

All-Out Campaign Underway To Raise FLSA's Minimum Wage

Insights

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We have previously reported on legislation introduced earlier this year to increase the federal Fair Labor Standards Act's minimum wage. In the last several days, supporters have commenced a coordinated and intensive public-relations effort to generate the necessary political pressure for the passage of such a measure. This has culminated in the filing of yet more bills in the Senate and House.

First The PR Groundwork . . .

The train actually left the station earlier this summer. On June 6, Rep. Jesse Jackson, Jr. (D-Ill.) introduced a bill to raise the minimum wage to \$10.00 per hour. On that same day, the Food Chain Workers Alliance issued a paper urging policymakers to "[i]ncrease the minimum wage, including the minimum wage for tipped workers." This was only the opening salvo.

On July 19, a National Employment Law Project report entitled "Big Business, Corporate Profits, and the Minimum Wage" was released to immediate media fanfare. The report's stated aim was to "examine[] the connection between [the] opposing extremes of stagnant wages and soaring corporate profits." Associated media coverage included pieces such as, "Low-Wage Workers Employed Mostly By Large, Highly Profitable Corporations: Report," (*Huffington Post*, July 19); "Want a Real Recovery? Raise the Minimum Wage" (*Huffington Post*, July 20); and "An Increase in the Minimum Wage Is Long Overdue" (*U.S. News and World Report*, July 20). NELP collaborated with the Service Employees International Union's International President Mary Kay Henry on "Hardworking Americans Should Not Be Living In Poverty" (*CNN*, July 25).

On July 23, the Economic Policy Institute released an open letter addressed jointly to President Obama and Congressional leadership in which it urged boosting the minimum wage in three 85-cent increments, to \$9.80 per hour. Around that same time, a flurry of supportive press releases and media comment also issued forth from an organization called "Business for a Fair Minimum Wage".

. . . Then The Legislation

On July 26:

- ◊ Rep. George Miller (D-Calif.) introduced H.R. 6211 to push the rate to \$9.80 per hour in three 85-cent increments and to index it to the Consumer Price Index thereafter;

◊ Senator Tom Harkin (D-Iowa) tendered S. 3453 which, according to his press release, also proposes both the \$9.80 figure and indexing.

It further appears that both bills seek to raise the minimum **cash** wage for employees as to whom an employer takes the FLSA "tip credit" from today's \$2.13 per hour to 70% of the FLSA minimum wage (that is, to \$6.86 per hour at a minimum wage of \$9.80 per hour). This is being portrayed as an increase in the "minimum wage for tipped workers," but of course the current FLSA minimum wage for tipped workers is the same as it is for everyone else: \$7.25 per hour.

Proponents of an increase in the minimum wage clearly believe that the current political environment can be turned to their benefit. Absent a prompt and commensurate response from the employer community, this could turn out to be correct.