

# At a Minimum, Workers Deserve More

**A** fair minimum wage underscores that Americans value work and that all workers should have the opportunity to earn a decent wage to meet their family's needs.

Yet today's minimum wage has fallen so low it doesn't uphold these American values. While the cost of essentials such as food, housing, gasoline, child care, and health care has risen dramatically in recent decades, the minimum wage has just inched forward. As a result, hard work no longer guarantees a decent paycheck for workers and their children.

The opportunity for parents to earn a fair wage is essential to their children's development. Children from families with sufficient financial resources are far more likely to succeed in school and later life. Yet it is both unfair and unwise that parents who work full-time at minimum wage jobs cannot earn enough to provide their children the package of basic resources—food, housing, heat, clothing, transportation, medical attention—that all children need for healthy development. The current federal minimum wage of \$6.55 per hour does not allow a single parent raising one child to escape poverty, despite full-time work at the minimum wage.

The solution is clear. Raising the minimum wage ensures that work pays and that parents can provide for their children. A recent report published by the Center for American Progress, *From Poverty to Prosperity*, recommended 12 key policy changes that would cut

the rate of Americans living in poverty in half—chief among them was raising the federal minimum wage. We must restore the minimum wage to a fair wage, a decent wage, a wage that allows children to thrive. Failure to do so will be far more costly to our

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children, our state economy, and our shared prosperity.

## The Need to Revalue the Minimum

A federal minimum wage increase requires legislation; thus it does not automatically increase with inflation. When the prices of goods and services rise each year, but the minimum wage is not increased, it loses its "purchasing power." The result: workers who make minimum wage essentially take a pay cut.

Because the minimum wage does not automatically rise with inflation, it is worth far less today than it was four decades ago.

Had the federal minimum wage kept pace with inflation since 1968, it would be \$10.06 per hour today (in 2008 dollars). The minimum wage reached its peak value in 1968. The following year, the U.S. child poverty rate fell to its lowest point in recent history. A fair minimum wage provides a pathway out of poverty for working families.

In May 2007—more than nine years after the last minimum wage increase—the U.S. Congress passed and President Bush signed legislation to increase the federal minimum wage (which was \$5.15 per hour at the time)

over three years. This past July, the minimum wage was increased to \$6.55 per hour (this was the second of three increases, the first to \$5.75 went into effect July 2007), boosting the family income for 6.4 million low-income children across the nation, lifting many out of poverty. The final bump to \$7.25 per hour is scheduled for July of 2009. Despite this increase, the federal minimum wage remains inadequate when compared to the tremendous inflation in other areas of American life.

## Minnesota Falls Behind 24 States

All states are required to meet the federal minimum wage (currently \$6.55 per hour), but can raise the state minimum wage above the federal standard. Recognizing how out of touch it is with the cost of living, 24 states have set a higher minimum wage than the federal rate, including the Midwest states of Iowa, Illinois, Michigan and Missouri. Furthermore, ten of these states have passed legislation requiring that their state minimum wage will continue to be inflation-adjusted, so its current value will not erode over time. At present, Minnesota's minimum wage is the same as the federal rate of \$6.55 per hour, the lowest possible legal minimum wage.

During the 2008 state legislative session, the legislature passed a minimum wage bill that would begin to make up for the lost purchasing power of the past four decades and acknowledge the true cost of living in Minnesota. The bill would have increased the state minimum wage to \$7.75 per hour for large employers and to \$6.75 per hour for small employers by July 2009. Despite passage by the Minnesota House and Senate, the minimum wage bill was vetoed by Governor Pawlenty.

More than 300,000 Minnesota workers would have received a pay raise from the increase. It would have especially benefited women, mothers, and workers of color, as they are more likely to be working jobs paying at or just above the minimum wage.

*Minimum Wage, to back*

# Minnesota Senate 2008 Minimum Wage Vote



## MINIMUM WAGE BILL

S. F. 875, authored by Senator Ellen Anderson and Representative Tom Rukavina, would have increased the minimum wage required to be paid by large employers (annual gross receipts \$625,000 or greater) from \$6.15 per hour to \$6.75 per hour in 2008 and to \$7.75 per hour in 2009. The minimum wage required to be paid by small employers (annual gross receipts less than \$625,000) would have increased from \$5.25 per hour to \$5.75 per hour in 2008 and to \$6.75 per hour in 2009.

SF 875 passed the Senate 40 to 18 (Senate Journal, page 10030, May 8, 2008) and then passed the House 89 to 45 (House Journal, page 11862, May 8, 2008). Governor Pawlenty vetoed S.F. 875 on May 15, 2008.

Senator	District	Hometown	Vote Min. Wage
Anderson, Ellen R. (DFL)	66	St. Paul	+
Bakk, Thomas M. (DFL)	6	Cook	+
Berglin, Linda (DFL)	61	Minneapolis	+
Betzold, Don (DFL)	51	Fridley	+
Bonoff, Terri E. (DFL)	43	Minnetonka	+
Carlson, Jim (DFL)	38	Eagan	+
Chaudhary, Satveer (DFL)	50	Fridley	+
Clark, Tarryl L. (DFL)	15	St. Cloud	+
Cohen, Richard J. (DFL)	64	St. Paul	+
Dahle, Kevin (DFL)	25	Northfield	+
Day, Dick (R)	26	Owatonna	-
Dibble, Scott D. (DFL)	60	Minneapolis	+
Dille, Steve (R)	18	Dassel	MV
Doll, John P. (DFL)	40	Burnsville	+
Erickson Ropes, Sharon L. (DFL)	31	Winona	+
Fischbach, Michelle L. (R)	14	Paynesville	-
Foley, Leo T. (DFL)	47	Coon Rapids	MV
Frederickson, Dennis R. (R)	21	New Ulm	-

Senator	District	Hometown	Vote Min. Wage
Gerlach, Chris (R)	37	Apple Valley	-
Gimse, Joe (R)	13	Willmar	-
Hann, David W. (R)	42	Eden Prairie	MV
Higgins, Linda (DFL)	58	Minneapolis	+
Ingebrigtsen, Bill G. (R)	11	Alexandria	-
Johnson, Debbie J. (R)	49	Ham Lake	MV
Jungbauer, Michael J. (R)	48	East Bethel	-
Koch, Amy T. (R)	19	Buffalo	-
Koering, Paul E. (R)	12	Fort Ripley	-
Kubly, Gary W. (DFL)	20	Granite Falls	+
Langseth, Keith (DFL)	9	Glyndon	+
Larson, Dan (DFL)	63	Bloomington	+
Latz, Ron (DFL)	44	St. Louis Park	+
Limmer, Warren (R)	32	Maple Grove	-
Lourey, Tony (DFL)	8	Kerrick	+
Lynch, Ann (DFL)	30	Rochester	+
Marty, John (DFL)	54	Roseville	+
Metzen, James P. (DFL)	39	South St. Paul	+
Michel, Geoff (R)	41	Edina	-
Moua, Mee (DFL)	67	St. Paul	+
Murphy, Steve (DFL)	28	Red Wing	+
Olseen, Rick E. (DFL)	17	Harris	+
Olson, Gen (R)	33	Minnetrista	-
Olson, Mary A. (DFL)	4	Bemidji	+
Ortman, Julianne E. (R)	34	Chanhausen	MV
Pappas, Sandra L. (DFL)	65	St. Paul	+
Pariseau, Pat (R)	36	Farmington	-
Pogemiller, Lawrence J. (DFL)	59	Minneapolis	+
Prettner Solon, Yvonne (DFL)*	7	Duluth	MV
Rest, Ann H. (DFL)	45	New Hope	+
Robling, Claire A. (R)	35	Jordan	-
Rosen, Julie A. (R)	24	Fairmont	-
Rummel, Sandy (DFL)	53	White Bear Lake	+
Saltzman, Kathy L. (DFL)	56	Woodbury	+
Saxhaug, Tom (DFL)	3	Grand Rapids	+
Scheid, Linda (DFL)	46	Brooklyn Park	+
Senjem, David H. (R)	29	Rochester	-
Sheran, Kathy (DFL)	23	Mankato	+
Sieben, Katie (DFL)	57	Newport	+
Skoe, Rod (DFL)	2	Clearbrook	+
Skogen, Dan (DFL)	10	Hewitt	+
Sparks, Dan (DFL)	27	Austin	-
Stumpf, LeRoy A. (DFL)	1	Plummer	MV
Tomassoni, David J. (DFL)	5	Chisholm	MV
Torres Ray, Patricia (DFL)	62	Minneapolis	+
Vandevier, Ray (R)	52	Forest Lake	MV
Vickerman, Jim (DFL)	22	Tracy	+
Wergin, Betsy L. (R)	16	Princeton	-
Wiger, Charles W. (DFL)	55	North St. Paul	+

# Minnesota House 2008 Minimum Wage Vote

Representative	District	Hometown	Vote Min. Wage
Abeler, Jim (R)	48B	Anoka	+
Anderson, Bruce (R)	19A	Buffalo Township	-
Anderson, Sarah (R)	43A	Plymouth	-
Anzelc, Tom (DFL)	03A	Balsam Township	+
Atkins, Joe (DFL)	39B	Inver Grove Heights	+
Beard, Michael (R)	35A	Shakopee	-
Benson, John (DFL)	43B	Minnetonka	+
Berns, John (R)	33B	Wayzata	-
Bigham, Karla (DFL)	57A	Cottage Grove	+
Bly, David (DFL)	25B	Northfield	+
Brod, Laura (R)	25A	New Prague	-
Brown, Robin (DFL)	27A	Austin	+
Brynaert, Kathy (DFL)	23B	Mankato	+
Buesgens, Mark (R)	35B	Jordan	-
Bunn, Julie (DFL)	56A	Lake Elmo	+
Carlson, Lyndon (DFL)	45B	Crystal	+
Clark, Karen (DFL)	61A	Minneapolis	+
Cornish, Tony (R)	24B	Good Thunder	-
Davnie, Jim (DFL)	62A	Minneapolis	+
Dean, Matt (R)	52B	Dellwood	-
DeLaForest, Chris (R)	49A	Andover	-
Demmer, Randy (R)	29A	Hayfield	-
Dettmer, Bob (R)	52A	Forest Lake	-
Dill, David (DFL)	06A	Crane Lake	+
Dittrich, Denise (DFL)	47A	Champlin	+
Dominguez, Augustine "Willie" (DFL)	58B	Minneapolis	+
Doty, Al (DFL)	12B	Royalton	+
Drazkowski, Steve (R)	28B	Wabasha	-
Eastlund, Rob (R)	17A	Isanti	-
Eken, Kent (DFL)	02A	Twin Valley	+
Emmer, Tom (R)	19B	Delano	-
Erhardt, Ron (R)	41A	Edina	-
Erickson, Sondra (R)	16A	Princeton	-
Faust, Tim (DFL)	08B	Mora	+
Finstad, Brad (R)	21B	Comfrey	-
Fritz, Patti (DFL)	26B	Faribault	+
Gardner, Paul (DFL)	53A	Shoreview	+
Garofalo, Pat (R)	36B	Farmington	-
Gottwalt, Steve (R)	15A	St. Cloud	-
Greiling, Mindy (DFL)	54A	Roseville	+
Gunther, Bob (R)	24A	Fairmont	-
Hackbarth, Tom (R)	48A	Cedar	-
Hamilton, Rod (R)	22B	Mountain Lake	-
Hansen, Rick (DFL)	39A	South St. Paul	+
Hausman, Alice (DFL)	66B	St. Paul	+
Haws, Larry (DFL)	15B	St. Cloud	+
Heidgerken, Bud (R)	13A	Freeport	-
Hilstrom, Debra (DFL)	46B	Brooklyn Center	+
Hilty, Bill (DFL)	08A	Finlayson	+

Representative	District	Hometown	Vote Min. Wage
Holberg, Mary Liz (R)	36A	Lakeville	-
Hoppe, Joe (R)	34B	Chaska	-
Hornstein, Frank (DFL)	60B	Minneapolis	+
Hortman, Melissa (DFL)	47B	Brooklyn Park	+
Hosch, Larry (DFL)	14B	St. Joseph	+
Howes, Larry (R)	04B	Walker	+
Huntley, Thomas (DFL)	07A	Duluth	+
Jaros, Mike (DFL)	07B	Duluth	+
Johnson, Sheldon (DFL)	67B	St. Paul	+
Juhnke, Al (DFL)	13B	Willmar	+
Kahn, Phyllis (DFL)	59B	Minneapolis	+
Kalin, Jeremy (DFL)	17B	Lindstrom	+
Kelliher, Margaret Anderson (DFL)	60A	Minneapolis	+
Knuth, Kate (DFL)	50B	New Brighton	+
Koenen, Lyle (DFL)	20B	Clara City	+
Kohls, Paul (R)	34A	Victoria	-
Kranz, Scott (DFL)	51A	Blaine	+
Laine, Carolyn (DFL)	50A	Columbia Heights	+
Lanning, Morrie (R)	09A	Moorhead	-
Lenczewski, Ann (DFL)	40B	Bloomington	+
Lesch, John (DFL)	66A	St. Paul	+
Liebling, Tina (DFL)	30A	Rochester	+
Lieder, Bernard (DFL)	01B	Crookston	+
Lillie, Leon (DFL)	55A	North St. Paul	+
Loeffler, Diane (DFL)	59A	Minneapolis	+
Madore, Shelley (DFL)	37A	Apple Valley	+
Magnus, Doug (R)	22A	Slayton	-
Mahoney, Tim (DFL)	67A	St. Paul	+
Mariani, Carlos (DFL)	65B	St. Paul	+
Marquart, Paul (DFL)	09B	Dilworth	+
Masin, Sandra (DFL)	38A	Eagan	+
McFarlane, Carol (R)	53B	White Bear Lake	-
McNamara, Denny (R)	57B	Hastings	-
Moe, Frank (DFL)	04A	Bemidji	+
Morgan, Will (DFL)	40A	Burnsville	+
Morrow, Terry (DFL)	23A	St. Peter	+
Mullery, Joe (DFL)	58A	Minneapolis	+
Murphy, Erin (DFL)	64A	St. Paul	+
Murphy, Mary (DFL)	06B	Hermantown	+
Nelson, Michael V. (DFL)	46A	Brooklyn Park	+
Nornes, Bud (R)	10A	Fergus Falls	-
Norton, Kim (DFL)	29B	Rochester	-
Olin, Dave (DFL)	01A	Thief River Falls	+
Olson, Mark (R)	16B	Big Lake	-
Otremba, Mary Ellen (DFL)	11B	Long Prairie	+
Ozment, Dennis (R)	37B	Rosemount	+
Paulsen, Erik (R)	42B	Eden Prairie	-
Paymar, Michael (DFL)	64B	St. Paul	+
Pelowski, Jr., Gene (DFL)	31A	Winona	+

# Minnesota House 2008 Minimum Wage Vote

Representative	District	Hometown	Vote Min. Wage
Peppin, Joyce (R)	32A	Rogers	-
Peterson, Aaron (DFL)	20A	Appleton	+
Peterson, Neil W. (R)	41B	Bloomington	-
Peterson, Sandra (DFL)	45A	New Hope	+
Poppe, Jeanne (DFL)	27B	Austin	+
Rukavina, Tom (DFL)	05A	Virginia	+
Ruth, Connie (R)	26A	Owatonna	-
Ruud, Maria (DFL)	42A	Minnetonka	+
Sailer, Brita (DFL)	02B	Park Rapids	+
Scalze, Bev (DFL)	54B	Little Canada	+
Seifert, Marty (R)	21A	Marshall	-
Sertich, Anthony "Tony" (DFL)	05B	Chisholm	+
Severson, Dan (R)	14A	Sauk Rapids	-
Shimanski, Ron (R)	18A	Silver Lake	-
Simon, Steve (DFL)	44A	St. Louis Park	+
Simpson, Dean (R)	10B	Perham	-
Slawik, Nora (DFL)	55B	Maplewood	+
Slocum, Linda (DFL)	63B	Richfield	+

Representative	District	Hometown	Vote Min. Wage
Smith, Steve (R)	33A	Mound	+
Solberg, Loren (DFL)	03B	Grand Rapids	+
Swails, Marsha (DFL)	56B	Woodbury	+
Thao, Cy (DFL)	65A	St. Paul	+
Thissen, Paul (DFL)	63A	Minneapolis	+
Tillberry, Tom (DFL)	51B	Fridley	+
Tingelstad, Kathy (R)	49B	Andover	+
Tschumper, Ken (DFL)	31B	La Crescent	+
Urdahl, Dean (R)	18B	Grove City	-
Wagenius, Jean (DFL)	62B	Minneapolis	+
Walker, Neva (DFL)	61B	Minneapolis	+
Ward, John (DFL)	12A	Brainerd	+
Wardlow, Lynn (R)	38B	Eagan	-
Welti, Andy (DFL)	30B	Plainview	+
Westrom, Torrey (R)	11A	Elbow Lake	-
Winkler, Ryan (DFL)	44B	Golden Valley	+
Wollschlager, Sandy (DFL)	28A	Cannon Falls	+
Zellers, Kurt (R)	32B	Maple Grove	-

*Minimum wage, from front page*

In addition, the bill would have greatly improved the job picture in greater Minnesota because more than half of the jobs that pay less than \$7.75 are located outside the Twin Cities metro area. The minimum wage increase would have also translated into tens of thousands of Minnesota children with better nutrition, more stable housing, and better prospects to succeed in school.

Unfortunately, Governor Pawlenty issued his veto at a time when Minnesota workers face many financial and economic challenges. The state unemployment rate hit a 22-year high in August 2008 at 6.2%, exceeding even the national jobless rate. The poverty rate among Minnesota's kids has increased by 33 percent since 2000. Only one other state has seen its

overall poverty rate grow faster in that same period. The minimum wage bill would have provided some relief to thousands of hard working families during these difficult economic times.

## Better jobs, not fewer jobs

Despite some concern that minimum wage increases may result in job losses, numerous evaluations following previous increases have found no rise in unemployment.

In fact, following the federal minimum wage increase in 1996-97, the low-wage labor market displayed positive trends, including reduced unemployment rates, increased family income, and decreased poverty rates. In addition, wage increases for those at the lowest rungs of the economic ladder are an effective economic stimulus, as these workers are most likely to spend their money in the local economy, spurring benefits for the entire community, including local business, cities, and counties.

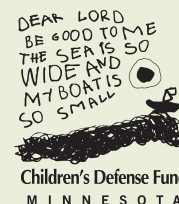
Minnesotans who work for the minimum wage—such as wait staff, child care providers, service representatives, and personal care attendants—are critical to creating a robust economy for all of our state's residents. Like a clock gear, minimum wage work turns

larger gears in the state economy, generating economic activity that helps the entire economy grow.

In Minnesota, the minimum wage is not reflective of our shared values. The current minimum wage of \$6.55 per hour is not enough for hard-working families to make ends meet. In Minnesota alone, the weakening value of minimum wage means hundreds of thousands of workers and their children struggle to meet their basic needs, putting the American Dream further out of reach. Now is the time to pass a minimum wage that honors work, recognizes the true cost of living in Minnesota, and supports children's healthy development.

Please contact Children's Defense Fund Minnesota at 651-227-6121 for sources or additional information.

**The gap between low-income workers and the middle-class is widening. In 1950, the minimum wage was more than half of the average wage. By 2008, the federal minimum wage was only about a third of what average workers made.**



Children's Defense Fund  
MINNESOTA

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