



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 108th CONGRESS, SECOND SESSION

Vol. 150

WASHINGTON, WEDNESDAY, OCTOBER 6, 2004

No. 125—Part II

Senate

ENDORISING THE MINIMUM WAGE

Mr. KENNEDY. Mr. President, in the Bush economy, minimum wage workers are falling farther and farther behind. But every time Democrats in Congress have tried to raise the minimum wage, the Republican leadership has refused even to allow a vote on it. Three times in the 108th Congress, the Republican leadership has brought down a bill rather than allow an up-or-down vote on the minimum wage first on the State Department bill, then on the welfare bill, and, finally, on the class action bill.

Now, 562 prominent economists including four Nobel Prize winners in economics and seven past presidents of the American Economic Association have endorsed the increase to \$7 an hour. I ask unanimous consent that a copy of their letter be printed in the RECORD, following my statement.

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

(See exhibit 1.)

Mr. KENNEDY. In today's economy, corporate profits are surging, but workers' wages are stagnant. Minimum wage workers are hardest hit, because they haven't had an increase in the minimum wage for 7 long years. That is why so many of us continue to fight for the Fair Minimum Wage Act, which will raise the minimum wage from \$5.15 to \$7 in three moderate steps to \$5.85 60 days after enactment; \$6.45 1-year later; to \$7 1-year after that.

It is long past time for Congress to approve an increase in the minimum wage. No one who works for a living should have to live in poverty.

EXHIBIT 1

IT'S TIME FOR A RAISE

Hundreds of economists support a minimum wage increase

The minimum wage has been an important part of our nation's economy for 65 years. It is based on the principle of valuing work by establishing an hourly wage floor beneath which employers cannot pay their workers. In so doing, the minimum wage helps to

equalize the imbalance in bargaining power that low-wage workers face in the labor market. The minimum wage is also an important tool in fighting poverty.

The value of the 1997 increase in the federal minimum wage has been fully eroded. The real value of today's federal minimum wage is less than it has been in 46 out of the last 48 years. Moreover, the ratio of the minimum wage to the average hourly wage of non-supervisory workers is 33%, its lowest level in 55 years. This decline is causing hardship for low-wage workers and their families.

We believe that a modest increase in the minimum wage would improve the well-being of low-wage workers and would not have the adverse effects that critics have claimed. In particular, we share the view the Council of Economic Advisers expressed in the 1999 Economic Report of the President that "the weight of the evidence suggests that modest increases in the minimum wage have had very little or no effect on employment." While controversy about the precise employment effects of the minimum wage continues, research has shown that most of the beneficiaries are adults, most are female, and the vast majority are members of low-income working families.

As economists who are concerned about the problems facing low-wage workers, we believe the Fair Minimum Wage Act of 2004's proposed phased-in increase in the federal minimum wage to \$7.00 falls well within the range of options where the benefits to the labor market, workers, and the overall economy would be positive.

Twelve states and the District of Columbia have set their minimum wages above the federal level. Additional states, including Florida, Nevada, and New York, are considering similar measures. As with a federal increase, modest increases in state minimum wages in the range of \$1.00 to \$2.00 can significantly improve the lives of low-income workers and their families, without the adverse effects that critics have claimed.

Henry Aaron, The Brookings Institution; Rebecca Blank, University of Michigan; Ronald G. Ehrenberg, Cornell University; Clive Granger, University of California—San Diego; Lawrence F. Katz, Harvard University; Lawrence R. Klein, University of Pennsylvania; Frank Levy, Massachusetts Institute of Technology; Lawrence Mishel, Economic Policy Institute; Paul A. Samuelson, Massachusetts Institute of Technology; Robert M. Solow, Massachusetts Institute of Technology.

552 OTHER ECONOMISTS AGREE

Economists supporting increase in minimum wage

Frank Ackerman, Global Development and Environment Institute—Tufts University; Irma Adelman, University of California—Berkeley; Randy Albelda, University of Massachusetts—Boston; Robert J. Alexander, Rutgers University; Marcus Alexis, Northwestern University; Sylvia Allegretto, Economic Policy Institute; Gar Alperovitz, University of Maryland—College Park; Teresa L. Amott, Gettysburg College; Alice Amsden, Massachusetts Institute of Technology; Bernard E. Anderson, University of Pennsylvania; Robert M. Anderson, University of California—Berkeley; Eileen Appelbaum, Rutgers University; Robert K. Arnold, Institute of Regional and Urban Studies; David D. Arsen, Michigan State University; Enid Arvidson, University of Texas—Arlington; Michael Ash, University of Massachusetts; Glen Atkinson, University of Nevada—Reno; Alice Audie-Figueroa, United Automobile Workers.

Robert Axtell, The Brookings Institution and Middlebury College; M.V. Lee Badgett, University of Massachusetts; Ron Baiman, University of Illinois—Chicago; Asatar Bair, City College of San Francisco; Dean Baker, Center for Economic and Policy Research; Benjamin Balak, Rollins College; Stephen E. Baldwin, KRA Corporation and George Washington University; Erol Balkan, Hamilton College; Laurence M. Ball, Johns Hopkins University; Brad Barham, University of Wisconsin—Madison; Drucilla K. Barker, Hollins University; David Barkin, Universidad Autonoma Metropolitana—Xochimilco; Christopher Barrett, Cornell University; Timothy J. Bartik, W.E. Upjohn Institute for Employment Research; Laurie J. Bassi, McBassi & Company; Bradley W. Bateman, Grinnell College; Francis M. Bator, Harvard University; Sandy Baum, Skidmore College; William J. Baumol†, New York University; Steve Beckman, United Automobile Workers; Stephen H. Bell, Urban Institute; Dale L. Belman, Michigan State University; Michael H. Belzer, Wayne State University; Lourdes Beneria, Cornell University; Barbara R. Bergmann, American University and University of Maryland; Eli Berman, University of California—San Diego.

Jared Bernstein, Economic Policy Institute; Michael Best, University of Massachusetts—Lowell; Charles L. Betsey, Howard University; David M. Betson, University of

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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