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KENNEDY PUSHES FOR A CLEAN MINIMUM WAGE BILL

Washington, DC: Today during the second day of debate on his plan to raise the minimum wage, Senator Kennedy continued his push for a clean bill. He outlined the five top reasons that the bill should be free from extraneous measures. Below is Senator Kennedy's statement, as prepared for delivery:

FIVE REASONS MINIMUM WAGE WORKERS DESERVE A CLEAN BILL

"Minimum wage workers have been waiting almost 10 years – longer than ever before in history – for a raise. During that time, the real value of the minimum wage has plummeted more than 20%, and minimum wage workers continue to fall further and further behind each day.

The first reason that this bill should remain clean is that adding a tax package to this bill creates procedural hurdles that will delay – perhaps significantly – the implementation of the increase. Minimum wage workers could wait months for the raise they so clearly deserve.

Secondly, we've had bipartisan support for minimum wage increases in the past with no tax giveaways. We've increased the minimum wage nine times since the enactment of the Fair Labor Standards Act, under both Republican and Democratic Administrations. Only once – in 1996 – did we pair a minimum wage increase with tax cuts. Previous increases have seen strong bipartisan support, despite the lack of business giveaways. In 1989, a minimum wage raise with no tax cuts passed by a margin of 89-8. In 1977 an increase with no giveaways passed 63-24.

Thirdly, businesses can afford to give workers a raise and employers can afford to increase wages in the current economy. Workers are producing more, but earning less. Productivity has increased by 29 percent since 1997, and corporate profits have increased by 45, yet minimum-wage workers have not received a raise.

The fourth reason that workers deserve a clean bill is that small businesses agree they are not impacted by a minimum wage increase. A recent Gallup poll found that 86% of small business owners do not think that the minimum wage affects their business, and three out of four small businesses said that an increase in the minimum wage would have no effect on their company. Many small businesses are already paying higher wages in order to recruit and retain quality workers. A higher minimum wage actually benefits them, because it levels the playing field and allows them to compete with bigger businesses.

Lastly, raising wages is actually good for business and good for the local economy. Businesses benefit from a minimum wage increase because higher wages improve worker loyalty, increase employee tenure, and lower employee hiring and training costs.

Studies of Baltimore, Boston, Los Angeles, and San Francisco have shown that firms enjoy lower turnover among employees and improved productivity after a minimum wage increase. Turnover for home-care workers in San Francisco fell by 57 percent after implementing living wage policies. After San Francisco raised its minimum wage to \$8.40, the average job tenure of workers in fast food restaurants increased by 3.5 months. In Los Angeles, firms affected by a living wage ordinance had

one-third less turnover among low wage workers than firms not affected by the wage increase.

Absenteeism also declined. Many communities are suffering in the current economy, especially low-income communities. Increasing the minimum wage will give workers more money to meet the cost of their basic needs. They will spend it immediately, pumping money back into the local economy, creating jobs and benefiting local businesses. Business leaders across the country recognize that a wage raise is good for business, and good for America. Almost 300 large and small business owners across the country have joined **Business for Shared Prosperity, an organization of business leaders fighting for a fair minimum wage.**

Even Wal-Mart CEO Lee Scott supports an increase, and has publicly called for Congress to raise the minimum wage. He's observed first-hand that many of his customers are struggling to get by. They "simply don't have the money to buy basic necessities between pay checks," he says. Scott supports an increase because he knows it's good for the working families that shop at his stores, and, ultimately, good for his business."