright  | CDF                | 662-3673/662-3560 |
| Mark Zuckerman    | Sen. Simon         | 224-1890/224-0868 |

**DEMOCRATIC NATIONAL COMMITTEE  
COMMUNICATIONS OFFICE  
FAX TRANSMISSION**

**PHONE:**      **CHERYL KELLY:**      (202) 488-5034  
                 **DAVID SELDIN:**      (202) 488-5033  
                 **ANDY SOLOMON:**      (202) 488-5064

**FAX:**      (202) 488-5081

**TO:** GENE SPERLING      **PAGES (W/COVER)** 3

**FROM:** DAVID SELDIN

**FAX:** \_\_\_\_\_

**COMMENTS:** MINIMUM WAGE RELEASE DURING

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**If there are any problems with this transmission, please contact the DNC  
Communications Department at the phone number listed above.**

**DRAFT**

**FOR IMMEDIATE RELEASE**  
April 16, 1996

Contact: Amy Weiss Tobe  
202/488-5037

**DOLE MAKES \$71.68 PER HOUR  
FOR FILLIBUSTERING MINIMUM WAGE INCREASE**

WASHINGTON, DC – With Senate Republicans preparing to filibuster another Democratic attempt to give minimum wage workers their first pay increase in five years, DNC National Chairman Don Fowler attacked Majority Leader Bob Dole for leading the charge against a \$5.15 per hour minimum wage.

"It is absolutely beyond belief that the Republicans are willing to let the minimum wage sink to its lowest point in forty years and that Senator Dole himself would lead the charge to keep hard-working families in poverty," said Fowler. "Every hour that Dole filibusters this increase, he makes \$71.68. He's made more since the last time he blocked a vote on this proposal last month than a minimum wage, full-time worker earns in an entire year. Most minimum wage earners are working hard to raise a family, but it would take them more than 16 years to match Dole's salary for this year.

"Senator Dole has earned almost \$5 million from his taxpayer salary during his 3½ decades as a Washington politician," Fowler added. "But all we are getting for our money is stonewalling, stalling, and sidestepping the real issue of declining real incomes for working families. Led by President Clinton, Democrats are trying to do something about it, but Senator Dole and the Republicans are standing in the way.

"Bob Dole has voted more than 35 times to increase his own salary and perks in Congress, but he won't even allow this one simple vote on raising the minimum wage. The average minimum wage recipient is an adult woman earning at least half of her family's income. Working families deserve better treatment than they are getting in the U.S. Senate," Fowler concluded.

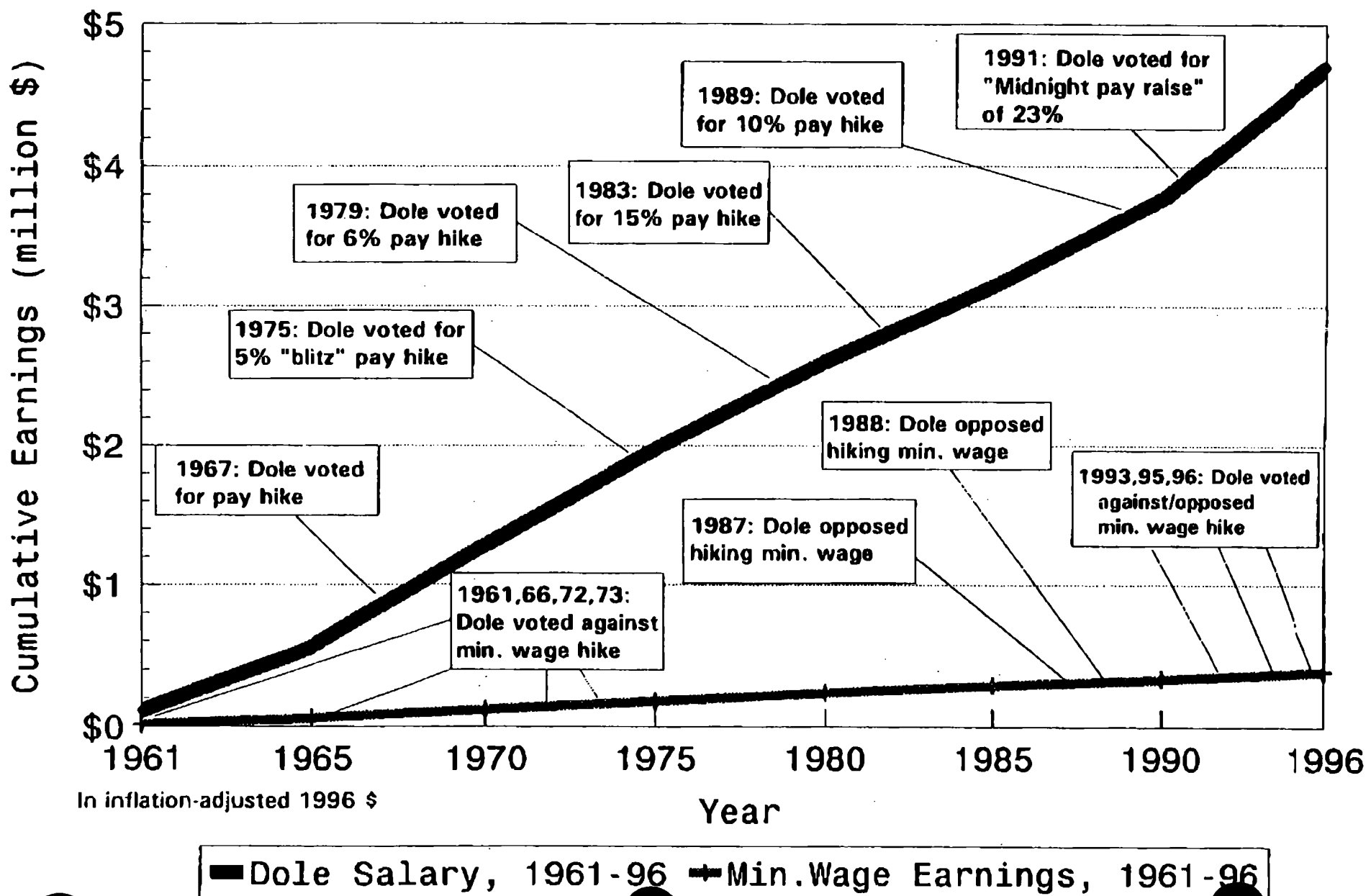
As Senate Majority Leader, Bob Dole will earn a government salary of \$149,095.00 this year. The minimum wage has stood at \$4.25 per hour since 1991. President Clinton has called for a 90-cent increase over two years, and Senate and House Democrats have tried to offer this proposal as an amendment to pending legislation, but Senator Dole and his Republican colleagues have used procedural gimmicks to keep the proposal from coming to a vote.

# # #

A chart is attached showing the cumulative real-dollar values of Bob Dole's income and of the minimum wage during the 35 years since Dole was elected to Congress.

# Bob Dole's Earnings Soar While Minimum Wage Earnings Stagnate

## Sum of Dole's Salaries & Sum of Min. Wage Worker, in 1996 Dollars





# DEMOCRATIC • NATIONAL • COMMITTEE

Donald L. Fowler, *National Chair* • Christopher J. Dodd, *General Chair*

## REPUBLICANS TRY TO PULL THE WOOL OVER OUR EYES BUT THEY STILL WON'T RAISE THE MINIMUM WAGE DNC Talking Points April 25, 1996

*Vice President Gore will join Democratic leaders on Capitol Hill today in another show of Democratic unity, demanding an immediate vote on the President's plan for a 90 cent raise in the minimum wage. Some moderate Republicans have come to their senses to join Democrats in supporting President Clinton's call, but Bob Dole and Newt Gingrich continue to stonewall and are suggesting that they will attach it to extreme Republican proposals that the American people don't need or want.*

**Dole and Gingrich, Playing Political Games:** They don't want to raise the minimum wage, but they can't face the 84% of Americans who understand that you can't raise a family on \$4.25 an hour. Minimum wage workers are facing their lowest purchasing power in 40 years, but Dole and Gingrich are more concerned about the right-wing extremists who dominate the Republican Party.

**President Clinton, Fighting for Working Families:** Don't believe what the GOP says – most minimum wage workers are adults, and almost 40% are a family's sole breadwinner. President Clinton and Democrats in Congress are fighting to give them their first raise in five years, to keep the minimum wage from dropping to its lowest purchasing power in 40 years. The President knows that you just can't raise a family on \$4.25 an hour. Republicans don't seem to care.

**No Gimmicks, Just A Clean Vote :** The only true vote for a minimum wage is a clean, up-or-down vote with no gimmicks, no games, and no empty political gestures. Anything less than that from the Republican leadership is just a political charade. Any Republican who tries to get away with saying they're for working families but want to combine the minimum wage with other issues is just trying to trick the American people. The only vote for a minimum wage is a vote for the President's plan.

# # #

# ... Today's Jumbled Syntax

Just when it seemed that nothing could get worse for Sen. Robert J. Dole and his party, last Friday's news stunned unbelieving Republicans on Capitol Hill. After a week filled with defeat and embarrassment, the presidential candidate was going to appear on CBS's "Face the Nation" Sunday.

In keeping with the way things are going for the GOP these days, the interview program exceeded gloomiest expectations. Nobody could talk of anything else in Republican offices Monday morning. It was labeled the worst single television interview since Teddy Kennedy's 1979 encounter with Roger Mudd.

The Republican hope is that Dole's performance last Sunday will not be a metaphor for his presidential campaign as the Mudd interview was for Kennedy's failed 1980 effort. But it, too, reflects overriding campaign problems—disorganization, lack of discipline and failure to articulate a coherent message.

When asked whether he was having second thoughts about continuing as majority leader, Dole replied: "We've had a pretty good week. I mean, it's all this inside baseball stuff." A pretty good week that retreats on the minimum wage and that loses medical savings accounts?

Dole explained: "I think the inside baseball doesn't resonate outside the Beltway. But, you know, we passed the terrorism bill even though the Democrats frustrated—made us—made us vote 14 different times. We're concerned about terrorism—Oklahoma City disaster. We passed the health reform bill that the Democrats fought for two years. I offered a \$10 billion amendment, got \$8.4 billion of it, and I thought that was pretty good. We gave the Democrats a vote on the medical savings account, didn't filibuster."

Even for Republicans able to decipher Dolespeak, the truth behind his jumbled syntax is unpleasant. No plans were laid during his two-week Florida vacation. There is no strategy, neither short-term for the legislative session nor long-term for the campaign.

Ever since Congress reconvened April 15, Senate Democrats have targeted the majority leader/presumptive presidential nominee with one ferocious attack after another. Senate Republicans have been their selfish selves, not rallying to Dole's side.

This bleak assessment is shared by Republicans who desperately want Dole to succeed, for their own sake as well as his. "I don't see any improvement," a member of the House Republican leadership told me. "I think he's getting worse."

The attempted minimum wage in-

crease typifies the malaise. Although the Democratic proposal has been around for a year, no Republican response was crafted. To combat a feel-good issue that generates high ratings in opinion polls, Dole and other Republican leaders have neither propounded valid economic arguments against the proposal nor devised a plan to attach Republican amendments to it.

In his first extended interview after the Easter recess, Dole counseled his Republican friends by, typically, tipping his tactical hand rather than pleading the merits of his case. On PBS's "NewsHour" April 17 he asserted that even though the "minimum wage is probably not the best,

*"Even for  
Republicans able to  
decipher Dolespeak,  
the truth behind it  
is unpleasant."*

[way] to go... you'll never explain it to anybody."

Therefore, Dole advised, pass the bill and add to it features that the Democrats might not be as crazy about. But there is no partial strategy for accomplishing this against a unified Democratic minority eager to utilize Senate rules.

Moreover, not one Democratic senator supported Dole's effort last week to attach tax-deductible medical savings accounts to the Kennedy-Kassebaum health reform bill. Sen. Nancy Kassebaum, in her 18th and last year of a Senate career marked by periodic hostility toward her fellow Kansans, led four other Republicans in opposition to defeat Dole.

Whether or not Dole should have been able to turn these GOP colleagues around, there is a crying need to bring home to Republican senators that the presidential campaign has begun and that they should not collaborate in the humiliation of their candidate. Such a truth-telling meeting is being urged.

But it would not solve the biggest problem, which happens to be Bob Dole. With each passing day it becomes clearer that his strength of character and negotiating skills are insufficient to defeat Bill Clinton and may not even be useful in a race against him. The hard truth is that nobody knows how to discipline, much less transform, the Dole candidacy.

© 1994 Creators Syndicate Inc.

Robert D. Novak

# Economic Policy Institute

1660 L STREET, NW • SUITE 1200 • WASHINGTON, DC 20036 • 202/775-8810 • FAX 202/775-0819

## MEMORANDUM

TO: Mike Wessel  
VIA: Fax No. 225-7414  
FROM: Jeff Faux *Jeff Faux / kw*  
DATE: April 23, 1996  
COPY: John Schmitt

We've looked at "The Minimum Wage for Families Act."

If these are conservatives, they are hoisting themselves by their own petard. It's big government at its most intrusive.

Among other things, it:

- (1) sets up a huge bureaucratic task for the IRS to monitor the labor market. It would have to check millions of workers and employers for hours, wages, multiple jobs, number of children, etc.
- (2) writes 12.7 million checks monthly. (Talk about entitlements!)
- (3) government mandates different pay for same job.
- (4) provides an incentive for low-wage workers to have more children.

Call John Schmitt here for elaboration.

APR 23 '96 12:04

One Hundred Fourth Congress  
U.S. House of Representatives  
Office of the Majority Whip  
April 23, 1996

If You Believe  
No One Can Afford to Raise a Family on \$4.25 an Hour  
You'll Be Glad to Know  
No One Actually Has To

Dear Colleague:

Supporters of raising the minimum wage argue the no one can afford to raise a family on \$4.25 an hour. That may be true. However, their argument conveniently ignores the fact that no one actually has to. As the table below shows, any parent who is earning the minimum wage is eligible for Food Stamps and the Earned Income Tax Credit. (They may also be eligible for other government programs such as Medicaid.)

Once these two benefits are added to the minimum wage, a single parent with one child has a total income of \$5.76 an hour, while a married couple with two children has a total income of \$7.47 an hour. (These amounts could be even higher depending on child care and housing expenses.)

|                       | Minimum Wage | EITC    | Food Stamp | Total    | Hourly Rate |
|-----------------------|--------------|---------|------------|----------|-------------|
| <b>Single Parent</b>  |              |         |            |          |             |
| One Child             | \$8,840      | \$2,152 | \$996      | \$11,988 | \$5.76      |
| Two Children          | \$8,840      | \$3,536 | \$2,142    | \$14,518 | \$6.98      |
| <b>Married Couple</b> |              |         |            |          |             |
| One Child             | \$8,840      | \$2,152 | \$2,142    | \$13,134 | \$6.31      |
| Two Children          | \$8,840      | \$3,536 | \$3,159    | \$15,535 | \$7.47      |

\*Minimum Wages  
Source: Congressional Research Service

Emotional appeals about working families trying to get by on \$4.25 an hour are hard to resist. Fortunately, such families don't really exist.

Sincerely,

  
Tom DeLay

DRAFT FOR DPC WEEKENDER

## Republicans Attempt to Avoid Raising the Minimum Wage

### The Hutchinson-Ballenger Proposal

Reps. Tim Hutchinson and Cass Ballenger have made a proposal which they claim is an increase in the minimum wage combined with an expansion of the Earned Income Tax Credit (EITC). It is neither. It is simply an attempt to distract attention from their failure to raise the wages of low-income families.

What the Republican proposal would do:

1. Cut the EITC by \$15 billion over six years. Although the description of the proposal is vague, it sounds as if the Republicans are bringing back their failed attempt to cut the EITC. This includes eliminating the credit entirely for childless families with incomes of less than \$9520.
2. Create a new three-tiered Federal payment to low-wage workers:

|                                                   |                       |
|---------------------------------------------------|-----------------------|
| For workers in families without children          | \$0                   |
| For workers in families with one child            | up to \$2.75 per hour |
| For workers in families with two or more children | up to \$3.75 per hour |

The amount of the Federal payment would depend on what the employer pays.

3. The Federal minimum wage would *remain at \$4.25 per hour.*

The sponsors indicate that they intend for this program to be integrated into the \$500 per child tax credit proposal which was in the vetoed Republican budget bill.

**This proposal is not an increase in the minimum wage. It is a subsidy to employers who do not pay their workers a livable wage.** This creates a wage subsidy that varies with family size; why should a childless worker be paid \$4.25 per hour when a worker with children who is doing the same job be paid up to \$8.00?

The key economic question is what incentives are created. This proposal has incentives to:

1. Employers to cut the wages of workers who make less than \$7.00 (for workers with one child) or \$8.00 (for workers with two or more children) and let the Federal government pick up the cost.
2. Increase fraud in the EITC rather than reduce it. Under this proposal, a minimum wage worker in a family with no children who receives the EITC would get no Federal payment and would lose his entire EITC. However, he can gain \$5500 from this program if he claims to have a child, or \$7500 for two non-existent children.

The Republican sponsors claim that this would save \$15 billion over six years, but do not indicate how. This is the same amount that the last Republican budget in January proposed

*DRAFT*

to cut from the EITC, so the sponsors have obviously failed to include the costs of the new Federal subsidy to employers.

## **"THE MINIMUM WAGE FOR FAMILIES ACT"**

### **LEGISLATIVE DESCRIPTION AND SUMMARY**

This proposal will fundamentally redesign the EITC, and rename it the "Working Families Support Credit".

### **RATIONALE**

It has become difficult in recent years to support a family on a minimum-wage salary. There is agreement among both Republicans and Democrats that we need to provide assistance to the "working poor", but there is significant disagreement on the best way to accomplish this goal.

The administration has proposed an increase in the minimum wage as the solution to this problem. While such an increase would provide some relief to the working poor, it would also have much more far reaching effects, including placing large economic constraints on the private sector, a loss of entry-level positions, and an inflationary ripple effect on wages. A minimum wage increase would also affect those persons who arguably are not in need of this assistance, such as teenagers working during their summer vacation.

Our proposal would accomplish the goal of providing assistance to those who are truly in need -- working families -- while at the same time avoiding the additional problems associated with a minimum wage increase.

### **BACKGROUND**

The Earned Income Tax Credit (EITC), which was created in 1974, provides a refundable tax credit to lower-income working families with children and currently to some adult childless workers. The EITC has expanded greatly since its creation as a result of both Congressional and Presidential initiatives, including efforts by the Reagan, Bush and Clinton administrations.

**RECIPIENTS**

Under current law, there are an estimated 18.2 million tax units eligible for EITC. 12.7 million of these tax units are families with children, of whom roughly 5.3 million have one child and 7.4 million have two or more children. The remaining 5.5 million eligible tax units are childless workers ages 25 through 64.

**PROPOSAL**

This EITC reform proposal, which builds upon the reforms in the Republican Balanced Budget Act of 1995, will redesign and reform the current EITC program in an effort to return the program to its original purpose of serving low-income working families. The proposal will address the following:

- Convert large annual "lump sum" EITC payments into equal monthly payments so as to more practically supplement family income
- Deny credit to undocumented workers
- Eliminate credit for childless adults
- Increase the support credit for parents
- Rename Earned Income Tax Credit the "Working Families Support Credit"

With the savings generated from these reforms, we will significantly increase the amount of credit recipients of the Working Families Support Credit would receive.

If you believe that those people who are in need of wage assistance are America's working families, as opposed to teenagers employer during their summer vacation, please join us in support of The Minimum Wage Increase for Families Act.

If you would like to cosponsor this legislation or if you have additional questions, please contact Chuck Seyfarth with Representative Hutchinson at 5-4301.

## **The Minimum Wage for Families Act**

A proposal to create a three tiered minimum wage to lift incomes of poor families with children. The three wage rates are :

|                                         |                       |
|-----------------------------------------|-----------------------|
| <b>Individuals</b>                      | <b>\$4.25 an hour</b> |
| <b>Families with 1 child</b>            | <b>\$7.00 an hour</b> |
| <b>Families with 2 or more children</b> | <b>\$8.00 an hour</b> |

### **How does it work ?**

Employers would be able to hire as many job applicants as possible at the current starting wage of \$4.25. The Federal government would provide families with children a monthly cash payment to bring these families up to the \$7 or \$8 level as outlined above. The payments would be administered through the Internal Revenue Service.

### **How much would it cost ?**

This proposal is expected to be scored by the Joint Tax Committee to save at least \$15 billion over 6 years. Much needed reforms of the poorly designed Earned Income Tax Credit will provide significant savings that will be used to increase assistance to those families that actually have to raise children. Any additional savings generated from reforms of the EITC program will be used to finance the \$500 per child tax credit available to all low-income and middle class families.

### **How does it fit with the Republican Tax Cut proposal ?**

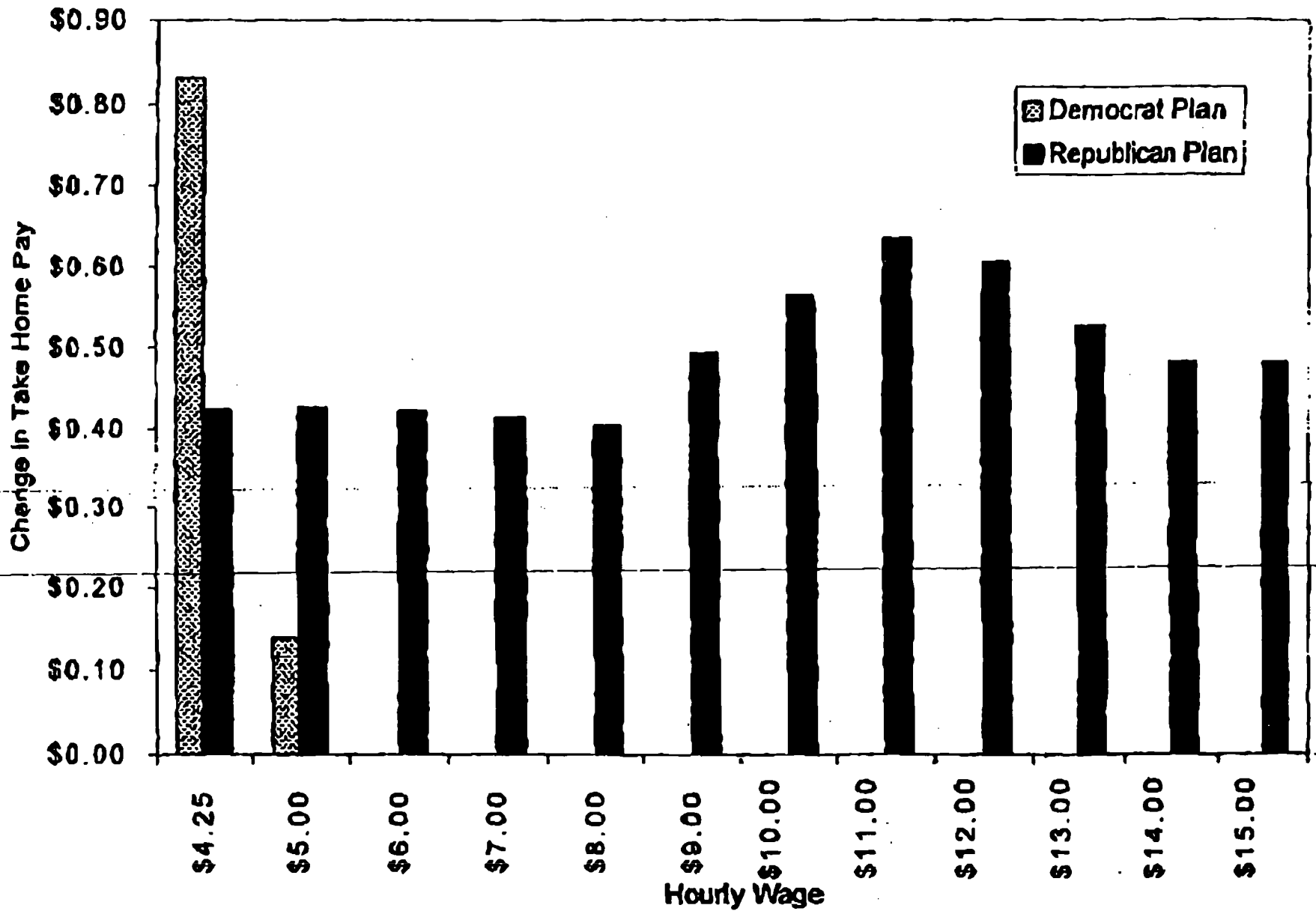
The Minimum Wage for Families Act can be easily integrated into the \$500 per child tax credit proposal. When combined, all families, whether they earn \$4.25 or more an hour, will see their take home pay increase because of this proposal.

### **How does it complement the Republican Welfare Reform proposal ?**

Under the Republican welfare reform proposal, as many as 7 million able-bodied adults on public assistance will be asked to work. Small business can not create 7 million jobs for these often poorly educated individuals at the same time that Democrats want to increase the cost for hiring these workers.

# It's Take Home Pay, Stupid

## Change in Hourly Take Home Pay for a Family of Four



PL 05  
004  
004 200 0079  
04/22/96 15:31

# Economic Policy Institute

1660 L STREET, NW • SUITE 1200 • WASHINGTON, DC 20036 • 202/775-8810 • FAX 202/775-0819

## MEMORANDUM

TO: Mike Wessel  
VIA: Fax No. 225-7414  
FROM: Jeff Faux *Jeff Faux / kw*  
DATE: April 23, 1996  
COPY: John Schmitt

We've looked at "The Minimum Wage for Families Act."

If these are conservatives, they are hoisting themselves by their own petard. It's big government at its most intrusive.

Among other things, it:

- (1) sets up a huge bureaucratic task for the IRS to monitor the labor market. It would have to check millions of workers and employers for hours, wages, multiple jobs, number of children, etc.
- (2) writes 12.7 million checks monthly. (Talk about entitlements!)
- (3) government mandates different pay for same job.
- (4) provides an incentive for low-wage workers to have more children.

Call John Schmitt here for elaboration.

APR 23 '96 12:04

One Hundred Fourth Congress  
U.S. House of Representatives  
Office of the Majority Whip  
April 23, 1996

If You Believe  
No One Can Afford to Raise a Family on \$4.25 an Hour  
You'll Be Glad to Know  
No One Actually Has To

Dear Colleague:

Supporters of raising the minimum wage argue the no one can afford to raise a family on \$4.25 an hour. That may be true. However, their argument conveniently ignores the fact that no one actually has to. As the table below shows, any parent who is earning the minimum wage is eligible for Food Stamps and the Earned Income Tax Credit. *(They may also be eligible for other government programs such as Medicaid.)*

Once these two benefits are added to the minimum wage, a single parent with one child has a total income of \$5.76 an hour, while a married couple with two children has a total income of \$7.47 an hour. *(These amounts could be even higher depending on child care and housing expenses.)*

|                       | Washington | California | Florida | Illinois | Michigan |
|-----------------------|------------|------------|---------|----------|----------|
| <b>Single Parent</b>  |            |            |         |          |          |
| One Child             | \$8,840    | \$2,152    | \$996   | \$11,988 | \$5.76   |
| Two Children          | \$8,840    | \$3,536    | \$2,142 | \$14,518 | \$6.98   |
| <b>Married Couple</b> |            |            |         |          |          |
| One Child             | \$8,840    | \$2,152    | \$2,142 | \$13,134 | \$6.31   |
| Two Children          | \$8,840    | \$3,536    | \$3,159 | \$15,535 | \$7.47   |

\*Minimum Allowance  
Source: Congressional Research Service

Emotional appeals about working families trying to get by on \$4.25 an hour are hard to resist. Fortunately, such families don't really exist.

Sincerely,

  
Tom DeLay

*DRAFT FOR DPC WEEKENDER*

## Republicans Attempt to Avoid Raising the Minimum Wage

### The Hutchinson-Ballenger Proposal

Reps. Tim Hutchinson and Cass Ballenger have made a proposal which they claim is an increase in the minimum wage combined with an expansion of the Earned Income Tax Credit (EITC). It is neither. It is simply an attempt to distract attention from their failure to raise the wages of low-income families.

What the Republican proposal would do:

1. Cut the EITC by \$15 billion over six years. Although the description of the proposal is vague, it sounds as if the Republicans are bringing back their failed attempt to cut the EITC. This includes eliminating the credit entirely for childless families with incomes of less than \$9520.
2. Create a new three-tiered Federal payment to low-wage workers:

|                                                   |                       |
|---------------------------------------------------|-----------------------|
| For workers in families without children          | \$0                   |
| For workers in families with one child            | up to \$2.75 per hour |
| For workers in families with two or more children | up to \$3.75 per hour |

The amount of the Federal payment would depend on what the employer pays.

3. The Federal minimum wage would *remain at \$4.25 per hour*.

The sponsors indicate that they intend for this program to be integrated into the \$500 per child tax credit proposal which was in the vetoed Republican budget bill.

This proposal is **not an increase in the minimum wage**. It is a **subsidy to employers who do not pay their workers a livable wage**. This creates a wage subsidy that varies with family size; why should a childless worker be paid \$4.25 per hour when a worker with children who is doing the same job be paid up to \$8.00?

The key economic question is what incentives are created. This proposal has incentives to:

1. Employers to cut the wages of workers who make less than \$7.00 (for workers with one child) or \$8.00 (for workers with two or more children) and let the Federal government pick up the cost.
2. Increase fraud in the EITC rather than reduce it. Under this proposal, a minimum wage worker in a family with no children who receives the EITC would get no Federal payment and would lose his entire EITC. However, he can gain \$5500 from this program if he claims to have a child, or \$7500 for two non-existent children.

The Republican sponsors claim that this would save \$15 billion over six years, but do not indicate how. This is the same amount that the last Republican budget in January proposed

*DRAFT*

to cut from the EITC, so the sponsors have obviously failed to include the costs of the new Federal subsidy to employers.

TIM HUTCHINSON  
3D DISTRICT, ARKANSAS

COMMITTEES:  
ECONOMIC AND EDUCATIONAL  
OPPORTUNITIES  
SUBCOMMITTEES:  
WORKFORCE PROTECTION  
TRANSPORTATION AND  
INFRASTRUCTURE  
SUBCOMMITTEES:  
AVIATION  
SURFACE TRANSPORTATION  
VETERANS' AFFAIRS  
SUBCOMMITTEES:  
HOSPITALS AND HEALTH CARE  
SYSTEMS

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-0403**

WASHINGTON, DC 20515  
1605 LINDENWOOD DRIVE  
WASHINGTON, DC 20016  
(202) 425-4301  
(DISTRICT OFFICES)  
UNITED STATES FEDERAL BUILDING  
ROOM 407  
87 EAST MOUNTAIN  
FAYETTEVILLE, AR 72701  
(501) 442-9200  
UNITED STATES FEDERAL BUILDING  
ROOM 248  
66 SOUTH 4TH STREET  
FORT SMITH, AR 72901  
(501) 782-7767  
UNITED STATES FEDERAL BUILDING  
ROOM 118  
POST OFFICE BOX 570  
HARRISON, AR 72601  
(501) 741-0900

**A MINIMUM WAGE INCREASE DOES LITTLE  
FOR WORKING FAMILIES**

"It (raising the minimum wage) is the wrong way  
to raise the incomes of low-wage earners."

-- Bill Clinton  
Time, Feb 6, 1995

Dear Republican Colleague,

The rhetoric surrounding a minimum wage increase has been heated in recent weeks. Unfortunately, President Clinton's proposal to raise the minimum wage would do very little for those who are truly in need of wage assistance -- America's working families.

Dozens of studies indicate that the increase proposed by the president would place large economic constraints on the private sector, create a loss of entry-level positions, and produce an inflationary ripple effect on wages. Obviously, none of these reactions would be beneficial to hard-working Americans trying to raise a family.

We will be introducing legislation which would accomplish the goal of helping America's working families, while avoiding the economic pitfalls associated with a minimum wage increase. "The Minimum Wage for Families Act" would fundamentally redesign the Earned Income Tax Credit (EITC) by:

- \* converting the large annual lump sum EITC payments into monthly payments so as to more practically supplement family income
- \* denying credit to undocumented workers
- \* eliminating credit for childless adults
- \* increasing the support credit for parents
- \* renaming the EITC the Working Families Support Credit

With the savings generated from these reforms, we will significantly increase the amount of credit recipients of the Working Families Support Credit would receive.

If you believe that those people who are in need of wage assistance are America's working families, as opposed to teenagers employed during their summer vacation, please join us in support of this proposal.

If you would like to cosponsor this legislation or if you have additional questions, please contact Chuck Seyfarth with Representative Hutchinson at 5-4301.

*Tim Hutchinson*  
TIM HUTCHINSON  
Member of Congress

*Cass Ballenger*  
CASS BALLENGER  
Member of Congress

*Gene Sperling*

*6-2878*

*From  
Chris  
Walker*



## Supporting the Efforts of Low Wage Working Americans

### *Raising the Minimum Wage Is Not the Answer*

March 1996

It is an election year, and the parties are once again arguing over the minimum wage. Democrats are right that government has a critical role to play in helping people work their way out of poverty, in raising living standards, and in reducing inequality. Increasing the minimum wage, however, is the wrong strategy to promote these goals.

In 1989, the Progressive Policy Institute (PPI) demonstrated that raising the minimum wage could be counterproductive, raising prices for poor people while helping mainly middle class families. Instead, PPI and the Democratic Leadership Council (DLC) argued that Congress should reform the Earned Income Tax Credit (EITC) to ensure that people who work full-time, year-round would be able to support their families above the poverty line. In 1990, and again in 1993, Congress expanded the EITC along the lines proposed by PPI, and Congress should reject calls to retreat from this commitment.

At the same time, there are ways to expand opportunities for low wage workers to work their way up the income scale. The key is to cut the deficit while investing in broader prosperity. Congress should repeal up to \$75 billion a year in unproductive industry spending and tax subsidies; the lion's share of these resources should be channeled to deficit reduction. The remainder could be dedicated to public investments to expand access to higher education, through the National Service program and the school-to-work initiative, and to skills enhancement through vouchers for retraining.

These approaches offer sound, market-based assistance for low income workers. By contrast, raising the minimum wage would be, at best, a blunt instrument.

- *The vast majority of minimum wage workers are in families that do not need public wage supports because their incomes are well above the poverty level. Most minimum wage workers are not the sole support of low income families, but secondary workers in moderate or middle income families, or primary workers in families with other significant sources of income. Seventy percent of minimum wage workers are in families well above the poverty level, and nearly 40 percent are in families with incomes in the top half of the income distribution.*
- *More than 75 percent of all poor Americans are ineligible for the minimum wage, and so would not benefit from an increase. They don't qualify because they (1) don't work (the elderly poor as well as the welfare poor), (2) earn more than an increased minimum wage (but work only part-time or part of the year), (3) work for themselves, or (4) work in jobs not covered by the minimum wage law.*

- ▶ *The costs of an increase in the minimum wage would be borne disproportionately by lower income families.* In the short run, a higher minimum wage raises costs and prices, transferring resources from consumers to minimum wage workers. There are some workers in low income families who would benefit significantly, but the vast majority of poor families would have to pay higher prices. Therefore, increasing the minimum wage would produce a regressive transfer, making most poor people a little worse off in order to improve the lives, at least for a time, of a group of people which is predominately non-poor.
- ▶ *A higher minimum wage does not protect jobs.* Some have argued that a higher minimum wage could protect jobs, because the higher wage would give firms an incentive to figure out how to use their minimum wage workers more productively. In effect, these analysts argue that higher wages yield higher productivity, rather than the reverse. There is no reliable empirical evidence to support this view.
- ▶ *In the end, raising the minimum wage would be self-defeating.* Firms initially respond to an increase in the minimum wage in the same way they respond to any increase in fixed costs affecting all competing firms: They will incorporate the cost in higher prices. This will tend to reduce jobs over a longer term, as higher prices reduce demand for the industry's goods and services. Raising the minimum wage will also mean that no firms will hire additional workers whose value to the firm falls between the old minimum wage and the new one. So in many cases, a higher minimum wage can reduce job creation for low skilled people.

*For these reasons, the Democratic Leadership Council and Progressive Policy Institute support other ways of helping low income workers.* [The EITC—long supported by PPI and expanded by President Clinton in 1993—is a much better way of targeting benefits to low income working Americans.] For more information on the EITC, see *Work and Poverty: A Progressive View of the Minimum Wage and the Earned Income Tax Credit* (June 1989), and *An American Working Wage: Ending Poverty in Working Families* (February 1990), both by Robert J. Shapiro. We also support the use of vouchers for job training to replace the current system of more than 150 federal training programs—and other changes to empower workers—rather than burden business with additional rules and regulations.

The EITC program is not perfect, but many recent criticisms of it are either exaggerated or plainly incorrect. In their quest to attain a balanced budget, many Republicans in Congress have recently been very critical of the EITC program and targeted it for significant reductions. This has occurred even though the program was started by President Ford and received its largest expansion under President Reagan. For more information on why recent criticisms are off the mark, see *GOP Cuts in the EITC: Raising Taxes on the Working Poor* (June 19, 1995) by M. Jeff Hamond and Lyn A. Hogan.

To order any of these publications, please contact our Publications Department at 1-800-546-0027 (in the Washington, DC metro area call, 202-544-6172), or visit our Web site at <http://www.dlcpqi.org/>.

April 19, 1996

MEMORANDUM FOR GENE SPERLING

FROM: JON ORSZAG   
SUBJECT: Information for Minimum Wage Strategy Meeting

Please find enclosed the following information for the minimum wage strategy meeting at 8:45 am:

1. **The Monthly Real Value of the Minimum Wage from 1989-Present.** This table shows that the minimum wage would need to be raised by 65 cents in order to just restore its lost value since the minimum wage was last increased on April 1, 1991.

It is important to note that the longer Congress delays on a minimum wage increase, the more inflation erodes its real value, and the more it needs to be raised just to keep pace with the cost of living. As a rule of thumb, every month Congress does not act, the real value falls by about one cent.

2. **The Annual Real Value of the Minimum Wage from 1938-1995.** This table -- from the Bureau of Labor Statistics -- is the one Senator Dole's staff will use to calculate what minimum wage increase is necessary to lift the value of the minimum wage back to its level the last time the minimum wage was increased.

- According to this table, a 50 cent increase is needed to restore the minimum wage's value to its 1991 level. The problem with this analysis is that it fails to account for the fact that inflation eroded the value of the minimum wage in 1991 after the minimum wage was increased in April (so the average for 1991 is lower than its value in the month it was raised) and it fails to take account of inflation since 1995, the last year the table has data.
- If one used the estimated inflation rate from CBO for 1996, it would show that a 65 cent increase is needed to restore it to its average 1991 level.

3. **Congressional Votes from the Last Increase.** The attached document details each Member of Congress who voted for and against the last increase in the minimum wage. In 1989, the minimum wage increase passed the House by a vote of 382 to 37 (with 135 Republicans voting for the bill), and 89 to 8 in the Senate (with the support of 36 Republicans). For example, the following prominent Republicans voted for the bill:

**Senators:**

Thad Cochran -- Conference Chairman  
Al D'Amato -- Chairman of Dole '96  
Bob Dole -- Majority Leader  
Pete Domenici  
Phil Gramm  
Nancy Kassebaum -- Chair of Labor Committee  
Trent Lott -- Majority Whip  
William Roth  
Alan Simpson  
Strom Thurmond -- President Pro Tempore

**Representatives:**

Newt Gingrich -- Speaker  
John Kasich  
Bill Goodling -- Chair of Labor Committee  
Jim Saxton -- Biggest Opponent of Increase  
Nancy Johnson  
Jim Leach  
Pat Roberts  
Cass Ballenger

4. **Packet of Minimum Wage Information on Senator Dole.**

5. **A Couple More Tidbits Of Information:**

- **There Are Now 21 House Republican Co-Sponsoring the Quinn-English-Shays Bill to Increase The Minimum Wage By \$1 Dollar.**
- **Cloture Vote In Senate Failed 55-45.** Eight Republicans joined every Democrat in support. (The only Republican we can expect to vote against an increase from the group of eight is Rick Santorum -- he seemed in favor of voting on an increase, but not voting for an increase).
- **Sense of the Senate Passed 51-48.** A sense of the Senate in November passed 51-48. At that time, I think 5 Republicans switch sides.

|      | Nominal<br>Minimum Wage | Real<br>Minimum Wage |                 |
|------|-------------------------|----------------------|-----------------|
| 8901 | 3.35                    | \$4.30               |                 |
| 8902 | 3.35                    | 4.28                 |                 |
| 8903 | 3.35                    | 4.26                 |                 |
| 8904 | 3.35                    | 4.23                 |                 |
| 8905 | 3.35                    | 4.21                 |                 |
| 8906 | 3.35                    | 4.20                 |                 |
| 8907 | 3.35                    | 4.18                 |                 |
| 8908 | 3.35                    | 4.18                 |                 |
| 8909 | 3.35                    | 4.17                 |                 |
| 8910 | 3.35                    | 4.15                 |                 |
| 8911 | 3.35                    | 4.14                 | Signed by Bush  |
| 8912 | 3.35                    | 4.12                 |                 |
| 9001 | 3.35                    | 4.09                 |                 |
| 9002 | 3.35                    | 4.07                 |                 |
| 9003 | 3.35                    | 4.05                 |                 |
| 9004 | 3.80                    | 4.58                 | \$0.45 INCREASE |
| 9005 | 3.80                    | 4.58                 |                 |
| 9006 | 3.80                    | 4.55                 |                 |
| 9007 | 3.80                    | 4.53                 |                 |
| 9008 | 3.80                    | 4.49                 |                 |
| 9009 | 3.80                    | 4.46                 |                 |
| 9010 | 3.80                    | 4.43                 |                 |
| 9011 | 3.80                    | 4.42                 |                 |
| 9012 | 3.80                    | 4.40                 |                 |
| 9101 | 3.80                    | 4.39                 |                 |
| 9102 | 3.80                    | 4.38                 |                 |
| 9103 | 3.80                    | 4.38                 |                 |
| 9104 | 4.25                    | 4.89                 | \$0.45 INCREASE |
| 9105 | 4.25                    | 4.87                 |                 |
| 9106 | 4.25                    | 4.86                 |                 |
| 9107 | 4.25                    | 4.85                 |                 |
| 9108 | 4.25                    | 4.84                 |                 |
| 9109 | 4.25                    | 4.82                 |                 |
| 9110 | 4.25                    | 4.82                 |                 |
| 9111 | 4.25                    | 4.80                 |                 |
| 9112 | 4.25                    | 4.78                 |                 |
| 9201 | 4.25                    | 4.78                 |                 |
| 9202 | 4.25                    | 4.77                 |                 |
| 9203 | 4.25                    | 4.75                 |                 |
| 9204 | 4.25                    | 4.74                 |                 |
| 9205 | 4.25                    | 4.73                 |                 |
| 9206 | 4.25                    | 4.71                 |                 |
| 9207 | 4.25                    | 4.70                 |                 |
| 9208 | 4.25                    | 4.69                 |                 |
| 9209 | 4.25                    | 4.68                 |                 |
| 9210 | 4.25                    | 4.66                 |                 |
| 9211 | 4.25                    | 4.65                 |                 |
| 9212 | 4.25                    | 4.64                 |                 |
| 9301 | 4.25                    | 4.63                 |                 |
| 9302 | 4.25                    | 4.62                 |                 |
| 9303 | 4.25                    | 4.61                 |                 |
| 9304 | 4.25                    | 4.60                 |                 |
| 9305 | 4.25                    | 4.58                 |                 |
| 9306 | 4.25                    | 4.58                 |                 |
| 9307 | 4.25                    | 4.57                 |                 |
| 9308 | 4.25                    | 4.56                 |                 |
| 9309 | 4.25                    | 4.56                 |                 |
| 9310 | 4.25                    | 4.54                 |                 |
| 9311 | 4.25                    | 4.53                 |                 |
| 9312 | 4.25                    | 4.52                 |                 |
| 9401 | 4.25                    | 4.52                 |                 |
| 9402 | 4.25                    | 4.51                 |                 |
| 9403 | 4.25                    | 4.50                 |                 |
| 9404 | 4.25                    | 4.49                 |                 |
| 9405 | 4.25                    | 4.48                 |                 |
| 9406 | 4.25                    | 4.47                 |                 |
| 9407 | 4.25                    | 4.45                 |                 |
| 9408 | 4.25                    | 4.44                 |                 |
| 9409 | 4.25                    | 4.43                 |                 |
| 9410 | 4.25                    | 4.42                 |                 |
| 9411 | 4.25                    | 4.41                 |                 |
| 9412 | 4.25                    | 4.40                 |                 |
| 9501 | 4.25                    | 4.39                 |                 |
| 9502 | 4.25                    | 4.38                 |                 |
| 9503 | 4.25                    | 4.37                 |                 |
| 9504 | 4.25                    | 4.36                 |                 |
| 9505 | 4.25                    | 4.35                 |                 |
| 9506 | 4.25                    | 4.33                 |                 |
| 9507 | 4.25                    | 4.33                 |                 |
| 9508 | 4.25                    | 4.32                 |                 |
| 9509 | 4.25                    | 4.32                 |                 |
| 9510 | 4.25                    | 4.30                 |                 |
| 9511 | 4.25                    | 4.30                 |                 |
| 9512 | 4.25                    | 4.29                 |                 |
| 9601 | 4.25                    | 4.28                 |                 |
| 9602 | 4.25                    | 4.27                 |                 |
| 9603 | 4.25                    | 4.25                 |                 |

Federal minimum wage in constant dollars, using alternative price indices

| Year | Nominal minimum wage * | Purchasing Power in 1995 dollars using CPI-U | Purchasing Power in 1995 dollars using CPI-W | Purchasing Power in 1995 dollars using CPI-U-X1 |
|------|------------------------|----------------------------------------------|----------------------------------------------|-------------------------------------------------|
| 1938 | \$0.25                 | 2.70                                         | 2.64                                         |                                                 |
| 1939 | 0.30                   | 3.29                                         | 3.21                                         |                                                 |
| 1940 | 0.30                   | 3.27                                         | 3.19                                         |                                                 |
| 1941 | 0.30                   | 3.11                                         | 3.04                                         |                                                 |
| 1942 | 0.30                   | 2.80                                         | 2.74                                         |                                                 |
| 1943 | 0.30                   | 2.64                                         | 2.58                                         |                                                 |
| 1944 | 0.30                   | 2.60                                         | 2.54                                         |                                                 |
| 1945 | 0.40                   | 3.39                                         | 3.31                                         |                                                 |
| 1946 | 0.40                   | 3.13                                         | 3.06                                         |                                                 |
| 1947 | 0.40                   | 2.73                                         | 2.66                                         |                                                 |
| 1948 | 0.40                   | 2.53                                         | 2.48                                         |                                                 |
| 1949 | 0.40                   | 2.56                                         | 2.50                                         |                                                 |
| 1950 | 0.75                   | 4.74                                         | 4.64                                         |                                                 |
| 1951 | 0.75                   | 4.40                                         | 4.30                                         |                                                 |
| 1952 | 0.75                   | 4.31                                         | 4.21                                         |                                                 |
| 1953 | 0.75                   | 4.28                                         | 4.18                                         |                                                 |
| 1954 | 0.75                   | 4.25                                         | 4.16                                         |                                                 |
| 1955 | 0.75                   | 4.26                                         | 4.18                                         |                                                 |
| 1956 | 1.00                   | 5.60                                         | 5.49                                         |                                                 |
| 1957 | 1.00                   | 5.42                                         | 5.29                                         |                                                 |
| 1958 | 1.00                   | 5.27                                         | 5.15                                         |                                                 |
| 1959 | 1.00                   | 5.24                                         | 5.11                                         |                                                 |
| 1960 | 1.00                   | 5.15                                         | 5.03                                         |                                                 |
| 1961 | 1.15                   | 5.86                                         | 5.72                                         |                                                 |
| 1962 | 1.15                   | 5.80                                         | 5.67                                         |                                                 |
| 1963 | 1.25                   | 6.23                                         | 6.08                                         |                                                 |
| 1964 | 1.25                   | 6.15                                         | 6.00                                         |                                                 |
| 1965 | 1.25                   | 6.05                                         | 5.91                                         |                                                 |
| 1966 | 1.25                   | 5.88                                         | 5.74                                         |                                                 |
| 1967 | 1.40                   | 6.39                                         | 6.24                                         | 5.87                                            |
| 1968 | 1.60                   | 7.01                                         | 6.85                                         | 6.47                                            |
| 1969 | 1.60                   | 6.64                                         | 6.50                                         | 6.20                                            |
| 1970 | 1.60                   | 6.38                                         | 6.15                                         | 5.90                                            |
| 1971 | 1.60                   | 6.02                                         | 5.89                                         | 5.66                                            |
| 1972 | 1.60                   | 5.83                                         | 5.69                                         | 5.49                                            |
| 1973 | 1.60                   | 5.49                                         | 5.36                                         | 5.17                                            |
| 1974 | 2.00                   | 6.18                                         | 6.04                                         | 5.87                                            |
| 1975 | 2.10                   | 5.95                                         | 5.81                                         | 5.69                                            |
| 1976 | 2.30                   | 6.16                                         | 6.02                                         | 5.90                                            |
| 1977 | 2.30                   | 5.78                                         | 5.66                                         | 5.55                                            |
| 1978 | 2.65                   | 6.19                                         | 6.05                                         | 5.98                                            |
| 1979 | 2.90                   | 6.09                                         | 5.94                                         | 5.97                                            |
| 1980 | 3.10                   | 5.73                                         | 5.60                                         | 5.74                                            |
| 1981 | 3.35                   | 5.62                                         | 5.49                                         | 5.66                                            |
| 1982 | 3.35                   | 5.29                                         | 5.18                                         | 5.34                                            |
| 1983 | 3.35                   | 5.13                                         | 5.03                                         | 5.12                                            |
| 1984 | 3.35                   | 4.91                                         | 4.86                                         | 4.92                                            |
| 1985 | 3.35                   | 4.74                                         | 4.69                                         | 4.75                                            |
| 1986 | 3.35                   | 4.66                                         | 4.62                                         | 4.66                                            |
| 1987 | 3.35                   | 4.49                                         | 4.46                                         | 4.49                                            |
| 1988 | 3.35                   | 4.32                                         | 4.29                                         | 4.32                                            |
| 1989 | 3.35                   | 4.12                                         | 4.09                                         | 4.12                                            |
| 1990 | 3.80                   | 4.43                                         | 4.41                                         | 4.43                                            |
| 1991 | 4.25                   | → 4.76                                       | 4.74                                         | 4.76                                            |
| 1992 | 4.25                   | 4.62                                         | 4.61                                         | 4.62                                            |
| 1993 | 4.25                   | 4.48                                         | 4.48                                         | 4.48                                            |
| 1994 | 4.25                   | → 4.37                                       | 4.37                                         | 4.37                                            |
| 1995 | 4.25                   | → 4.25                                       | 4.25                                         | 4.25                                            |

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics, Feb-96

\* The effective dates for minimum wage increases are presented in the attached table.

## Legislative Background - Minimum Wage - 1989

\* Last increase (from \$3.35/hour to \$3.80 on 4/1/90 and \$4.25/hour on 4/1/91) passed Congress in 1989 in a bi-partisan agreement following an earlier veto by **President Bush**:

- o Senate Vote: 89 - 8
  - o House Vote: 382- 37
- (see attached list of votes)

\* **President Bush proposed** the increase to \$4.25 an hour and refused to accept any increase above that;

\* **President Bush had vetoed** a Democratic attempt to raise minimum wage to \$4.55 over three years and Congress failed to override the veto - his first successful veto as President;

\* **Cong. Goodling** (R-PA) was quoted at the time as stating that Republican lawmakers were "uneasy" about President Bush's position and "don't want to go to the wall a second time." Cong. Goodling introduced his own minimum wage bill that proposed a three year phase to \$4.25/hour, a training wage and expansion of the earned-income tax credit. He voted for **final passage** of the minimum wage increase;

\* The **Labor Secretary** at the time was **Elizabeth Dole**;

\* The Senate and the House were both controlled by Democrats;

\* The bill signed by President Bush included a training wage for teenagers between 16 and 19;

\* **Sen. Dole** (R-Kan) (voted for final passage)

"I think that many of us feel that this is not an issue where we ought to be standing and holding up anybody's getting a 30- to 40-cents-an-hour- increase, at the same time we are talking about capital gains. I never thought the Republican Party should stand for squeezing every last nickel from the minimum wage."

\* The Senate tabled an amendment by Sen. Hatch that would have barred Congress from passing any legislation that would increase the costs of certain small business (the small business exemption from the minimum wage was increased to cover small businesses with sales of less than \$500,000 (from \$362,500) by the bill itself;

\* The Senate tabled an amendment by Sen. Gramm (R-Tex) which would have removed the provision which prevented farmers from using the training wage for teenage farmworkers;

\* Much of the current Senate and House Leadership voted for minimum wage increase in 1989 - including Dole, Lott, Gramm, Gingrich and Kassebaum. However, Armey, Delay, Livingston - voted against (see attached list);

\* Key Senate Republicans supporters in 1989 (supported an attempt at a Dem. compromise)

Sen. Cohen (R-Maine)  
Sen. Hatfield (R-Ore.)  
Sen. Jeffords (R-Vermont)  
Sen. Packwood (R-Ore.)  
Sen. Pressler (R-SD)  
Sen. Specter (R-Penn)

\* Key Senate Republicans in Opposition:

Sen. Mack (R-Florida)  
Sen. Nickles (R-OK)  
Sen. Helms (R-NC)  
Sen. Hatch (R-Utah)

\* Governor Wilson voted for the minimum wage increase as a Senator in 1989.

\* Senate Democrats of concern (voted against Dem. compromise at \$4.55 or cloture in 1989):

Sen. Hollings (D-SC)  
Sen. Bennett Johnston (D-La)  
Sen. Heflin (D-Al)  
Sen. Exon (D - NE)

Sen. Campbell (D-Col) (voted to uphold Bush's veto in House)

Senators in the Democratic and Republican Leadership their votes  
on H.R. 2710 final passage (minimum wage).

#### SENATE LEADERSHIP

YES

##### Democrats

Breaux -- Deputy Whip  
Byrd -- Ranking on Appropriations  
Daschle -- Minority Leader  
Ford -- Minority Whip  
Harkin -- Ranking on the Appropriations, Labor Subcommittee  
Kennedy -- Ranking on the Labor Committee  
Mikulski -- Secretary of the Democratic Party  
Reid -- Co-Chair of the Democratic Policy Committee

##### Republicans

Cochran -- Chair Republican Conference  
Dole -- Majority Leader  
D'Amato -- Campaign Committee Chair  
Lott -- Majority Whip  
Kassebaum -- Chairman of Labor Committee  
Hatfield -- Chair of Appropriations Committee  
Specter -- Chair of the Appropriations Labor Subcommittee

NO

##### Democrats

None

##### Republicans

Mack -- Policy Committee  
Nickles -- Chair of the Republican Policy Committee

**SENATE VOTES ON HR 2710 (Minimum wage -- Final Passage)**  
**Members that are still in the Senate for the 104th Congress)**

**YES**

**Democrats**

Biden  
Bingamen  
Bradley  
Breaux  
Bryan  
Bumpers  
Byrd  
Conrad  
Daschle  
Dodd  
Exon  
Ford  
Glenn  
Graham  
Harkin  
Heflin  
Hollings  
Inouye  
Johnston  
Kennedy  
Kerrey  
Kerry  
Kohl  
Lautenberg  
Leahy  
Levin  
Lieberman  
Mikulski  
Moynihan  
Nunn  
Pell  
Pryor  
Reid  
Robb  
Rockefeller  
Sarbanes  
Shelby  
Simon

**Additional Democratic Senator that did not vote or express a  
position**  
Baucus

**SENATE VOTES ON HR 2710 (Minimum wage -- Final Passage)**  
**Members that are still in the Senate for the 104th Congress)**

**YES**

**Republicans**

Bond  
Burns  
Chafee  
Coats  
Cochran  
Cohen  
D'Amato  
Dole  
Domenici  
Gorton  
Gramm  
Grassley  
Hatfield  
Jeffords  
Kassebaum  
Lott  
Lugar  
McCain  
McConnell  
Murkowski  
Packwood  
Pressler  
Roth  
Simpson  
Specter  
Stevens  
Thurmond  
Warner

SENATE VOTES ON HR 2710 (Minimum wage -- Final Passage)  
Members that are still in the Senate for the 104th Congress)

NO

Democrats (0)

Republicans

Hatch  
Helms  
Mack  
Nickles

HOUSE LEADERSHIP VOTES ON FINAL PASSAGE OF HR 2710

HOUSE

Democrats

YES

Gephardt  
Bonior  
Clay  
Obey

NO

None

Repubilcans

YES

Gingrich  
Goodling  
Porter

NO

Armey  
Delay  
Livingston

HOUSE VOTES ON FINAL PASSAGE OF HR 2710 (MINIMUM WAGE) FOR  
MEMBERS OF THE 104TH CONGRESS

YES

Democrats

**A**

Ackerman

**B**

Beilenson

Berman

Bevill

Bonior

Borski

Boucher

Browder

Brown, George

Bryant, John

Burton, Dan

**C**

Cardin

Chapman

Clay

Clement

Coleman

Collins, Cardiss

Condit

Costello

Coyne

**D**

Dellums

DeFazio

de la Garza

Dicks

Dingell

Dixon

Durbin

**E**

Engel

Evans

**F**

Fazio  
Flake  
Foglietta  
Frank  
Frost

**G**

Gejdenson  
Gephardt  
Geren  
Gibbons  
Gonzalez  
Gordon

**H**

Hall, Ralph  
Hall, Tony  
Hamilton  
Hayes  
Hefner  
Hoyer

**J**

Jacobs  
Johnson, Tim  
Johnston, Harry

**K**

Kanjorski  
Kaptur  
Kennedy, Joe  
Kennelly  
Kildee  
Kleczka

**L**

LaFalce  
Lantos  
Laughlin  
Levin  
Lewis, John  
Lipinski  
Lowey

**M**

Manton  
Markey  
Martinez  
Matsui  
McDermott  
McNulty  
Mineta  
Mfume  
Mollohan  
Montgomery  
Murtha

**N**

Neal, Richard

**O**

Oberstar  
Obey  
Ortiz  
Owens, Major

**P**

Pallone  
Parker  
Payne, Donald  
Payne, Lewis  
Pelosi  
Pickett  
Poshard

**R**

Rahall  
Rangel  
Richardson  
Rose

**S**

Sabo  
Sawyer  
Schroeder  
Schumer  
Sisisky  
Skaggs  
Skelton  
Slaughter  
Spratt  
Stark  
Stenholm  
Stokes  
Studds

**T**

Tanner, John  
Taylor, Gene  
Tauzin  
Torres  
Torricelli  
Towns  
Traficant

**V**

Vento  
Visclosky  
Volkmer

**W**

Waxman  
Williams, Pat  
Wilson  
Wise  
Wyden

**Y**

Yates

---

**Additional Democrats that did not vote yes or no****Did not vote or make a position known**

Conyers  
Moakley

**Announced For**

Ford, Harold

HOUSE MEMBERS THAT VOTED FOR FINAL PASSAGE OF HR 2710 (minimum wage) that are in the 104th Congress

YES

Republicans

**B**

Ballenger  
Bateman  
Bliley  
Boehlert  
Bereuter  
Bilirakis

**C**

Coble  
Clinger

**D**

Duncan

**E**

Emerson

**F**

Fields

**G**

Gekas  
Gillmor  
Gilman  
Gingrich  
Goodling  
Gunderson

**H**

Hastert  
Herger  
Houghton  
Hunter  
Hyde

**J**

Johnson, Nancy

**K**

Kasich  
Kolbe

**L**

Leach  
Lewis, Jerry  
Lightfoot

**M**

McCrery  
McDade  
Meyers, Jan  
Moorhead  
Morella  
Myers, John

**P**

Packard  
Petri  
Porter

**Q**

Quillen

**R**

Regula  
Roberts, Pat  
Rogers  
Ros-Lehtinen  
Roth  
Roukema

**S**

Saxton  
Schaefer  
Schiff  
Sensenbrenner  
Shaw  
Shays  
Shuster  
Skeen  
Smith, Chistopher  
Smith Lamar  
Soloman  
Spence  
Stearns

**T**

Thomas, William

**U**

Upton

V  
Vucanvoich

W  
Walker  
Walsh  
Weldon, Curt  
Wolf

Y  
Young, Don  
Young, C.W. "Bill"

---

Additional Republican members that did not vote yes or no

Did not vote or express an opinion

Molinari

HOUSE VOTES ON FINAL PASSAGE OF HR 2710 (MINIMUM WAGE) FOR ALL  
MEMBERS OF THE 104TH CONGRESS

NO

Democrats

Miller, George (California)

Republicans

**A**

Archer  
Armey

**B**

Baker, Richard  
Barton  
Bunning  
Burton

**C**

Callahan  
Crane  
Combest  
Cox

**D**

DeLay  
Dornan  
Drier

**F**

Fawell

**G**

Gallegly  
Goss

**H**

Hansen  
Hancock  
Hefley  
Hunter

**L**

Livingston

**M**

McCollum

**R**

Rohrabacher

**O**

Oxley

**P**

Paxon

**S**

Stump

**MEMBERS OF THE SENATE THAT WERE IN THE HOUSE AND VOTED  
ON FINAL PASSAGE OF HR 2710**

YES -- Democrats

Boxer  
Akaka

YES -- REPUBLICANS

Craig  
Snowe  
DeWine  
Inhofe

## **SENATOR DOLE AND THE MINIMUM WAGE: WHAT A DIFFERENCE 7 YEARS MAKES**

**Senator Dole Blocks Vote On Minimum Wage Increase.** On March 26, Senator Robert Dole -- in his first official act as the Republican presidential nominee -- blocked a vote to increase the minimum wage and provide a pay raise for 10 million hard-working Americans. As Congress continues to delay, the real value of the minimum wage continues to fall toward its lowest level in 40 years.

**President's Proposal Helps Restore Lost Value Since Last Increase.** President Clinton's proposal to raise the minimum wage is the same one supported by Senator Dole in 1989 -- a 90-cent increase in two equal steps over two years.

- Since the last increase five years ago, the real value of the minimum wage has fallen nearly 50 cents. *The first half of the President's proposal doesn't even restore the minimum wage to its value from the last increase.*

**Five Years Is Too Long Without A Raise.** The five-year anniversary of the last minimum wage increase was April 1; now is the time for Senator Dole to put politics aside, raise the minimum wage, and help lift the lives of 10 million workers.

- Seventy percent of these workers are adults and many are trying to raise their children on \$4.25 an hour.
- The average minimum wage worker brings home half of his or her family's earnings and four out of 10 minimum wage workers are the sole breadwinner in their household.
- For someone who works full-time at the minimum wage, President Clinton's proposal would provide an additional \$1,800 in earnings -- that's enough money for the average American family to buy groceries for seven months.

**Since Senator Bob Dole Came To Washington 36 Years Ago, The Real Value Of Congressional Pay Is Up And The Minimum Wage Is Down.** Since 1960 -- the year Senator Bob Dole was elected to Congress -- the real value of congressional pay has increased by over \$24,000, an increase of 22 percent. During the same period, the real value of the minimum wage has declined by nearly 60 cents, a fall of 13 percent.

### **RAISING THE MINIMUM WAGE: THEN & NOW**

**1989:** Congress passes a 90-cent increase in the minimum wage -- in two equal steps over two years -- with overwhelming, bipartisan support.

**NOW:** President Clinton proposes to increase the minimum wage by 90-cents, in two equal steps over two years.

**1989:** **Senator Bob Dole** votes for a 90-cent increase in the minimum wage.

**NOW:** **Senator Bob Dole** calls current 90-cent minimum wage increase "very controversial" and said "there are going to be a lot of young people who lose their jobs, and a lot of them will be black teenagers." [Source: Elizabeth Shogren, "Dole Gains Upper Hand. Avoids Vote on Raising Minimum Wage," *Los Angeles Times*, March 27, 1996; and Adam Clymer, "Dole Blocks Move To Vote On A Rise For Minimum Wage," *The New York Times*, March 27, 1996..]

**1989:** **Senator Bob Dole:** "[S]ome Democrats would rather score a penny's worth of political points instead of giving working men and women the healthy 90-cent (an hour) increase President Bush has been trying to give them." [Source: Robert Green, "House Fails To Override Bush's Veto Of Minimum Wage Hike," *The Reuter Business Report*, June 14, 1989.]

**NOW:** **Senator Bob Dole** will not allow a vote on President Clinton's proposal to give working men and women a healthy 90-cent an hour pay increase "today, not tomorrow, and not next week." [Source: Adam Clymer, "Dole Blocks Move To Vote On A Rise For Minimum Wage," *The New York Times*, March 27, 1996.]

**1989:** **Senator Bob Dole:** "[T]his is not an issue where we ought to be standing and holding up anybody's getting a 30 to 40 cents an hour pay increase, at the same time that we're talking about capital gains." [Source: *Congressional Quarterly Almanac 1989*]

**NOW:** **Senator Bob Dole** is talking about a capital gains tax cut. He voted for a \$77 billion capital gains tax cut over ten years, 75 percent of which would have gone to people with six-figure salaries. Yet, Senator Dole is "standing and holding up" 10 million workers earning less \$5.15 an hour from getting a pay raise.

**1989:** **Senator Bob Dole:** "I never thought the Republican Party should stand for squeezing every last nickel from the minimum wage." [Source: *Congressional Quarterly Almanac 1989*]

**NOW:** **Senator Bob Dole** "blocks move to vote on a rise for minimum wage" as the last nickel is squeezed from the real value of the minimum wage and it approaches a 40-year low. [Source: Adam Clymer, "Dole Blocks Move To Vote On A Rise For Minimum Wage," *The New York Times*, March 27, 1996.]

**1989:** The real value of the minimum wage was at its lowest level since 1955. So **Senator Bob Dole** voted to increase the minimum wage.

**NOW:** If it is not increased, the real value of the minimum wage will hit at its lowest level since 1955. And **Senator Bob Dole** blocked a vote to increase the minimum wage.

**1989:** The majority of studies showed that a modest minimum wage increase -- like a 90-cent raise -- would cost jobs. And **Senator Bob Dole** still voted for a minimum wage increase.

**NOW:** The majority of recent studies show that a modest minimum wage increase -- like a 90-cent raise -- would not cost jobs. And **Senator Bob Dole** blocked a vote to increase the minimum wage.

- In fact, in the fall of 1995, 101 economists -- including 3 Nobel Prize winners -- signed a statement of support for a minimum wage increase that said: "[T]he evidence from recent economic studies of the effects of increases in federal and state minimum wages at the end of the 1980s and in the early 1990s -- as well as updates of the traditional time-series studies -- suggests that the employment effects were negligible or small."

# **BOB DOLE:**

## **MINIMUM WAGE**

**1961: Voted Against Increasing The Minimum Wage From \$1 to \$1.15 Per Hour.** On March 24, 1961, Dole voted against passage of H.R. 3935, the Fair Labor Standards Amendments of 1961. The bill as amended by Reps. Ayres and Kitchin, raised the minimum wage for the 23.9 million covered workers from \$1 to \$1.15 an hour, and extended minimum wage coverage (at \$1 an hour) but not overtime coverage to 1,300,000 additional workers. Passed 341-35 [CO Almanac, p. 514]

On May 3, 1961, Dole also voted against adoption of the conference report on H.R. 3935, the Fair Labor Standards Amendments of 1961. The conference report raised the minimum wage for 23.9 million workers already covered by the Fair Labor Standards Act to \$1.25 an hour, reached in two steps over two years, and extended minimum-wage coverage (at \$1.25 an hour, reached after four years) and overtime coverage (with some exceptions) to about 3,624,000 additional workers, mainly in the retail trades. Agreed to 230-196 [CO Almanac, p. 518]

**1966: Dole Voted Against Minimum Wage Increase - From \$1.25 to \$1.60**  
Dole voted against HR 13712, to increase the minimum wage for non-farm workers from \$1.25 to \$1.60, and to bring non-farm workers into coverage, as well as extended coverage to an additional 7.9 million workers. [May 26, 1966, 303-93, # 60, CO Almanac, 1966, p. 882]

**1974: Dole Voted for Passage of Minimum Wage Increase - From \$1.60 to \$2.30**  
Dole voted for passage of S 2747, which raised the minimum wage for most non-Farm workers from \$1.60 to \$2.00 one month after enactment and an additional increase to \$2.40 one year later. The bill also extended minimum wage coverage to an additional 6.7 million workers. [March 7, 1974, 69-22, # 58, CO Almanac, 10-S]

*From the floor of the Senate:*

- "I am pleased to support the conference report on the minimum wage bill. . . It primarily seeks to assure a decent living for the American workingman and woman. . . The conference report embodies the traditional concern we have had in this country for the well-being of working people. A living wage for a fair day's work is a hallmark of the American economic philosophy." [March 28, 1974, CR 8768]

**1977: Dole Voted for Passage of Minimum Wage Increase - From \$2.30 to \$3.40**  
Dole voted for HR 3744, which raised the minimum wage from \$2.30 in 1977 to \$2.65 in 1978 to \$2.90 in 1979 to \$3.15 in 1980 to \$3.40 in 1981. The bill also made changes in definition of tip earners and other changes in wage laws. The conference report, adopted by voice vote, too the 1981 value down to \$3.35. [October 7, 1977, 63-24, # 548, CO Almanac, 78-S]

*From the floor of the Senate:*

- "I do not oppose increasing the statutory minimum wage. Inflation has continued to increase to cost of living for each American. Next to our elderly, low-income workers are among the hardest hit by the ravages of inflation. Since the justification for the minimum wage is to insure every working person a livable wage, periodic adjustments may be necessary. . .

If and when the minimum wage should be increased again, Congress should face its responsibility and enact the necessary legislation. [October 7, 1977, CR 32906]

**1987: Dole Opposed Increase In Minimum Wage From \$3.35 — Advocated Sub-minimum Wage.** In March of 1987, Dole opposed Democratic legislation to increase the minimum wage from \$3.35 because he believed it would lead to higher inflation. Dole also said he supported President Reagan's proposal to create a new, sub-minimum wage for teenagers. [BNA, 3/5/87]

**1988: Dole Blames Labor For Not Backing Legislation To Allow A "Training Wage."** Dole and Senate Republicans tried to scuttle the 1988 Democratic attempt to raise the minimum wage by offering legislation creating a "training wage" — below the minimum wage. Dole attacked labor leaders for not supporting the GOP proposal. "The reason we're not getting consideration of our training wage is that the labor unions don't want it... It's not the Republicans versus the Democrats; it's the Republicans versus the labor leaders. They're telling us we can take this [minimum wage proposal] or leave it; we're not going to play games." [AP, 9/22/88]

**1988: Dole Voted for Proceeding to Minimum Wage Bill.** Dole voted in favor of the Byrd motion to proceed to consideration of a bill to raise the minimum wage to \$4.55 over three years. [CQ Almanac, 1988, vt. 330, 53-S]

**1988: Dole Voted Against Ending Filibuster On Minimum Wage.** Dole voted against a Kennedy motion to invoke cloture on, and therefore end, a Hatch-led filibuster of legislation increasing the minimum wage to \$4.55 over three years. The motion failed, 56-35. [AFL-CIO Report on Congress, 1988, vote #336, CQ Almanac, 1988, p. 55-S]

**1989: Dole Sponsored Motion To Recommit Minimum Wage.** Dole sponsored a motion to recommit minimum wage legislation back to the Labor and Human Resources Committee, with instructions to report it back with the Bush administration minimum wage plan, which included raising the minimum wage to \$4.25 over three years as well as a six-month training wage. [*AFL-CIO Report on Congress*, 1989, vote #38, p. 11-S]

**1989: Dole Voted To Increase Minimum Wage.** Dole voted for passage of HR 2710, which increased the minimum wage from \$3.35 to \$4.25 an hour, over two years, and provide a training wage which would last 6 months for employees aged 16 to 19. Democrats originally tried to raise it to \$4.55 but was vetoed by the President and the House did not override the veto. Dole voted against that bill. [*CO Almanac*, 1989, 54-S, vt. 292]

*"I don't think the Republican Party should be known as the party that tried to squeeze the last nickel out of minimum wage."* [UPI, October 31, 1989]

*Remarks from the Senate floor during various debates over the minimum wage increase:*

- *After passage:* "For the simple truth is that everybody won. The President won. Congress won. But, most importantly, the working poor of this country won. And that is good news for all Americans." [November 1, 1989, CR 14472]
- *June 14:* "We have had opportunities to do something really worthwhile for the working men and working women of this country; opportunities to increase the minimum wage.

And we could have done it easily, with a 90-cent increase over a 3-year period in the minimum wage and a 6-month training wage from, \$3.35 to \$4.25 an hour, . . .

Last week--on this floor--I urged Congress to stop playing politics with the minimum wage. I said that playing politics might be fun for some of us around here--but it is not fun for those in this country who really want--and need--a minimum wage increase. . . .

I know I have said it before. But I must say it once again. I supported-- and I continue to support--a minimum wage increase. I voted for it in the past and my record is pretty good. And that is why I--along with my distinguished colleague from Utah--hope that we will be able to reach agreement on a minimum wage bill that will be acceptable to the President." [June 14, 1989, CR 6600]

- *May 17:* "I supported--and I continue to support--a minimum wage increase. I continue to stand by the President. And I commend him for fulfilling a campaign promise by going forward with his own minimum wage proposal. . . .

I have said that as a Republican I am not going to stand here and say you can live on \$3.25 an hour or \$4.55 an hour. [May 17, 1989, CR 5475]

- **April 11:** "To be sure, I am all for helping the working poor. I have spent most of my public life supporting causes on behalf of the working poor. And no one would deny that the working poor are the ones who most deserve a wage increase." [April 11, 1989, CR 3579]
- **April 11:** "He [President Bush] has already said that he would go along with an increase in the minimum wage. Ronald Reagan said no for 8 years and made it stick—\$3.35 for 8 years. George Bush said, well, it is time—as the Senator from Massachusetts and others said, the Senator from Utah—that we take a look at the minimum wage and make adjustments. So we did. Over a 3- year period, it is going to be 90 cents per hour higher." [April 11, 1989, CR 3579]

**1993: Dole Calls Proposal To Increase Minimum Wage A "Big, Big Mistake."** On CBS's "Face The Nation" in August of 1993, Clinton Labor Secretary Robert Reich suggested raising the hourly minimum wage from it's 1990 level, \$4.25 per, and indexing it to automatically reflect cost of living increases. Reich noted that because of inflation, workers receiving the minimum wage earn less than they did in the 1970s and 1980s.

On the same program, Dole said that linking the minimum wage increases to the cost of living "would be a big, big mistake and I don't even think it would pass" in Congress. [AP, 8/23/93]

**1995: Provided The One Vote Margin That Allowed The GOP To Kill Debate On Raising The Minimum Wage.** Dole voted to table the Kennedy Amendment to express he sense of the Senate that the Senate should debate and vote on an amendment to raise the minimum wage before the end of the first session of the 104th Congress. The motion to table, and thus kill the amendment, passed by a one vote margin, provided by Dole, 49-48. [Legislate, 7/31/95, Vt. 1344]

**1995: Again Voted Against Allowing Debate on the Minimum Wage.** Three months later, Dole again voted against a Kennedy motion to express the Sense of the Senate that the Senate should debate and vote on an amendment to raise the minimum wage before the end of the first session of the 104th Congress. The motion failed 51-48/ [Legislate, 10/27/95, Vt. 1519]

**1996: Dole Delays Vote on Minimum Wage.** Dole put off a vote on minimum wage that Kennedy and other Senate members were attempted to bring to the floor. Through parliamentary maneuvers, Dole recommitted the bill and then ended the days session. [AP, 3/26/96]

April 24, 1996

Eric,

This note describes our search for the "Clinton opposed the minimum wage back in 1993" quote, our findings, and our response. Please contact me with any questions or just to discuss (202/456-2620)

**Claim.** As you are aware, Michael Kramer claims that President Clinton said in 1993 that hiking the minimum wage is "the wrong way to raise the incomes of low-wage earners."  
*[Attachment 1]*

**Search.** We have conducted an exhaustive search of the following sources and have yet to yield anything even close to this quote:

- All public presidential transcripts (includes all speeches, press conferences, remarks, releases, and questions asked of the President at public events).
- All internal transcripts (includes all private interviews on the President's schedule.)
- Lexis/Nexis search of all wires, transcripts, major papers, and magazines.
- Computerized search of Wall Street Journal and BNA (not available on Lexis Nexis)

**Findings.** The only quote we have come up with that even remotely resembles the Michael Kramer quote is from a speech that Candidate Clinton gave to the National Association of Manufacturers on June 24, 1992. *[Attachment 2]*

In this speech, Clinton says: "We can increase the Earned Income Tax Credit by a couple of billion dollars a year and far more efficiently than raising the minimum wage, lift the working poor out of poverty."

**Public Response.** I have also attached for you our response to this claim that we release once Republicans started accusing the President of flip-flopping on this issue. *[Attachment 3]*

Copyright 1995 The Time Inc. Magazine Company  
Time

February 6, 1995, U.S. Edition

TION: POLITICS; Pg. 27

LENGTH: 862 words

HEADLINE: THE POLITICAL INTEREST;  
Minimum Wage, Minimum Sense

BYLINE: Michael Kramer

BODY:

After 56 minutes of recycled campaign themes, Bill Clinton finally made some news during last week's State of the Union address: the minimum wage should climb, he said, because "you can't make a living on \$4.25 an hour." That's for sure -- but as Clinton himself explained two years ago, hiking the minimum is "the wrong way to raise the incomes of low-wage earners."

First, some facts about the minimum wage and those who get it:

- About 2.5 million Americans earn the minimum; 1.7 million more take home even less since the law doesn't cover them.
- The minimum was first set at 25 cents an hour in 1938. Inflation has taken a heavy toll: since it was last raised from \$3.35 in 1991, its value has fallen 50 cents.
- Contrary to popular belief, about 80% of those who get the minimum (or less) belong to families with combined incomes above the poverty line (currently \$627 for a family of four) and thus are not defined as poor.

Many economists worry about two pernicious effects of raising the minimum. The first concerns job loss. Standard theory holds that every hike in the wage triggers employee firings, with the least skilled axed first. That view has been challenged by several recent studies co-authored by Alan Krueger, the Labor Department's chief economist. A modest increase, says Krueger, would have "negligible negative employment effects" -- or, in plain English, next to no job losses. Negligible, though, is a term of art. Because wage-related costs like unemployment compensation and payroll taxes rise along with the basic wage, most experts say the contemplated hike to \$5 an hour could cost between 40,000 and 100,000 jobs. "The consensus view has big problems with Krueger's results and methodology," says Texas A&M labor economist Finis Welch. "Alan ought to consider the old saw: If you drop an apple and it rises, question your experiment before concluding that the laws of gravity have been repealed."

But "even if Krueger's right and no one's fired," says University of Texas economist Daniel Hamermesh, "a raise will deter employers from hiring new workers. That's bad especially for young minorities -- over 30% of whom are unemployed -- because they're the people we want in the labor force, so they can begin learning basic job skills."

The other troubling question is, Who pays? "Businesses don't simply absorb increased wage costs," says Rob Shapiro, whom Labor Secretary Robert Reich tried to enlist as a supporter of the raise because, as a

Time, February 6, 1995

top Clinton campaign adviser, it was Shapiro who once convinced Clinton that hiking the wage was counterproductive. "They pass them on in the form of higher prices, which are regressive because they're borne equally by all. Thus the vast majority of the 39 million poor Americans who won't benefit from a raise will be left out, while a very few get more pay."

When Clinton agreed with this analysis more than two years ago, he urged enhancing the earned-income tax credit instead. "It's better targeted to low-income people because it pays a supplement to everyone who earns up to 150% of the poverty line," Clinton told me in 1992. "Those who work full time should be able to support a family above that line, which is what an expanded EITC can achieve."

Since many Republicans oppose hiking the minimum with near religious zeal ("I'll fight it with every fiber of my being," says House majority leader Dick Armey), the President's plan seems dead -- which may explain why some Clinton aides say the proposal won't be actively pushed.

What Clinton should fight for seems obvious: For openers, the President should further promote the EITC. Many Americans still don't know they qualify for it, and many of those who do get it don't realize they're also eligible for food stamps. Above all, Clinton should invest his dwindling political capital in an all-out drive for his job-retraining programs. Upgrading worker skills remains the surest route to increased incomes. As Clinton says, "What you earn depends on what you learn; the most effective way to help is to make workers more productive because wages reflect the value of what people produce."

Alluding to Krueger's work without naming him, the President said last week that the "weight of the evidence is that a modest increase [in the minimum wage] does not cost jobs." That may be so, but Clinton's calculation was primarily political. "We need the energized support of minorities and unionists, our core group of voters," says a Clinton adviser, "especially if there's another three-way race in 1996."

That view seems shortsighted for two reasons. First, the Democratic base alone won't re-elect Clinton, and the swing voters he most needs disdain old-fashioned liberal solutions like raising the minimum wage. Second, the President's real problem involves a perceived lack of resolution and stamina. If Clinton lets his proposed hike die quietly and holds instead to his original diagnoses and prescriptions (which were right then and are right now), he might come across more like a President than a perpetual candidate -- and possibly get the four more years he covets.

GRAPHIC: Picture, PAUL GOMEZ gets the \$4.25 minimum wage cleaning up at a Chicago food market descColor., MICHAEL L. ABRAMSON FOR TIME

LANGUAGE: ENGLISH

LOAD-DATE: February 7, 1995

81 until this year, has risen from \$22,500 a year to \$149,095 a 37.5 percent increase when adjusted for inflation.

However, the minimum wage over that 35-year span increased from \$1.15 an hour to \$4.25. When adjusted for inflation, that's a 23.3 percent decline.

Dole's staff, however, pointed out that he supported raising the minimum wage in 1989 as part of a bipartisan compromise signed by then President Bush.

The Democratic National Committee's focus on Dole includes a new television ad criticizing him for opposing Clinton's version of the balanced budget.

"The president proposes a balanced budget protecting Medicare, education, the environment," the ad says. "But Dole is voting no. The president cuts taxes for 40 million Americans. Dole votes no. ... Dole says no to the Clinton plans. It's time to say yes to the Clinton plans yes, to America's families."

Dole has opposed most Clinton spending initiatives but the ad is somewhat misleading in suggesting Dole "is voting no" on Clinton proposals. It is true that Dole voted against the only version of the Clinton budget that was brought to a Senate vote. But what the ad doesn't mention is that Clinton's budget failed on a 99-0 vote with every Democrat joining Republicans in voting against it.

A DNC spokesman said the ad was airing in selected markets nationally but would not disclose the markets or the cost of the ad.

NP-04-01-96 1755EST

Distribution:

TO: sswirsky@dol.gov@INET  
TO: cfillichio@dol.gov@INET  
TO: lmlynch@dol.gov@INET  
TO: sharris@dol.gov@INET  
TO: rtejada@dol.gov@INET  
TO: thowe@dol.gov@INET  
TO: Carrie Wofford  
TO: Jason S. Goldberg  
TO: Pauline M. Abernathy  
TO: Gene B. Sperling  
TO: akrueger@pucc.princeton.edu@INET

67TH STORY of Level 1 printed in FULL format.

Copyright 1992 Federal Information Systems Corporation  
Federal News Service

JUNE 24, 1992, WEDNESDAY

SECTION: IN THE NEWS

LENGTH: 9326 words

HEADLINE: REMARKS OF GOVERNOR BILL CLINTON  
DEMOCRATIC PRESIDENTIAL CANDIDATE  
TO THE NATIONAL ASSOCIATION OF MANUFACTURERS  
THE CAPITAL HILTON  
WASHINGTON, DC

BODY:

GOV. CLINTON: Thank you very much. (Applause.) Thank you. Thank you.  
(Continued applause.) Thank you very much.

Thank you very much President Jasinowski. Ladies and gentlemen, thank you for that warm welcome. Thank you for the critique of my economic plan. (Laughter.) And I will seek to respond to each of the things that you said as we go along. Let me begin by saying that this has been an amazing election already. Nothing quite like it. The candidates have taken to the talk show circuits to relate directly to the American people, and even there have to endure a fair share of humbling experiences. I thought I had finally made it as a frustrated musician when I got to play saxophone on Arsenio Hall, only to hear him say he was certainly glad to see a Democrat blow something besides an election. (Laughter.)

I intended to go all across the country publicizing my humble roots, only to find Vice President Quayle saying that I was a member of the cultural elite. Now, since I may be the last person ever to seek the presidency who once lived in a home without indoor plumbing, I could not fathom how in the world I made the cultural elite, but I do think it may have something to do with the fact that I can spell "potato." (Laughter, applause.)

I have been bewildered by the reports of recent days where apparently Mr. Perot has been about the business of investigating Mr. Bush and his family and children. Mr. Bush has complained about that even though we know that the Republican National Committee has an investigative apparatus that rivals the KGB at its height. And I have the unenviable position of being just a guy who spent all of his time trying to investigate the problems of America and what we might do about them.

This is partly because of the way I have lived the last decade or more, as the governor of a state, always one of the poorest states in America, struggling to be more competitive in the global economy -- a state with a falling agricultural income that was completely beyond my control because of global forces and national policy; a state with a manufacturing base that when I became governor was strong, but fragile, very vulnerable to lost jobs because so many of the jobs were relatively low-skill, low-wage jobs in an increasingly competitive global economy.

I set about as governor of my state to do something I think our nation ought to do, to develop a national economic strategy -- except we did it on a state basis. And we decided we would root that strategy in manufacturing, in trying to keep our manufacturing base and enhance it. We were, I believe, the first state to offer a significant investment tax credit to existing manufacturers

in this economy so that we can push them back into it in ways that will make them worthy employees for you. (Applause)

Next, there is a family investment component of this. As your president said, I scale back but not eliminate all tax relief for middle class people for two reasons; one is there is the essence of fairness. This is a group of people whose taxes went up while their incomes went down, just the reverse of what happened to upper income people. That's very important. These are the people who are paying for the S&L bailout, these are the people who are paying for the interest cost on the debt, these are the people who are paying for a government that has lost its way while their own incomes are not going up. The more important thing is we are also taking a much higher percentage of most families incomes away from them and away from their children than we were 30 years ago. The children's tax deduction a generation ago really left a much higher percentage of people's income to raise their kids, so what I have left in this program is an election for most middle class taxpayers. You can take a children's tax credit or a modest income relief in the next few years so that we can build into this system reward for work and family. We talk about family values all the time in America, but the truth is we make it harder to raise kids than just about any country.

We talk about family values but the truth is we're about the only country without a family policy. That's why I favor the Family Leave Bill, even though it is unpopular among some employers, our competitors manage to do it, the Germans, the Europeans, others manage to do it, and I think we have to revere the rearing of children as still the most important work of any society.

The second thing this program does, which I hope you will all support, is to say that anybody who is out there working 40 hours a week, raising children, should have the benefit of a tax system that lifts them above the poverty line. We can increase the Earned Income Tax Credit by a couple of billion dollars a year and more efficiently than raising the minimum wage, lift the working poor out of poverty.

The great explosion of poverty in the 1980s was among working people. When Los Angeles broke out in riots, the great unsung heroes in Los Angeles were the working poor whose children stayed home, who did not loot, who did not burn, who did not steal, who did not riot. There are millions of people in this country every day who are living on unsafe streets, in difficult housing, doing difficult jobs, working like crazy, obeying the law, playing by the rules, who literally do not make a poverty level wage or a wage above poverty. The Earned Income Tax Credit made refundable an increase can lift these people above the poverty line. They will invest that money by spending it in our society. We will get it back. It's one way of America saying "Hey, we're going to reward you. If you work hard, play by the rules, you work 40 hours a week, you got a kid in your house, the tax system ought not to leave you in poverty." I think it's a good idea and I hope you will support it. (Applause.)

This program also calls for changing the welfare system as we know it. It would require us to invest some more money in people on welfare, in education training, child care, and medical coverage for their children. It would say once -- then, after we do that, when you can get a job you must take it. You cannot stay on welfare if there is a job available once we have supported your children and empowered you to go to work. If no private sector job is available after two years, then you must do community service work. We have to end welfare as we know it. It should be a second chance, not a way of life. (Applause.)

I would say that this program would call for a very tough national system of child support enforcement to reinforce these family values. It is a national scandal that we have billions and billions and billions of dollars in

## PRESIDENT CLINTON HAS ALWAYS SUPPORTED THE MINIMUM WAGE AS A WAY TO MAKE WORK PAY

April 2, 1996

### CLAIMS THAT PRESIDENT CLINTON OPPOSED A MINIMUM WAGE INCREASE ARE JUST NOT TRUE.

- President Clinton has always supported the Minimum Wage -- and he has NEVER opposed a minimum wage increase. President Clinton has always supported increasing the minimum wage -- from the campaign in 1992 to the present. He specifically proposed a 90-cent increase 14 months ago.
- Republican Members point to a 10-word *Time* magazine quote from 1995 that alludes to President Clinton's opposition to the minimum wage in 1993. But, President Clinton didn't say any such thing. The statement *Time* refers to does not appear in any transcript, tape, or speech text.
- For four years now President Bill Clinton has fought for several provisions that would raise the standard of living of hard-working families, including: increasing the minimum wage, expanding the Earned Income Tax Credit, and providing health care coverage for working families.
- President Clinton initially focused his legislative agenda on raising workers' incomes and increasing economic security through expansion of the Earned Income Tax Credit and health care reform, but he has always supported a Minimum Wage increase. Together with his EITC expansion, the President's minimum wage increase would ensure that no parents would have to raise their children in poverty.

**PRESIDENT CLINTON HAS ALWAYS SUPPORTED  
A MINIMUM WAGE INCREASE AS A WAY TO MAKE WORK PAY**

**SUPPORTED MINIMUM WAGE HIKES AS GOVERNOR.** As Governor of Arkansas, Bill Clinton supported two increases in the state minimum wage. And he changed state minimum wage law to cover more workers.

**1992: CANDIDATE CLINTON CALLS FOR EXPANDING EITC AND RAISE MINIMUM WAGE TO MAKE WORK PAY.** In 1992, President Clinton proposed expanding the Earned Income Tax Credit and raising the minimum wage to keep pace with inflation in order to ensure that no parent who was willing to work full-time would have to raise their children in poverty.

- **In *Putting People First*,** Presidential Candidate Clinton and Vice-President Candidate Gore proposed to "increase the minimum wage to keep pace with inflation." (p. 127)
- **In the Clinton/Gore Welfare Information packet,** Candidate Clinton and Vice-President Candidate Gore proposed to make the minimum wage a fair wage, and index it to inflation because "working people shouldn't have to lose purchasing power just because of inflation." [Clinton/Gore Welfare Information Packet, September 9, 1992]
- **On October 30, 1992,** the *Star Tribune* wrote that Candidate Clinton wants to "increase the minimum wage to keep pace with inflation and expand the earned income tax credit to guarantee no full-time workers lives in poverty." [Star Tribune, October 30, 1992]

**AUGUST 1993: PRESIDENT CLINTON EXPANDS EITC AS FIRST STEP TO MAKE WORK PAY.** In 1993, President Clinton took the first necessary step to achieving the goal of ensuring that anyone who worked full-time didn't have to bring up their children in poverty: he expanded the Earned Income Tax Credit to provide a tax break for 15 million of our most hard-pressed households.

- **In April of 1993,** *The Washington Post* wrote that: "Mr. Clinton's goal is ambitious: to make sure that in households with children where at least one person works full-time, the family won't fall below the poverty line. Under current law, the maximum EITC benefit for a family with two or more children was scheduled to rise to \$ 2,000 next year; Mr. Clinton would boost the maximum to \$3,370 by 1995. He would also raise the benefits for families with one child and establish a small new credit for workers without children....*On top of this, Mr. Clinton would try to boost the earnings of the working poor by hiking the minimum wage.*" [The Washington Post, April 20, 1993 -- emphasis added]

IN 1994 PRESIDENT CLINTON FOUGHT FOR UNIVERSAL HEALTH CARE -- WHICH WOULD HAVE BEEN THE EQUIVALENT OF A MINIMUM WAGE INCREASE FOR MILLIONS OF LOW-WAGE WORKERS. NONETHELESS, HE STILL MAINTAINED HIS SUPPORT FOR A MINIMUM WAGE INCREASE.

- JUNE OF 1994, *THE WASHINGTON POST* WROTE THAT: "From health-care reform to *a higher minimum wage* to more training opportunities to increased earned-income tax credits to mandatory fringe benefits, the Clinton administration wants to increase dramatically the income security of the more than 6 million American adults whom it classifies as the 'working poor.'" [The Washington Post, June 26, 1994 -- emphasis added]

**1995: PRESIDENT CLINTON PROPOSES MINIMUM WAGE INCREASE TO FULFILL COMMITMENT TO MAKE WORK PAY.** On February 3, 1995, President Clinton put forward his proposal to increase the minimum wage from \$4.25 to \$5.15 over two years in two equal steps. This proposal would directly benefit 10 million American workers.

- In his 1995 State of the Union, President Clinton called for Congress to **raise the minimum wage**: "The goal of building the middle class and shrinking the underclass is also why I believe that you should raise the minimum wage. It rewards work. Two and a half million Americans -- 2.5 million Americans, often women with children, are working out there today for \$4.25 an hour. In terms of real buying power, by next year that minimum wage will be at a 40-year low. That's not my idea of how the new economy ought to work.

Now, I've studied the arguments and the evidence for and against a minimum wage increase. I believe the weight of the evidence is that a modest increase does not cost jobs, and may even lure people back into the job market. But the most important thing is, you can't make a living on \$4.25 an hour. Especially if you have children, even with the working families tax cut we passed last year. In the past, the minimum wage has been a bipartisan issue, and I think it should be again. So I want to challenge you to have honest hearings on this; to get together; to find a way to make the minimum wage a living wage.

Members of Congress have been here less than a month, but by the end of the week, 28 days into the new year, every member of Congress will have earned as much in congressional salary as a minimum wage worker makes all year long." [State of the Union Address to the Nation, January 25, 1995]

- **On February 3, 1995, President Clinton proposed raising the minimum wage from \$4.25 to \$5.15:** "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...

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." [Announcement by President Bill Clinton of Minimum Wage Increase, February 3, 1995]

- **JUNE, 1995. At town hall meeting with Speaker Gingrich, the President reiterated his support for a minimum wage increase:** "The reason that I am for it is that I believe that -- first of all, I know that a significant percentage of people on the minimum wage are women workers raising their kids on their own. And I just believe that we shouldn't allow -- if we don't raise the minimum wage this year, then next year, after you adjust for inflation, it will be at a 40-year low...

And I believe, if you go back to when they did it when -- the last time it was done was, when, '89 or something, I think, on balance, we did fine as a result of doing it. And I think we should do it again. [Remarks by President Clinton, Speaker Gingrich at Senior Center in Claremont, N.H., June 11, 1995]

- **In May 1995, President Clinton calls for minimum wage increase:** "I believe it is especially important to women that we raise the minimum wage this year. Women represent three out of five minimum wage workers, but only half the work force. I have done everything I could to create a climate in which people are encouraged to be successful parents and successful workers. I believe that. That's what the Earned Income Tax Credit was all about in 1993... But it isn't enough. If we do not raise the minimum wage this year, next year it will be in real dollar terms, the lowest it has been in 40 years. Now that is not my idea of what the 21st century American economy is all about. [Remarks at Women's Bureau Reception, May 19, 1995]

- **On Labor Day 1995, President Clinton tells California that the minimum wage should be raised:** "I also think we ought to raise the minimum wage. Let me tell you, if we don't raise the minimum wage this year, on January the 1st of next year, our minimum wage in terms of what the money will buy will be at a 40-year low. I want a high-wage, high-growth, high-opportunity, not a hard-work, low-wage 21st century. And I think you do, too. And that's what we ought to do." [Remarks at the Dedication of California State University at Monterey Bay in Monterey, California. September 4, 1995]

## **1996 PRESIDENT REITERATES HIS CALL FOR AN INCREASE IN THE MINIMUM WAGE**

- **Speech to Keene State College, New Hampshire.** "[A]mong the greatest heroes in this country are the people who work 40 hours a week and do their best to raise their kids and only make the minimum wage. If we do not raise the minimum wage, this year it will drop to a 40-year low in terms of what it will buy. There is always a lot talk in Washington about family values. It's hard to raise a family on \$4.25 an hour. Let's raise the minimum wage." [President Clinton. Keene, New Hampshire. February 17, 1996]
- **1996 State of the Union Address.** "More and more Americans are working hard without a raise. Congress sets the minimum wage. Within a year, the minimum wage will fall to a 40-year low in purchasing power. Four dollars and 25 cents an hour is no longer a minimum wage, but millions of Americans and their children are trying to live on it. I challenge you to raise their minimum wage." [President Clinton, State of the Union Address to Congress. January 23, 1996]