

leadership has blocked us from increasing it.

Again, I remind my colleagues that the Fair Labor Standards Act, which instituted the minimum wage in 1938, one of the primary aims as enunciated by Franklin Roosevelt was alleviating poverty. Yet now the minimum wage condemns workers to a life of poverty for themselves and their children no matter how hard they work.

Minimum wage employees working 40 hours a week, 52 weeks a year, earn about \$10,712. That is \$5,000 below the poverty line for a family of three. The current minimum wage would not even keep a single person and one child above the poverty line.

The inflation-adjusted value of the minimum wage has declined by 20 percent since the last increase in 1997. I point out that since that time, Congress has raised its pay eight times, \$31,600.

Several of our colleagues have suggested all we have to do is increase the earned-income tax credit and that would address it. I am a supporter of the EITC, the earned-income tax credit. It makes a major difference for millions of Americans in poverty, but I don't see it as either/or. You make the earned-income tax credit and the minimum wage go hand in hand, and that really does alleviate poverty. There are a lot of people working in minimum wage jobs who don't understand the earned-income tax credit. Their employers may not inform them of it. They may or may not get a mailing. Maybe they can read it, maybe they can't. Possibly no one may inform them of it and they pass it by. That is why we have to raise their pay.

There is another aspect. It is saying to someone: We value your work. Your work is valuable, whether you are cleaning a hotel room, sweeping up, waiting tables. No matter what it is, your work is valuable.

When we erode people's pride in their work, we also erode their sense that they are a valuable, contributing member of our society.

Those who suggest we just expand the EITC seem to be the same ones who say how great the economy was last year. The economy was pretty good last year for those in the top brackets. It is said that a strong economy is a rising tide that lifts all boats. What if you don't own a boat? Shouldn't those at the very bottom also get a raise? Shouldn't a college kid working part time, who is technically not counted as living in poverty, get a raise to help pay for textbooks? Why is their hard work valued at less than one-third of the median wage?

We have heard the outrageous suggestion that a rise in the minimum wage is somehow a threat to the economy. That is nonsense. Just before signing the Fair Labor Standards Act, here is what President Franklin Roosevelt said. You can almost hear the echoes of his voice:

Do not let any calamity-howling executive with an income of \$1,000 a day tell you that

a wage of \$11 a week is going to have a disastrous effect on all American industry.

Today, the average CEO makes a whopping 821 times more than a worker on minimum wage. That is what this chart shows. Back in 1965, 1968, it was about 51, 54—the average CEO made about 50 times more than a minimum wage worker. Today it is 821 times more. That means that the average CEO makes more on one day before lunch than a minimum wage worker makes all year.

I remind my colleagues that corporate profits increased more than 21 percent in 2000 and reached a 40-year high. Yet the minimum wage is at a 50-year low. As a result, people who work for profitable companies making the minimum wage, what happens? They are forced to use public health care. They are forced to get food stamps, another taxpayer-funded assistance, to make ends meet. So are we subsidizing the huge profits that these companies are making, which then turn around and pay their CEOs 821 times more than the minimum wage worker because we are taking tax dollars from the middle class and helping to pay for their food stamps, health care, and other needs?

Some business groups argue that raising the minimum wage would mean that some jobs would be eliminated. In the absence of Federal leadership on the minimum wage, many States have taken it upon themselves to raise the minimum wage. Currently, 30 States, the Virgin Islands, the District of Columbia, and, I might add, my own State of Iowa have a minimum wage higher than the Federal minimum of \$5.15 an hour. Do you know what. It didn't hurt any of those States.

The Fiscal Policy Institute has studied what happens to small businesses and job growth right after the minimum wage is increased. That is what this chart shows. It shows States that have higher minimum wages and those that don't. Then we see the growth rates. There is not much difference. Both are about the same. So it doesn't hurt growth, business growth, or anything else.

People say: How can that be if they pay a higher minimum wage? How can their growth be the same or sometimes greater than a State that pays less in minimum wage? It is very simple. People who make a decent wage work harder when they get a good night's sleep. If they are working two jobs or have a sick kid at home, they may not get a good night's sleep, and they can't be as attentive to their job. If they sleep in a well-heated apartment instead of a cold flat, when they are able to eat decently and have a good nutritious meal a couple of times a day, they can be more productive. When they can get health care for an abscessed tooth that is driving them nuts rather than going to work and not being attentive to their job, they can be more productive. So when workers earn more money, they contribute more to society, and everybody wins.

Our failure to raise the minimum wage is more than an economic failure. It is a failure of democracy. Again, we live in a society where we can afford to raise the minimum wage. We can afford to have a basic standard of living for anyone willing to work for it. Yet we fail to insist, as Martin Luther King, Jr., said, on this basic right.

Unfortunately, it is hard to get people who earn the minimum wage to come here and lobby for it. They can't afford the time off, much less the airfare or even the gas to get here. Think about this: A worker making minimum wage can buy 2 gallons of gasoline for an hour of labor—an hour of her labor. I say "her" because 59 percent of workers who earn the minimum wage are women.

But even people who won't directly benefit from this legislation overwhelmingly support it. A recent AP poll found that 80 percent of Americans of all income levels favor raising the minimum wage.

This country desperately needs this increase. With declining employer-sponsored health care, the demise of other benefits, including pension benefits, with dramatic costs and other costs of living—housing, for example—workers have to pay for more with less.

The National Low Income Housing Coalition has calculated that the national housing wage—that is the hourly wage needed to pay fair market rent for a two-bedroom apartment—was \$15.78 an hour in 2005. In other words, the average for a two-bedroom apartment, \$15.78 an hour, was the minimum one needed to actually pay for rent and to provide food and other needs for a family. That is about triple the current minimum wage.

Economists are all saying that we have to raise it, we should raise it. They know it will improve the lives of working Americans without increasing inflation or unemployment. But the average American doesn't need to hear from Nobel Prize-winning economists to understand the basic principle that people who work hard and play by the rules ought to be able to feed their kids, house them, and give them a good education. It is really basic fairness, and it is fundamental economic morality.

America should not be a nation that favors the powerful and well-connected at the expense of low-income workers and their families. It is time to do right by the least fortunate among us. It is time to value and honor the work of those at the bottom of the income scale. After 10 long years, it is time to raise the minimum wage.

ADJOURNMENT UNTIL MONDAY,
JANUARY 29, 2007, AT 2 P.M.

The PRESIDING OFFICER. Under the previous order, the Senate stands adjourned until 2 p.m. on Monday, January 29.

Thereupon, the Senate, at 2:30 p.m., adjourned until Monday, January 29, 2007, at 2 p.m.