FOIA Number: 2016-0531-F

FOIA MARKER

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

Collection/Record Group: Clinton Presidential Records

Subgroup/Office of Origin: Communications

Series/Staff Member: Elizabeth Baylor

Subseries:

OA/ID Number: 23952

FolderID:

Folder Title:
Legacy Project: Minimum Wage - Keith Yawn

Stack:	Row:	Section:	Shelf:	Position:
S	90	7	2	2

THE CLINTON-GORE LEGACY: MINIMUM WAGE

I. DESCRIPTION

The minimum wage system ensures that individuals employed, and paid, on an hourly basis will be able to provide for themselves and their families as living costs continue to increase. The Department of Labor regulates employer compliance with laws protecting individuals in the workplace, including the minimum wage act.

II. HISTORY

- President Franklin D. Roosevelt first signed the national minimum hourly wage into law on Saturday, June 25, 1938 as part of the Fair Labor Standards Act of 1938. The act originally set the wage at 25 cents an hour.

- Increases in wage amounts and changes in worker coverage occurred frequently between 1938 and 1977. The 1977 amendments set a new uniform wage schedule, across both agricultural and retail employers, and raised the wage to $2.65 and hour.

- By 1981 the wage had risen to $3.35 an hour. Over the next decade the minimum wage would be increased only two more times; once in 1990 to $3.80 and hour, and again in 1991 to $4.25 an hour.

- The value of minimum wage had approached a 40-year low by 1996. Since its increase in 1991, the value of the federal minimum wage had fallen by nearly 50 cents. In 1995 President Clinton proposed an increase in the minimum wage; in 1996, Congress successful passed legislation to raise the minimum wage by 90 cents over two years. The first increase of 50 cents occurred in October of 1996, followed by a 40-cent increase a year later in September of 1997. The combined increases, resulting in a total minimum wage of $5.15, effectively raised the earnings of full-time, full-year minimum wage workers by $1800 a year. Approximately 300,000 people were raised above the poverty line by this act.

III. CURRENT STATUS

- The President proposed a further increase to the minimum wage in February of 1998. The proposal would increase the wage to $6.15 an hour by 2000. This $1 increase, achieved in two equal steps, would bring the value of the minimum wage to level equal to the value in 1981.

- In November of 1999, President Clinton reinforced his commitment to raising the minimum wage by $1, however amended the target date to 2001. The proposal would benefit more than 10 million workers throughout the United States, three million of whom are single mothers.

- Republican Senators rejected these amendments, refusing to hear or vote on the democratic proposal, and instead passed tax break legislation for the wealthiest Americans while postponing a minimum wage increase until 2002. The Republican bill would increase the minimum wage by $1 over three years, yet has been repeatedly held up by procedural issues. This bill results in a loss of 11.5% of a minimum wage worker's total earnings over the three year period when compared to the Senate Democratic bill.

IV. ADMINISTRATION QUOTES

"We must make sure the minimum wage is a living wage." – President Bill Clinton, Radio Address, Oval Office, March 30, 1996.

"We've waited too long for an increase in the minimum wage. Last year we introduced legislation to give a well-deserved raise to 10 million working families, by lifting the minimum wage by a dollar an hour. A dollar an hour -- it may not sound like much, but in the seven months that have gone by since our legislation would have gone into effect, families have lost more than $600 in income. That's enough to pay for two months of groceries or almost a semester of community college. For these hard-pressed families, the cost of congressional delay can be measured not just by the day, but literally by the hour." – President Bill Clinton, Radio Address, Oval Office, April 8, 2000.

"Talk doesn't cost much. The true test is whether you are for an increase in the minimum wage. I am for an increase in the minimum wage for those who most need the help. And I'm not for a states' rights provision to let states overrule an increase in the minimum wage." – Vice President Al Gore, Address to the NAACP Convention, Baltimore, MD, July 12, 2000.

V. KEY SPONSORS AND ADVOCATES

- Historically, the minimum wage has enjoyed bipartisan support; although, recent legislation has met with resistance from Republicans. In 1989, the House of Representatives voted 382 to 37 and the Senate voted 89 to 8 to increase the minimum wage. Recent bills have been riddled by partisan politics and burdened with attempts at special interest tax cuts.

"Raising the minimum wage is vital to ensuring the economic security of many of our nation's hardest workers...Low income workers should have a fair share in the nation's prosperity...It is time to raise the minimum wage. America's working families deserve a raise. No one who works for a living should have to live in poverty." – Sen. Edward M Kennedy (D-MA), www.senate.gov/~kennedy, July 11, 2000.

"I believe that the time has come to raise the minimum wage again...Last November, I voted in favor of an amendment which Senator Kennedy offered to the bankruptcy reform legislation which would have raised the minimum wage by a $1.00 an hour over the next two years." – Sen. Jim Jeffords (R-VT), www.senate.gov/~jeffords, July 11, 2000.

"This 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." – Sen. Bob Dole (R-KS), Congressional Quarterly Almanac 1989)

"A secure workforce requires a fair minimum wage. Today, a full-time minimum wage worker earns approximately $10,700, $2,900 below the poverty level for a family of three. In the midst of the greatest peacetime expansion in the Nation's history, this is unacceptable. A hard day's work deserves a fair day's pay. We must raise the minimum wage by $1 an hour over the next two years. I hope that we can work in a bipartisan fashion to enact this legislation." – Alexis M. Herman, Secretary of Labor, Congressional Testimony, March 23, 1999.

VI. "REAL PEOPLE" STORIES

"This is not just about numbers. It's about real people. People like Wendy Waxler of Washington, D.C. Wendy wanted a job, but needed time to care for her daughter, who has cerebral palsy. She couldn't afford to lose the Medicaid that paid the doctor's bills. Through welfare-to-work, Wendy found a flexible job, and kept Medicaid and food stamps at first. Now she and her daughter have health insurance, and Wendy has new confidence and new dreams. People like Wendy Waxler are an asset our economy simply cannot afford to waste, so we must do more to support working families and people who are trying to turn their lives around. That's why I've asked Congress to raise the **minimum wage**, so that a full-time job is a real ticket out of poverty. It's why we won new resources, and will fight for more, for our New Markets Initiative, to make it easier for businesses and banks to investment in America's poorest communities; and why I'm asking Congress to increase our commitment to quality child care." – President Clinton, Radio Address, Oval Office, December 4, 1999.

VII. CRITICISM AND RESPONSE

Criticism: The only Americans working for minimum wage are teenagers.
Response: 63 percent of minimum wage workers are adults age 20 or over (Source: Bureau of Labor Statistics). Of the ten million workers who would benefit from a minimum wage increase, more than three million are single mothers.

Criticism: Raising the minimum wage causes job loss.
Response: "The evidence of job loss is weak. And the fact that the evidence is weak suggests that the impact on jobs is small." – Nobel Prize winning economist, Robert Solow, New York Times, January 12, 1995.

Criticism: Raising the minimum wage will have a negligible impact on people's lives.

Response: A 90-cent per hour increase in the minimum wage means an additional $1,800 for a minimum wage earner who works full-time, year round – as much as the average family spends on groceries in more than 7 months. (Source: Bureau of Labor Statistics).

VIII. OPPOSITION

"My line on the minimum wage is: Pain is inevitable and suffering is optional...Minimum wage is relevant to only one small group of workers in America, and that is the least-skilled, least-experienced, least-trained workers." – US Rep. Dick Armey (R-TX), Roll Call, June 19, 2000.

"If the minimum wage is the means to prosperity, why not go to $50, $75, or $100 per hour?" – US Rep. Ron Paul (R-TX), The Arizona Republic, June 4th, 2000

- Many politicians, including Republican Presidential hopeful George W. Bush, support an increase in the minimum wage only if states are allowed to opt-out of the mandate. States would not be allowed to drop their minimum wage below $5.15, but could ignore future federal increases. Proponents of the program say such a requirement would effectively gut the effectiveness of the proposal. (Source: The New York Times, July 9, 2000, Late Ed – Final)

"What we're trying to do is not eliminate the training level or entry level jobs. A one-size-fits-all wage for the whole country doesn't work anymore." – Rep. Jim DeMint (R-SC), The Florida Times-Union, March 9, 2000 (Rep. DeMint sponsored the Republican bill's language requesting state's be allowed to opt-out of the increase.)

"If you sit back and look at the real world out there, we're in an internationally competitive marketplace. And anything we do that decreases our competitiveness is going to have a depressing effect on jobs. I think we must be very careful before we increase the minimum wage without providing some flexibility." – Rep. Charles W. Stenholm (D-TX), The Boston Globe, September 29, 1999

THE CLINTON-GORE LEGACY: MINIMUM WAGE

I. DESCRIPTION

The minimum wage system ensures that individuals employed, and paid, on an hourly basis will be able to provide for themselves and their families as living costs continue to increase. The Department of Labor regulates employer compliance with laws protecting individuals in the workplace, including the minimum wage act.

M W A

what is the current min. wage? (*I think - $5.15) How many receive it?

II. HISTORY

- President Franklin D. Roosevelt first signed the national minimum hourly wage into law on Saturday, June 25, 1938 as part of the Fair Labor Standards Act of 1938. The act originally set the wage at 25 cents an hour.

- Increases in wage amounts and changes in worker coverage occurred frequently between 1938 and 1977. The 1977 amendments set a new uniform wage schedule, across both agricultural and retail employers, and raised the wage to $2.65 and hour. an

- By 1981 the wage had risen to $3.35 an hour. Over the next decade the minimum wage would be increased only two more times; once in 1990 to $3.80 and hour, and again in 1991 to $4.25 an hour.

- The value of minimum wage had approached a 40-year low by 1996. Since its increase in 1991, the value of the federal minimum wage had fallen by nearly 50 cents. In 1995 President Clinton proposed an increase in the minimum wage; in 1996, Congress successfully passed legislation to raise the minimum wage by 90 cents over two years. The first increase of 50 cents occurred in October of 1996, followed by a 40-cent increase a year later in September of 1997. The combined increases, resulting in a total minimum wage of $5.15, effectively raised the earnings of full-time, full-year minimum wage workers by $1800 a year. Approximately 300,000 people were raised above the poverty line by this act.

can we cite this?

III. CURRENT STATUS

- The President proposed a further increase to the minimum wage in February of 1998. The proposal would increase the wage to $6.15 an hour by 2000. This $1 increase, achieved in two equal steps, would bring the value of the minimum wage to level equal to the value in 1981.

- In November of 1999, President Clinton reinforced his commitment to raising the minimum wage by $1, however amended the target date to 2001. The proposal would benefit more than 10 million workers throughout the United States, three million of whom are single mothers.

cap

- Republican Senators rejected these amendments, refusing to hear or vote on the democratic proposal, and instead passed tax break legislation for the wealthiest Americans while postponing a minimum wage increase until 2002. The Republican bill would increase the minimum wage by $1 over three years, yet has been repeatedly held up by procedural issues. This bill results in a loss of 11.5% of a minimum wage worker's total earnings over the three year period when compared to the Senate Democratic bill.

full

our bill increases in 2 annual steps, theirs in 3-

IV. ADMINISTRATION QUOTES

"We must make sure the minimum wage is a living wage." – President Bill Clinton, Radio Address, Oval Office, March 30, 1996.

"We've waited too long for an increase in the minimum wage. Last year we introduced legislation to give a well-deserved raise to 10 million working families, by lifting the minimum wage by a dollar an hour. A dollar an hour -- it may not sound like much, but in the seven months that have gone by since our legislation would have gone into effect, families have lost more than $600 in income. That's enough to pay for two months of groceries or almost a semester of community college. For these hard-pressed families, the cost of congressional delay can be measured not just by the day, but literally by the hour." – President Bill Clinton, Radio Address, Oval Office, April 8, 2000.

"Talk doesn't cost much. The true test is whether you are for an increase in the minimum wage. I am for an increase in the minimum wage for those who most need the help. And I'm not for a states' rights provision to let states overrule an increase in the minimum wage." – Vice President Al Gore, Address to the NAACP Convention, Baltimore, MD, July 12, 2000.

V. KEY SPONSORS AND ADVOCATES

- Historically, the minimum wage has enjoyed bipartisan support; although, recent legislation has met with resistance from Republicans. In 1989, the House of Representatives voted 382 to 37 and the Senate voted 89 to 8 to increase the minimum wage. Recent bills have been riddled by partisan politics and burdened with attempts at special interest tax cuts. Good sentence!

"Raising the minimum wage is vital to ensuring the economic security of many of our nation's hardest workers...Low income workers should have a fair share in the nation's prosperity...It is time to raise the minimum wage. America's working families deserve a raise. No one who works for a living should have to live in poverty." – Sen. Edward M Kennedy (D-MA), www.senate.gov/~kennedy, July 11, 2000.

"I believe that the time has come to raise the minimum wage again...Last November, I voted in favor of an amendment which Senator Kennedy offered to the bankruptcy reform legislation which would have raised the minimum wage by a $1.00 an hour over the next two years." – Sen. Jim Jeffords (R-VT), www.senate.gov/~jeffords, July 11, 2000.

"This 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." – Sen. Bob Dole (R-KS), Congressional Quarterly Almanac 1989)

great – totally great.

"A secure workforce requires a fair minimum wage. Today, a full-time minimum wage worker earns approximately $10,700, $2,900 below the poverty level for a family of three. In the midst of the greatest peacetime expansion in the Nation's history, this is unacceptable. A hard day's work deserves a fair day's pay. We must raise the minimum wage by $1 an hour over the next two years. I hope that we can work in a bipartisan fashion to enact this legislation." – Alexis M. Herman, Secretary of Labor, Congressional Testimony, March 23, 1999.

VI. "REAL PEOPLE" STORIES

"This is not just about numbers. It's about real people. People like Wendy Waxler of Washington, D.C. Wendy wanted a job, but needed time to care for her daughter, who has cerebral palsy. She couldn't afford to lose the Medicaid that paid the doctor's bills. Through welfare-to-work, Wendy found a flexible job, and kept Medicaid and food stamps at first. Now she and her daughter have health insurance, and Wendy has new confidence and new dreams. People like Wendy Waxler are an asset our economy simply cannot afford to waste, so we must do more to support working families and people who are trying to turn their lives around. That's why I've asked Congress to raise the **minimum wage**, so that a full-time job is a real ticket out of poverty. It's why we won new resources, and will fight for more, for our New Markets Initiative, to make it easier for businesses and banks to investment in America's poorest communities; and why I'm asking Congress to increase our commitment to quality child care." – President Clinton, Radio Address, Oval Office, December 4, 1999.

No bold

VII. CRITICISM AND RESPONSE

Criticism: The only Americans working for minimum wage are teenagers.
~~Response~~: Fact 63 percent of minimum wage workers are adults age 20 or over (Source: Bureau of Labor Statistics). Of the ten million workers who would benefit from a minimum wage increase, more than three million are single mothers.

Criticism: Raising the minimum wage causes job loss.
Response: Fact "The evidence of job loss is weak. And the fact that the evidence is weak suggests that the impact on jobs is small." – Nobel Prize winning economist, Robert Solow, New York Times, January 12, 1995.

Criticism: Raising the minimum wage will have a negligible impact on people's lives.

~~Response~~: Fact

A 90-cent per hour increase in the minimum wage means an additional $1,800 for a minimum wage earner who works full-time, year round – as much as the average family spends on groceries in more than 7 months. (Source: Bureau of Labor Statistics).

VIII. OPPOSITION

that is a great quote too!

"My line on the minimum wage is: Pain is inevitable and suffering is optional...Minimum wage is relevant to only one small group of workers in America, and that is the least-skilled, least-experienced, least-trained workers." – US Rep. Dick Armey (R-TX), Roll Call, June 19, 2000.

"If the minimum wage is the means to prosperity, why not go to $50, $75, or $100 per hour?" – US Rep. Ron Paul (R-TX), The Arizona Republic, June 4th, 2000

- Many politicians, including Republican Presidential hopeful George W. Bush, support an increase in the minimum wage only if states are allowed to opt-out of the mandate. States would not be allowed to drop their minimum wage below $5.15, but could ignore future federal increases. (Proponents of the program) say such a requirement would effectively gut the effectiveness of the proposal. (Source: The New York Times, July 9, 2000, Late Ed – Final)
  (Min. wage supporters

"What we're trying to do is not eliminate the training level or entry level jobs. A one-size-fits-all wage for the whole country doesn't work anymore." – Rep. Jim DeMint (R-SC), The Florida Times-Union, March 9, 2000 (Rep. DeMint sponsored the Republican bill's language requesting states be allowed to opt-out of the increase.)

"If you sit back and look at the real world out there, we're in an internationally competitive marketplace. And anything we do that decreases our competitiveness is going to have a depressing effect on jobs. I think we must be very careful before we increase the minimum wage without providing some flexibility." – Rep. Charles W. Stenholm (D-TX), The Boston Globe, September 29, 1999

Making Work Pay

The Case for Raising the Minimum Wage

Office of the Chief Economist

U, S. Department of Labor
Robert B. Reich, Secretary

March 1996

Making Work Pay
The Case for Raising the Minimum Wage

Fact Sheet

Americans know a raise in the minimum wage is one way to help make work pay. For many working Americans an increase in the minimum wage will make the difference between living in poverty and not. Furthermore, a higher minimum wage -- a floor to ensure workers that they're getting a fair deal for their efforts -- provides a foothold into the middle class for many other families.

The Problem: The Minimum Wage is Worth Less Than It Used to Be

The Federal minimum wage is currently $4.25 per hour. Adjusted for inflation, the value of the minimum wage has fallen by nearly 50 cents since it was last increased in 1991, and is now 29% lower than it was in 1979. If left unchanged, its real value will be at a forty-year low by January 1997.

Raising the minimum wage is one way to make work pay. A recent study concluded that the decline in the real value of the minimum wage since 1979 accounts for 20% of the rise in wage inequality for men, and 30% for women (see DiNardo, Lemieux & Fortin). According to the Bureau of Labor Statistics, 3.66 million workers paid by the hour earn at or below the minimum wage. An increase in this living wage is a strong response to the stagnant incomes that many of these workers face.

Many Adults Rely on the Minimum Wage as a Living Wage

Contrary to popular opinion, the average worker affected by an increase in the minimum wage is not just a teenager flipping hamburgers. Only one in fourteen is a teenage student from a family with above average earnings.

The fact is, almost two-thirds of minimum wage workers are adults, and four in ten are the sole bread winner of their family.

Increasing the Minimum Wage Lifts Families out of Poverty

Twenty percent of those living on the minimum wage the last time it was raised in 1991 were in poverty, and an additional 13% were near poverty. In 1993, the President expanded the Earned Income Tax Credit (EITC), which raised income for 15 million families, helping many working families move above the poverty line. Yet to complete the goal of insuring that full-time working families are out of poverty, we need to raise the minimum wage. Recent analysis by the Economic Policy Institute and preliminary work by the Department of Health and Human Services suggests that 300,000 people would be lifted out of poverty if the minimum wage was raised to $5.15 per hour. This figure includes 100,000 children who are currently living in poverty.

The current poverty line for a family of 4 is $15,600. A family of 4 with one worker earning $4.25 an hour and working full-time year round ($8,500) would receive a tax credit of $3,400 under the 1996 provisions of the EITC, will collect food stamps worth $3,516, and will pay $650 in payroll taxes. This family would end up $834 below the poverty line. On the other hand, for a family of 4 with one worker earning $10,300 (a full-time year round worker at $5.15 per hour), the EITC would provide the maximum tax credit ($3,560), food stamps would provide $2,876, and they would pay $788 in payroll taxes. The increase in the minimum wage -- along with EITC and food stamps -- would lift this family out of poverty.

What a Moderate Increase in the Minimum Wage Would Mean for Workers

The President's proposal to raise the minimum wage by $.90 would generate $1800 in potential income for minimum wage workers.

Based on expenditure patterns of an average family, $1800 would buy:

- Seven months of groceries
- One year of health care costs, including insurance premiums, prescription drugs, and out-of-pocket costs
- Nine months' worth of utility bills
- More than a full-year's tuition at a 2-year college
- Basic housing costs for almost 4 months

Many Working Women Depend upon the Minimum Wage

Fifty nine percent of workers earning from $4.25 to $5.14 per hour are women; of those, 72 percent are adults 20 years old or over. The President's proposal to increase the minimum wage would raise wages of more than 5.7 million working women. This includes more than 950,000 African-American women and 760,000 women of Hispanic origin. Single heads of households, who are often women, represent over one-fifth of all families who currently rely on the earnings of a worker making $4.25 to $5.14 per hour.

A Moderate Increase in the Minimum Wage Does Not Cost Jobs

The standard criticism of the minimum wage is that it raises employers' costs and reduces employment opportunities for teenagers and disadvantaged workers. However, several studies have found that the last two increases in the minimum wage had an insignificant effect on employment. Furthermore, an extension of the time-series studies that had previously been used to claim that raising the minimum wage decreases employment, no longer finds a significant impact.

In a recent review of the literature, Professor Richard Freeman of Harvard, a widely respected labor economist, wrote: "At the level of the minimum wage in the late 1980s, moderate legislated increases did not reduce employment and were, if anything, associated with higher employment in some locales."

In discussing the minimum wage, Robert M. Solow, a Nobel laureate in economics at the Massachusetts Institute of Technology, recently told the New York Times, "The main thing about (minimum wage) research is that the evidence of job loss is weak. And the fact that the evidence is weak suggests that the impact on jobs is small."

Americans Want an Increase in the Minimum Wage

The American public supports increasing the minimum wage by a solid margin. Nearly every survey finds overwhelming support for raising the minimum wage. For example, a national poll conducted in January 1995 for the Los Angeles Times found that 72% of Americans backed an increase in the wage, confirming a December 1994 Wall Street Journal/NBC News survey that found raising the minimum wage is favored by 75%.

Despite expected criticism in some corners, the minimum wage has traditionally had bipartisan support. 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).

Currently, ten states and the District of Columbia have minimum wages that exceed the Federal minimum wage (Alaska, Connecticut, Hawaii, Iowa, Massachusetts, New Jersey, Oregon, Rhode Island, Vermont and Washington). Delaware is expected to pass legislation that will raise its minimum wage on April 15, 1996. Hawaii's minimum wage is $5.25 an hour and Massachusetts will match this in January 1997; New Jersey's is $5.05.

The Minimum Wage
Myth and Reality

The federal minimum wage now stands at $4.25 per hour. A person who works full-time all year long at that wage earns only $8500 in a year. The buying power of the minimum wage is already 29 percent lower than in 1979 -- and if left unchanged, will be at its lowest point in 40 years by January 1997. To restore that buying power and to make work pay, the President has challenged Congress to raise the minimum wage.

But the debate has been muddied by several myths that anti-minimum wage forces repeat at every opportunity.

Myth: The only Americans working for the minimum wage are teenagers.

Reality: 63 percent of minimum-wage workers are adults age 20 or over. (Source: Bureau of Labor Statistics)

Myth: Minimum wage workers don't support families.

Reality: The last time the federal minimum wage was increased, the average minimum wage worker brought home 51 percent of his or her family's weekly earnings, (Source: Analysis of Census Bureau's Current Population Survey by Professors David Card and Alan Krueger)

Myth: Raising the minimum wage hurts the poor by causing job loss.

Reality: Nearly 10 million working Americans would get a pay raise if the minimum wage is increased to $5.15 per hour. As Nobel Prize-winning economist Robert Solow said, " [T]he evidence of job loss is weak. And the fact that the evidence is weak suggests that the impact on jobs is small. " (Source: New *York Times*, January 12, 1995)

Myth: The only study showing that raising the minimum wage does not cost jobs was a study funded by the U.S. Labor Department.

Reality: One major study -- conducted in 1992 and financed by Princeton University and the University of Wisconsin -- was published by two Princeton University economists. One of those economists later joined the Labor Department. (Source: *Washington Post*, January 11, 1995) Furthermore, a similar conclusion has been reached by at least ten other independent studies.

Myth: Raising the minimum wage will have a negligible impact on people's lives.

Reality: A 90-cent per hour increase in the minimum wage means an additional $1,800 for a minimum wage earner who works full-time, year round -- as much as the average family spends on groceries in more than 7 months. (Source: Bureau of Labor Statistics)

Myth: Increasing the minimum wage has always been a bitter, partisan issue that only Democrats have supported.

Reality: In 1989, the last time the minimum wage was increased, the House of Representatives vote in favor of the proposal was 382 to 37, and the Senate vote was 89 to 8. Indeed, Senator Dole said at the time, " [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. " (Source: *Congressional Quarterly Almanac 1989)*

Making Work Pay
Questions and Answers on Raising the Minimum Wage

With unemployment at its lowest level in years, should we be tinkering with the minimum wage? Won't an increase in the minimum wage hinder the creation of new jobs?

The minimum wage is currently valued at 29 % lower in real terms than it was in 1979.

A number of recent studies have found that a moderate rise in the minimum wage has little, if any, affect on job creation starting at such a low level. In fact, "The impact of a minimum wage rise on jobs is small, " the New York Times quoted Nobel Laureate Robert Solow as saying. The Times also reported that economists agree that a minimum wage rise will lift the incomes of low wage workers.

Isn't the minimum wage poorly targeted to people in poverty? The Democratic Leadership Council reports that a number of minimum wage workers are in households with earnings higher than the median worker. Wouldn't a rise in the minimum wage just help middle class teenagers?

Although some people who earn the minimum wage are teenagers, almost two-thirds are adults age 20 and older. The average minimum wage worker brings home about half of his or her family's earnings. Increasing the minimum wage will help these workers to make up for lost ground due to inflation -- it will help make work pay.

The minimum wage provides a foothold into the middle class. A family with two full-time year round workers would earn $20,600 a year with a $5.15 minimum wage.

Wouldn't a rise in the minimum wage hurt minorities and the disadvantaged due to job loss?

As the New York Times reported, most economists agree that raising the minimum wage increases the incomes of low wage workers, which more than offsets any effect on jobs. Further, studies of minimum wage increases fail to show disproportionate impacts for minority youth.

Additionally, public support for a minimum wage increase is strong. A January 1995 Los Angeles Times poll found that 72% of Americans back an increase, confirming a December 1994 Wall Street Journal/NBC News poll that found that 75% of adults favored a rise in the minimum wage.

How many workers are affected by a rise in the minimum wage?

An estimated 10 million hourly paid workers earn between $4.25 and $5.14, and would directly benefit from the President's proposal to increase the minimum wage.

How can you contemplate a rise in the minimum wage with a new Congress intent on getting government off the backs of business?

The minimum wage has historically enjoyed bipartisan support. Sens. Dole and Kassenbaum, Speaker Gingrich and Rep. Goodling voted for the last minimum wage increase to $4.25 an hour in 1989.

Governors across the country are fighting against unfunded mandates. Isn't the minimum wage an unfunded mandate on businesses and states?

The minimum wage is not a new unfunded mandate. In fact, given the erosion of the value of the minimum wage over the last 15 years it is now much less of a mandate on businesses and the public sector than it used to be.

What do you say to all the businesses that say they will lose profit and possibly go bankrupt if the minimum wage is raised? Aren't you just antagonizing the business community by proposing a minimum wage increase?

Inflation has eroded the minimum wage so much that it is currently at its second lowest level since the 1950s. The economy has been very strong, but wages have not grown as much as they need to for the middle class to keep up.

The Clinton Administration has pursued economic policies to put our fiscal house in order, laying the foundation for the current economic expansion. But the problem is that low-wage and middle class workers have not shared fully in this recovery.

www.dol.gov/dol/_sec/public/media/reports/pay.htm

Democratic Policy Committee
United States Senate
Washington, D.C. 20510-7050
Byron Dorgan, Chairman

SPECIAL REPORT

DEMOCRATIC POLICY COMMITTEE

June 28, 2000
Publication: SR-64-Employment

Rhetoric vs. Reality: Republicans and Democrats on Increasing the Minimum Wage

DPC Staff Contact: Jane Eiselein (202) 224-3232
DPC Press Contacts: Ranit Schmelzer (202) 224-2939
Barry Piatt (202) 224-2551

Rhetoric vs. Reality: Republicans and Democrats on Increasing the Minimum Wage

Recent polls and focus groups have suggested to Republicans that an increase in the minimum wage for working Americans — long championed by Democrats — is a top priority for the American public. In response, Republicans have adopted a strategy of blurring the lines between Democrats and Republicans on support for increasing the minimum wage.

Democrats know there are few gray areas when it comes to the positions of Democrats and Republicans on increasing the minimum wage. In fact, the differences are black and white: Democrats have fought for immediate passage of legislation to strengthen the earning power of America's low-income workers, only to have their efforts repeatedly blocked by Republicans.

Democrats in the Senate offered an amendment during the debate on the *Bankruptcy Reform Act of 1999* to increase the minimum wage $1 over two years to $6.15 per hour. Republican Senators rejected this amendment and instead passed their own minimum wage amendment that postpones a minimum wage increase until 2002 and provides tax breaks to the wealthiest Americans.

While Republicans claim they support a minimum wage increase, the Republican proposal would harm American workers and give a windfall to high-income earners. Democrats believe we should raise the minimum wage now to benefit low-income workers.

Comparison of Democratic and Republican Bills

Senate Democrat Bill	Senate Republican Bill
✔ Raises the minimum wage by $1 over two years. ✔ Applies Federal minimum wage to the Commonwealth of the Northern Mariana Islands.	✘ Raises the minimum wage by $1 over three years. ✘ $75.3 billion in scattershot tax breaks skewed disproportionately to the wealthy and completely disconnected from the minimum wage (not offset and not paid for after the first year). ✘ Repeals a worker protection requirement that workers be paid time and a half for overtime work by allowing bonus and other like-income to be excluded from the calculation used to determine overtime pay.

The Republican Plan Harms Minimum Wage Workers and Benefits High-Income Earners

The Republican minimum wage bill is a mock minimum wage plan that served as a vehicle for passing tax breaks for the wealthy. If the Republican minimum wage plan — and not the Democratic plan — became law, the consequences for American workers would be severe.

- The Republican bill, compared to the Democratic bill, would cost a full-time minimum wage earner $1,200 over the next three years. This amount of money would have an enormous impact on minimum wage earners and their families — it amounts to a loss of 11.5 percent of the worker's total earnings over the three years.

- Over 10.1 million workers, the majority of whom are adults, are directly affected by a minimum wage increase. Wages affect the groceries these workers buy, the child care they provide their children, and the kind of housing in which they live.
- Three million of these 10.1 million workers support children — including one million single mothers.
- The last increase to the minimum wage was in September 1997. Inflation has eroded the value of the current minimum wage. Between 1978 and 1989, for example, the purchasing power of the minimum wage dropped by more than 30 percent. The current purchasing power of the minimum wage remains 32.8 percent below the level in 1968. The Republican bill would allow the purchasing power of the existing minimum wage to continue to decline.
- The current minimum wage does not guarantee food on the table. According to a recent survey by the U.S. Conference of Mayors, 38 percent of persons seeking emergency food aid were employed, compared to 23 percent in 1994. Local government officials now cite low-paying jobs as the most common cause of hunger in their communities.
- The tax cuts to the wealthiest Americans in the Republican bill not only take away money from low-income wage earners, but are not offset and therefore would not be paid for.
- The Republican bill would repeal the guarantee that workers are paid fairly for working overtime.

Democratic Minimum Wage Plan Benefits Low-Income Workers

The minimum wage increase proposed by Senate Democrats would ensure that low-income workers share in our unprecedented economic prosperity.

- The Democratic increase in the minimum wage to $6.15 would restore the real value of minimum wage to what it was in 1982.

- Minimum wage plays an important role in ensuring that all workers share in our growing economy. With the proposed Democratic minimum wage bill, more than 10.1 million full-time workers will earn an annual income of $12,792.

- Households with incomes under $25,000 will receive half of the increased wages.

- Opponents of the minimum wage have long argued that increasing the minimum wage would hurt low-wage workers because employers would cut back on hours or jobs. Since the minimum wage was raised to $5.15 in 1996, however, the economy has created more than 11.4 million new jobs. Job growth and the employment rate is currently at its highest in 30 years, and the employment of minority youth has increased. The experience of the United States economy in the 1990s proves this argument is unfounded.

- Recent increases in the minimum wage have helped reduce the number of welfare recipients by approximately 39 percent by increasing the incentives to work.

- More money for working families means these families will be better able to save for retirement.

- The American public has consistently supported an increase in the minimum wage. A survey conducted by ABC News between September 29 and October 3, 1999 found that 83 percent of the public supports an increase, with the support nearly as strong among Republican voters (67 percent in favor) as among Democrats.

The Democratic plan to increase the minimum wage by one dollar over two years would help lower-income American families pay for necessities like food, rent and utilities.

While Republicans claim to support increasing the minimum wage, their proposal would actually harm workers by delaying the increase and repealing worker protection provisions. Despite their rhetoric, the Republican plan is more about tax breaks for the wealthy than providing help for hardworking American families.

Source: All Sources : / . . . / : **US News, Combined**
Terms: **minimum wage and george bush and states and opt out** (Edit Search)

The New York Times, July 9, 2000

The New York Times

◆ View Related Topics

July 9, 2000, Sunday, Late Edition - Final

SECTION: Section 1; Page 12; Column 3; National Desk

LENGTH: 890 words

HEADLINE: Gore Ties Bush to 'Do-Nothing' Republicans in Congress

BYLINE: By ALISON MITCHELL

DATELINE: WASHINGTON, July 8

BODY:
Vice President Al Gore today denounced the "do-nothing-for-people Congress" and challenged Gov. George W. Bush to "make one phone call" to instruct Republican leaders to pass major pieces of stalled legislation.

Setting out the themes he will strike in a seven-**state** campaign swing next week, Mr. Gore in an interview tried to tie Mr. Bush tightly to the Republican-controlled Congress and to the legislative stalemate on an array of issues.

"Now is the moment when those of us who want to lead this country must stand up and be counted," Mr. Gore said. "People deserve to know where we stand on the key issues now being blocked by the Republican leadership of Congress at the behest of the special interests."

Mr. Gore went on to name four issues that Congressional Democrats hope to ride hard to regain control of the House: an increase in the **minimum wage,** cleanup of toxic waste sites, a prescription drug benefit and regulation of health maintenance organizations.

"My opponent has spoken in very general terms about the kind of candidate he will be, but he has been completely silent on these key issues," Mr. Gore said in a phone call from Air Force Two.

"The question," he said, "is whether or not **George Bush** will call the Republican leadership and tell them to pass a real patients' bill of rights. Many moderate Republicans want that. Independent voters want it. Democrats certainly want it. The special interests and the G.O.P. leaders in Congress do not. We are just one phone call away from giving the medical decisions back to the doctors."

He denounced Republican versions of a prescription drug benefit and managed care regulations as special-interest measures "backed by tens of millions of dollars in campaign contributions" from industry.

Mr. Gore plans to ride the same theme all next week -- just as Congress returns to Washington -- in an attempt to get voters to view Mr. Bush, the Republican Congress and the Republicans' large campaign contributors as one big triangle.

The Texas governor has managed to distance himself from the Congress by running as a "compassionate conservative." That implicitly sets Mr. Bush apart from the conservatives former Speaker Newt Gingrich brought into the majority in 1994.

And in some cases it is easier to run against the Republicans in Congress than against Mr. Bush.

The Texas governor, for example, has put forward his own plan for cleaning up the abandoned factories and junkyards in cities that are known as brownfields. But Senator Trent Lott, the majority leader from Mississippi, made a written pledge to block such a bill this year unless it is part of a more thorough overhaul of the Superfund law.

"Governor Bush could call Senator Lott and fix this with one telephone conversation," Mr. Gore said.

Mr. Bush's aides called Mr. Gore's demand that the Texas governor step into the legislative debate a sign of the Democrat's own weaknesses.

"This is an amazing display of a lack of leadership for the sitting vice president to call on the governor of Texas to pass legislation his administration has failed to get done," said Dan Bartlett, a spokesman for Mr. Bush.

Mr. Gore's new tack builds upon the ideas he began airing several weeks ago when he started asking "whose side are you on" and depicting Mr. Bush and the Republicans in Congress as siding with powerful business interests over consumers.

Mr. Gore today kept hammering away at his refrain of just one phone call. Turning to a prescription drug benefit, he said, "If Governor Bush is willing to stand up to the big drug companies all he has to do is make one phone call and tell the leadership to pass this legislation and America's seniors will be able to get help." Mr. Gore said that as president he would veto the Republicans' version of a prescription drug bill.

Mr. Gore and Mr. Bush have sharp philosophical differences on some of these issues. While Mr. Gore wants an expansive new prescription drug benefit added into Medicare, Mr. Bush generally supports the concept of the House Republicans. They recently passed a bill that would give subsidies and incentives to private insurers to offer prescription drug policies to the elderly.

Mr. Gore and the Democrats back a $1 increase in the **minimum wage** across two years. Mr. Bartlett said Mr. Bush favored an increase in the **minimum wage** but wanted **states** to have the right to **opt out** of it if they thought the wage increase would slow job creation.

Managed care legislation has been stalled in Congress because of differences between the Senate and the House, which defied its leadership and passed a more expansive bill favored by Democrats.

Mr. Gore backs the more wide-ranging version. Mr. Bartlett said Mr. Bush wants more people covered than the Senate does but differs somewhat with the House provisions on a right to sue companies.

Mr. Gore's aides circulated a long list of campaign contributions to Republicans, noting that business groups opposed to a **minimum wage** increase had given $2.6 million to Republican Congressional candidates and party committees for the 1998 Congressional campaign. They also highlighted donations from the insurance industry, saying Republican committees and candidates had taken more than $8.6 million in contributions from "anti-patients' bill of rights forces" since

1997.

http://www.nytimes.com

LANGUAGE: ENGLISH

LOAD-DATE: July 9, 2000

View: Cite | KWIC | **Full** | Custom **1** of 21 Text Only | Download | Fax | Email
FOCUS™ - Narrow Results | Save As ECLIPSE | More Like This | More Like Selected Text

Source: All Sources : / . . . / : **US News, Combined**
Terms: **minimum wage and george bush and states and opt out** (Edit Search)
View: Full
Date/Time: Wednesday, July 12, 2000 - 12:26 PM EDT

Search | Search Advisor | Get a Document | Check a Citation
ECLIPSE(TM) | History | Change Client | Options | Feedback | Sign Off | Help
About LEXIS-NEXIS | Terms and Conditions

JIM JEFFORDS

ISSUES

HOME
ALL ABOUT JIM
CONSTITUENT SERVICES
ISSUES
PRESS OFFICE
CONTACT JIM
U.S. SENATE INFO
SEARCH

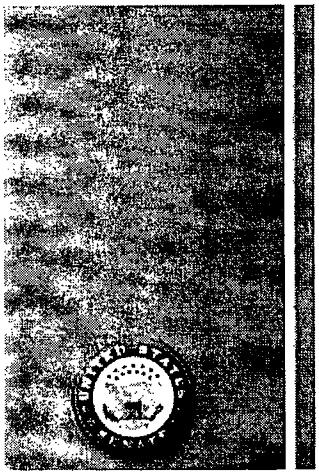
Minimum Wage

I believe that the time has come to raise the minimum wage again and that a $1.00 an hour increase over the next two years is not only warranted, it is necessary. Today's minimum wage is 19 percent below the 1979 level. To give you a better idea of what this means for working families, consider that a minimum wage employee working full time earns about $10,700 a year - more than $3,000 below the $13,880 poverty line for a family of three. Workers deserve better. At a time when our economy is booming, we should not allow this trend to continue. It is important that we act to raise the minimum wage to keep pace with the rising cost of life's basic needs.

Last November, I voted in favor of an amendment which Senator Kennedy offered to the bankruptcy reform legislation which would have raised the minimum wage by a $1.00 an hour over the next two years. Unfortunately, that amendment was defeated and although another amendment passed implementing a $1.00 over three years, the issue has been tied up in a procedural logjam. Despite the holdup, I continue to believe that there is support in Congress to raise the minimum wage and that we will be able to come together this year to enact an increase. Although this money will not solve all the problems of the working poor, it will go a long way towards helping minimum wage workers obtain basic needs for themselves and their families.

While I support this increase, I also recognize that raising the minimum wage will not in and of itself solve poverty in this country and that there are other things that we can do here in Washington to assist low wage workers and their families. To that end, along with raising the minimum wage, I will continue to search out and support targeted solutions such as expansion of the Earned Income Tax Credit (EITC). The EITC is a refundable tax credit specifically targeted to help low-income workers and their families. By some estimates, the EITC has moved more than two million children out of poverty. In 1997, 37,000 families and working individuals claimed the earned income tax credit in Vermont. Most recently, I have been working on a measure which would allow more married couples who qualify for the EITC to receive a higher credit.

In addition to supporting measures that will raise take home pay, I will also seek out and support measures that will better assist lowincome families with their basic needs. Some of the measures that I have been working on at the Federal level that will do just that include: the Childrens' Health Insurance Program (CHIP); the Tax Credit/ Health Coverage Access, Relief & Equity (C.A.R.E.) Act; and the Caring for America's



Relief & Equity (C.A.R.E.) Act; and the Caring for America's Children Act Along with these measures, I will continue to concentrate on passing legislation aimed at improving our educational and job training programs. It is my hope that these efforts will improve the skills and employability of our workforce and will enable low-wage workers to obtain better paying jobs.

EDWARD M KENNEDY

Minimum Wage

A Fair Minimum Wage for all Americans

Raising the minimum wage is vital to ensuring the economic security of many of our nation's hardest workers. I have fought for increases in the minimum wage over the years, and raising the minimum wage continues to be a priority for me as we enter this new millennium.

It is time -- long past time -- to raise the minimum wage. The country as a whole is enjoying an unprecedented period of prosperity. But for millions of Americans, it is someone else's prosperity. Too many hard-working Americans struggling to keep their families afloat and their dignity intact can't make enough in a 40 hour week to lift their families out of poverty -- and that's wrong. Low income workers should have a fair share in the nation's prosperity.

The value of the minimum wage continues to lag far behind inflation. While it is currently at $5.15, the minimum wage would have to be $7.49 an hour today to have the purchasing power it had in 1968. Each day we fail to raise the minimum wage, families across the country continue to fall further behind.

This issue is critically important to working families and has broad support across the country. Over 11 million Americans will benefit from this legislation. Three-quarters of those workers are adults, 60% are women, one-third are people of color, and almost half work full-time.

In 1999, I introduced the Fair Minimum Wage Act to increase the minimum wage by $1 over two years. While Americans overwhelmingly support an increase in the minimum wage, the Republicans repeatedly sought to block these efforts, and offered a bogus, unacceptable counterproposal which coupled a $1 increase over three years with bloated, unpaid-for tax breaks for the wealthy. Although the Democratic minimum wage amendment was narrowly defeated last year, I will continue to raise this issue until a fair increase is passed.

It is time to raise the minimum wage. America's working families deserve a raise. No one who works for a living should have to live in poverty.

THE ARIZONA REPUBLIC, June 4, 2000

THE ARIZONA REPUBLIC

June 4, 2000 Sunday, Final Chaser

SECTION: FRONT; Pg. A1

LENGTH: 252 words

HEADLINE: WITH ARIZONA'S ROARING ECONOMY AND LOW JOBLESS RATE, EMPLOYERS ARE ASKING...;
WHO WILL WORK FOR MINIMUM WAGE?

BYLINE: The Arizona Republic

BODY:

As federal officials debate whether to raise the minimum wage, most Arizona employers and workers share the same position on the issue:

Who cares?

The state's roaring economy seems to have rendered the question largely irrelevant. These days, it's the market that sets the lowest wages most workers will accept.

With unemployment rates at nearly record lows, even entry-level jobs are commanding wages up to 50 percent above the official minimum of $5.15 an hour.

Still, experts urge caution.

For one thing, many entry-level workers and those in rural areas still must get by on $5.15 an hour.

For another, an economic downturn or major new changes in the use of undocumented workers could bring the wage standard back to relevance.

Which is why federal officials are still wrangling over how or when to increase the minimum pay.

Some, such as U.S. Rep. Ron Paul, R-Texas, argue that a higher wage would **increase** unemployment.

"If the **minimum wage** is the means to prosperity, why not go to $50, $75 or $100 per hour?" he said.

President **Clinton** wants Congress to raise the minimum wage by a buck, to $6.15 an hour, saying it would benefit 10 million families nationwide.

Congress is working on legislation to do that, but lawmakers have loaded one version with so many tax exemptions that **Clinton** has threatened to veto it.

And, under different versions of legislation, the increase might not take place until next year or so. By then, nobody could know how sunny Arizona's economy will be.

GRAPHIC: Color chart by The Arizona Republic (Missing; See microfilm); Young adults' earnings

LANGUAGE: ENGLISH

LOAD-DATE: June 6, 2000

Source: All Sources : / . . . / : **US News, Combined**
Terms: **minimum wage and george bush and states and opt out** (Edit Search)

Roll Call June 19, 2000

Roll Call

◆ View Related Topics

June 19, 2000

SECTION: Roll Call Q & A

LENGTH: 3022 words

HEADLINE: 'Every Fiber of My Being' While House Majority Leader Dick Armey Is Still Leading the Fight Against Raising the **Minimum Wage,** the Political Reality of Passage in This Session Has Forced Him to Focus on Pushing for Offsetting Small-Business Tax Breaks

BODY:

Everybody knows House Majority Leader Dick Armey (R-Texas) loves chewing over economic theories.

But who knew he also loves salad bars?

Armey revealed that little insight to help make his case against a hike in the **minimum wage,** which has passed the House but is still stalled in the Senate.

The Majority Leader has always been known for folksy quips, dubbed "Armey's Axioms,"which help him make a political point. His most famous pronouncement may have been his 1995 vow to oppose a rise in the **minimum wage** with "every fiber of my being."

Five years later, however, Armey understands the political reality of the situation. He believes that some kind of a **minimum wage** hike will pass in the waning days of this session of Congress. He just wants to make sure there are enough small-business tax breaks to make the matter slightly more palatable.

"My line on the **minimum wage** is: Pain is inevitable and suffering is optional,"Armey quipped to Roll Call Co-Editor Ed Henry during a June 8 interview.

Indeed, Armey was in a joking mood throughout the interview. On another labor issue, Armey expressed excitement about the fact that the high-tech revolution now enables employees to quickly find news job if they're not happy - much as free agency has opened the options for athletes in professional sports.

Roll Call couldn't resist pointing out, however, that free agency didn't work out so well this month for Armey's beloved Dallas Cowboys, who lost star player Deion Sanders to the hated Washington Redskins. Is that a matter in which Armey might want government intervention?

"No, no," Armey said with a laugh. And then he couldn't resist firing back at Redskins fans for letting player Brian Mitchell slip away.

"I saw one of your Redskin running backs got treated badly by the team and now he's with Philadelphia,"Armey said, in his best needling tone.

After all, Armey still opposes the Redskins with every fiber of his being.

ROLL CALL: Everyone remembers you saying you were going to oppose the **minimum wage** with every fiber of your being. Does that still hold?

HOUSE MAJORITY LEADER DICK ARMEY: I mean, (first of all, I am an economist by training), **minimum wage** is relevant to only one small group of workers in America, and that is the least-skilled, least-experienced, least- trained workers.

For many people that's the first rung on the employment ladder and they're inexperienced, they're unskilled, they're untested, they've got no work history and so forth, and so, quite frankly, the employer is not going to pay a big price to get them their first job. The fact is that more than is ever reported or acknowledged, people don't stay at **minimum-wage** jobs. If they are successful at all in their job they move up, and it becomes something that is no longer relevant in their life. But what happens with **minimum wage** is it takes away that bottom rung when you raise it, and the reason being these tasks are general, fairly menial tasks that are easily replaced by some automated device.

My first best example of that was what happened in a restaurant chain called Steak & Ale in '77. They raised the **minimum wage,** and Steak & Ale, all over America where they have these, they put in a salad bar. Well, salad bars are wonderful; people like salad bars - I enjoy going to the salad bar and picking my own salad. But what that did was it eliminated two, most often college kids, on each shift. So then at each shift in every Steak & Ale in America there were two youngsters trying to work their way through college that had a job opportunity lost to them, or maybe it was some poor high school dropout that needed to get started someplace that had a job opportunity lost to them.

So when I am talking about **minimum wage,** I am always thinking, "Why would you take a conscious act of the government that effectively legislates away the first job opportunity for the most desperate worker?"

I think that analysis still holds up and is empirically documented by good scholarship across the country. It doesn't hold up in political discourse but it is good, solid and humane, quite frankly, compassionate economic analysis. Your hearts are gonna go out to anybody in the world of work. Let's put my heart first for that desperate person trying to find that first job to get started in life.

ROLL CALL : Do you think, though, that you can no longer completely oppose it just because of the political reality that you mention?

ARMEY: Well, the politics are the politics of the matter, so I take a look at it as my line on **minimum wage** is: Pain is inevitable and suffering is optional.

The fact of the matter is that it impacts a small population of people - a very important impact in their lives bless their hearts - but the employment and labor issues in today's dynamic world of work are frankly much larger than that. Again, I don't want to discount that, because for those folks who are trying to work their way through school or just get started in life, it's a big deal. But there's a dynamic going on in today's world of work that I think is amazing, and that is why I was ... calling (the computer) a box of miracles.

It's a wonderful new world that we are living for in the world of work and it's something that Congress has to be alert to.

ROLL CALL: Getting back to the political reality, do you expect there to be a **minimum-wage** hike in this Congress with the limited time left?

ARMEY: Well, we passed one through the House and then we put together, and rightfully so, a set of complementary legislative items to relieve the difficulties of this and the impacts on small business, and so making pensions more available and making access to health care for the self-insured more available. Some of the relief that we gave to the small-business community, I think, is an important attending of that. It's over in the Senate now and my anticipation is that that will probably be completed before the year is over.

ROLL CALL: What do you expect to come out of the Senate? I am assuming that Sen. Edward Kennedy (D-Mass.) is going to want to raise the **minimum wage** more than the House did, and have it take effect more quickly.

ARMEY: We know that the Senate is always going to want to raise it as much as possible and as soon as possible. That is just something that Senators will have to work out. My political analysis is that it will probably get worked out in some degree before the year is over.

There will be, I think, a survival of those benefits that help those people live with the adverse employment effects, help the small business stay alive and keep the doors open and maybe the ability to keep their labor force working by virtue of reducing costs in health care or some other aspect of it.

ROLL CALL: But you wouldn't shed any tears then if the Senate doesn't do anything?

ARMEY: I personally would not shed any tears, but I don't expect that to be the case.

ROLL CALL: What about another issue we address in this policy briefing: the place of unions in the workplace and their role in the workplace? Specifically, I know something that you care about is paycheck protection. Is that something you think you can get in this Congress?

ARMEY: I don't know that we'll be able to get it in this Congress. I mean, that really speaks sort of to the political dimension of this whole framework called campaign finance reform. The fact of the matter is we have the Beck decision. The Beck decision says, I think correctly so, that no person should be required to sacrifice part of their paycheck to be used in support of political purposes that they disagree with, and that any person should have the right to **opt out** of that.

I get fascinated when I walk into any workplace in America today with the number of notices that are posted prominently across that workplace. (Occupational Safety andHealth Administration) notices, Fair Labor Standards Act notices, Wage and Hour notices (are posted) in prominent and colorful displays, because the workers (have) a right to know that they have this protection under the law.

And what we're saying is that that worker should have an equal right to know that I do not have to continue paying excessive union dues to be used for political purposes if I choose not to. What fascinates me is that the same people that fought so hard to get this Wage and Hour notice posted, and would be so unforgiving of any firm the least bit careless in how it was posted, are the people who are saying that in no way will we tolerate you posting a notice on the bulletin board that tells a worker he's got a right to **opt out** of political dues.

And so I mean, from my point of view, there is a certain inconsistency there that is frustrating. It seems to me if I go to work, one of the most fundamental rights I have is the right to my paycheck.

Here is just where I think, Mr. and Mrs. Dues-Paying Union Member in America: Dick Armey's sticking up for your fundamental right more than your union is. Your union is trying to block me on it, but my feeling is that you can never honestly talk about campaign finance reform unless you are willing to talk about the Beck decision. And what can be more fundamental than giving the right to freely and voluntarily contribute their money in the political process for the cause to which they make a subscription?

So ... it's my big frustration with campaign finance reform, how people can be so righteous on the subject and then come out against this working man and woman's (paycheck). Quite frankly, most of these folks have probably got kids with braces and their money could be more important to them for that purpose. But they should at least have the right.

ROLL CALL: Another issue we address is how government procurement programs can provide equal opportunity for inmates as well as private-sector workers, something that Rep. Pete Hoekstra (R-Mich.) has been looking at in his Education and the Workforce subcommittee. Do you have any opinions on that?

ARMEY: Well, that becomes a real difficult issue. A person goes to prison for transgressions against law - you would hope that there'd be a program or rehabilitation, and certainly one of the things would be learning work skills and so forth. And we would like to see that happen. But by the same token, you've got some other fella sitting out here who's kept his nose clean and tried hard to take care of his family while obeying the law, and he might not want his job put at risk by virtue of a market loss that might come from prison product sales.

So I think one really has to think that thing through. I do think that the fundamental impulse of Pete's legislation is, let's find a way for folks to learn how to skillfully and ably learn how to support themselves through productive effort once they are released from prison. I think that's a necessary and desirable thing. But I also think that you do have to be responsible to the sense of private-sector competition.

ROLL CALL: Do you think Congress can do anything to secure the advancement of the employer-employee relationship, given the changing face of the work force?

ARMEY: That is what I think is magical out there. America is returning more and more to the world of meritocracy. In athletics you see it as free agency, and in the world of work -especially in the high-tech area - you've got a lot of bright, able young people who basically are living in a world where, if I can do the job I get the job, and if I've got another job I am free to go get that. So in a sense what they're saying is, I want to be free from institutional constraints of my freedom to come and go on the job and move here and move there, work at home.

This thing called "telecommuting" is a very real deal in the lives of a lot of families. So the innovations that are happening in the modern technology age is really, I think, diminishing the need for institutional influence over work and professional relationships. My guess is that you are going find a diminishing role of both unionization and government management of employer-employee relationships.

Here is something I marvel at. Two or three of my sons are working in the computer industry. Chip's got a fairly good deal but he's not comfortable with one of the people he's working with, and he sees another opportunity here in another company where he's going to be more comfortable working with the people he does. And they have an even more relaxed dress code which is marvelous. And so Chip up and goes.

So free agency might sometimes be a real bother to the firm, but it is a real opportunity. That is why I never use the expression digital divide - it's not that at all. It's a world of digital opportunities. And to the swift go the race.

And that also effects education. I was studying this morning, driving into work. These youngsters today have a natural interest in math and science because they've got to know math and science in order to enjoy their toys. You can't get on the Internet and be ignorant of math an science and electronics. And take a look - all the great geeks in America are self-taught. They learned their skills because of their fascination with the technology at their fingertips.

So math and science teaching - look for example at the H-1B worker program - the teaching of math and science is, we all identify, a very urgent need in America. What I wonder is, how are the schools ever going to keep up with the kids? Because the kids are learning their math and science outside of the school from one another in this world.

So it seems to me, you're going to go back and your going to see things like apprenticeship re-emerge in the world of work. You're going to see more and more people working in an area, making a good living, good contributions, in areas where they have no formal credentials of any kind. My daughter's boyfriend has a degree in radio-TV-acting and he's making money in computers because he knows the electronic stuff. But there's no formal credentialing at all. He just showed up on the work site. They said, "Can you do this thing, make it go?" and he said, "Yeah." He did it and they said, "You're hired."

ROLL CALL: You mentioned H-1B visa legislation, which has been stalled in the Senate. Do you think that we are going to have H-1B visa legislation in this Congress?

ARMEY: Yes we will. We will have it. Basically, we'll lift the number of applicants that can come and work under the H-1B visa. I think there is a great effort in the high-tech community to provide educational resources for training and acquisition skills. We may address that somewhat in this bill, but I think we have to be very careful. We can't take the institutional framework of the rust belt and transplant it to electronic America.

My guess is that if you're going to start talking about how do we train people for the world of work in modern electronic America, you're going to find that none of your existing institutional framework works. What we have to do, I understand, (is) that our job here is to encourage those people who are in the field, have the ability and want to, to share that knowledge with one another in ways that we can do.

ROLL CALL: The last issue is Social Security. Your presidential nominee-to- be, Texas Gov. George W. Bush (R), is making it a big issue and making the case that Republicans are really sticking up for workers in this case. Vice President Al Gore is seemingly on the defensive on this issue about putting some of the money into the stock market. Do you think that this issue could backfire on the Democrats and that maybe Republicans can work this to their advantage and show voters out there that you may be the party of the average worker when this is all through?

ARMEY: The idea of having a larger share of sum of my retirement security consolidated under my own control, through my own investments in private capital markets, has an enormous currency in America. President Clinton recognized that. You saw him talk about that in the **State** of the Union message. At that point, in response to President Clinton suggesting it, Vice President Gore says it's a great idea, it's a great precedent, we ought to move forward with it.

Now just a few short months later, when **George Bush** says the same thing, and recognizes what I would say is an extraordinarily strong sentiment among the working young men and women in America, and says we need to work with you and help you achieve these results, the Vice President stands up and says, " Well, that's not a good idea." That's an inconsistency I don't think the Vice President can sustain.

But the larger point is young people today in their 20s and 30s, by virtue of polling data, believe more in UFOs than they believe they'll ever see a dime of Social Security. They are a generation already proven to be better savers than my generation. And so they say, we want to control our own senior years through the accumulated wealth that we have had over our years in investing private stock, and we're going to do that.

They're doing it now. They're only saying to the government, give us some share of that big FICA tax from which we don't ever expect to see a benefit in our life time anyway, just give us some share of it so that we can enhance what we are trying to do now with our after-tax dollars.

My own view is that these young people won't be denied in that. They're a very powerful force. And I'll tell you one of the reasons why they're so powerful - the very loud second to that notion comes from grandma and grandpa. And so their grandparents are saying: "You know we've got our Social Security benefits, I've paid into it all my life and I'd expect to have my benefits as I've earned them, and that's right and just. But my grandchildren have a right to something better - to control their own retirement investments."

I think George W. Bush is seeing exactly what President Clinton saw. This is the will of America, and we need to be, as government, we need to be creative and work with that and work it out.

LANGUAGE: ENGLISH

LOAD-DATE: June 19, 2000

U.S. DOL

Fair Labor Standards Act of 1938: Maximum Struggle for a Minimum Wage

By Jonathan Grossman*

When he felt the time was ripe,
President Roosevelt asked
Secretary of Labor Perkins,
'What happened to that
nice unconstitutional bill
you had tucked away?'

On Saturday, June 25, 1938, to avoid pocket vetoes 9 days after Congress had adjourned, President Franklin D. Roosevelt signed 121 bills. Among these bills was a landmark law in the Nation's social and economic development -- Fair Labor Standards Act of 1938 (FLSA). Against a history of judicial opposition, the depression-born FLSA had survived, not unscathed, more than a year of Congressional altercation. In its final form, the act applied to industries whose combined employment represented only about one-fifth of the labor force. In these industries, it banned oppressive child labor and set the minimum hourly wage at 25 cents, and the maximum workweek at 44 hours.[1]

Forty years later, a distinguished news commentator asked incredulously: "My God! 25 cents an hour! Why all the fuss?" President Roosevelt expressed a similar sentiment in a "fireside chat" the night before the signing. He warned: "Do not let any calamity-howling executive with an income of $1,000 a day, ...tell you...that a wage of $11 a week is going to have a disastrous effect on all American industry."[2] In light of the social legislation of 1978, Americans today may be astonished that a law with such moderate standards could have been thought so revolutionary.

Courting disaster

The Supreme Court had been one of the major obstacles to wage-hour and child-labor laws. Among notable cases is the 1918 case of *Hammer v. Dagenhart* in which the Court by one vote held unconstitutional a Federal child-labor law. Similarly in *Adkins v. Children's Hospital* in 1923, the Court by a narrow margin voided the District of Columbia law that set minimum wages for women. During the 1930's, the Court's action on social legislation was even more devastating.[3]

New Deal promise. In 1933, under the "New Deal" program, Roosevelt's advisers developed a National Industrial Recovery Act (NRA).[4] The act suspended antitrust laws so that industries could enforce fair-trade codes resulting in less competition and higher wages. On signing the bill, the President stated: "History will probably record the National Industrial Recovery Act as the most important and far-reaching legislation ever enacted by the American Congress." The law was popular, and one family in Darby, Penn., christened a newborn daughter Nira to honor it. [5]

As an early step of the NRA, Roosevelt promulgated a President's Reemployment Agreement "to raise wages, create employment, and thus restore business." Employers signed more than 2.3 million agreements, covering 16.3 million employees. Signers agreed to a workweek between 35 and 40 hours and a minimum wage of $12 to $15 a week and undertook, with some exceptions, not to employ youths under 16 years of age. Employers who signed the agreement displayed a "badge of honor," a blue eagle over the motto "We do our part." Patriotic Americans were expected to buy only from "Blue Eagle" business concerns.[6]

In the meantime, various industries developed more complete codes. The Cotton Textile Code was the first of these and one of the most important. It provided for a 40-hour workweek, set a minimum weekly

U.S. DOL

HISTORY OF CHANGES TO THE FLSA

Adapted from *Minimum Wage and Maximum Hours Standards Under the Fair Labor Standards Act*, 1988 Report to the Congress under Section 4(d)(1) of the FLSA.

Early in the administration of the FLSA, it became apparent that application of the statutory minimum wage was likely to produce undesirable effects upon the economies of Puerto Rico and the Virgin Islands if applied to all of their covered industries. Consequently on June 26, 1940, an amendment was enacted prescribing the establishment of special industry committees to determine, and issue through wage orders, the minimum wage levels applicable in Puerto Rico and the Virgin Islands. The rates established by industry committees could be less than the statutory rates applicable elsewhere in the United States.

On May 14, 1947, the FLSA was amended by the Portal-to-Portal Act. This legislation was significant because it resolved some issues as to what constitutes compensable hours worked under FLSA. Matters involving underground travel in coal mines and make-ready practices in factories had been decided earlier in a number of U.S. Supreme Court decisions.

Subsequent amendments to the FLSA have extended the law's coverage to additional employees and raised the level of the minimum wage. In 1949, the minimum wage was raised from 40 cents an hour to 75 cents an hour for all workers and minimum wage coverage was expanded to include workers in the air transport industry. The 1949 amendments also eliminated industry committees except in Puerto Rico and the Virgin Islands. A specific section was added granting the Wage and Hour Administrator in the U.S. Department of Labor authorization to control the incidence of exploitative industrial homework. A 1955 amendment increased the minimum wage to $1.00 an hour with no changes in coverage.

The 1961 amendments greatly expanded the FLSA's scope in the retail trade sector and increased the minimum for previously covered workers to $1.15 an hour effective September 1961 and to $1.25 an hour in September 1963. The minimum for workers newly subject to the Act was set at $1.00 an hour effective September 1961, $1.15 an hour in September 1964, and $1.25 an hour in September 1965. Retail and service establishments were allowed to employ full-time students at wages of no more than 15 percent below the minimum with proper certification from the Department of Labor. The amendments extended coverage to employees of retail trade enterprises with sales exceeding $1 million annually, although individual establishments within those covered enterprises were exempt if their annual sales fell below $250,000. The concept of enterprise coverage was introduced by the 1961 amendments. Those amendments extended coverage in the retail trade industry from an established 250,000 workers to 2.2 million.

Congress further broadened coverage with amendments in 1966 by lowering the enterprise sales volume test to $500,000, effective February 1967, with a further cut to $250,000 effective February 1969. The 1966 amendments also extended coverage to public schools, nursing homes, laundries, and the entire construction industry. Farms were subject to coverage for the first time if their employment reached 500 or more man-days of labor in the previous year's peak quarter. The minimum wage went to $1.00 an hour effective February 1967 for newly covered non-farm workers, $1.15 in February 1968, $1.30 in February 1969, $1.45 in February 1970, and $1.60 in February 1971. Increases for newly subject farm workers stopped at $1.30. The 1966 amendments extended the full-time student certification program to covered agricultural employers and to institutions of higher learning.

In 1974, Congress included under the FLSA all nonsupervisory employees of Federal, State, and local governments and many domestic workers. (Subsequently, in 1976, in *National League of Cities* v.

Usery, the Supreme Court held that the minimum wage and overtime provisions of the FLSA could not constitutionally apply to State and local government employees engaged in traditional government functions.) The minimum wage increased to $2.00 an hour in 1974, $2.10 in 1975, and $2.30 in 1976 for all except farm workers, whose minimum initially rose to $1.60. Parity with nonfarm workers was reached at $2.30 with the 1977 amendments.

The 1977 amendments, by eliminating the separate lower minimum for large agricultural employers (although retaining the over-time exemption), set a new uniform wage schedule for all covered workers. The minimum went to $2.65 an hour in January 1978, $2.90 in January 1979, $3.10 in January 1980, and $3.35 in January 1981. The amendments eased the provisions for establishments permitted to employ students at the lower wage rate and allowed special waivers for children 10-to-11 years old to work in agriculture. The overtime exemption for employees in hotels, motels, and restaurants was eliminated. To allow for the effects of inflation, the $250,000 dollar volume of sales coverage test for retail trade and service enterprises was increased in stages to $362,500 after December 31, 1981.

As a result of the Supreme Court's 1985 decision in *Garcia* v. *San Antonio Metropolitan Transit Authority et.al.*, Congress passed amendments changing the application of FLSA to public sector employees. Specifically, these amendments permit State and local governments to compensate their employees for overtime hours worked with compensatory time-off in lieu of overtime pay, at a rate of 1 1/2 hours for each hour of overtime worked.

Finally, the 1989 amendments established a single annual dollar volume test of $500,000 for enterprise coverage of both retail and non-retail businesses. At the same time, the amendments eliminated the minimum wage and overtime pay exemption for small retail firms. Thus, employees of small retail businesses became subject to minimum wage and overtime pay in any workweek in which they engage in commerce or the production of goods for commerce. The minimum wage was raised to $3.80 an hour beginning April 1, 1990, and to $4.25 an hour beginning April 1, 1991. The amendments also established a training wage provision (at 85% of the minimum wage, but not less than $3.35 an hour) for employees under the age of twenty, a provision that expired in 1993. Finally, the amendments established an overtime exception for time spent by employees in remedial education and civil money penalties for willful or repeated violations of the minimum wage or overtime pay requirements of the law[1].

---

[1] In 1990, the Congress enacted legislation under which the Department of Labor issued regulations that provide a special overtime exemption for certain professionals in the computer field who receive not less than 6 and one-half times the applicable minimum wage.

DOL Home Page | ESA Home Page | Top of Document

BUDGET

SUPPLEMENT

EXECUTIVE OFFICE OF THE PRESIDENT OF THE UNITED STATES

OFFICE OF MANAGEMENT AND BUDGET

BUDGET OF THE UNITED STATES GOVERNMENT

Fiscal Year 1997

assistance. In addition, his plan does not restrict Medicaid for documented immigrants.

Reforming Supplemental Security Income (SSI)

The SSI program provides critical financial support for the neediest aged, blind, and people with disabilities. The budget supports key reforms to ensure that SSI continues to reach those most in need.

The budget tightens eligibility standards for childhood disability benefits. It would deny benefits to adults who are on SSI due to substance abuse. It proposes improved SSI and Social Security Disability program integrity measures, such as continuing disability reviews. It would give the Social Security Administration new tools to collect SSI overpayments from individuals no longer on the SSI rolls. Finally, it proposes to allow a family to use any large, retroactive SSI benefit to establish a dedicated savings account for a child with disabilities, with funds in the account usable only for education and training, special equipment, housing modifications, or therapy and rehabilitation.

Making Equitable Changes in Benefits for Legal Immigrants

The President believes that legal immigrants should have the opportunity, and bear the responsibility, to be productive members of society. He also believes they should be able to tap the social safety net when the need arises.

The budget proposes to hold sponsors who bring immigrants into the country legally responsible for their financial well-being. Specifically, it would count (or "deem") sponsors' income when determining whether immigrants are eligible for SSI, Food Stamps, or AFDC—until immigrants become citizens. These rules, however, would not apply to those who suffer a disabling impairment after entering the country, the very elderly who have lived in the country for at least five years, those who have worked for over five years, or veterans and their families. The budget preserves Medicaid eligibility for low-income, eligible legal immigrants. It also creates a consistent definition of eligibility for documented aliens for AFDC, SSI, and Medicaid, and lets States apply this definition to their own State-funded programs.

THE EARNED INCOME TAX CREDIT (EITC)

To move people from welfare to work, the Government must do more than set time limits and work requirements in welfare programs. It must ensure that those who work can support their children. As a wage supplement, the EITC helps low-income parents do that.

This tax credit has long enjoyed broad, bipartisan support as a vital tool for making work pay. Congress created it 20 years ago, and Presidents of both parties have pushed successfully to expand it. The most recent was President Clinton, who teamed up with Congress in 1993 to reward work for 15 million families.

The budget maintains these gains for hard-working, low-income families. In addition, the President proposes to allow States, on a test basis, to make advance EITC payments to low-income working families—that is, payments during the tax year, rather than a lump sum at the end—to learn whether this would help move more families from welfare to work. Currently, employers can include a portion of a family's expected EITC in an employee's paycheck, but few of them do. The Administration also seeks to cut program costs by improving compliance and targeting. (For more details on the compliance and targeting measures, see Chapter 12.)

THE MINIMUM WAGE

In real, inflation-adjusted dollars, the value of the minimum wage is nearing its lowest level in 40 years. The President proposes to raise the minimum wage from $4.25 to $5.15 an hour over two years, in two steps of 45 cents each.

A higher minimum wage would truly make work pay. A 90-cent rise would mean over $1,800 a year in higher earnings for full-time, full-year workers at the minimum level who now make less than $9,000 a year. With the proposed increase, nearly 10 million working Americans would get an immediate pay raise. Another nine million low-wage workers with wages up to a dollar above the new minimum also could benefit indirectly, presuming that their paychecks rise as well.

The stereotype of minimum-wage teenagers in comfortable circumstances who work only for "extras" is sadly inaccurate. In truth, minimum-wage paychecks mostly go for expenses like rent and baby food. The average minimum wage worker brings home half of his or her family's earnings.

Nevertheless, about a quarter of workers who would get a pay raise with this increase are teenagers. These teenagers' jobs are their introduction to the world of work. Over three-fifths of all workers have been paid at the minimum wage at some time during their working lives.

Generally, economists agree that while a minimum wage increase of 90 cents an hour would raise the living standards of millions of low-wage workers, it would cost the economy few, if any, jobs.

BUDGET

BUDGET OF THE UNITED STATES GOVERNMENT

Fiscal Year 1998

over 30 years; the highest rate of homeownership in 15 years; rising incomes; falling inequality; and record numbers of exports and new small businesses.

With the 1993 plan limiting spending, the President has worked with Congress to spend the available resources most wisely, helping to produce real results in education, the environment, research, and law enforcement.

- His direct lending program has helped make college more affordable for 10 million students.
- His national service program has enabled 70,000 Americans to earn money for college while building houses, helping children to read, patrolling the streets, and performing other vital community work.
- His investments in research are helping to build new, high-powered supercomputers, and to develop drugs that could extend the life expectancy of those with HIV and AIDS.
- His community policing program has already put 64,000 more police (out of 100,000 under the program) on the streets of America's communities, helping to reduce serious and violent crime for five straight years.

The President worked with Congress to:

- Raise the minimum wage, giving 10 million Americans a pay raise;
- Enact the Family and Medical Leave Act, enabling 67 million workers to take up to 12 weeks of unpaid leave from work to care for a newborn or a sick family member;
- Adopt the Kassebaum-Kennedy bill, ensuring that as many as 25 million American workers would not lose their health insurance when they change jobs;
- Reform the Federal pension insurance system, protecting the pensions of over 40 million Americans;
- Take a vital first step "to end welfare as we know it" by requiring able-bodied recipients to work;
- Adopt the Brady bill, imposing a five-day waiting period on gun purchases that has already prevented over 100,000 felons, fugitives, and stalkers from buying handguns;
- Ban the import and manufacture of 19 deadly assault weapons, keeping them from would-be killers; and
- Overhaul the immigration system, cracking down on illegal immigration without punishing legal immigrants.

The Administration also has acted on its own to improve the lives of average Americans. It has:

- Approved waivers (before last year's welfare reform law) to let 43 States find innovative ways to move recipients off welfare and into the economic mainstream. (Due to those efforts and a strong economy, 2.1 million fewer Americans are on welfare than when President Clinton took office.);
- Approved waivers to let 15 States pursue major State-wide health reform initiatives under Medicaid;
- Protected the border by deporting a record 206,000 illegal and criminal aliens from 1993 to 1996; and
- Completed the General Agreement on Tariffs and Trade and the North American Free Trade Agreement, as well as over 200 other trade agreements, helping to spur exports to record levels and, in turn, create high-wage jobs at home.

Our trade agreements, and the benefits they produce, point to a growing reality—we live in an increasingly inter-connected world, one in which our prosperity at home depends on our leadership abroad. Over the last four years, the Administration has reduced tensions in the world's troublespots through the deft use of diplomacy and, when necessary, the deployment of troops. Democracy in Haiti, peace in Bosnia, more dialogue in the Middle East—they are all due to American leadership.

Yet, despite his impressive four-year record of accomplishment both at home and abroad, the President understands that his work is not done. Most importantly, we must finish the job of balancing the budget. For only when we balance the budget can we

BUDGET

BUDGET OF THE UNITED STATES GOVERNMENT

Fiscal Year 1999

born or adopted child, attend to their own serious health needs, or care for a seriously ill parent, child, or spouse—making it less likely that employees will have to choose between work and family.

- *Minimum Wage:* By 1996, the value of the minimum wage had neared a 40-year low. That year, however, the President worked with Congress to raise the minimum wage from $4.25 to $5.15 an hour in two steps, over two years. The first step, a 50-cent increase, took effect in October 1996; the second, a 40-cent increase, took effect 11 months later, on September 1, 1997. The 90-cent raise means $1,800 a year in higher earnings for full-time, full-year minimum wage workers. Millions of other low-wage workers making somewhat more than the new minimum also will benefit if employers raise their paychecks in step with the minimum wage increase--as they have done in the past.

- *Health Insurance Portability and Accountability Act:* Working with Congress, the President in 1996 pushed through landmark legislation, known as HIPAA, which provides important health insurance protections for an estimated 25 million Americans who move from one job to another each year, as well as those who are self-employed or who have pre-existing medical conditions. HIPAA reformed the private insurance market to ensure that workers have portable health benefits and insurers are less able to deny coverage due to pre-existing conditions. Combined with the Taxpayer Relief Act, HIPAA also made it easier and cheaper for self-employed persons to get health insurance.

BUDGET

BUDGET OF THE UNITED STATES GOVERNMENT

Fiscal Year 2000

TANF every three years. Net Federal savings of these proposals total $409 million over five years.

Shortly after the Administration concludes on-going consultations with stakeholders in April 1999, it will submit a proposal to Congress and work on a bipartisan basis to enact child support financing legislation based on the following five principles: 1) maximize collections and support for all families in the program, including the hardest to serve; 2) maximize paternity establishment, financial and medical support establishment, collections on current support and on arrears, and cost efficiency; 3) give priority to increasing payments to families, while ensuring Federal budget cost neutrality; 4) create incentives for adequate State and local investment of staff and resources needed for improved program performance; and 5) promote national standards and ease of interstate case processing, while maintaining State flexibility.

Better Benefits in the Workplace: The President has led successful efforts to ensure a living wage for all American workers while expanding their ability to care for their families and protect their health care benefits.

Family and Medical Leave (FMLA): In early 1993, the President proposed, and Congress enacted, the Family and Medical Leave Act, which allows workers to take up to 12 weeks of job-protected, unpaid leave to care for a newborn or adopted child, attend to their own serious health needs, or care for a seriously ill parent, child, or spouse—making it less likely that employees will have to choose between work and family. The budget proposes expanding FMLA to reach workers in firms with over 25 employees, expanding coverage to 10 million more workers. In addition, the budget proposes providing resources to the Department of Labor to research: (1) the impact this law has had on the American family; and (2) how to make leave accessible and affordable for more of America's working families.

Ensuring equal pay: The budget proposes a $14 million equal pay initiative to focus additional resources to provide employers with the necessary tools to assess and improve their pay policies and to educate the public on the importance of this issue as well as their rights and responsibilities. (See Chapter 9, "Building One America", for additional information on this initiative.)

Minimum wage: In 1996, the President successfully sought a minimum wage increase that gave a big financial boost to full-time, full-year minimum wage workers, raising the pay of each by approximately $1,800 a year. In February 1998, the President proposed to further raise the minimum wage to $6.15 an hour by the year 2000. Increasing the minimum wage by one dollar in two equal steps simply restores the real value of the minimum wage to what it was in 1981. This increase will help ensure that as costs continue to increase parents who work hard and play by the rules can bring up their children out of poverty. The President remains strongly committed to increasing the minimum wage and will work with Congress to ensure the enactment of this vital increase.

Health Insurance Portability and Accountability Act: Working with Congress, the President in 1996 obtained landmark legislation, known as HIPAA, which provides important health insurance protections for an estimated 25 million Americans who move from one job to another each year, as well as those who are self-employed or who have pre-existing medical conditions. HIPAA reformed the private insurance market to ensure that workers have portable health benefits and insurers are less able to deny coverage due to pre-existing conditions. Combined with the Taxpayer Relief Act, HIPAA also made it easier for self-employed persons to get health insurance.

BUDGET

BUDGET OF THE UNITED STATES GOVERNMENT

Fiscal Year 2001

Ensuring equal pay: The budget includes $27 million for the President's Equal Pay Initiative, an increase of $12 million over 2000. The initiative requests $10 million for the Equal Employment Opportunity Commission (EEOC) to provide training and technical assistance to about 3,000 employers on how to comply with equal pay requirements and to launch a public service announcement campaign on wage issues. The initiative also dedicates $10 million in the Department of Labor (DOL) to train women in nontraditional jobs including high-tech jobs and other skill shortage occupations. Lastly, the initiative provides $7 million for DOL to help employers assess and improve their pay policies, support public education efforts, provide for projects in nontraditional apprenticeships, and implement industry partnerships.

Increasing the minimum wage: In 1996, the President successfully sought a minimum wage increase that gave a big financial boost to full-time, full-year minimum wage workers, raising the pay of each by approximately $1,800 a year. In November 1999, the President reiterated his support to further raise the minimum wage to $6.15 an hour by the beginning of 2001. Increasing the minimum wage by one dollar in two equal steps simply restores the real value of the minimum wage to what it was in 1981. More than 10 million workers would benefit under this proposal. This increase will help ensure that as costs continue to increase, parents who work hard and play by the rules can bring up their children out of poverty. The President remains strongly committed to increasing the minimum wage and will work with Congress to ensure the enactment of this vital increase.

five-year competitive grants to an additional 12–15 communities.

- By 2001, 75 percent of YOG participants placed in employment, the military, advanced training, postsecondary education, or apprenticeships will be retained at six months.

Job Corps: The Corps provides skill training, academic and social education, and support services in a structured, residential setting to approximately 73,000 very disadvantaged youth per year at 122 centers.

Performance data indicate that, in program year 1998, 82 percent of Job Corps graduates enrolled in education or entered employment after leaving the program.

- By 2001, 85 percent of Job Corps graduates will be enrolled in education or get jobs with an average starting wage of $7.25 per hour. In addition, 70 percent will still be enrolled in education or employed six months after their initial placement.

Workplace Protections: DOL regulates compliance with various laws that protect individuals in the workplace—a minimum wage for virtually all workers, prevailing wages and equal employment opportunity for workers on government contracts, overtime pay, restrictions on child labor, and time off for family illness or childbirth. (For discussion of workplace safety programs, see Chapter 21, "Health.") In these areas, the Federal Government is working to increase industry's compliance with labor protections through voluntary compliance initiatives coupled with continued strong enforcement, outreach to new and small business, and targeted enforcement in specific industries. DOL measures the success of these efforts against specific measurable goals:

- In 2001, DOL will increase compliance by five percent among employers who were previously violators and the subject of repeat investigations in targeted health care, garment, and identified agricultural commodities industries.

Bureau of International Labor Affairs (ILAB): The budget provides $167 million for ILAB to continue the Administration's commitment to help developing countries establish core labor standards and reduce exploitative child labor internationally. The budget includes $55 million for the School Works programs to help developing countries with high levels of abusive child labor to enroll and retain these children in basic education as a primary strategy in the elimination of child labor.

- In 2001, ILAB will increase by 50 percent the number of countries signing memoranda of understanding with the International Labor Organization's Program on the Elimination of Child Labor, adding 20 new countries to the IPEC membership list. In addition, in 2001 ILAB will focus its efforts to support projects on the worst forms of child labor and continue to raise public awareness and international support for the progressive elimination of child labor.

Welfare-to-Work: Moving people from welfare to work is a primary goal of Federal welfare policy. In addition to the $16.5 billion per year provided through the Temporary Assistance for Needy Children Program, the President obtained $1.5 billion to help achieve this goal through Welfare-to-Work (WtW) grants in 1998 and 1999. These grants provide welfare recipients with the job placement services, transitional employment, and job retention and support services they need to achieve economic self-sufficiency. Working closely with Congress, the Administration secured critically needed changes to WtW's eligibility and reporting requirements. These streamlined criteria will allow WtW, within existing resources, to better serve the eligible population and report program results with minimal burden. The budget includes a proposal to extend by two years the time period in which grantees may spend their existing WtW funds.

Fathers Work/Families Win: The budget includes $255 million to put non-custodial parents who own child support to work so they can support their children; and help low-income custodial parents stay in their jobs, move up the career ladder, and remain off cash assistance. DOL will develop with each successful applicant a goal to increase the employment, earnings, and retention of program participants.