

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

(Senate - January 27, 1998)

By Mr. KENNEDY (for himself, Mr. Wellstone, Ms. Moseley-Braun, Ms. Mikulski, Mr. Kerry, Mr. Torricelli and Mrs. Boxer):

[S. 1573](#). A bill to amend the Fair Labor Standards Act of 1938 to increase the Federal minimum wage; to the Committee on Labor and Human Resources.

The Fair Minimum Wage Act of 1998

Mr. KENNEDY. Mr. President, on behalf of Senators Wellstone, Mikulski, Moseley-Braun, Kerry, Torricelli, Boxer, and myself, I am introducing the Fair Minimum Wage Act of 1998, a bill to raise the minimum wage in three annual increases of 50 cents each in the next three years, to bring the minimum wage from its current level of \$5.15 an hour today to \$6.65 an hour on September 1 in the year 2000. Congressmen Bonior and Gephardt are introducing identical legislation in the House of Representatives.

After the third year, the legislation calls for the minimum wage to be indexed, so that it will rise automatically as the cost of living increases. Working Americans should not have to depend on the whim of Congress each election year to determine whether they are paid a fair minimum wage.

In 1996, after a hard-fought battle in the last Congress, we raised the minimum wage, and the economy continued to grow. The scare tactics about lost jobs proved to be as false as they are self-serving. A recent study by the Economic Policy Institute documents that “the sky hasn't fallen” as a result of the last increase.

Raising the minimum wage does not cause job loss for teenagers, adults, men, women, African-Americans, Latinos, or anyone else. Certainly, the 12 million Americans who would benefit from this legislation deserve the increase.

We know who these workers are. Sixty percent are women. Nearly three-quarters are adults. Half of those who would benefit from this bill work full-time. Over 80 percent of them work at least 20 hours a week. They are teachers' aides and child care providers. They are single heads of households with children. They are people who clean office buildings in countless communities across the country. Working 40 hours a week, 52 weeks a year, minimum wage workers earn \$10,712 a year--\$2,600 below the poverty level for a family of three.

No one who works for a living should have to live in poverty. In good conscience, we cannot continue to proclaim or celebrate the Nation's current prosperity while consigning millions who have jobs to live in continuing poverty.

The value of the minimum wage still lags far behind inflation. To have the purchasing power that it had in 1968, the minimum wage today would have to be \$7.33 an hour instead of the current level of \$5.15 an hour. That fact is a measure of how far we have not just fallen short, but actually fallen back, in giving low-income workers their fair share of our extraordinary economic growth.

In the past 30 years, the stock market, adjusted for inflation, has gone up by 115 percent, while the purchasing power of the minimum wage has gone down by 30 percent. Lavish end-of-the-year bonuses were recently distributed on Wall Street--but not to the working families on Main Street, who actually created the wealth in the first place.

Americans understand that those on the bottom rungs of the economic ladder deserve a raise. Seventy-six percent of those surveyed in the January 21 ABC-Washington Post poll said they supported increasing the minimum wage.

Seventy-seven percent of those surveyed by Peter Hart Research earlier this month specifically supported a three-year, \$1.50 increase.

The American people understand the unfairness of requiring working families to subsist on a sub-poverty minimum wage. Across the country, soup kitchens, food pantries and homeless shelters are increasingly serving the working poor, not just the unemployed. In 1996, according to the U.S. Conference of Mayors, 38 percent of those seeking emergency food aid held jobs --up from 23 percent in 1994. Low-paying jobs are the most frequently cited cause of hunger. Officials in 67 percent of the cities cited this factor.

I look forward to the early enactment of this legislation. Twelve million working Americans deserve a helping hand. No one who works for a living should have to live in poverty.

Mr. President, we have had the opportunity, since the minimum wage was increased in the last two years, to test the validity of the principal argument in opposition to this bill. We will hear this claim again this year on the floor of the U.S. Senate, and that is, that this adds to the problems of inflation. Yet, we have had virtually no inflation over these last 18 months.

We will also hear that raising the minimum wage will cause the loss of hundreds of thousands of jobs. I can already hear the same tired, old arguments we have heard every time this body has debated an increase in the minimum wage--an estimate that we will lose anywhere from 200,000 to 300,000 to 400,000 jobs. Those were the statements made the last time we debated this issue on the floor of the Senate. And our good Republican friends in the House of Representatives said there was absolutely no way that their body was going to consider an increase in

the minimum wage, and there was strong opposition over here among the Republican leadership in the Senate even to giving us an opportunity to vote on this measure. It was only after lengthy efforts that we were able actually to gain a vote and to develop bipartisan support for the minimum wage. Ultimately, the Senate of the United States and the House of Representatives responded after we added significant tax reductions for businesses to the legislation.

Mr. President, if we do not take action now to increase the minimum wage, then the progress we made in the last two years is gradually going to deteriorate. Even with a three-year increase of 50 cents, 50 cents, and 50 cents, by the third year the about 40 cents of the value of that \$1.50 would have dissipated because of inflation. We are talking about working families who are trying to make it in this country, who have played an important role

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in this whole economic expansion. But those at the bottom rungs of the economic ladder have not gotten their fair share of the extraordinary prosperity that we are experiencing under President Clinton's leadership.

So I don't understand why there is such opposition to the very modest increases that we are talking about, that even if implemented will hardly permit workers to provide for their families and be out of poverty. As a result of the 1996 welfare reform legislation, many, many more people were thrown into poverty. In many instances, they are not going to get the health care or the day care that they need, depending on a particular State's rules in this regard. But there will be millions of Americans who will be out there in the job market without the health care for their children that Medicaid would have provided or child care coverage that welfare benefits would have provided.

What we are asking is that at least we pay them a livable wage. I don't think a single parent, with \$10,000 or \$12,000, is going to have the kind of child care that any of us would understand or respect. Yesterday, I was in Dorchester, Massachusetts, meeting with parents about an after school program, which has been in effect for a number of years. It's going to be expanded. The mayor of Boston calls it the 2-to-6 program, and is trying to make available, in all parts of Boston, after-school programs for children. It is a very ambitious program. We have seen our Republican Governor indicate that he is supporting the after-school program. I listened to the parents who were out there, who talked about what happens after their children are 12 years old. The State of Massachusetts has a program that provides modest support for this kind of program for children up to 12 years old, but cuts it off there. Parents with tears in their eyes were saying, ``We work hard trying to provide for our families, and we just can't make it. Our

children are going home and staying in an empty house in the afternoon." They pray that they are not going to get themselves in trouble, that the worst thing that will happen to them is they will just watch television. It might cost those parents \$5 or \$10 a week, maybe \$20 a month to be able to have an after-school program. I expect that any single mom getting an increase in the minimum wage wouldn't think that much of a problem. That is happening in many communities in this country.

The PRESIDING OFFICER. Under the previous order, the 10 minutes allocated to the Senator have expired.

Mr. KENNEDY. I ask unanimous consent for 4 more minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, we will have a chance to debate this issue. It is not one that should take a great deal of time to review. We have been through this debate time and time again. It hasn't got the complexities of many of the proposals the President will be talking about tonight. It is basic and fundamental. Every Member of this body has addressed this issue and voted on it one way or the other. It is going to be really a reflection of our values.

Finally, Mr. President, by not increasing the minimum wage, we leave many workers so poor that they are eligible for government assistance programs, such as food stamps. These programs are being paid for by other workers' taxes. In effect, these employees are subsidizing the businesses that aren't paying a fair wage. I think that is wrong.

We will have a chance to review the latest economic information available. We have to address that issue. We understand it. Some of us believe that Americans who work hard and play by the rules ought to be able to get a livable wage as a matter of principle. To achieve that goal, we have to address the impact on inflation and job loss. We will make that argument and we will make it with a great deal of enthusiasm. Two articles from the Wall Street Journal show that the increase in the minimum wage did not cause job loss or increase inflation. I will include those articles in the Record at the appropriate place following my remarks. Here was the newspaper that opposed it hammer and tong the last time we had the increase. I do not suggest that they are going to editorialize in favor of it this time. But, nonetheless, the various studies have shown that there is no evidence that modest increases in the minimum wage would harm the economy or cause job loss.

Mr. President, I don't know what will be in the President's State of the Union speech tonight. There are some reports that he will indicate support for an increase in the minimum wage. And if he does I hope that our Chambers will show support for that proposal because I know it will make all the difference in the world for millions of Americans and their families. Increasing the minimum wage will allow them to look to the future with a greater sense of hope.