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**CONTACT:** Laura Capps/ Melissa Wagoner  
(202) 224-2633

\*\* Fact Sheet on the Plan below

#### **STATEMENT BY SENATOR EDWARD KENNEDY ON MINIMUM WAGE PASSAGE IN IRAQ SUPPLEMENTAL**

WASHINGTON, D.C.— Today, Senator Edward M. Kennedy released the following statement in response to the passage of the minimum wage bill in the Iraq supplemental.

"While there are many aspects of this conference report that I cannot support, I am pleased that it will finally allow us to get a minimum wage bill to the President's desk. The minimum wage has been stuck at \$5.15 an hour for more than 10 years, but now – finally – Americans across the country will get the raise they need and deserve. 13 million Americans will see more money in their paychecks for the first time in a decade. 6 million children will have better food, better health, and better opportunities for the future.

This increase is long overdue. The minimum wage bill passed the House and Senate in January and February of this year. Unfortunately, Republicans prevented the bill from going to conference until they could make sure it included a big enough tax giveaway for businesses. We've overcome many obstacles – and faced every procedural trick in the book – to get this minimum wage increase across the finish line. Democrats stood together, and stood firm, to say that no one who works hard for a living should have to live in poverty.

This is a victory for the American people. After years of delay by Congress, the people took this fight into their own hands. They started a grassroots movement that spread across the nation. They pounded the pavements and prayed in their pews. We are here today because of their efforts, and they deserve our gratitude.

Certainly, the increase we've passed today is only the first of many steps we must take to address the problems of poverty and inequality. There is no doubt that we need to do much more. But this raise is important. It will add dignity to the lives of millions of working families. It is one of the proudest achievements of this new Congress."

#### **RAISING THE MINIMUM WAGE IS A MATTER OF FAIRNESS: A FAIR MINIMUM WAGE ACT FACT SHEET**

Increasing the minimum wage will make an immediate and significant difference in the lives of millions of hard-working Americans.

- The Kennedy bill would raise the minimum wage to \$7.25 an hour in three steps:
- \$5.85 60 days after enactment;
- \$6.55 one year later;
- \$7.25 one year after that

An estimated 13 million Americans will benefit from an increase to \$7.25 an hour – 5.6 million directly, and another 7.4 million indirectly. More than sixty percent of these workers are women, and almost forty percent are people of color.

Almost eighty percent of those who benefit are adult workers, not teenagers seeking pocket change.

This raise means that minimum wage earners will almost immediately earn an additional \$1,500 to help support their families. When the full increase takes effect in 2009, these workers will see a total increase of \$4,400 per year – enough for a low-income family of three to buy:

- 15 months of groceries
- 19 months of utilities
- 8 months of rent
- Over two years of health care
- 20 months of child care
- 30 months of college tuition at a public, 2 year college

Increasing the minimum wage will help combat poverty in our nation.

- The number of Americans in poverty has increased by 5.4 million since President Bush took office.
- 37 million Americans currently live in poverty, including 13 million children.
- Among full-time, year-round workers, poverty has increased by 50 percent since the late 1970s.

This increase to the minimum wage, combined with the federal Earned Income Tax Credit (EITC) and the food stamps program, will bring a family of four above the poverty line. It will benefit an estimated 6.4 million children of low-income workers.

Britain has the second largest economy in Europe (after Germany). They implemented a minimum wage in 1999 that has had no adverse employment effects, and has lifted 1.8 million British children out of poverty. They raised their minimum wage to about \$9.58 per hour last year, and they are planning to raise this rate to about \$9.96 in October of this year.

The increase to the minimum wage restores lost value. Every day minimum wage workers waited for a raise, the minimum wage lost value, and workers have fallen farther and farther behind. This raise restores the purchasing power of minimum wage workers.

Since the minimum wage was last raised in 1997, its real value has eroded by 22 percent. Before this raise, minimum wage workers had lost all of the gains of the 1996-1997 increase.

Even with this increase, the real value of the minimum wage will still be \$2.25 below what it was at its peak in 1968. To have the purchasing power it had in 1968, the minimum wage would have to be \$9.50 an hour today, not \$5.15.