

# 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

**Had the federal minimum wage kept pace with inflation since 1968, it would be \$10.06 per hour today.**



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.

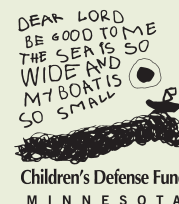
Minnesotans who work for the minimum wage—such as wait staff, child care providers, service representatives, and personal care attendants—are critical to creating a robust economy for all of our state's residents. Like a clock gear, minimum wage work turns

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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