

## Minimum Wage

*“Democrats are saying to the Speaker, ‘Mr. Speaker, until there is an increase in the minimum wage, we will not support any raise in congressional salaries.’”*

— Rep. Nancy Pelosi, June 28, 2006<sup>1</sup>

## The Promise

The new Democratic majority has promised to raise the minimum wage.

## The Problem

Adjusted for inflation, the minimum wage is at its lowest level in 50 years.<sup>2</sup>

- Workers earning the minimum wage will only make \$10,700 over the next year, \$4,367 under the poverty threshold for a family of three.<sup>3</sup>
- Democrats proposed to raise the minimum wage at least 17 times.
- Real family income has steadily dropped since 2001.<sup>4</sup>

Opponents argue that an increase in wages for workers results in a decrease demand for their labor, ending in lost jobs and hurting the economy. Democrats reject this conclusion, and many business owners admit that a raise in the minimum wage is “the right thing to do.”

- Experience shows that raising the minimum wage increases wages *without* reducing jobs.<sup>5</sup>

## The People

The American people need a raise. A *Newsweek* poll found 68% of Americans believed “Increasing the minimum wage” should be one of the top priorities for the new Democratic Congress over the next two years.<sup>6</sup>

- According to the Economic Policy Institute, at least 14.9 million workers will receive a raise and 7.3 million children will benefit as well.<sup>7</sup>
- 29 states and the District of Columbia have a higher minimum wage than nationally mandated.<sup>8</sup>
- 6 out of 6 states with ballot initiatives on minimum wages voted to increase their state’s minimum wage in the 2006 midterm elections.

## The Down Payment

Democrats pledge to pass legislation “to raise the minimum wage from \$5.15 to \$7.25” over two years.<sup>9</sup>

- Democrats have agreed to reject any raise in their own salaries before a raise of the minimum wage has been passed.

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<sup>1</sup> Pelosi, Nancy. “Until There Is an Increase in the Minimum Wage, We Will Not Support Raise in Congressional Salaries.” June 28 2006. [http://www.democrats.house.gov/news/librarydetail.cfm?library\\_content\\_id=802](http://www.democrats.house.gov/news/librarydetail.cfm?library_content_id=802)

<sup>2</sup> “Minimum Wage.” [http://www.housedemocrats.gov/bigpicture/jobs\\_and\\_economy/issue.cfm?level2id=99](http://www.housedemocrats.gov/bigpicture/jobs_and_economy/issue.cfm?level2id=99)

<sup>3</sup> “Weighted Average Poverty Thresholds by Size of Unit: 1980 to 2004.” *Statistical Abstract of the United States*. Ed. 125. Table 695. <http://www.census.gov/compendia/statab/tables/06s0695.xls>.

<sup>4</sup> *A New Direction for America*. “Six In 2006.” <http://www.housedemocrats.gov>

<sup>5</sup> Parks, James. “Minimum Wage Increase Does Not Cost Jobs.” November 29 2006. <http://blog.aflcio.org>

<sup>6</sup> <http://www.pollingreport.com/prioriti.htm>

<sup>7</sup> Fox, Liana. “Minimum Wage Trends.” October 25, 2006. <http://www.epi.org/content.cfm/bp178>

<sup>8</sup> Parks, James. “Minimum Wage Increase Does Not Cost Jobs.” November 29 2006. <http://blog.aflcio.org>

<sup>9</sup> “Minimum Wage.” [http://www.housedemocrats.gov/bigpicture/jobs\\_and\\_economy/issue.cfm?level2id=99](http://www.housedemocrats.gov/bigpicture/jobs_and_economy/issue.cfm?level2id=99)