



Written by [Brian Koenig](#) on June 8, 2012

Democrats Unveil Bill to Raise Minimum Wage to \$10 an Hour

The “Catching Up to 1968 Act of 2012,” announced Wednesday by three Democratic lawmakers — Reps. John Conyers, Jr. (D-Mich.), Dennis Kucinich (D-Ohio), and Jesse Jackson, Jr. (D-Ill.) — would spike the minimum wage from \$7.25 an hour to \$10 while mandating that future increases be tied to inflation.

Jackson and his Democratic colleagues proclaimed that the legislation would model the 1968 minimum wage rate for inflation in today’s dollars. “This legislation is long-overdue and sorely needed,” Conyers [affirmed](#). “More than 30 million Americans would see their wages increased, which would provide an immediate boost to the economy.”

During the press conference, a reporter with CNSNews.com asked Congressman Jackson why the government shouldn’t raise the minimum wage to \$20 an hour, if \$10 is not enough income to live on. But Jackson didn’t really answer the question. Jackson [replied](#), “Let me explain why the immediate jump to \$10. First, we’re just trying to catch up to 1968 — even making the argument for \$20 an hour would by far surpass what the 1968 expectation of the minimum wage was designed to accomplish.”

The Illinois lawmaker said the rate should be closer to \$11 an hour, but that \$10 is at least a step in the right direction. Further, he contended that other congressional proposals are pushing a rate of \$9.80 an hour, which compared to 1968 levels, is too modest. Jackson continued:

So, putting it in the context of the 1968 legislation, \$10 an hour is not unreasonable. And I believe that the jump to \$10 per hour is reasonable, I believe it’s responsible, it will not cost jobs, it will create jobs. It will contribute to the livelihood as you heard from Robert [Weissman] of 30 million Americans who work hard every day and at the end of a hard day’s work they’re still poor. They still cannot afford bread, they cannot pay their rent, they cannot make their car note, they cannot put their children through school. And so paying the American people what they are worth for the work they are already doing is the priority of this legislation, and it ought to happen immediately.

Former presidential candidate Ralph Nader also helped introduce the legislation, echoing the lawmakers’ affirmation that today’s minimum wage does not stack up to labor standards that were present in 1968. Nader also [added](#) his own class-warfare spin to the argument, contending that while top executives are receiving lavish compensation packages and bonuses, middle- and lower-class workers are suffering from stagnant wages:

We live in a land of the absurd: the richest 1 percent controls as much financial wealth as the bottom combined 95 percent. Wall Street executives’ bonuses have reached gut-wrenching heights





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when Bloomberg News can, in a recent article, portray annual pay of \$10 million to \$23 million as normal. Nearly 23 million Americans are unemployed or underemployed. A single Wall Street executive's compensation of \$15 million would pay the annual wages of over 700 workers working at a minimum wage of \$10 per hour.

Specifically, the so-called "merciless oligarchy" of Walmart and McDonald's was a target that proponents of the bill honed in on. "What is the missing ingredient is a unified drive by elected members of Congress to provide the requisite courage to challenge the merciless oligarchy, which include the big box stores like Wal-Mart and McDonald's and compel them to adjust their pay to what it would be in 1968, adjusted for inflation," Nader said about the two corporate giants. "The contrast is quite impressive; there are a million workers at Wal-Mart who make under \$10 an hour, the head of Wal-Mart makes over \$11,000 an hour on an 8-hour day, not counting benefits."

Robert Weissman, president of the consumer advocacy group Public Citizen, voiced a similar sentiment, criticizing the Walton family [the family of Sam and Bud Walton, founders of Walmart] for controlling "as much wealth as the bottom 30 million Americans." Arguing that the federal government must deal with the "problem" of too much concentrated wealth at the top side of the income spectrum, Weissman said lawmakers must also deal with the issue of too little wealth among the poorest Americans.

However, when looking past the rhetoric that evolves from the so-called "fair wage" debate, government officials must analyze the overall outlook of the economy, as well as the market fluctuations that accompany wage controls, [notes](#) Elizabeth MacDonald with Fox Business. Economists who have studied the issue, along with businesses that have been negatively affected by minimum wage increases, say government-mandated wage hikes do not boost consumer spending, nor reduce unemployment.

Contrarily, leaders in the business community say increases in the minimum wage only exacerbate unemployment, as companies must cut their payroll, especially when dealing with a stagnant economy. For example, MacDonald asserts, when Congress raised the minimum wage rate from \$5.15 to \$7.25 several years ago, the job market took a big hit. Cornell University's *Industrial & Labor Relations Review* cited a study showing that this particular wage hike led to a roughly 20-percent cut in jobs for young and low-skilled workers. In sum, MacDonald affirms, when lawmakers artificially inflate private-sector wages, "the last rung on the employment ladder gets knocked out."

In responding to the lawmakers' bill, the National Restaurant Association, the U.S. Chamber of Commerce, and the National Federation for Independent Businesses have already warned that the increase would further imperil the already stale U.S. job market. And to think, such action is being discussed at a time when national unemployment still hovers above the eight-percent mark.



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