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Minimum Wage 5/23/96

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

May 23, 1996

STATEMENT BY THE PRESIDENT

I commend the House for responding to my challenge and voting to give millions of America's hardest workers a raise.

A bipartisan majority rejected the efforts of the Republican leadership and recognized that raising the minimum wage is the right thing to do. You can't raise a family on \$4.25 an hour.

I am also pleased that the House rejected an effort to defraud the American people with a provision that would have eliminated the minimum wage altogether, as well as overtime protections, for workers hired at fully two-thirds of American businesses. For millions of American workers, this hoax would actually have meant lower wages and even a return to sweatshop conditions.

Senator Dole should bring the minimum wage to the Senate floor for a clean up-or-down vote before he leaves office. That is the way to honor our values of work, family, opportunity, and responsibility.

-30-30-30-

to file Minimum Wage
6/25/96

Action in the Senate (in the last fifteen minutes)
June 26, 1996

Daschle and Lott have agreed to a unanimous consent on minimum wage, small business, the Team Act and the gas tax -- they will be considered after the July 4 recess. This is generally good news.

Note: Hilley advises that you hit back hard on the Republican amendment to the minimum wage. It is unacceptable -- Hilley says that you can use veto threat.

Drafted: MEGlynn
Cleared: JHilley

- Getting more info now.

AME
GT, MEL

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

April 2, 1996

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- **On February 3, 1995, President Clinton proposed raising the minimum wage from \$4.25 to \$5.15:** "Our job is to create enough opportunity for people to earn a living if they'll exercise the responsibility to work. That's why we fought so hard to expand the earned income tax credit - a working family tax cut for 15 million families - in 1993; precisely why we're calling on Congress today to raise the minimum wage 90 cents to \$5.15 per hour.

The only way to grow the middle class and shrink the underclass is to make work pay. And in terms of real buying power, the minimum wage will be at a 40-year low next year if we do not raise it above \$4.25 an hour. If we're serious- let me say this, too, emphatically- if we are serious about welfare reform, then we have a clear obligation to make work attractive and to reward people who are willing to work hard...

If in 1990, because the minimum wage had not been raised in such a long time, a Republican president and a Democratic Congress could raise the minimum wage, surely in 1995 - facing the prospect that work, full-time work, could be at a 40-year low in buying power unless we act - a Congress with a Republican majority and a Democratic president can do the same for the American people." [Announcement by President Bill Clinton of Minimum Wage Increase, February 3, 1995]

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

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

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

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

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

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



DEMOCRATIC • NATIONAL • COMMITTEE

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

Minimum Wage
4/25/96

MEMORANDUM

APRIL 25, 1996

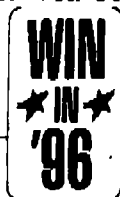
TO: DEMOCRATIC LEADERS

FROM: DEMOCRATIC NATIONAL COMMITTEE

RE: TODAY'S TALKING POINTS

Attached please find today's talking points, addressing the continued Republican stonewalling on the President's plan for a minimum wage, along with today's column from conservative commentator Robert Novak.

Please disseminate these items throughout your states as appropriate, and please feel free to call us whenever we can be of assistance.



DEMOCRATIC ★ NATIONAL ★ COMMITTEE

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

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

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

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

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

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

#

... Today's Jumbled Syntax

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

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

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

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

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

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

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

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

The attempted minimum wage in-

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

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

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

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

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

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

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

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

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Robert D. Novak

Minimum Wage
4/23/96

Republicans Attempt to Avoid Raising the Minimum Wage

The Hutchinson-Ballenger Proposal

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

What the Republican proposal would do:

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

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

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

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

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

This proposal is not an increase in the minimum wage. It is a subsidy to employers who do not pay their workers a livable wage.

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

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

The Republican sponsors claim that this would save \$15 billion over six years, but do not indicate how. This is the same amount that the last Republican budget in January proposed to cut from the EITC, so the sponsors have obviously failed to include the costs of the new Federal subsidy to employers.

GOP proposes aid for parents on minimum wage

By Jessica Lee
USA TODAY

Democrats kept pressure on Senate Majority Leader Bob Dole on Monday to schedule a vote on legislation to raise the minimum wage.

But House Republicans plan to renew a proposal to boost wages by giving monthly cash payments to minimum-wage earners.

"Let the Democrats and Republicans who support a higher minimum wage have a vote," said Labor Secretary Robert Reich.

Senate Minority Leader Tom

Daschle of South Dakota also urged Dole, the presumptive GOP presidential nominee, to move quickly.

Reps. Tim Hutchinson, R-Ark., James Talent, R-Mo., and Cass Ballenger, R-N.C., Wednesday will unveil their Minimum Wage for Families Act. It would replace the Earned Income Tax Credit, which provides tax credits to low-income families, depending on the amount of income and children in the family.

Under the GOP plan, workers would earn \$4.25 an hour, but those with one child would get monthly payments to lift wages \$2.75 an hour.

Those with two or more children would get an extra \$3.75 per hour.

Sponsors say House Speaker Newt Gingrich and Majority Leader Dick Armey back the plan, first advanced in the GOP balanced-budget bill.

But Minority Leader Dick Gephardt called the subsidy "a very bad idea, creating a new entitlement."

Democrats want a 90-cent increase in the wage floor, spread over two years. Republicans say raising the minimum wage will force employers to lay off workers.

► Corporate downsizing report, 1A

4-23-96



DEMOCRATIC • NATIONAL • COMMITTEE

Minimum Wage
3/28/96

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

AMERICA NEEDS A RAISE: *Congress Must Increase the Minimum Wage To Help Working Families* DNC Talking Points March 26, 1996

Senate Democrats offered an amendment today to give minimum wage workers the 90 cent increase President Clinton has called for, going up on July 4 of this year, and again on Independence Day next. Majority Leader Bob Dole is leading the charge to block it from even coming to a vote. Will his colleagues join him, or will they stand with working families?

It's Time for A Raise — If Congress does not pass the Democratic proposal to increase the minimum wage, the purchasing power of that wage will soon be the lowest it has been in 40 years. The value of the minimum wage has dropped 29% since 1979. It has dropped by 50 cents in constant value since it last went up in 1991. America's families are working hard to get ahead, but it's tough to get by when working full time or more doesn't pay enough to pay the bills or put food on the table.

A Raise Helps Families Get By — A 90 cent increase means \$1,800 a year for a full time worker. For an average family, that's seven months of groceries, four months' rent or mortgage payments, a full year of health care (including prescription drugs), nine months utility bills, three months total transportation costs, or more than a year's tuition at a community college.

A Raise Rewards Work — Raising the minimum wage will help get people off of welfare and onto payrolls. Right now, a family of four is below the poverty line on the minimum wage. The President's raise will lift them into the middle class.

A Raise Is Good For Families — The average minimum wage worker earns half of his family's income. More than a third are the sole breadwinner in their household. Contrary to Republican myth, nearly two thirds of minimum wage earners are adults.

A Raise Is Good For The Economy — More than 10 million hourly workers earn between \$4.25 and \$5.14 an hour, meaning they would get a raise directly from this plan. Economists believe that giving them a raise would also help another 3 million who make within 60 cents of that, and that the ripple effects would be good for our whole country.

The GOP Congress Just Doesn't Get It — The extremist Republican leaders who are trying to kill the minimum wage increase are the same ones who insisted that Congress would keep getting paid when they shut down the federal government. Well, they made more during that shutdown than a minimum wage worker makes all year. These Republicans make a minimum wage worker's annual salary every 16 days. Congress has gotten three raises since the last time the minimum wage went up. It's time for working families to get their turn.

Minimum Wage: Who Will Benefit from an Increase

Percentage and number of workers
with earnings between \$4.25 and \$5.14,
in 1994, grouped by State

State	Percent	Number	Total Workforce
Alabama	16.9%	285,250	1,685,378
Alaska	4.0%	9,649	242,062
Arizona	12.6%	200,320	1,585,686
Arkansas	16.4%	158,238	965,807
California	10.9%	1,317,125	12,127,105
Colorado	8.9%	145,651	1,640,033
Connecticut	6.1%	87,158	1,439,916
D.C.	7.8%	20,292	259,418
Delaware	9.5%	31,341	330,946
Florida	12.3%	675,928	5,487,763
Georgia	11.9%	361,887	3,048,241
Hawaii	3.7%	17,880	480,246
Idaho	13.9%	62,524	450,302
Illinois	10.8%	545,647	5,042,948
Indiana	12.4%	315,718	2,547,137
Iowa	10.9%	131,759	1,212,250
Kansas	12.6%	133,752	1,059,508
Kentucky	14.6%	216,866	1,482,340
Louisiana	19.9%	313,605	1,573,058
Maine	10.6%	48,687	458,273
Maryland	5.7%	131,265	2,313,451
Massachusetts	6.4%	168,035	2,627,191
Michigan	10.5%	420,386	4,012,846
Minnesota	9.2%	192,018	2,096,493

Mississippi	17.0%	176,194	1,034,793
Missouri	11.9%	262,483	2,208,150
Montana	16.3%	52,057	318,486
Nebraska	13.1%	94,150	718,211
Nevada	9.3%	61,273	656,804
New Hampshire	7.8%	39,958	511,753
New Jersey	5.2%	173,441	3,348,923
New Mexico	13.2%	79,495	600,549
New York	8.7%	614,715	7,068,130
North Carolina	11.3%	345,913	3,053,341
North Dakota	18.2%	46,574	256,552
Ohio	10.7%	500,596	4,684,163
Oklahoma	17.0%	210,881	1,240,985
Oregon	7.0%	88,685	1,275,129
Pennsylvania	10.2%	494,870	4,868,376
Rhode Island	9.2%	37,704	408,758
South Carolina	12.8%	196,066	1,537,776
South Dakota	14.5%	40,899	281,344
Tennessee	12.7%	280,727	2,211,843
Texas	14.7%	1,128,064	7,682,789
Utah	12.8%	104,305	817,055
Vermont	7.5%	18,189	241,558
Virginia	9.8%	280,233	2,863,031
Washington	7.2%	157,979	2,201,188
West Virginia	16.3%	103,752	638,043
Wisconsin	9.0%	210,757	2,342,266
Wyoming	16.8%	32,310	192,655
U.S. Total	11.0%	11,823,252	107,431,043

Source: Economic Policy Institute. Sample includes both hourly and salaried workers.

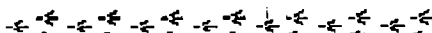
INCOMING!

A publication of the Democratic National Committee

March 26, 1996

.....

The Latest



America Deserves A Raise

Decency and fairness demand that an honest day's work means an honest day's pay. President Clinton has proposed that the minimum wage be increased from \$4.25 per hour to \$5.15 per hour over two years. This increase would reward the hard work of 10-14 million Americans who currently earn the minimum wage and nearly 3 million more who make within 60 cents of the minimum wage.

The minimum wage will soon fall to its lowest real level in 40 years. Indeed, the value of the minimum wage is now 29 percent lower than it was in 1979 and has fallen nearly 50 cents in real value since it last increased in 1991. President Clinton's 90 cent an hour increase simply restores the minimum wage to its value immediately after the last increase.

Making ends meet is the never-ending challenge for America's working families. This minimum wage increase would mean about \$1800 more per year. For a working family, that's 7 months of groceries, 4 months' rent or mortgage payments, a full year of health care (including prescription drugs), and 9 months of utility bills.

This Week

Tuesday, March 26, 1996

- California Primary
- NV, WA Republican Primaries
- Education Summit, National Governors Association
- Egyptian President Sadat and Israeli Prime Minister Begin signed treaty ending state of war between their nations on this date in 1979

Friday, March 29, 1996

- Eugene McCarthy's Birthday

Sunday, March 31, 1996

- Palm Sunday
- NCAA Women's Basketball Finals

Monday, April 1, 1996

- Minimum wage increase was last passed by Congress this day in 1989
- NCAA Men's Basketball Finals

"This Congress, Mr. Speaker, should be concentrating on how to give the American middle class a raise and a decent education ...not a Republican-sponsored wedgie."

-- Congresswoman Cynthia McKinney (D-GA)

DNC on the Web — <http://www.democrats.org>

For fax changes, additions, or deletions, please call (202) 863-7190.

The Minimum Wage — By the Numbers...

\$4.25	The minimum wage today
\$8,500	Current annual salary of a full-time minimum wage worker
\$16,092	Official poverty line for a family of four
27%	Decrease in minimum wage's real value over the last 15 years
16	Number of days it takes for a member of Congress to make more than a full-time minimum wage worker earns in a year
90¢	President Clinton's proposed increase in the minimum wage, phased in over two years
\$1800	Annual pay raise for full-time minimum wage workers resulting from President Clinton's proposal
	Amount an average family spends on groceries in seven months
	Amount an average family spends on basic housing costs (rent or mortgage) in almost four months
	Amount an average family spends on health care (insurance premiums, prescriptions and out-of-pocket costs) in one year
	Amount an average family spends on utility bills in nine months
50%	Average share of household income earned by a minimum wage worker
36%	Proportion of minimum wage workers who are sole breadwinners for their households
72%	Proportion of all Americans who support an increase in the minimum wage
382-37 and 89-8	Overwhelming bi-partisan Congressional votes in favor of the last minimum wage increase
**	Members of Congress earned more during the recent government shutdown than a full-time minimum wage worker earns in an entire year.

The Republicans and The Minimum Wage

The minimum wage has traditionally had bipartisan support.

- Presidents Eisenhower, Nixon, and Bush all signed minimum wage increases. In fact, with the exception of Presidents Reagan and Ford, every Democratic President and every Republican President since the Great Depression has raised the minimum wage during their term in office.
- In 1989, the minimum wage increase passed the House by a vote of 382 to 37 (with 135 Republicans voting for the bill), and 89 to 8 in the Senate (with the support of 36 Republicans). For example, the following prominent Republicans voted for the bill:

Senators:

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

Representatives:

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

- **Senator Bob Dole**, on a minimum wage increase in 1989: "[T]his is not an issue where we ought to be standing and holding up anybody's getting a 30 to 40 cents an hour pay increase, at the same time that we're talking about capital gains. I never thought the Republican Party should stand for squeezing every last nickel from the minimum wage." [Source: *Congressional Quarterly Almanac* 1989]

REWARDING WORK: THE CASE FOR INCREASING THE MINIMUM WAGE

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

MAINTAINING THE HISTORIC VALUE OF WORK: Within a year, if the minimum wage is not increased, it will fall to its lowest real level in 40 years. Indeed, the value of the minimum wage is now 29 percent lower than it was in 1979, and has fallen nearly 50 cents in real value since its last increase in April of 1991. The first half of the President's 90-cent proposal simply restores the minimum wage to its value from the last increase.

RAISING THE MINIMUM WAGE PRIMARILY HELPS ADULT WORKERS -- MOST OF WHOM RELY ON THEIR MINIMUM WAGE JOBS TO SUPPORT THEIR FAMILIES: Nearly two-thirds of minimum wage workers are adults (63%); almost two-fifths of all minimum wage workers (39%) are the sole breadwinners in their families; the average minimum wage worker brought home half of his or her family's earnings. Thus, a rise in the minimum wage is a significant boost to the standard of living to millions of households.

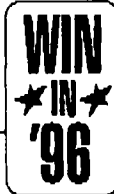
REWARDS WORK OVER WELFARE: The minimum wage increase provides another crucial measure to reward work and ensure that there is a strong incentive to choose work over welfare.

BETWEEN 10 MILLION AND 13 MILLION WORKERS WOULD BENEFIT FROM THE PRESIDENT'S PROPOSAL TO INCREASE THE MINIMUM WAGE: An estimated 10 million hourly workers earn between \$4.25 and \$5.14 and would directly benefit from the President's proposal. Research indicates that an increase in the minimum wage to \$5.15 could have a "ripple" effect on the more than 3 million workers who earn within 60 cents of the new minimum wage.

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

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

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



DEMOCRATIC • NATIONAL • COMMITTEE

Minimum Wage

3/28/96

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

ACTION ALERT

March 26, 1996

TO: Democratic State Chairs

FROM: David Eichenbaum, 
DNC Communications Director

RE: Minimum Wage Anniversary on Monday

This Monday, April 1, is the seventh anniversary of the last time Congress voted to increase the minimum wage (the increase went into affect in two stages, in 1990 and 1991). In the time since then, its purchasing power has decreased to the point where it will be at a forty-year low by the end of this year. Led by President Clinton, Democrats are fighting for a 90 cent increase to help out the 10 million hourly workers making less than \$5.15 per hour, and their families. But Republicans and their special interest allies are fighting us every step of the way.

House and Senate Democrats will be out in their states and districts on Monday holding events to get our message out. We strongly urge all state parties to get involved in this effort – work with your Congressional delegations to provide support to what they are doing, and create your own events to get the message out in Republican-held districts as well. The minimum wage will be one of the defining issues in this election year. We cannot let the opportunity that this date presents us with pass.

The attached talking points should give you a good sense of how the message should be focused on this issue – the key is to focus on the minimum wage's declining value over the years since it was increased, and on the real impact of an increase for families who are working hard to stay afloat.

The Republicans will respond as they always do – they have always opposed the minimum wage and they say it kills jobs and only affects kids with after-school jobs. **These things are not true, just more GOP “big lies” on behalf of their extremist agenda.** Study after study shows that modest increases in the minimum wage have no effect on job creation, as does the recent real-world experience of states that have gone ahead and increased minimum wages on their own, and almost two-thirds of minimum wage workers are adults. *These Republicans said that the President's economic plan would kill jobs, and it created 8.4 million of them. Now they say that raising the minimum wage would kill jobs. Wrong!*

Minimum Wage Anniversary
page two

There are all sorts of ways that we can stress this message on Monday. We wanted to suggest just a few:

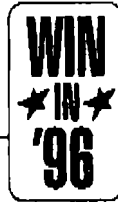
Price Comparisons: We can't let this turn into a debate between dueling economists. It's got to be about what the minimum wage means to a working family. One way to demonstrate the 27% drop in the purchasing power of the minimum wage is to have an event showing a week or a month's worth of groceries and what they cost at 1991 versus 1996 prices. (The April '91 prices of some basic items, according to the Bureau of Labor Statistics: Bread - \$1.05/loaf, Eggs - \$1.00/dozen, Milk - \$1.37/half gallon, Orange Juice - \$1.90/12 oz can.) Remember - a 90 cent increase is an \$1,800/year raise for a full-time minimum wage worker.

Real People: The Republicans will try to say that this about high school kids flipping burgers. It's not. It's about families who are trying hard to play by the rules and stay off of welfare. Identify some minimum wage workers with families and present their stories to the media. State chairs and/or elected officials may want to go visit minimum wage workers at their workplaces, or participate in "work days," joining with these workers. The minimum wage should have a face. A chart is attached showing the number of workers in your state who would get a raise through this proposal (those making less than \$5.15/hour now).

What About Congress' Pay Raises: In the seven years since it last passed a minimum wage increase, Congress' pay has gone up three times, for a total of \$44,100. Your Republican Members of Congress makes more every 16 days than a minimum wage earner does in a year of full-time work. They will be home in their districts on Monday. It may be good to send some people to their offices, or to public events they are hosting, to remind them of this disparity.

These are just a few suggestions - anything that demonstrates Democratic support for giving minimum wage workers a raise, and that puts Republicans on the spot for their opposition to it, is great. Feel free to call the DNC Communications Department at 202/488-5048 for anything we can do to help, and please let us know how your efforts have gone.

Good luck!

pls file -
min. wage

DEMOCRATIC • NATIONAL • COMMITTEE

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DEMOCRATIC • NATIONAL • COMMITTEE

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AMERICA NEEDS A RAISE: Congress Must Increase the Minimum Wage To Help Working Families DNC Talking Points March 26, 1996

Senate Democrats offered an amendment today to give minimum wage workers the 90 cent increase President Clinton has called for, going up on July 4 of this year, and again on Independence Day next. Majority Leader Bob Dole is leading the charge to block it from even coming to a vote. Will his colleagues join him, or will they stand with working families?

It's Time for A Raise — If Congress does not pass the Democratic proposal to increase the minimum wage, the purchasing power of that wage will soon be the lowest it has been in 40 years. The value of the minimum wage has dropped 29% since 1979. It has dropped by 50 cents in constant value since it last went up in 1991. America's families are working hard to get ahead, but it's tough to get by when working full time or more doesn't pay enough to pay the bills or put food on the table.

A Raise Helps Families Get By — A 90 cent increase means \$1,800 a year for a full time worker. For an average family, that's seven months of groceries, four months' rent or mortgage payments, a full year of health care (including prescription drugs), nine months utility bills, three months total transportation costs, or more than a year's tuition at a community college.

A Raise Rewards Work — Raising the minimum wage will help get people off of welfare and onto payrolls. Right now, a family of four is below the poverty line on the minimum wage. The President's raise will lift them into the middle class.

A Raise Is Good For Families — The average minimum wage worker earns half of his family's income. More than a third are the sole breadwinner in their household. Contrary to Republican myth, nearly two thirds of minimum wage earners are adults.

A Raise Is Good For The Economy — More than 10 million hourly workers earn between \$4.25 and \$5.14 an hour, meaning they would get a raise directly from this plan. Economists believe that giving them a raise would also help another 3 million who make within 60 cents of that, and that the ripple effects would be good for our whole country.

The GOP Congress Just Doesn't Get It — The extremist Republican leaders who are trying to kill the minimum wage increase are the same ones who insisted that Congress would keep getting paid when they shut down the federal government. Well, they made more during that shutdown than a minimum wage worker makes all year. These Republicans make a minimum wage worker's annual salary every 16 days. Congress has gotten three raises since the last time the minimum wage went up. It's time for working families to get their turn.

Minimum Wage: Who Will Benefit from an Increase

Percentage and number of workers
with earnings between \$4.25 and \$5.14,
in 1994, grouped by State

State	Percent	Number	Total Workforce
Alabama	16.9%	285,250	1,685,378
Alaska	4.0%	9,649	242,062
Arizona	12.6%	200,320	1,585,686
Arkansas	16.4%	158,238	965,807
California	10.9%	1,317,125	12,127,105
Colorado	8.9%	145,651	1,640,033
Connecticut	6.1%	87,158	1,439,916
D.C.	7.8%	20,292	259,418
Delaware	9.5%	31,341	330,946
Florida	12.3%	675,928	5,487,763
Georgia	11.9%	361,887	3,048,241
Hawaii	3.7%	17,880	480,246
Idaho	13.9%	62,524	450,302
Illinois	10.8%	545,647	5,042,948
Indiana	12.4%	315,718	2,547,137
Iowa	10.9%	131,759	1,212,250
Kansas	12.6%	133,752	1,059,508
Kentucky	14.6%	216,866	1,482,340
Louisiana	19.9%	313,605	1,573,058
Maine	10.6%	48,687	458,273
Maryland	5.7%	131,265	2,313,451
Massachusetts	6.4%	168,035	2,627,191
Michigan	10.5%	420,386	4,012,846
Minnesota	9.2%	192,018	2,096,493

Mississippi	17.0%	176,194	1,034,793
Missouri	11.9%	262,483	2,208,150
Montana	16.3%	52,057	318,486
Nebraska	13.1%	94,150	718,211
Nevada	9.3%	61,273	656,804
New Hampshire	7.8%	39,958	511,753
New Jersey	5.2%	173,441	3,348,923
New Mexico	13.2%	79,495	600,549
New York	8.7%	614,715	7,068,130
North Carolina	11.3%	345,913	3,053,341
North Dakota	18.2%	46,574	256,552
Ohio	10.7%	500,596	4,684,163
Oklahoma	17.0%	210,881	1,240,985
Oregon	7.0%	88,685	1,275,129
Pennsylvania	10.2%	494,870	4,868,376
Rhode Island	9.2%	37,704	408,758
South Carolina	12.8%	196,066	1,537,776
South Dakota	14.5%	40,899	281,344
Tennessee	12.7%	280,727	2,211,843
Texas	14.7%	1,128,064	7,682,789
Utah	12.8%	104,305	817,055
Vermont	7.5%	18,189	241,558
Virginia	9.8%	280,233	2,863,031
Washington	7.2%	157,979	2,201,188
West Virginia	16.3%	103,752	638,043
Wisconsin	9.0%	210,757	2,342,266
Wyoming	16.8%	32,310	192,655
U.S. Total	11.0%	11,823,252	107,431,043

Source: Economic Policy Institute. Sample includes both hourly and salaried workers.

The Minimum Wage — By the Numbers...

\$4.25	The minimum wage today
\$8,500	Current annual salary of a full-time minimum wage worker
\$16,092	Official poverty line for a family of four
27%	Decrease in minimum wage's real value over the last 15 years
16	Number of days it takes for a member of Congress to make more than a full-time minimum wage worker earns in a year
90¢	President Clinton's proposed increase in the minimum wage, phased in over two years
\$1800	Annual pay raise for full-time minimum wage workers resulting from President Clinton's proposal
	Amount an average family spends on groceries in seven months
	Amount an average family spends on basic housing costs (rent or mortgage) in almost four months
	Amount an average family spends on health care (insurance premiums, prescriptions and out-of-pocket costs) in one year
	Amount an average family spends on utility bills in nine months
50%	Average share of household income earned by a minimum wage worker
36%	Proportion of minimum wage workers who are sole breadwinners for their households
72%	Proportion of all Americans who support an increase in the minimum wage
382-37 and 89-8	Overwhelming bi-partisan Congressional votes in favor of the last minimum wage increase
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For fax changes, additions, or deletions, please call (202) 863-7190.

REWARDING WORK: THE CASE FOR INCREASING THE MINIMUM WAGE

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

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

RAISING THE MINIMUM WAGE PRIMARILY HELPS ADULT WORKERS -- MOST OF WHOM RELY ON THEIR MINIMUM WAGE JOBS TO SUPPORT THEIR HOUSEHOLDS:

Nearly two-thirds of minimum wage workers are adults (63%); over one third of all minimum wage workers (36%) are the sole breadwinners in their families; the average minimum wage worker brought home over half of his or her family's earnings. Thus, a rise in the minimum wage is a significant boost to the standard of living to millions of households.

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

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

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

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

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

Min. Wage

*Remarks prepared for
U.S. Secretary of Labor Robert B. Reich*

*Low Wage Workers Conference
Washington, DC
February 16, 1995*

The Exclusive Revolution

A couple of blocks from here, a few hundred people have begun Day 43 of what they choose to call a revolution. In ornate rooms throughout the Capitol, committees and subcommittees are voting and emoting, marking up and shouting down.

A great debate has begun, and once obscure topics now dominate Washington's conversation with the country. Unfunded mandates. Block grants. Dynamic scoring. This discussion is understandably noisy and confusing. Speaker Gingrich has a long agenda, and his colleagues have long memories of 40 years in the Congressional minority.

But listen closely, and what's most notable is what you don't hear. Amid all the talk of revolution and devolution, nobody over there seems to be talking about working Americans, particularly working Americans who are having the toughest time making their way. If this were a mystery, the silence would be a clue -- the dog that didn't bark. Working Americans are not parties to the Contract with America. Their absence is as conspicuous in Congressional discussions as their presence is significant in American life.

Yes, Republicans, there are hard-working Americans struggling to make a living. Working long hours, sometimes two shifts. Doing work that's hard on muscles and joints. Doing what needs to be done: janitors, maids, child-care workers, cashiers, busboys, fast-food cooks, fork-lift operators, assemblers, gas-station attendants. The people who vacuum the boardrooms, file the papers, sew the clothing, and answer the phones.

These are the invisible workers of America -- tens of millions of them, working harder than they've ever worked before and barely making it. Hoping they or their kids stay healthy, because they can't afford to see a doctor. Hoping the rent doesn't go up again, because they can't afford another place to live. Hoping that interest rates don't rise again, because they're already behind on their car payments and their credit card payments, and they can't sink deeper into debt.

The lives of these Americans need to be part of our national conversation. These people aren't on welfare, although sometimes they come dangerously close. They don't need a capital gains tax cut, because they have no capital. They simply work hard -- very, very hard -- and play by the rules.

Eleven million of them earn less than \$5.15 an hour. Yet some Republican members of Congress still claim that they don't need a raise. The Majority Leader of the House of Representatives, Mr. Dick Armey, says that there shouldn't even be a minimum wage. He says he'll fight a rise in the minimum wage with every fiber of his being. He's bigger than me, and has more fibers in his being than I do, but I'm ready to take him on about the minimum wage -- about the entire subject of jobs and wages for ordinary Americans.

Mr. Armey, I challenge you to a debate. You name the time and the place. But let's not do it over lunch. Let's do it over the airwaves so every American can watch.

The reason I won't ignore such easy talk about hard realities is that the hard-working people of this country have been taking a pounding. Consider this: In the late 1970's, about seven-and-a-half percent of working families with children lived under the poverty line -- the minimum amount of money needed to feed and clothe a family and keep a roof over their heads. In the late 1980s, about eight-and-a-half percent were under the poverty line. But now, in the mid-1990s, it's almost eleven-and-a-half percent. Today, in the most powerful nation on the planet, more than one out of every ten working families lives in poverty. It's indefensible. We have fallen woefully behind in our national aim to make work pay. And the reason runs deeper than the business cycle, because we're in a recovery and yet more and more working Americans are slipping into poverty.

The economy has generated almost six million new jobs since President Clinton took office, an impressive figure especially by historical standards. But the remaining 110 million jobs continue to split between a relative few well-paying ones, mostly for well-educated professionals and executives, and a much larger number going nowhere.

Last week, the Commerce Department reported that productivity in 1994 increased by 2.2 percent. That's the fourth year in a row productivity growth has surpassed the sluggish one percent yearly gains we saw for most of the 1980s. But unlike years past, when rising productivity meant higher wages, these gains aren't being passed on to workers. Instead, they are pushing corporate profits to record levels. Last year the after-tax profits of the S&P 500 hit a six-year high. A company doing well no longer necessarily translates into a worker doing better. In 1994 -- the economy's best overall performance in a decade -- the real median weekly wage actually declined.

There's no longer an automatic connection between a growing economy and rising prospects for ordinary workers. This, sadly, has been the pattern for more than a decade. Since 1979, real household income has increased by an average of about \$2,000 per household. But averages don't tell the full story. About 97 percent of the increase has gone to the top fifth. Everyone else -- four-fifths of American households -- has shared just 3 percent of the income gains. The typical American family is living on less than it did fifteen years ago, adjusted for inflation.

Let me be clear. The problem is not that some of us are getting rich. That's good news. The problem is that most of us are getting nowhere. We are hurtling toward a two-tiered society composed of a minority who are profiting from economic growth and a majority who are not.

And that -- if I may indulge in a much-abused term -- is simply unAmerican. In the three decades after World War Two, a growing economy lifted the wages of every slice of the population. From 1950 to 1978, almost all families saw their incomes double. We grew together. But since then we have been growing apart at a quickening pace. And that's not the way it's supposed to work in America. Anybody who thinks it is must be part of some counterculture.

We see the consequences of growing apart not only in declining paychecks, but in the lack of control people feel over their own lives. Today, two and a half times as many Americans work in temp jobs than make automobiles. Since the trough of the last recession, the temporary help industry has accounted for 14 percent of total employment growth even though the industry accounts for only two percent of the total number of jobs. Job security is eroding.

Last year, a group of workers from the long distance telephone and airline reservation industries sat with me in my office to discuss their jobs. These men and women spend entire days sitting behind computer terminals, headsets clasped over their ears. They're under constant electronic surveillance: how many calls they answer, how many keystrokes they type. When some of them tried to form unions, their employers stood in the way. These workers are allowed only two ten-minute breaks and one 30-minute lunch. If they come back late, even 30 seconds late, they get what's ominously called an "occurrence." Three "occurrences" and they can lose their jobs. Employees wear countdown stopwatches on their wrists that beep a minute before the break is over, so they can race back to their stations. Make a mistake in one of these electronic sweat shops, and you might be out of a job.

These are the people Washington is supposed to be fighting for. And these are the people about whom the Republican Contract with America is eerily silent.

Today, a person who works full time -- 40 hours per week, 50 weeks per year -- at the minimum wage brings home only \$8500 for an entire year's work. It's just

not enough to support a family. The minimum wage is not a liveable wage. Its real value today is 27 percent lower than it was in 1979. Since its last increase four years ago, the value of the minimum wage has fallen 45 cents per hour. If it's not boosted this year, it will be worth less than at any time in 40 years.

But the discussion about the minimum wage has been muddled by mistruths - some of them propagated by my soon-to-be debating partner, Dick Armey. That's not surprising really. After all, every single member of Congress has already made more money this year than two full-time minimum wage workers will earn, together, in all of 1995. So the members of Congress who don't want to give these workers a raise are attempting a strategy of myth over math. If their welfare plan was "Boys' Town," their minimum wage policy is "Pulp Fiction."

Here's an oft-repeated fiction: They say that the only Americans working for the minimum wage are teenagers. Here's the fact: 63 percent of minimum wage workers are adults over the age of 20, according to the nonpartisan Bureau of Labor Statistics. And three out of five minimum wage workers are women -- who are also shouldering most of the responsibility for cooking the meals, cleaning the house, and shuttling the kids to day care.

Fiction: minimum wage workers don't support families. Fact: 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.

Fiction: raising the minimum wage is a job-killer. Fact: more than a dozen independent studies have shown that moderate minimum wage increases have almost no effect on employment.

Fiction: raising the minimum wage hurts minorities. Fact: African-Americans and Hispanics are more heavily represented in the minimum wage workforce than they are in the workforce at large. Raising the minimum wage will actually benefit them.

Fiction: this is a partisan issue. Fact: Last time the minimum wage was increased -- by 90 cents, just as the President is now proposing -- a majority of Republicans voted yes. Including one Republican named Newt Gingrich and another named Bob Dole. Not every Republican is an enemy of the minimum wage. Several have told me they'll support an increase. We supported a 90 cent increase five years ago, they explain, why not today? Harry Truman once said that Republicans do believe in the minimum wage. As minimum as possible. This is their chance to disprove a Democratic legend.

Making work pay by raising the minimum wage is only one part of the President's agenda for working families. Another part is equipping low-wage workers

with the tools to make it on their own. He wants a new GI Bill for American workers. He'll streamline the tangle of more than 70 job training programs, and put resources for learning directly into the hands of the people who need it most. If you lose your job, or have low wages, you get up to \$2620 a year, up to two years to get the skills you need for a better job.

Many Republicans, though, want to cut funds for job training and education loans. They also want to declare war on worker safety. They have a new bill that would require a bureaucratic 23-step process before we could issue any new rule to protect workers' lives and limbs. Get this: One of the steps would include a formal review by the companies and industries that were unsafe to begin with. If this law goes into effect, every year that protective standards are delayed will result in over 400 deaths, 16,000 injuries, and 32,000 illnesses that could otherwise be avoided -- and that's just for six proposed rules currently pending.

Which workers in America are at the greatest risk? Not the people sitting in plush offices behind mahogany desks. No. The highest risk of injury or illness comes with the jobs that are toughest on the muscles and bones -- jobs like janitors and cleaners, assemblers and stock handlers, nursing aides and orderlies. So any major retreat from worker safety is a frontal assault on the most vulnerable workers in America.

Of course, we need sensible rules to protect workers' lives -- not picayune regulations that generate paper instead of protection. We're using common sense to improve workplace safety. But this new law would move us in precisely the wrong direction. It would be a sleetstorm of process and paperwork. We'd do better to call it the Lawyer-Lobbyist Full Employment Act.

Along with protecting workers, the President wants to keep money in their pockets. He's already delivered a tax cut targeted to working families. But Republicans are now behaving like Robin Hood on "rewind." They're picking the pockets of the poor to pump up the purses of the prosperous. Almost half of their proposed \$725 billion dollar tax cut will go to families earning more than \$100,000 per year. And they'll finance it on the backs of working people -- providing less money for job safety, less money for education and job training, and less money for Medicare.

Let me repeat. I'm not describing all Republicans -- just the ones on the outer edge of the orbit. A lot of sensible Republicans aren't buying this shady deal. And corporate America shouldn't buy it either. In the past two years, American companies got much of what they wanted -- lower deficits and two historic market-opening trade pacts. As I mentioned, corporate profits are way up, even as hourly wages are stuck in the mud. In my travels around the country, I've seen that the very best companies treat their workers as assets to be developed rather than costs

to be cut. To those companies I say keep it up. But to others I say: Don't turn your backs on your workers. Give them a share in your prosperity. Train them for better jobs in your company. Arrange work hours so they can have a family life. Protect their safety and their health.

And to the Republicans, I say this: If you think Americans are rightly demanding that we handle worker protection more efficiently and accountably, I can promise you a partner. But if you think that working Americans don't deserve protection in the workplace, or help in adapting to the new economy, I can promise you a fight.

The President and this administration are standing up for ordinary workers. With our initiatives, with this conference, with the debate I hope to have with Mr. Arney, we want to improve the lives of these hard-working Americans. The women and men who watch the kids, serve the food, empty the bedpans, haul the trash, pick the crops, and sweep the halls should be honored and rewarded for doing the work that keeps America going. And what better tribute can we offer than devoting our work to theirs?

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LABOR

DAVIS-BACON

Q: The Vice President apparently told the COPE Labor meeting over the weekend that you would veto any bill that repealed Davis-Bacon. Is that a firm commitment on your part?

A: A flat out repeal of Davis-Bacon will be vetoed. However, that does not mean we are not open to some reforms of the original legislation.

MINIMUM WAGE

Q: Isn't the minimum wage a "jobs killer?"

A: The minimum wage is currently valued at 27% lower in real terms than in 1979. In addition, recent studies have found little, if any effect on job creation. This finding has been supported in studies conducted over the last 12 years.

Q: Doesn't a rise in minimum wage actually hurt minorities rather than help?

A: Most economists agree that a rise in the minimum wage increases the wages of low wage workers which more than offsets any effect on jobs. Also, a January 1995, Los Angeles Times poll shows that 72% of the American public supports an increase in the minimum wage.

Q: Wouldn't a rise in the minimum wage really help just middle-class teenagers, rather than the working poor?

A: Two-thirds of people earning minimum wage are 21 or older. The average minimum wage worker brings home about one half of his or her's family's earnings. The minimum wage helps bring the working poor into the middle class -- a family with two full-time year round workers would earn \$20,600/year with a \$5.15 minimum wage.

Q: Republicans are focused on cutting government -- how are you going to get them to support a minimum wage increase?

A: Traditionally, a minimum wage increase has enjoyed bipartisan support. In 1989 Republicans Gingrich, Dole, Kassebaum and Goodling voted for an increase.

MINIMUM WAGE (cont.)

Q: How committed are you to passing this legislation?

A: As you know, I made an announcement at the White House with Hill Democrats at my side. This is a winning issue for Democrats and I am committed to getting this passed.

STRIKER REPLACEMENT

Q: There are all sorts of reports in the press regarding striker replacement. What actions, if any, will your Administration be taking to protect the rights of working men and women who are forced go out on strike?

A: We are examining options that the Secretary of Labor can take to protect these workers. This may include allowing the Secretary to report to federal agencies when a federal contractor is using striker replacement workers and allow that agency to take various steps they deem most appropriate. (i.e. cancel the contract, warn the contractor they are in danger of not being used again, continue with the contract.) I expect we will be making an announcement on this issue soon.

MINIMUM WAGE AND WORKFARE

Background: The Labor Department has concluded that the Fair Labor Standards Act (FLSA) applies to welfare recipients in workfare or other subsidized employment programs in the same way as that law applies to all other employees. This means that most welfare recipients in these programs will receive at least the minimum wage.

The House Ways and Means Committee proposes to amend the welfare law so that welfare recipients engaged in workfare would not be employees for the purposes of the Fair Labor Standards Act or any other federal law. Although requiring the minimum wage for hours worked, the proposal would permit states to count child care, Medicaid, and housing benefits in their calculation of the minimum wage. It would also allow states to count additional hours of job search, education, and training toward the welfare law's work requirements.

The Administration strongly opposes the Ways and Means Committee's provision on the minimum wage and welfare work requirements.

- This Ways and Means Committee proposal would undermine the fundamental goals of welfare reform. The Administration believes strongly that everyone who can work must work -- and that those who work should earn the minimum wage, whether they are coming off of welfare or not.
- The House Ways and Means Committee proposal does not meet this test. It effectively creates a subminimum wage for workfare participants. And it weakens the welfare law's work requirements.
- This proposal also was not addressed in the budget agreement between the White House and Congress and should therefore not be included in the reconciliation bill.

NO Read/Spelling letters today per Bruce