

103^D CONGRESS
1ST SESSION

S. 562

To amend the Fair Labor Standards Act of 1938 to increase and index the Federal minimum wage relative to the average hourly earnings for private, nonagricultural workers, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 11 (legislative day, MARCH 3), 1993

Mr. WELLSTONE introduced the following bill; which was read twice and referred to the Committee on Labor and Human Resources

A BILL

To amend the Fair Labor Standards Act of 1938 to increase and index the Federal minimum wage relative to the average hourly earnings for private, nonagricultural workers, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Fair Minimum Wage
5 Guarantee Act of 1993”.

6 **SEC. 2. FINDINGS AND POLICIES.**

7 Congress finds that—

1 (1) after more than 9 years during which the
2 minimum wage remained fixed at \$3.35 per hour,
3 Congress passed and the President signed in Novem-
4 ber 1989 the Fair Labor Standards Amendments of
5 1989 (Public Law 101-157) which raised the mini-
6 mum wage to \$3.80 per hour after April 1, 1990
7 and to \$4.25 per hour after April 1, 1991;

8 (2) the modest increases in the minimum wage
9 in 1990 and 1991 did little to address the substan-
10 tial erosion in the purchasing power of the minimum
11 wage over the past 15 years;

12 (3) based on changes in the Consumer Price
13 Index-Urban, the minimum hourly wage would have
14 to be increased to \$6.16 on September 1, 1993 and
15 to \$6.83 on September 1, 1996 in order to have the
16 same purchasing power it had on January 1, 1978
17 when the minimum wage was \$2.65 an hour;

18 (4) the minimum wage in 1978 was 47 percent
19 of the average private wage in the non-agricultural
20 sector, but in 1992 was estimated to be only 40 per-
21 cent of the average wage and will be subject to con-
22 tinuing erosion without indexing;

23 (5) from the late 1970's through 1992, the
24 after-tax average family income of the richest 1 per-
25 cent of the population rose by 136 percent, while the

1 after-tax average family income of the poorest one-
2 fifth of the population fell 12 percent;

3 (6) it remains in the interest of the American
4 people to ensure that our lowest-paid workers are
5 paid a living wage the value of which does not con-
6 tinually erode;

7 (7) a four-step phased increase in the minimum
8 wage will restore its value to a level approaching
9 that of 1978, increase incentives for the poor to seek
10 and retain jobs, and help to mitigate poverty in
11 inner city communities that have a disproportionate
12 share of low-wage and unskilled workers;

13 (8) increasing the minimum wage by an incre-
14 ment of \$0.60 beginning on September 1, 1993, fol-
15 lowed by an increment of \$0.70 an hour effective on
16 September 1, 1994, an increment of \$0.65 an hour
17 effective September 1, 1995, and an increment of
18 \$0.55 an hour effective September 1, 1996, will
19 bring the minimum wage to \$6.75 an hour, an
20 amount approximating that needed to restore the
21 minimum wage to the value it had in 1978; and

22 (9) indexing is needed to prevent continual ero-
23 sion in the value of the minimum wage and to sub-
24 stitute modest annual increases in the minimum
25 wage consistent with general wage trends for large,

1 belated, and sometimes inadequate adjustments by
2 the Congress.

3 **SEC. 3. MINIMUM WAGE INCREASE AND INDEXATION.**

4 Paragraph (1) of section 6(a) of the Fair Labor
5 Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended
6 to read as follows:

7 “(1) except as otherwise provided in this sec-
8 tion—

9 “(A) not less than—

10 “(i) \$4.25 an hour during the period
11 ending on August 30, 1993;

12 “(ii) \$4.85 an hour during the year
13 beginning on September 1, 1993;

14 “(iii) \$5.55 an hour during the year
15 beginning September 1, 1994;

16 “(iv) \$6.20 an hour during the year
17 beginning September 1, 1995; and

18 “(v) \$6.75 an hour during the year
19 beginning September 1, 1996; and

20 “(B) with respect to the year beginning on
21 September 1, 1997, and each such succeeding
22 year, not less than the amount applicable under
23 this paragraph adjusted on June 1 of such year
24 to equal 50 percent of the monthly average
25 hourly earnings for nonfarm, nonsupervisory

1 private workers for the preceding 12 months, as
2 determined by the Bureau of Labor Statistics,
3 rounded to the nearest multiple of \$0.05, except
4 that any amount determined under this sub-
5 paragraph shall not be less than the amount
6 applicable under this paragraph for the preced-
7 ing year;”.

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