



# Opening Statement

COMMITTEE ON EDUCATION & LABOR

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The Hon. Robert C. "Bobby" Scott • Chairman

## Opening Statement of Chairman Bobby Scott (VA-03)

House Committee on Education and Labor

*Raise the Wage Act* Full Committee Markup

Wednesday, March 6, 2019 | 10:15 a.m.

Today, we are here for a legislative markup of the *Raise the Wage Act*, H.R. 582, a proposal to **gradually** raise the minimum wage to \$15 by 2024.

It is my strong, long-held belief that we should make policy based on evidence and research, rather than slogans and soundbites. When it comes to raising the minimum wage, the evidence and research is clear – gradually raising the minimum wage is:

- good for workers – who experience a better standard of living;
- good for businesses – which benefit from having more customers and less turnover; and,
- good for the economy – which is strongest when we lift working people out of poverty and build a thriving middle class. And, studies have shown there is little to no job loss when we raise the minimum wage.

After nearly 10 years with no increase in the federal minimum wage, minimum wage workers have suffered a 17 percent pay cut due to inflation. According to the Bureau of Labor Statistics, today's minimum wage worker making \$7.25 an hour has [28 percent less buying power](#) than a minimum wage worker had in 1960.

The result is that there is no place in America where a full-time worker who is paid the current federal minimum wage can afford a modest two-bedroom apartment.

Some of my colleagues are eager to warn of the so-called consequences of gradually raising the minimum wage to \$15, but they ignore the consequences of inaction over the last 10 years. If Congress fails to raise the federal minimum wage by mid-June, it will be the longest period of time without an increase since the federal minimum wage was created 80 years ago.

And while others will seek to characterize this bill as radical, the only thing radical about this bill is that it is so long overdue. We now have an opportunity – and a responsibility – to restore the value of the minimum wage, lift millions of hardworking people out of poverty, and boost the economy in Main Street America.

The *Raise the Wage Act* will achieve that in three ways.

First, it gradually increases the minimum wage in six steps to \$15 by 2024.

Second, it ensures that every worker covered under the law is paid at least the full federal minimum wage by creating one fair wage for all workers.

And third, by tying future increases to median wages, this bill ensures that future increases to the federal minimum wage are determined by economics, and **not** politics.

A report recently published by the *Economic Policy Institute* details the sweeping benefits this bill would have for workers in each one of our districts and across the country.

For example, if we pass the *Raise the Age Act*, close to 40 million American workers would receive a raise. This includes:

- Twenty-three million women,
- Two-thirds of America's working poor, and
- The parents of over 14 million children.

So, the benefits of this bill will play out positively in each of our communities.

The *Raise the Wage Act* will stimulate local economies and local businesses across the country. Whereas the Republican tax bill gave the largest benefits to those who needed it the least, this bill puts money directly into the hands of those who are most likely to spend it in their communities. Over the six-year phase in period, the increase in the minimum wage would generate \$118 billion in additional wages, much of which will flow back into local businesses.

Every time we propose raising the minimum wage, opponents recycle a familiar set of talking points that have been repeatedly contradicted by evidence, research, and experience.

Today, I am confident we will hear dire projections about job losses that would result from gradually raising the minimum wage. But these projections are grounded in politics, not research. The overwhelming majority of research from both left- and right-leaning labor economists find few, if any, jobs are lost when we gradually increase the minimum wage over time.

For example, a widely acclaimed study published by the *National Bureau of Economic Research* examined 138 minimum wage increases since 1979 and 2016. This study found that the overall number of low-wage jobs remained essentially unchanged over five years following the increases, and there was **no evidence** that gradual changes to the minimum wage led to higher levels of unemployment.

These findings were echoed by a recent report that projected the impact of a \$15 minimum wage by 2024 in Mississippi. The report found positive effects on consumer spending from workers receiving wage increases without generating an adverse employment effect. In fact, the report estimates a small cumulative net gain in employment, due to the policy, of 2,000 jobs in Mississippi by 2024.

The research clearly demonstrates that the *Raise the Wage Act* is a reasonable proposal that would lift millions of workers out of poverty.

By 2024 – \$15 an hour is the least a person would need to afford the basic essentials in any place in the country; this includes rural and southern parts of the country. Workers should not be forced to work for poverty-level wages, regardless of where they live.

The *Raise the Wage Act* would restore the original intent of the *Fair Labor Standards Act*: to ensure **all workers** have a minimum living standard. As President Roosevelt stated, “Our nation, so richly endowed with natural resources and with a capable and industrious population, should be able to devise ways and means of ensuring to all our working men and women a fair day's pay for a fair day's work.”

Gradually raising the federal minimum wage to \$15 by 2024 is good for workers, good for businesses, and good for the economy. I urge all my colleagues to support this legislation.

Thank you and I now yield to the Ranking Member, Dr. Foxx.