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Folder Title:
[Minimum Wage]

Stack:	Row:	Section:	Shelf:	Position:
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GUIDANCE ON MINIMUM WAGE AND TAX CUTS
September 28, 1999

Talking Points

- The Administration strongly supports an increase in the minimum wage and applauds efforts to press the issue in Congress.
- The minimum wage increase is needed to help keep pace with inflation and provide workers with a fair day's pay for a fair day's work.
- Republicans should not use the minimum wage as a vehicle to revive tax cuts. The minimum wage increase should be considered on its own merits. This proposal to increase the minimum wage by $1 in two equal steps -- combined with the previous 90-cent increase -- simply restores the real value of the minimum wage to what it was in 1982. This increase is about making sure that people who work get paid a decent wage.

Background Q and A

Question : What is your minimum wage proposal?

Answer:

- The Kennedy minimum wage proposal is consistent with what the President proposed in the 1999 SOTU. Proposal would increase the minimum wage by $1 to $6.15 over two years, building on past increases. NOTE: In 1992, President Clinton promised to increase the minimum wage to help more families working hard but falling behind. In 1996, President Clinton signed into law a minimum wage hike, raising it from $4.25 to $5.15.

- President Clinton's proposal to increase the minimum wage by $1 in two equal steps -- combined with the previous 90-cent increase -- simply restores the real value of the minimum wage to what it was in 1982. (During President Reagan's eight years in office, the real value of the minimum wage *fell* more than 25 percent. This increase -- in percentage terms -- is in line with previous ones that helped low-wage workers without adversely affecting the economy: both this proposal and the last one increase the minimum wage by about 20 percent.)

- The minimum wage is not enough to make ends meet for many families. Working 40 hours a week, 50 weeks a year, a minimum wage worker still earns just $10,300 a year – below the poverty level for a family of four. For these workers and their families, a one-dollar increase would make a real difference. It would mean another $2,000 a year.

- Hopeful that it will be passed into law this year.

Question: Doesn't increasing the minimum wage hurt businesses and employment opportunities for entry level jobs for teenagers, African Americans, welfare recipients?

Answer: More than two dozen empirical studies have found that moderate increases in the minimum wage do not have significant effects on employment. These studies include state-specific research in California, Texas, and New Jersey that show that state minimum wage increases did not result in any job loss.

- Since the last increase signed into law by President Clinton became effective (September 1996), well over 8 million new jobs have been added. More than one million (1.12 million) new retail jobs have been added.
- Unemployment has also declined significantly over the same period. The August 1999 unemployment rate of 4.2 percent is at its lowest rate in nearly 30 years.
- African-Americans are experiencing a near historic low unemployment rate at 7.8– down from 10.6 percent in September 1996. Unemployment for Hispanics has dropped from 8.3 percent to 6.5 percent. For high school dropouts, unemployment dropped from 8.2 percent to 6.4 percent. Teenage unemployment declined from 15.7 percent to 13.5 percent. African-American teen unemployment went from 33 percent to 28.6 percent.
- Employment has increased dramatically as well. Employment among African-American women has risen from 57.2 percent to 64.7 percent. And employment for welfare recipients and single mothers with children is continuing to climb, at least partly because of policies that "make work pay" such as a higher minimum wage. According to CEA, the minimum wage increases during this Administration accounted for 10 –16 percent of the 2.7 million reduction in welfare recipients between 1996 - 1998.

Question: Who will be helped by the minimum wage proposal?

Answer: For more than 11 million American workers, increasing the minimum wage from $5.15 an hour to $6.15 an hour will help pay the rent, buy the groceries and keep the kids in clothes.

- The minimum wage is not enough to make ends meet for many families. Working 40 hours a week, 50 weeks a year, a minimum wage worker still earns just $10,300 a year. For these workers and their families, a one-dollar increase would make a real difference. It would mean another $2,000 a year.
- When we last raised the minimum wage and expanded the earned income tax credit, we took important steps to reward work and help millions of American raise their families with dignity and move off of welfare. Because of our actions, a full-time working parent with two children does not have to live in poverty. But more must be done to ensure that *all* working families are lifted out of poverty.

Question: Aren't most of those who will benefit from the minimum wage increase teenagers in middle income families?

Answer: Seventy percent of those who would benefit are adults, age 20 and over. Three-fifths are women, many of whom are the sole breadwinners in their families.

Question: Is raising the minimum wage the only way to help lift people out of poverty?

Answer: Raising the minimum wage is one part of a strategy that also includes the Earned Income Tax Credit. In 1993, President Clinton expanded the Earned Income Tax Credit (EITC), helping to lift hundreds of thousands of working families out of poverty. Today, with the previous minimum wage increase and the expanded EITC, parents who work full-time do not have to bring up their children in poverty. 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.

REWARDING WORK BY RAISING THE MINIMUM WAGE

February 12, 1998

Today, President Clinton Is Proposing to Increase the Minimum Wage By $1 in Two Steps To Help Raise Living Standards for 12 Million American Workers. In 1992, President Clinton promised to increase the minimum wage to help more families working hard but falling behind. In 1996, President Clinton signed into law a minimum wage hike, raising it from $4.25 to $5.15. But, there are still millions of workers trying to raise a family and struggling to make ends meet. With our economy the strongest in a generation, now is the time to help these workers make ends meet by raising the minimum wage again. The President's proposal would increase the minimum wage from $5.15 to $6.15 over two years, through a 50-cent increase on January 1, 1999 and a 50-cent increase on January 1, 2000. For someone who works full-time, this minimum wage increase will mean an additional $2,000 per year.

- **A Higher Minimum Wage Will Help 12 Million Americans -- Mostly Adult Workers Trying To Support Their Families.** According to data from the Bureau of Labor Statistics, 12 million hourly paid workers earn between $5.15 and $6.14 and would directly benefit from this pay raise. Three-quarters (74%) of the workers who would benefit are adults, age 20 or over, and three-fifths (60%) are women, many of whom are trying to raise the family on $5.15. About two-fifths of the workers who will benefit from the increase are the sole wage earner in their household, and the average minimum-wage worker brings home half of their family's earnings.

- **Valuing Work: Restoring the Value of the Minimum Wage.** President Clinton's proposal to increase the minimum wage by $1 in two equal steps -- combined with the previous 90-cent increase -- simply restores the real value of the minimum wage to what it was when President Reagan took office in 1981. During President Reagan's eight years in office, the real value of the minimum wage *fell* more than 25 percent. This increase -- in percentage terms -- is in line with previous ones that helped low-wage workers without adversely affecting the economy: both this proposal and the last one increase the minimum wage by about 20 percent.

- **Helping Ensure Parents Can Raise Their Children Out of Poverty.** In 1993, President Clinton expanded the Earned Income Tax Credit (EITC), helping to lift hundreds of thousands of working families out of poverty. Today, with the previous minimum wage increase and the expanded EITC, parents who work full-time do not have to bring up their children in poverty. 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.

- **Evidence from Last Minimum Wage Increase Is Clear: 10 Million Workers Got A Raise and No Jobs Were Lost.** The last minimum wage increase provided a pay raise to 10 million workers, and since the President signed the minimum wage increase into law in August 1996, the economy has created new jobs at an historically high pace of 250,000 per month; the inflation rate has declined from 2.9 percent to 1.7 percent; and the unemployment rate has fallen to 4.7 percent -- its lowest level in 25 years. For teenagers, African-Americans, and women, unemployment is down and employment rates are up.

    - **This Is Consistent With Empirical Evidence That Shows Moderate Minimum Wage Increases Do Not Cost Jobs.** Two dozen empirical studies have found that moderate increases in the minimum wage do not have significant effects on employment. These studies include state-specific research in California, Texas, and New Jersey that shows that state minimum wage increases did not result in any job loss.

Minimum Wage
February 12, 1998

Q: **Won't raising the minimum wage cost jobs?**

A: **No, raising the minimum wage will help lift living standards for 12 million workers and won't cost jobs.** In August 1996, President Clinton raised the minimum wage by 90 cents, from $4.25 to $5.15. Since then, the economy has performed tremendously:

- **More Jobs, Less Unemployment, And Inflation Is Down.** Since the President signed the minimum wage increase, the unemployment rate has fallen from 5.2% to 4.7% -- its lowest level in 25 years; the economy has created new jobs at an historically fast pace of 250,000 per month -- that's more than 4.2 million new jobs since August 1996; and the inflation rate has declined from 2.9 percent to 1.7 percent.

- **Teenage Unemployment Is Down.** Since the President signed the minimum wage increased, the teenage unemployment rate has fallen from 16.9% to 14.1%; over 650,000 more teenagers are working now than in August 1996; and the share of teenagers employed has increased from 42.4% to 45.6%.

- **African-American Teenage Unemployment Is Down.** Since August 1996, the African-American teenage unemployment rate has fallen from 37.6% to 30.1%; nearly 100,000 more African-Americans teenagers are working now than in August 1996; and the share of African Americans teenagers employed has increased from 24.7% to 28.3%.

Evidence Suggests that 1996 Minimum Wage Increase Did Not Cost Jobs. A study by two leading labor economists found "*no indication of relative employment losses*" because of the 1996 minimum-wage increase. And the Economic Policy Institute concluded that "[T]he higher minimum wage has substantially boosted the earnings of low-wage workers; the benefits of the minimum-wage increase went primarily to low-income working families; and *employment opportunities for teenagers and young adults -- groups that opponents of the minimum wage singled out as particularly vulnerable -- were not adversely affected by the increase.*"

- **Empirical Evidence Shows Moderate Minimum Wage Increases Do Not Cost Jobs.** *Two dozen* empirical studies have found that moderate increases in the minimum wage do not cost jobs. These studies include state-specific research in California, Texas, and New Jersey that shows that state minimum wage increases did not result in any job loss.

Q: **Won't Raising the Minimum Wage Cause to Rise?**

A: **There Is No Evidence To Suggest That Raising the Minimum Wage Causes Inflation.** In the year before the President signed the 1996 minimum wage increase, the inflation rate was 2.9 percent. Over the past year, it has been 1.7 percent. With inflation down since the last minimum wage increase, it is difficult to argue that raising it again would cause inflation to go up.

Q: **Why are you proposing to raise the minimum wage so soon after the last increase?**

A: **With the Economy Strong, Now Is A Good Time To Raise the Minimum Wage.** The labor market is extremely tight right now -- employers are searching desperately for workers -- so the economy can absorb an increase in the minimum wage without costing jobs.

We Are Restoring the Minimum Wage To Its Historic Value. Ronald Reagan was the first elected President not to sign a minimum wage increase into law. During his eight years in office, the real value of the minimum wage *fell* more than 25 percent. President Clinton's proposal to increase the minimum wage by $1 in two equal steps -- combined with the previous 90-cent increase -- will restore the real value of the minimum wage to that when President Reagan took office.

We Are helping working parents raise their children out of poverty. In 1993, President Clinton expanded the Earned Income Tax Credit (EITC), helping to lift hundreds of thousands of working families out of poverty. Today, with the previous minimum wage increase and the expanded EITC, parents who work full-time can bring up their children out in poverty. However, at the turn of the century, this will no longer be true because costs will continue to increase while the minimum wage does not. Therefore, we need to raise the minimum wage to ensure that every parent who works hard and plays by the rules can bring up their children out of poverty.

Q: **Why are you proposing a bigger increase this time than you did last time around?**

A: **The evidence from the last minimum wage increase shows that 10 million people got a raise And jobs were not lost.** Since the President signed the minimum wage increase, the unemployment rate has fallen from 5.2% to 4.7% -- its lowest level in 25 years; the economy has created more than 4 million new jobs; and the inflation rate has declined.

With the Economy Stronger Today Than In 1996, It Is More Able To Absorb A Larger Increase In the Minimum Wage. The labor market is tighter right now than in 1996 -- employers are searching more desperately for workers -- so the economy can more easily absorb a larger increase in the minimum wage without costing jobs.

In Percentage Terms, This Increase Is Actually Smaller Than The Last One. The last minimum wage increase -- from $4.25 to $5.15 -- was a 21-percent raise. This proposal -- raising the minimum wage from $5.15 to $6.15 -- is a 19-percent increase.

Q: Isn't this proposal just a political ploy by the President to gain support of liberal Democrats?

A: **President Clinton Has Always Supported Raising the Minimum Wage -- from the Campaign in 1992 to the Present.** For five years, President Clinton has fought for provisions that would raise the standard of living of hard-working families, including: raising the minimum wage, expanding the Earned Income Tax Credit, and providing health care coverage for working families. This minimum wage proposal continues the President's previous commitments to help working families.

Q: Won't raising the minimum wage hurt small businesses?

A: **No, There Is Little Evidence That the Last Minimum Wage Increase Hurt Small Businesses.** According to Dun & Bradstrett, we had a record number of new small businesses in last year -- so the minimum wage hasn't seemed to adversely affect small businesses. And as the *Wall Street Journal* (10/27/97) wrote: "In April 1996, David Rosenstein, a fast-food entrepreneur, staunchly opposed a proposed two-step rise to $5.15 an hour as 'a bad idea.' The middle managers at his 13 Popeyes Chicken & Biscuits restaurants didn't know how they would cope. How times have changed. Today, despite the now-higher minimum wage, Mr. Rosenstein's restaurants are prospering. Operating profits are up 11% from last year..."

Q: Didn't President Clinton oppose increasing the minimum wage in 1993?

A: **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.

- In *Putting People First,* Bill Clinton and Al Gore promised to "increase the minimum wage to keep pace with inflation." In fact, 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.
- In February 1995, President Clinton proposed increasing the minimum wage by 90-cents over two years.
- In Aug. 1996, President Clinton signed into law a 90-cent minimum wage increase.
- In Oct. 1996 and Sept. 1997, the President's minimum wage increase took effect.
- In January 1998, President Clinton proposed raising the minimum wage again.

BACKGROUND: There is a *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.

Q: Won't raising the minimum wage hurt welfare-to-work efforts in the states?

A: No. An increase in the minimum wage will support the goals of welfare reform by ensuring that wages keep up with the cost of living and people leaving welfare for work can support their families and break the cycle of dependency.

This increase will not make it substantially more difficult for states to meet the welfare law's work participation rates (30 percent in FY 1998, rising to 40 percent in 2000 and 50 percent by 2002). While states that put welfare recipients in workfare programs will of course have to pay them the new minimum wage, such workfare programs are only a small part of most states' welfare-to-work efforts. These efforts focus primarily on getting welfare recipients private sector jobs, and can also include work-related activities like job search, vocational education, and high school (for teenagers).

For states that do chose to create workfare programs, we have helped them pay the minimum wage by allowing them to count not only cash assistance, but also food stamps, toward the wage. The dramatic drop in welfare caseloads further ensures that states will have adequate funding to pay workfare participants the minimum wage, because under the welfare law, states receive fixed block grants regardless of welfare caseloads.

Jake Siewert
01/22/98 03:23:30 PM

Record Type: Record

To: Lori L. Anderson/WHO/EOP

cc:
Subject: Minimum Wage

Q: Is the Administration going to support another minimum wage?

A: The President has always been committed to making work pay. That's why he expanded the Earned Income Tax Credit in 1993. That's why he proposed a minimum wage increase in 1995. And that's why he fought to get the minimum wage increased in 1996 and 1997. We continually evaluate new policy proposals and we are currently looking at the minimum wage.

Q: Will the President announce a minimum wage increase in the State of the Union?

A: We are still looking at the minimum wage. When the President makes a decision, we will announce it.

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January 13, 1997

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MINIMUM WAGE AND WORKER PROTECTIONS
JULY 16, 1997

Question: **Are you going to accept the House welfare provisions which undermine the minimum wage, worker protections, and anti-discrimination laws?**

Answer: We strongly oppose the House provisions which undermine the minimum wage, worker protections, and civil rights.

We believe that everyone who can work must work, and that those who work should earn at least the minimum wage and receive the protections of existing employment laws -- regardless of whether they are coming off welfare. As a result, we continue to have serious concerns that certain working welfare recipients would not enjoy the status of employees under the House bill and, thus, would not receive worker protections. Although the House bill moves toward ensuring that welfare recipients in work experience and community service receive the minimum wage, it fails to provide an effective enforcement mechanism.

Moreover, while the House bill contains some protections against discrimination and threats to health and safety, we believe that its limited grievance procedures are inadequate to ensure welfare recipients receive the same protections as regular employees, and regular employees receive protections against displacement.

Q: WON'T RAISING THE MINIMUM WAGE COST JOBS?

A: No, Raising the Minimum Wage Will Help Lift Living Standards for 12 Million Workers and Will Not Cost Jobs. In August 1996, President Clinton raised the minimum wage by 90 cents, from $4.25 to $5.15. Since then, the economy has performed tremendously:

- **More Jobs, Less Unemployment, And Inflation Is Down.** Since the President signed the minimum wage increase, the unemployment rate has fallen from 5.2% to 4.6% -- its lowest level in 25 years; the economy has created new jobs at an historically fast pace of 253,000 per month -- that's nearly 4.6 million new jobs since August 1996; and the inflation rate has declined from 2.9 percent to 1.6 percent.

- **Teenage Unemployment Is Down.** Since the President signed the minimum wage increased, the teenage unemployment rate has fallen from 16.9% to 14.7%; over 650,000 more teenagers are working now than in August 1996; and the share of teenagers employed has increased from 42.4% to 45.5%.

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Q: WON'T RAISING THE MINIMUM WAGE CAUSE PRICES TO RISE?

A: There Is No Evidence To Suggest That Raising the Minimum Wage Causes Inflation. In the year before the President signed the 1996 minimum wage increase, the inflation rate was 2.9 percent. Over the past year, it has been 1.6 percent. With inflation down since the last minimum wage increase, it is difficult to argue that raising it again with cause inflation to go up.

Q: WHY ARE YOU PROPOSING TO RAISE THE MINIMUM WAGE SO SOON AFTER THE LAST INCREASE?

A: With the Economy Strong, Now Is A Good Time To Raise the Minimum Wage. The labor market is extremely tight right now -- employers are searching desperately for workers -- so the economy can absorb an increase in the minimum wage without costing jobs.

We Are Restoring the Minimum Wage To Its Historic Value. Ronald Reagan was the first elected President not to sign a minimum wage increase into law. During his eight years in office, the real value of the minimum wage *fell* more than 25 percent. President Clinton's proposal to increase the minimum wage by $1 in two equal steps -- combined with the previous 90-cent increase -- will restore the real value of the minimum wage to that when President Reagan took office.

We Are Helping To Parents Can Raise Their Children Out of Poverty At The Turn of the Century. In 1993, President Clinton expanded the Earned Income Tax Credit (EITC), helping to lift hundreds of thousands of working families out of poverty. Today, with the previous minimum wage increase and the expanded EITC, parents who work full-time can bring up their children out in poverty. However, at the turn of the century, this will no longer be true because costs will continue to increase while the minimum wage does not. Therefore, we need to raise the minimum wage to ensure that every parent who works hard and play by the rules can bring up their children out of poverty.

Q: WHY ARE YOU PROPOSING A BIGGER INCREASE THIS TIME THAN YOU DID LAST TIME AROUND?

A: The Evidence From The Last Minimum Wage Increase Clearly Shows 10 Million People Got A Raise And Jobs Were Not Lost. Since the President signed the minimum wage increase, the unemployment rate has fallen from 5.2% to 4.6% -- its lowest level in 25 years; the economy has created more than 4.5 million new jobs; and the inflation rate has declined.

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Per Jake

Q: ISN'T THIS PROPOSAL JUST A POLITICAL PLOY BY THE PRESIDENT TO GAIN SUPPORT OF LIBERAL DEMOCRATS?

A: President Clinton Has Always Supported Raising the Minimum Wage -- from the Campaign in 1992 to the Present. For five years, President Clinton has fought for provisions that would raise the standard of living of hard-working families, including: raising the minimum wage, expanding the Earned Income Tax Credit, and providing health care coverage for working families. This minimum wage proposal continues the President's previous commitments to help working families.

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A: **President Clinton Has Always Supported Raising the Minimum Wage -- from the Campaign in 1992 to the Present.** For five years, President Clinton has fought for provisions that would raise the standard of living of hard-working families, including: raising the minimum wage, expanding the Earned Income Tax Credit, and providing health care coverage for working families. This minimum wage proposal continues the President's previous commitments to help working families.

Q: WON'T RAISING THE MINIMUM WAGE HURT SMALL BUSINESSES?

A: **No, There Is Little Evidence That the Last Minimum Wage Increase Hurt Small Businesses.** According to Dun & Bradstrett, we had a record number of new small businesses in last year -- so the minimum wage hasn't seemed to adversely affect small businesses. And as the *Wall Street Journal* (10/27/97) wrote: "In April 1996, David Rosenstein, a fast-food entrepreneur, staunchly opposed a proposed two-step rise to $5.15 an hour as 'a bad idea.' The middle managers at his 13 Popeyes Chicken & Biscuits restaurants didn't know how they would cope. How times have changed. Today, despite the now-higher minimum wage, Mr. Rosenstein's restaurants are prospering. Operating profits are up 11% from last year..."

Q: DIDN'T PRESIDENT CLINTON OPPOSE INCREASING THE MINIMUM WAGE IN 1993?

A: **President Clinton has always supported the minimum wage** -- and he has <u>NEVER</u> opposed a minimum wage increase. President Clinton has always supported increasing the minimum wage -- from the campaign in 1992 to the present.

- In *Putting People First*, Bill Clinton and Al Gore promised to "increase the minimum wage to keep pace with inflation." In fact, 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.
- In February 1995, President Clinton proposed increasing the minimum wage by 90-cents over two years.
- In Aug. 1996, President Clinton signed into law a 90-cent minimum wage increase.
- In Oct. 1996 and Sept. 1997, the President's minimum wage increase

took effect.

- In January 1998, President Clinton proposed raising the minimum wage again.

BACKGROUND: There is a *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.

Q: WON'T RAISING THE MINIMUM WAGE HURT WELFARE-TO-WORK EFFORTS IN THE STATES?

A: No. An increase in the minimum wage will support the goals of welfare reform by ensuring that wages keep up with the cost of living and people leaving welfare for work can support their families and break the cycle of dependency.

This increase will not make it substantially more difficult for states to meet the welfare law's work participation rates (30 percent in FY 1998, rising to 40 percent in 2000 and 50 percent by 2002). While states that put welfare recipients in workfare programs will of course have to pay them the new minimum wage, such workfare programs are only a small part of most states' welfare-to-work efforts. These efforts focus primarily on getting welfare recipients private sector jobs, and can also include work-related activities like job search, vocational education, and high school (for teenagers).

For states that do chose to create workfare programs, we have helped them pay the minimum wage by allowing them to count not only cash assistance, but also food stamps, toward the wage. The dramatic drop in welfare caseloads further ensures that states will have adequate funding to pay workfare participants the minimum wage, because under the welfare law, states receive fixed block grants regardless of welfare caseloads.

Introduction of Legislation to Raise the Minimum Wage
March 18, 1998

Background: Today, Senator Daschle, Senator Kennedy, and Representative Bonior are introducing legislation to raise the minimum wage at an event on the Hill. Gene Sperling will join them to express the President's support for this legislation.

- Two years ago, we raised the minimum wage, helping millions of hard-pressed Americans get ahead. However, today in real dollar terms, the minimum wage is still lower than it was 20 years ago. And next year, a single mother with two kids will not be able to raise her family out of poverty, even if she works full-time at the minimum wage and receives the Earned Income Tax Credit. We believe that means we must do more.

- The President is pleased that Senator Daschle, Senator Kennedy and Representative Bonior are introducing legislation that will raise the minimum wage again. With our economy the healthiest in a generation and job growth strong, we can afford to increase the minimum wage by a dollar by the turn of the century.

- This bill will help ensure that -- as costs rise -- parents who work hard and play by the rules can bring up their children out of poverty. The President strongly supports raising the minimum wage -- it will reward work and pay people a decent wage.

- A higher minimum wage will help 12 million Americans -- mostly adult workers trying to support their families. According to data from the Bureau of Labor Statistics, 12 million hourly paid workers earn between $5.15 and $6.14 and would directly benefit from this pay raise. Three-quarters (74%) of the workers who would benefit are adults, age 20 or over, and three-fifths (60%) are women, many of whom are trying to raise the family on $5.15. About two-fifths of the workers who will benefit from the increase are the sole wage earner in their household, and the average minimum-wage worker brings home half of their family's earnings.

per Jake

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THE WHITE HOUSE

Office of the Press Secretary
(New York, New York)

For Immediate Release September 22, 1998

STATEMENT BY THE PRESIDENT

I am disappointed that the Senate today voted not to raise the minimum wage. This increase, one dollar over the next two years, would have raised the wages of 12 million Americans and helped ensure that parents who work hard and play by the rules do not have to raise their children in poverty.

The last time we raised the minimum wage, we said it would help working families and not cost jobs. We have been proven correct. Since I signed that law, wages for all Americans are rising again. Our economy is the strongest in a generation, with more than 16.7 million new jobs since the beginning of this Administration. Inflation is down, and unemployment has dropped to its lowest level in 28 years.

We value working families, and that is why we should raise the value of the minimum wage. I will continue the fight in Congress to do just that.

###

MINIMUM WAGE

Q: Are you amenable to a minimum wage proposal by Rep. Lazio and others that would spread an increase over 3 years and provide $35 billion in tax breaks?

- A minimum wage increase is about making sure that all Americans share in our economic prosperity. People who work should get paid a decent wage. For more than 11 million American workers, increasing the minimum wage from $5.15 an hour to $6.15 an hour will help pay the rent, buy groceries, and afford a quality education.

- I have proposed a measure to increase the minimum wage in two steps over the next two years. This will simply restore the inflation-adjusted value of the minimum wage to what it was in 1981.

- We should pass a clean minimum wage increase that gives working Americans the raise they not only deserve but overwhelmingly support. I do not want to comment on hypothetical combinations of measures that might be attached to a minimum wage increase.

Background

- The House minimum wage bill would increase the minimum wage by $1 over three years, starting on April 1, 2000.

- The House bill also includes $35 billion in tax cuts and other measures, most of them taken from the tax bill you vetoed last month. These include estate tax relief, retirement savings tax cuts, extension of the work opportunity tax credit, increasing business meal deductions, and other measures, including several targeted at small businesses.

Minimum Wage and Tax Amendments
February 2, 2000

- In last year's political maneuvering, the Republicans attached to the bankruptcy bill a provision that would have raised the minimum wage too slowly and contained unacceptable, imbalanced, and unpaid for tax breaks for high income individuals and businesses. The President made clear last year that he would veto the bill if that amendment were attached. If the Republicans are serious about accomplishing bankruptcy reform this year, these regressive tax provisions will be striped before it is sent to his desk.

Background: In the SAP that we sent last November on Bankruptcy, we said:

> "On November 4, 1999, in a letter to the Majority Leader, the President made clear that he strongly supports an increase in the minimum wage of $1 over the next two years; however, if Congress sends him a bill delaying the increase, repealing overtime protections for certain workers, adding costly and unnecessary tax cuts that threaten fiscal discipline and direct benefits away from working families, and thwarting ongoing efforts to enforce pension law, he will veto it."

However, the Democrats (Leahy and Daschle) have asked WH Legislative Affairs not to make a big deal about amendments now; Leahy and others will make clear that they vote for the bill now, but would not do so if it returns from Conference with these provisions attached.

Minimum Wage Guidance
August 29, 2000

What is your reaction to Speaker Hastert's offer on the minimum wage?

- If at long last, the Republicans are dropping tax breaks that have blocked progress on a $1 increase in the minimum wage, then this is good news for more than 10 million American workers. These barriers have held this bill hostage for almost 2 years. While some of these barriers still remain, the President stands ready to work with Congress on a bill he can sign.

- The true test of their sincerity will be their willingness to continue to work constructively to remove the obstacles that would still be in the way of passing a bill that the President would sign. You don't want to give a minimum wage with one hand and take away overtime protections for millions of workers with the other.

- The American people overwhelmingly support the Democratic position on the minimum wage. This movement clearly reflects that reality.

Background:

Do not say on the record.

Republicans still have attached a tax package and regulatory changes. There are a number of things that need to be worked out. Tax deductibility for health insurance, subminimum wage, the tip credit and others.

RAISING THE MINIMUM WAGE:
A SMART POLICY FOR AMERICA'S WORKERS AND THE AMERICAN ECONOMY
July 28, 2000

Today, in his weekly radio address, President Clinton will call on Congress to pass clean, straightforward legislation to raise the minimum wage by $1 – from $5.15 to $6.15 – in two equal steps. The President first called for an increase in the minimum wage in his State of the Union Address in January 1999. Congress at first stalled and then held the minimum wage increase hostage for tax cuts that are part of a costly and fiscally irresponsible plan that would drain the entire surplus and leave nothing for priorities like an affordable Medicare prescription drug benefit. Congressional delay has cost a full-time minimum wage worker over $900.

- **The President's Proposal to Raise the Minimum Wage by $1 to $6.15 an Hour Would Potentially Benefit More than 10 Million American Workers – Most of Whom Are Adult Workers.** 10.1 million hourly paid workers make between $5.15 and $6.14 an hour and thus would potentially benefit from a $1 increase in the minimum wage. About 69 percent of these workers are adults (age 20 or over), about 60 percent are women, about 45 percent worked full-time, and about 33 percent are parents with children under age 18. In 1997, the earnings of the average minimum wage worker accounted for 54 percent of their family's total earnings.

- **Increasing the Minimum Wage Would Help Hard-Pressed Families Pay for Groceries, Rent, and Other Necessities.** Raising the minimum wage from $5.15 to $6.15 would raise the annual earnings of a full-time worker by about $2,000 a year. For a full-time worker, the minimum wage increase would translate into enough money to pay for nearly 7 months of groceries or 5 months of rent. *Congressional delay has cost a full-time minimum wage worker over $900 since September 1, 1999 – the date originally proposed for the first 50 cent increase by President Clinton, Senator Kennedy, and Representative Bonior.*

- **The President's Modest Increase Would Simply Restore the Real Value of the Minimum Wage to What it Was in 1982.** Raising the minimum wage by $1 over two years would simply restore the real value of the minimum wage to what it was in 1982. This would help reverse the erosion in the real value of the minimum wage during the 1980s when, between January 1981 and March 1990, the minimum wage was unchanged at $3.35 an hour, while prices rose by nearly 50 percent.

- **The Impact from Last Minimum Wage Increase Is Clear: over 10 Million Workers Got A Raise and Strong Job Growth Continued.** Since the last minimum wage increase in 1996/97, the economy has created more than 11 million jobs and the unemployment rate has fallen from 5.2 percent in September 1996 to 4.0 percent in June 2000, near its lowest level in over thirty years. Labor market trends for workers most affected by the minimum wage increase – including younger workers with lower educational levels and minorities – also show no negative impact of the minimum wage on employment.

- **Economic Studies Find No Negative Effect of the Minimum Wage on Employment.** Numerous careful economic studies, including ones by David Card and Alan Krueger of Princeton University, have shown that increasing the minimum wage has no negative effect on employment. Recent research has even suggested that higher wages can *increase* employment, because they increase employers' ability to attract, retain, and motive workers. And they benefit workers by increasing the reward to work.

- **The Minimum Wage Plays an Important Role in Ensuring That All Workers Share in a Growing Economy.** In the last seven years, incomes have grown nearly as strongly from the bottom to the top of the income distribution, ending a decades long increase in inequality. In contrast, in the previous two decades inequality widened, as poorer workers saw their incomes decline in real terms. Research has shown that the decline in the real value of the minimum wage from 1979 to 1988 was responsible for approximately 24 percent of the increase in wage inequality experienced by men and about 32 percent of the increase in wage inequality for women.

- **Recent Increases in the Minimum Wage Have Helped Reduce the Welfare Caseload.** By increasing the reward to work, a higher minimum wage attracts new workers into the workforce. An analysis by the Council of Economic Advisers showed that the 90 cent increase in the minimum wage signed into law by President Clinton in 1996, and increased minimum wages in some states, were responsible for 10 to 16 percent of the decline in welfare caseloads between 1996 and 1998.

- **Helping Ensure Parents Can Raise Their Children Out of Poverty.** A working parent with two children earning the minimum wage in 1993 made $10,563 with the EITC (in 1998 inflation-adjusted dollars)—well below the poverty line. In 1993 the President fought for an increase in the EITC and in 1996 he fought for an increase in the minimum wage. As a result of these changes, a comparably situated family in 1998 was above the poverty line – making $13,268, a 26 percent inflation-adjusted increase in their standard of living.

Distribution of Wage and Salary Workers Paid Hourly Rates by State, 1999

	Number (in thousands)		Percent of All Wage and Salary Workers	
	$5.15 to $6.14	$6.15 to $7.14	$5.15 to $6.14	$6.15 to $7.14
Total	10,093	8,370	13.9	11.6
Alabama	202	146	18.1	13.1
Alaska	9	13	5.5	7.6
Arizona	200	157	15.2	11.9
Arkansas	130	101	20.9	16.2
California	1,463	1,023	17.4	12.1
Colorado	79	92	7.3	8.4
Connecticut	62	70	7.5	8.6
Delaware	22	21	10.8	10.0
DC	12	12	10.0	10.7
Florida	597	530	15.5	13.8
Georgia	267	248	13.1	12.3
Hawaii	47	29	15.0	9.4
Idaho	58	45	15.6	12.3
Illinois	428	354	13.2	10.8
Indiana	180	209	9.8	11.4
Iowa	103	91	11.2	9.9
Kansas	123	96	15.6	12.3
Kentucky	157	161	14.2	14.7
Louisiana	297	123	25.9	10.7
Maine	45	39	11.8	10.4
Maryland	125	137	9.5	10.5
Massachusetts	161	162	9.6	9.7
Michigan	341	312	11.3	10.3
Minnesota	115	121	8.0	8.4
Mississippi	146	74	22.7	11.5
Missouri	172	169	11.9	11.8
Montana	54	32	21.5	12.7
Nebraska	67	68	13.2	13.6
Nevada	60	60	11.2	11.3
New Hampshire	29	31	8.2	8.5
New Jersey	205	187	10.6	9.8
New Mexico	75	39	18.0	9.1
New York	566	395	14.8	10.3
North Carolina	247	223	12.4	11.2
North Dakota	34	29	18.3	15.9
Ohio	427	356	12.7	10.6
Oklahoma	170	126	19.6	14.5
Oregon	35	184	3.7	19.7
Pennsylvania	454	338	13.8	10.3
Rhode Island	37	25	13.4	9.3
South Carolina	153	116	14.9	11.3
South Dakota	33	29	15.2	13.7
Tennessee	208	216	13.6	14.2
Texas	929	653	18.5	13.1
Utah	61	84	10.1	14.0
Vermont	21	20	12.4	11.5
Virginia	218	207	13.6	12.8
Washington	180	158	10.9	9.6
West Virgina	106	60	22.2	12.8
Wisconsin	157	177	8.9	10.0
Wyoming	25	19	17.8	13.8

Note: Workers in the $5.15 to $6.14 category would be directly affected by a $1.00 increase in the minimum wage. Those in the $6.15 to $7.14 category could be affected by spillovers.
Source: U.S. Department of Labor, Bureau of Labor Statistics, unpublished tabulations from the Current Population Survey, 1999.

Minimum Wage/Tax Breaks (from Nov. 5)

Q: Are you amenable to a minimum wage proposal spread over 3 years and combined with a package of tax breaks?

- A minimum wage increase is about making sure that all Americans share in our economic prosperity. People who work should get paid a decent wage. Increasing the minimum wage from $5.15 an hour to $6.15 will help more than 11 million workers. For typical full-time minimum wage workers, it means an additional $2,000 – enough to buy 7 months of groceries or pay rent for five months.

- The President has proposed a measure to increase the minimum wage in two steps over the next two years. This will simply restore the inflation-adjusted value of the minimum wage to what it was in 1982. The Republican proposal to raise the minimum wage over three years would cost a full-time worker $1,500 over three years compared to the President's plan.

- We should pass a clean minimum wage increase that gives working Americans the raise they not only deserve but overwhelmingly support. The President would veto a minimum wage bill that threatens our fiscal discipline by making unpaid for tax cuts. Also, the President has said that if paid-for tax cuts are attached to the minimum wage bill, they should reflect our priorities and address urgent national needs.

<u>Background</u>

The Last Minimum Wage Increase Has Brought Tremendous Benefits For Working Families.

- Nearly 9 million new jobs since the last minimum wage increase – with more than 1 million in retailing.
- Unemployment rate down from 5.2 percent to 4.2 percent – the lowest in 29 years.
- In the year before the last minimum wage increase the underlying (core) inflation rate was 2.6 percent; so far this year it is 1.9 percent – the lowest rate in more than 30 years.
- Since the last minimum wage increase, the welfare rolls have fallen 39 percent. A CEA study found that at least one-tenth of that decline was due to the higher minimum wage.
- More than two dozen studies by top economists at Harvard, MIT, Princeton, and other universities have found that moderate increases in the minimum wage have very little impact on employment.
- Real wage increases have been larger and more sustained than at any time in over two decades. Unlike the 1980s, incomes have risen as quickly for those at the bottom as for those at the top.

The Republican Tax Bills Would Be Costly and Unfair To Working Families

- **Lazio-Shimkus.** According to Citizens for Tax Justice, the best-off one percent of Americans, those making more than $301,000 a year, would get almost three-quarters (73.4 percent) of the tax cuts in the House's Lazio-Shimkus bill, while the bottom three-fifths of all taxpayers would get less than 3 percent (2.7 percent) of the tax cuts. The best-off one percent of all taxpayers would get an average tax cut of nearly $6,000 a year ($5,999), while the bottom three-fifths would get an average tax reduction of only $4 a year.

- **Senate Republican.** The Senate Republican tax cut amendment would cost $75 billion over 10 years, and is not paid for. It includes:
  - Small business expensing,
  - Repeal of FUTA,
  - Speed-up of 100 percent deduction of health expenses for the self-employed,
  - Permanent extension of the Work Opportunity Tax Credit,
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  - 99 pages of pension provisions.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release November 9, 1999

STATEMENT BY THE PRESIDENT

The Senate Republican leadership made a serious mistake by insisting on using a minimum wage increase as a cynical tool to advance special interest tax breaks that aren't paid for and do little to help working families. I cannot let this bill become law in its current form. I once again call on Congress to give working American families the pay raise they deserve. Congress should pass clean legislation that boosts the minimum wage by one dollar over the next two years and simply restores the value of the minimum wage to what it was in 1982. American workers deserve no less.

###

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Q: Are you amenable to a minimum wage proposal spread over 3 years and combined with a package of tax breaks?

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August 29, 2000

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A SMART POLICY FOR AMERICA'S WORKERS AND THE AMERICAN ECONOMY
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- **The President's Proposal to Raise the Minimum Wage by $1 to $6.15 an Hour Would Potentially Benefit More than 10 Million American Workers – Most of Whom Are Adult Workers.** 10.1 million hourly paid workers make between $5.15 and $6.14 an hour and thus would potentially benefit from a $1 increase in the minimum wage. About 69 percent of these workers are adults (age 20 or over), about 60 percent are women, about 45 percent worked full-time, and about 33 percent are parents with children under age 18. In 1997, the earnings of the average minimum wage worker accounted for 54 percent of their family's total earnings.

- **Increasing the Minimum Wage Would Help Hard-Pressed Families Pay for Groceries, Rent, and Other Necessities.** Raising the minimum wage from $5.15 to $6.15 would raise the annual earnings of a full-time worker by about $2,000 a year. For a full-time worker, the minimum wage increase would translate into enough money to pay for nearly 7 months of groceries or 5 months of rent. *Congressional delay has cost a full-time minimum wage worker over $900 since September 1, 1999 – the date originally proposed for the first 50 cent increase by President Clinton, Senator Kennedy, and Representative Bonior.*

- **The President's Modest Increase Would Simply Restore the Real Value of the Minimum Wage to What it Was in 1982.** Raising the minimum wage by $1 over two years would simply restore the real value of the minimum wage to what it was in 1982. This would help reverse the erosion in the real value of the minimum wage during the 1980s when, between January 1981 and March 1990, the minimum wage was unchanged at $3.35 an hour, while prices rose by nearly 50 percent.

- **The Impact from Last Minimum Wage Increase Is Clear: over 10 Million Workers Got A Raise and Strong Job Growth Continued.** Since the last minimum wage increase in 1996/97, the economy has created more than 11 million jobs and the unemployment rate has fallen from 5.2 percent in September 1996 to 4.0 percent in June 2000, near its lowest level in over thirty years. Labor market trends for workers most affected by the minimum wage increase – including younger workers with lower educational levels and minorities – also show no negative impact of the minimum wage on employment.

- **Economic Studies Find No Negative Effect of the Minimum Wage on Employment.** Numerous careful economic studies, including ones by David Card and Alan Krueger of Princeton University, have shown that increasing the minimum wage has no negative effect on employment. Recent research has even suggested that higher wages can *increase* employment, because they increase employers' ability to attract, retain, and motive workers. And they benefit workers by increasing the reward to work.

- **The Minimum Wage Plays an Important Role in Ensuring That All Workers Share in a Growing Economy.** In the last seven years, incomes have grown nearly as strongly from the bottom to the top of the income distribution, ending a decades long increase in inequality. In contrast, in the previous two decades inequality widened, as poorer workers saw their incomes decline in real terms. Research has shown that the decline in the real value of the minimum wage from 1979 to 1988 was responsible for approximately 24 percent of the increase in wage inequality experienced by men and about 32 percent of the increase in wage inequality for women.

- **Recent Increases in the Minimum Wage Have Helped Reduce the Welfare Caseload.** By increasing the reward to work, a higher minimum wage attracts new workers into the workforce. An analysis by the Council of Economic Advisers showed that the 90 cent increase in the minimum wage signed into law by President Clinton in 1996, and increased minimum wages in some states, were responsible for 10 to 16 percent of the decline in welfare caseloads between 1996 and 1998.

- **Helping Ensure Parents Can Raise Their Children Out of Poverty.** A working parent with two children earning the minimum wage in 1993 made $10,563 with the EITC (in 1998 inflation-adjusted dollars)—well below the poverty line. In 1993 the President fought for an increase in the EITC and in 1996 he fought for an increase in the minimum wage. As a result of these changes, a comparably situated family in 1998 was above the poverty line – making $13,268, a 26 percent inflation-adjusted increase in their standard of living.

Distribution of Wage and Salary Workers Paid Hourly Rates by State, 1999

	Number (in thousands)		Percent of All Wage and Salary Workers	
	$5.15 to $6.14	$6.15 to $7.14	$5.15 to $6.14	$6.15 to $7.14
Total	10,093	8,370	13.9	11.6
Alabama	202	146	18.1	13.1
Alaska	9	13	5.5	7.6
Arizona	200	157	15.2	11.9
Arkansas	130	101	20.9	16.2
California	1,463	1,023	17.4	12.1
Colorado	79	92	7.3	8.4
Connecticut	62	70	7.5	8.6
Delaware	22	21	10.8	10.0
DC	12	12	10.0	10.7
Florida	597	530	15.5	13.8
Georgia	267	248	13.1	12.3
Hawaii	47	29	15.0	9.4
Idaho	58	45	15.6	12.3
Illinois	428	354	13.2	10.8
Indiana	180	209	9.8	11.4
Iowa	103	91	11.2	9.9
Kansas	123	96	15.6	12.3
Kentucky	157	161	14.2	14.7
Louisiana	297	123	25.9	10.7
Maine	45	39	11.8	10.4
Maryland	125	137	9.5	10.5
Massachusetts	161	162	9.6	9.7
Michigan	341	312	11.3	10.3
Minnesota	115	121	8.0	8.4
Mississippi	146	74	22.7	11.5
Missouri	172	169	11.9	11.8
Montana	54	32	21.5	12.7
Nebraska	67	68	13.2	13.6
Nevada	60	60	11.2	11.3
New Hampshire	29	31	8.2	8.5
New Jersey	205	187	10.6	9.8
New Mexico	75	39	18.0	9.1
New York	566	395	14.8	10.3
North Carolina	247	223	12.4	11.2
North Dakota	34	29	18.3	15.9
Ohio	427	356	12.7	10.6
Oklahoma	170	126	19.6	14.5
Oregon	35	184	3.7	19.7
Pennsylvania	454	338	13.8	10.3
Rhode Island	37	25	13.4	9.3
South Carolina	153	116	14.9	11.3
South Dakota	33	29	15.2	13.7
Tennessee	208	216	13.6	14.2
Texas	929	653	18.5	13.1
Utah	61	84	10.1	14.0
Vermont	21	20	12.4	11.5
Virginia	218	207	13.6	12.8
Washington	180	158	10.9	9.6
West Virgina	106	60	22.2	12.8
Wisconsin	157	177	8.9	10.0
Wyoming	25	19	17.8	13.8

Note: Workers in the $5.15 to $6.14 category would be directly affected by a $1.00 increase in the minimum wage. Those in the $6.15 to $7.14 category could be affected by spillovers.

Source: U.S. Department of Labor, Bureau of Labor Statistics, unpublished tabulations from the Current Population Survey, 1999.