

Administration of Barack Obama, 2014

Remarks at the University of Michigan in Ann Arbor, Michigan

April 2, 2014

The President. Hello, Michigan! Go Blue! Well, this is a good-looking crowd. Just happy to be out of class. I'm sure that's not true. I'm sure it's— these are all outstanding students. [Applause] Good to see you.

First of all, give Mira a big round of applause for the great introduction. I want to say thanks to your president, Mary Sue Coleman, for her years of outstanding leadership here at Michigan. We've got a few other Michigan leaders who are here today. We've got Congressman John Conyers. We've got Congressman Gary Peters. We've got your mayor, John Hieftje. Former Congressman Mark Schauer. Your Congressman, the legendary John Dingell, could not make it, but his wife Debbie is here. Give her a big round of applause.

Now, most importantly, I know to all of you, we've got some Wolverines in the house here. We've got Glenn Robinson III. We've got Jordan Morgan. We've got Big Ten Player of the Year Nik Stauskas. And we've got quarterback Devin Gardner. These guys were outstanding this year. Give them a bigger round of applause than that. They—[applause].

You guys had a great run. That last game was as good of a game as we've seen the entire season. I know you wish that that it turned out a little bit later; if you'd had 5 more seconds, it would have been helpful. [Laughter] But I wanted to congratulate the coach, Coach Beilein, and the team for a great season.

And I understand that Jordan wanted me to talk about my bracket. [Laughter] My bracket's a mess. [Laughter] I've learned my lesson: I will not pick against the Wolverines. I've learned my lesson. [Laughter] It's not going to happen. This is the problem with doing these brackets: People just trash-talk you nonstop. [Laughter] It's terrible.

And I think it's worth mentioning, I want to congratulate Jordan for playing more games at Michigan than any other player in history, not only earning an undergraduate degree in engineering—[applause]—pursuing a graduate degree in engineering as well. That's the kind of student athlete we're talking about, sir. Proud of him. [Applause] Proud of him.

Now, do some of you guys have chairs? Because if you've got chairs, feel free to sit down. But if you don't, don't sit down, because I don't want you getting hurt.

The—before I came here today, I stopped at Zingerman's, which is the right thing to do when you're in Ann Arbor. [Laughter] I stopped for two reasons. The first is, the reuben is killer. [Laughter] So I ordered, like, the small—[laughter]—and it didn't look that small. So I gave half to Valerie Jarrett, who's traveling with us. And then, after I finished the half, I wanted the half back. [Laughter] But it was too late. All she had left was the pickle. [Laughter] So I took the pickle. [Laughter]

But—so one of the reasons I went was because the sandwiches are outstanding. The second reason, though, is, Zingerman's is a business that treats its workers well and rewards honest work with honest wages. And that's worth celebrating. And that's what I'm here to talk about today: How do we rebuild an economy that creates jobs and opportunities for every American? And I want to focus on something a lot of people in Michigan are working very hard to accomplish right now, and that is, raising the minimum wage to help more folks get ahead.

Now, here's the context. Our economy is doing better. It's growing. Our businesses are creating jobs, 8.7 million new jobs over the past 4 years. Our manufacturing sector, which had been losing jobs throughout the nineties and throughout the—what do you call it—ughts? [*Laughter*] You know, the 2000 to 2010, whatever you call that. [*Laughter*]

But manufacturing had been losing jobs—about a third of manufacturing had lost—and obviously, that had hit Michigan really hard. But we're now seeing the manufacturing sector add jobs for the first time since the 1990s. So that is good news. Housing market is recovering. Obviously, the stock market has recovered, which means people's 401(k)s, if they have them, are doing a lot better.

Troops that were fighting two wars, they're coming home. We just went through the first month since 2003 where no U.S. soldier was killed in either Afghanistan or Iraq.

Today, you've got companies looking to invest in the U.S. instead of sending jobs overseas. They want to create more jobs and invest right here in the United States. We're more competitive. We're more productive.

Oh, and by the way, 7.1 million Americans have now signed up for coverage through the Affordable Care Act, otherwise known as Obamacare. That's a lot of people—7.1. That's enough to fill up the Big House 65 times. And by the way, that doesn't count the more than 3 million young people who have been able to stay on their parents' plans. So we have seniors here who graduate, and then it may take a couple months to find a job, or you're doing an internship or something that does not provide health care. You're going to be covered until you get that job that actually provides health insurance. So it provides you the kind of protection you need.

So that's the good news. We've fought back from the worst economic crisis in our lifetimes. We've laid the foundation for America's future growth. But here's the problem: There's been a long-term trend that has really been hitting middle class folks and folks trying to get into the middle class, and that's been going on since before most of you were born. The economy increasingly has folks at the top doing really well, but then middle class families, people who are struggling to get into the middle class, they're working harder, but their wages, their incomes aren't going up.

And we're a better country than that. In America, we do not believe in opportunity just for the few. We believe that everybody should have a chance at success. Everybody. And we believe our economy grows best not from the top down, but from the middle out and from the bottom up. And we want to make sure that no matter where you're born, what circumstances, how you started out, what you look like, what your last name is, who you love, it doesn't matter; you can succeed. That's what we believe.

We believe that what matters is the strength of our work ethic and the scope of our dreams and our willingness to take responsibility for ourselves, but also for others. That's what America is about. That's the promise that this country is built on. And for the sake of your generation, we got to make sure that that continues to be the case; that that's not just something we're nostalgic about; that that's something that we project out into the future.

So I had a State of the Union a while back, and I laid out a four-part opportunity agenda to make sure everybody has a shot. And that starts with something I know graduating seniors are thinking about: more good jobs paying good wages, jobs in high tech and manufacturing and energy and innovation. And there are things we can do to create jobs: rebuilding our infrastructure in this country, investing in R&D, closing wasteful loopholes that don't create

jobs. So we're providing tax breaks to companies that are creating jobs right here in the United States. Those are things we can do right now.

Opportunity means training more Americans for the skills needed to fill those jobs. We got to make sure everybody is ready with the skills they need. Not everybody is going to be lucky enough to be a Wolverine and graduate from Michigan. But everybody can get a good, solid base so that they can have a job and a career.

Opportunity means guaranteeing every young people access to a world-class education, and that's got to start with pre-K, all the way through higher education. And it means making college more affordable.

Some of you may not know this, but before a lot of you even entered college, we took on the student loan system. It was giving billions of taxpayer dollars to big banks to serve as middlemen in the student loan process. We said, why do we need the banks? We cut them out. We used the savings that were generated, billions of dollars, to expand the grants that help millions of low-income students pay for college. And we're offering millions of students who are graduating the chance to cap monthly student loan payments at 10 percent of your income.

This is something you need to talk to your counselors about, especially if you're going into teaching or social work or other professions where it's a passion, but you're not going to be in an investment banker salary situation. So make sure you find out about this. You can cap—I mean, I know Stauskas has got the contract coming up, so he'll—*[laughter]*—he doesn't have to worry about these things. But I'm saying later; I'm not telling him to leave. *[Laughter]* I wasn't editorializing on that. *[Laughter]*

My point is, we've got to make sure that everybody can afford to do things that may not pay huge sums of money, but are really valuable to society.

And the good news is more young people are earning college degrees than ever before. But we've still got to do more work to rein in tuition costs. I talked to your president about this. And we've got to help more students who are trapped by student loan debt, because this country cannot afford striving young people to be priced out of a higher education. Everybody has got to be able to afford it.

Now, finally, opportunity means rewarding the hard work of every American—not just some Americans, every American. That means making sure that folks are paid equal for doing equal work. We—I do not want my daughters paid less than somebody else's sons for doing the same job.

It means making sure that there are decent benefits and, at minimum, that every American has access to quality, affordable health insurance. It means paychecks and wages that allow you to support a family.

All of which brings me back to this issue of the minimum wage, giving America a raise. Now, raising the minimum wage is not going to solve all of our economic challenges. The majority of folks who are working get paid more than the minimum wage. As Americans, we understand that some people will earn more than others. But here's one thing we do believe: Nobody who works full time should be raising their family in poverty, right? If you're working, if you're responsible, you should be able to pay the rent, pay the bills.

But that's what's happening right now. All across the country, you can work full time on the minimum wage and still be in poverty. And that's why, in the year since I first asked Congress to raise the minimum wage, we've seen six States, on their own, pass laws to raise

their minimum wage. Last week, Connecticut became the first State in the country to raise its minimum wage to \$10.10 an hour. *[Applause]* Congratulations, Connecticut.

You've got more States and counties and cities that are working to raise their minimum wage as we speak. That includes your State legislators from Ann Arbor—Adam Zemke and Jeff Irwin—who are trying to raise it here in Michigan. We're proud of them. Stand up, guys. Come on. *[Applause]* There they are. See, I used to be in the State legislature, so I was kind of partial to—*[laughter]*.

But raising wages is not just a job for organizers, it's not just a job for elected officials, it's also a job for business. It was here in Michigan a hundred years ago that Henry Ford announced he was doubling his workers' wages. And at the time, some of his fellow business leaders thought he had lost his mind. But Henry Ford understood it was going to be good for business. Not only did it boost productivity, not only did it reduce turnover, not only did it make employees more loyal to the company, but it meant that the workers could afford to buy the cars that they were building. So you were building—so by paying your workers more, you were building your own market for your products.

And hugely successful companies today, like Costco, they take the same approach. And it's not just big businesses, small businesses too. In my State of the Union Address, I called on more business leaders to boost their employees' wages, give them a fair wage. And since then, you've seen businesses across the country—small ones, like an ice cream parlor in Florida, to a marketing agency in Georgia, to a pizzeria in St. Louis—they've all said, you know what, this is the right thing to do.

Recently, the Gap decided to raise its base wages, and that benefited about 65,000 workers in the United States—and it led me to go shopping at Gap. *[Laughter]* Some of you may have seen the very attractive sweaters that I purchased for my daughters. *[Laughter]* They have not worn them yet, so if they're listening, make me feel good, just wear it one time. *[Laughter]*

Now, Zingerman's does not have as many workers as the Gap, obviously, but they try to do right by each and every one of them. You've got some big businesses who go to Washington to lobby for special treatment for themselves. So one of Zingerman's owners, Paul Saginaw, flew to DC to lobby for his workers, to lobby for better treatment for workers through a higher minimum wage. That's the kind of folks who are running Zingerman's.

Then afterwards, he held a sandwich summit here in Ann Arbor to help build support for Michigan's minimum wage going up. And Paul's point is simple: Fair wages and higher profits are not mutually exclusive, they can go hand in hand. That's what Henry Ford understood. And Paul opened Zingerman's doors 32 years ago last month, so he knows a little bit about business. But he and business owners like him believe higher wages are good for the bottom line.

I happen to believe the same thing. So I decided several months ago that the Federal Government should follow their lead. And so I issued an Executive order that requires Federal contractors, folks who are doing business with the Government, to pay their employees on new contracts a fair wage of at least \$10.10 an hour. It's the right thing to do.

And I'm determined to do my part to lift wages, improve take-home pay any way I can. My attitude is, if you cook our troops' meals, you wash their dishes, your country should pay you a living wage.

Now, here's the challenge. What Zingerman's can do on its own, what even I can do as the head of the executive branch of the Federal Government, that doesn't reach everybody. If we're going to do right by our fellow Americans, we need Congress to get on board. We've got to have Congress to get on board. We've got to have State legislators to get on board. Because even though we're bringing manufacturing jobs back to America, we're creating more good-paying jobs in education and health care and business services, there are always going to be folks who do critical work, who bust their tails every day—airport workers, restaurant workers, and hospital workers, and retail salespeople—who deserve an honest day's pay for an honest day's work. They're doing necessary jobs. They should be able to make a living.

So right now there is a bill before Congress that would boost America's minimum wage to \$10.10 an hour. It's easy to remember: 10–10. Ten-ten. [Laughter] Passing this bill would not just raise wages for minimum wage workers; it would help lift wages for nearly 28 million Americans, including nearly a million people right here in Michigan. It would lift millions of people out of poverty right away. It would help millions more work their way out of poverty right away.

It wouldn't require any new taxes. It doesn't require new spending. It doesn't require new bureaucracy. But what it would do is help those families and give businesses more customers with more money to spend. And it would help grow the economy for everybody.

So you would think this would be a no-brainer. Politically, you'd think that folks would be rushing to do this. Nearly three in four Americans support raising the minimum wage—nearly three in four. Here's the problem. Republicans in Congress—not Republicans out in America, because some of them get paid the minimum wage, so they want to see it raised—Republicans in Congress don't want to vote to raise it at all. In fact, some want to just scrap the minimum wage. All right? One House Republican said, "It's outlived its usefulness."

Audience members. Boo!

The President. No, that's what he said.

Audience member. Boo!

The President. No, no, no. Don't boo, organize. [Laughter] So the—[applause]. That's what you need to do, because they may not hear the boos, but they can read a petition, and they can see votes.

You've got some Republicans saying we shouldn't raise the minimum wage because—they've said this—because, well, it just helps young people. Now, first of all, I think it's pretty good to help young people. I don't know what's wrong with helping young people. I mean, folks who say that, next thing you know, they'll say, "Get off my lawn." [Laughter] I think it's okay to help young people.

But the fact is, most people who would benefit from a higher minimum wage are not teenagers taking on their first job. The average age of folks getting paid the minimum wage is 35. A majority of lower wage jobs are held by women. Many of them work full time, often to support a family.

And by the way, what's wrong with helping young people get ahead? [Laughter] Mira puts herself through college on a base wage of less than \$3 an hour, because she's working in a restaurant. She works hard. [Applause] She does. So we should be making it easier for your generation to gain a foothold on the ladder of opportunity. We shouldn't be making it harder.

Now, the truth is, the Republicans' refusal so far to raise the minimum wage is pretty consistent with their general worldview—[*laughter*—no, which says—it says basically you're on your own, government doesn't have a role to play in making sure that the marketplace is working for everybody.

Just yesterday Republicans in Congress put forward a budget for the country that I believe would shrink opportunity for your generation. It starts by giving a massive tax cut to households making more than \$1 million a year, the very folks who've benefited the most over the last 20 years from this economy that is benefiting people at the top. Then, so they don't blow a hole in the deficit, they'd have to raise taxes on middle class families with kids. Then, they'd force deep cuts to the investments that help our economy grow, like research and clean energy, and investments in middle class families, like education and job training.

Now, when they put these budgets together, usually they don't tell you exactly what they'd cut, because they know you wouldn't like it. So you have to kind of do the math. But compared to my budget, if they cut everything evenly in the amounts that they're talking about, within a few years about 170,000 kids would get cut from early childhood education. About 200,000 new moms and children would get cut off from the programs that help them to get healthy food. Funding for 21,000 special education teachers would be cut off. And if they wanted to make smaller cuts in any of these other—in any one of these areas, they'd have to make bigger cuts in others. It even cuts Pell grants, which makes it harder for students to pay for a college education.

And—now, to give them credit, they do have one original idea, which is to repeal Obamacare—[*laughter*]—because they haven't tried that 50 times. Fifty times they've tried to do that. [*Laughter*] So that means they would take away health coverage not only for more than 7 million Americans who've done the responsible thing, signed up, bought health care for themselves and their families, but for the 3 million young adults who've been able to stay on their parent's plan under this law. What I just told you about being able to stay on your parent's plan, the Republicans don't like that.

And their budget guts the rules we put in place to protect middle class families from another financial crisis like the one that we've endured. So if this all sounds familiar, it should be familiar because it was their economic plan in the 2012 campaign; it was their economic plan in 2010. It's like that movie "Groundhog Day"—[*laughter*]—except it's not funny. If they tried to sell this sandwich at Zingerman's, they'd have to call it the Stinkburger or the Meanwich. [*Laughter*]

You know, look, here's the truth. They're not necessarily cold hearted, they just sincerely believe that if we give more tax breaks to a fortunate few and we invest less in the middle class and we reduce or eliminate the safety net for the poor and the sick and we cut food stamps and we cut Medicaid and we let banks and polluters and credit card companies and insurers do only what's best for their bottom line without the responsibility to the rest of us, then somehow, the economy will boom, and jobs and prosperity will trickle down to everybody.

And when I say it that way, I know it sounds like I'm exaggerating, except I'm not. This is their theory. They're pretty unabashed about it. And it's not a new theory. They've held it for decades, through good times and bad. They were making the same argument against FDR when he was setting up Social Security.

And look, it does create opportunity for a handful of people who are already doing really, really well. But we believe in opportunity for everybody, more good jobs for everybody, more

workers to fill those jobs, a world-class education for everybody, hard work that pays off with wages you can live on and savings you can retire on and health care you can count on. That's what opportunity for all means. *[Applause]* That's what it means.

Now, next week, Members of Congress have a fresh chance to show which side they're on. They're going to get a yes-or-no vote on raising the minimum wage all across this country. And they've got to make a clear choice: Talk the talk about valuing hard-working families, or walk the walk and actually value hard-working families. You've got a choice: You can give America the shaft, or you can give it a raise.

Here in Michigan, your Senators, Carl Levin and Debbie Stabenow, your Representatives, John Dingell and John Conyers and Gary Peters, they are already on board. But every American deserves to know where their elected representatives stand on this choice. So those of you—if you're going back home for spring break or something or—did that already happen, spring break?

Audience members. Yes!

The President. I'm sorry. *[Laughter]* Everybody is all, aw, yeah. *[Laughter]* Well, I hope you had a good time. *[Laughter]* But if you have the chance to talk to a Congressman who's not supporting it, you need to ask him, do you support raising the minimum wage to \$10.10 an hour? And if they say yes, then you should say thank you because elected officials do not hear that very often. When they do the right thing, you should reward them.

Audience member. Thank you, President Obama!

The President. You're welcome. Thank you. *[Applause]* Thank you. *[Laughter]*

Now, if they say no, you shouldn't yell at them. Be polite. Ask them why not. Ask them to reconsider. Tell them to join the rest of the country. For once, instead of just saying no, say yes. It's time for \$10.10. It's time to give America a raise.

As I'm looking out at all of you I'm reminded, 4 years ago I had the privilege of delivering the commencement address at the university, over in the big stadium. And I said our democracy, it's always been noisy, it's always been messy. We have big arguments. But in the end, we've always had the ability to look past our differences and our disagreements and forge a common future. And we've got common values: hard work, responsibility, pursuing your individual dreams.

What the argument is right now about is whether we also affirm the values that make sure we've giving everybody a chance; making sure our fellow citizens can also pursue their dreams; that we're not just looking out for ourselves all the time, but we're also looking out for the person next to you. That's also what America is about. That's what we have to do again.

We've got more jobs to create. We've got more kids to educate. We've got more clean energy to create. We've got more troops to bring home. We've got more veterans to care for. We've got an immigration system we got to fix. We've got to build a middle class. We've got to give opportunity for everybody who strives for it. We've got to make sure everybody—Black, White, Latino, Asian, Native American, gay, straight, with or without a disability, folks in the inner city, folks outside the borders of the city—everybody has got a chance. America is a place for everybody. That's what we're fighting for. That's what I need you to get out there and talk about.

Thank you. God bless you. God bless America.

NOTE: The President spoke at 2:52 p.m. in the Intramural Sports Building. In his remarks, he referred to Mira Friedlander, student, University of Michigan; Glenn A. Robinson III and Jordan D. Morgan, forwards, Nikolas T. Stauskas, guard, and John Beilein, head coach, University of Michigan men's basketball team; Devin Gardner, quarterback, University of Michigan football.; and Rep. Joseph L. Barton.

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