

Multiple Minimums

While Congress has not raised the federal minimum wage for almost 10 years, some states have taken action on their own: Nearly half of the civilian labor force now lives in states where the minimum wage is higher than the rate set by the federal government.

Seventeen states and the District of Columbia have set minimum wages that exceed the federal minimum of \$5.15 an hour. And this year, lawmakers in dozens of the remaining states will debate raising their minimum wages.

The federal minimum wage was last raised in 1997. Since then, efforts to increase it have been opposed by lawmakers and business groups who argue that a higher rate raises costs and, as a result, slows the creation of entry-level jobs and particularly hurts young and unskilled workers.

In response, labor unions and community groups have increasingly focused their efforts on the states. And in some areas, "living wage" movements have helped raise minimum wages on a local level. In Santa Fe, N.M., a living-wage ordinance has boosted the minimum to \$9.50 an hour.

A LONG DEBATE

Opinion polls show wide public support for an increase in the federal minimum wage, which falls far short of the income needed to place a family above the federal poverty level. Even the president of Wal-Mart, the country's largest private employer, endorses an increase, saying that workers who are earning the federal minimum can't afford to shop at his stores.

"The public is way ahead of Washington," says Bill Samuel, legislative director of the AFL-CIO, a federation of labor unions. "They see this as a matter of basic fairness, the underpinning of basic labor law in this country, a

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Congress hasn't raised the federal minimum wage in years, but many states are increasing theirs

By John M. Broder

floor under wages so we're not competing with Bangladesh."

The minimum wage has been fiercely debated since it was established in 1938 as part of the Fair Labor Standards Act under President Franklin D. Roosevelt. Opponents argue that it is a government intrusion into the employer-employee relationship. An increase, they say, drives up labor costs across the board and freezes out unskilled and first-time workers, whom employers may decide not to hire as a result of the increased costs.

According to the U.S. Bureau of Labor Statistics, in 2004, about 2 million Americans—2.7 percent of the overall workforce—earned the minimum wage of \$5.15 or less. (Federal and many state laws exempt certain types of employees from minimum-wage requirements.) They were generally young (half were under 25, and a quarter were teenagers), unmarried, and without a high school diploma.

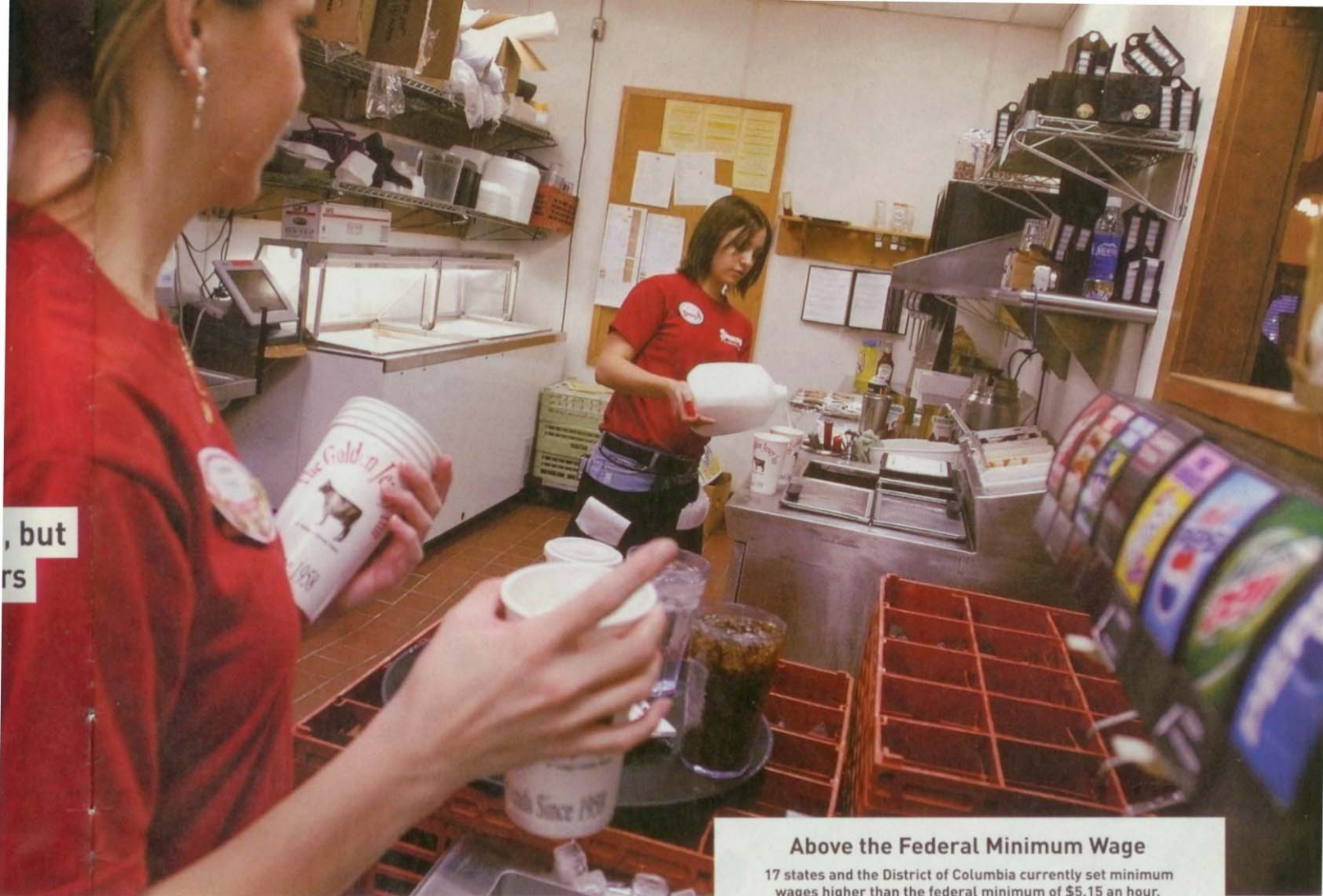
Advocates of an increase point out that inflation has made the minimum wage worth less today in terms of purchasing power than at any time since 1955. They also say that raising it does not cause job losses. Tim Nesbitt, former president of the Oregon AFL-CIO, says that even with a minimum wage of \$7.25 an hour, one of the nation's highest, Oregon has had twice the rate of job growth as the rest of the country.

The battle is expected to be particularly intense this year in Ohio, one of two states (the other is Kansas) that



J.D. POLLEVITZ/THE NEW YORK TIMES

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WAITRESSES at a restaurant in Yellow Springs, Ohio: The state is considering raising its minimum wage to \$6.85 an hour.

has a minimum wage below the federal level. Ohio's minimum is \$4.25 an hour for small employers, some farms, and most restaurants. A proposed constitutional amendment would raise it to \$6.85.

HOW MUCH FOR A BURGER?

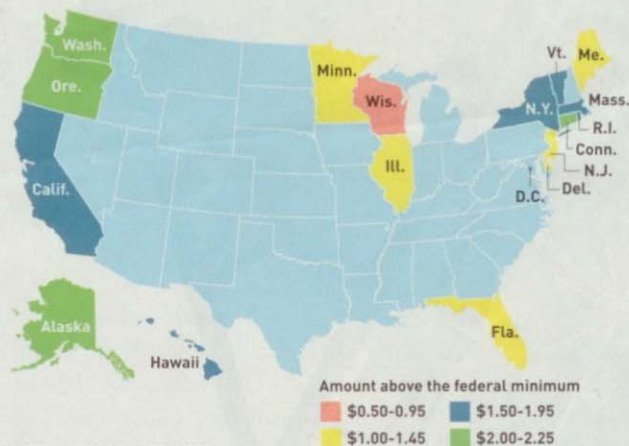
Rick Cassara, a Cleveland restaurant owner, says that he opposes a mandated wage increase. "It exerts upward pressure on all wages and prices," he says. "If the minimum wage is \$7 and I have to pay \$8 or \$9 to hire a dishwasher, then the cooks are going to say they want more. How much can I charge for that hamburger?"

In 2004, voters in Nevada and Florida approved ballot initiatives to raise the minimum wage to \$6.15. And in California, where the minimum wage is \$6.75, a \$1-an-hour increase is being debated.

For many workers, increases in the minimum wage may not make enough of a difference. Noemi Rodriguez, a

Above the Federal Minimum Wage

17 states and the District of Columbia currently set minimum wages higher than the federal minimum of \$5.15 an hour.



SOURCE: U.S. DEPARTMENT OF LABOR

single mother in New York City, says the minimum wage, which was recently raised from \$6.50 to \$6.75 an hour in New York, means falling short. Rodriguez, 21, now makes \$8 an hour as chief photo technician at a chain drugstore. Six months ago, she says, "I earned the minimum wage when I started here, and I was still going hungry. It's not enough to pay utilities, buy food, and take care of my baby." ☺