

**STATEMENT OF VANITA GUPTA, PRESIDENT AND CEO  
THE LEADERSHIP CONFERENCE ON CIVIL AND HUMAN RIGHTS**

**U.S. HOUSE COMMITTEE ON EDUCATION & LABOR  
HEARING ON “GRADUALLY RAISING THE MINIMUM WAGE TO \$15: GOOD FOR  
WORKERS, GOOD FOR BUSINESSES, AND GOOD FOR THE ECONOMY.”  
FEBRUARY 7, 2019**

Chairman Scott, Ranking Member Foxx, and Members of the Committee, my name is Vanita Gupta and I am the president and CEO of The Leadership Conference on Civil and Human Rights, a coalition of more than 200 national organizations working to build an America as good as its ideals. Thank you for the opportunity to testify here today about the minimum wage.

The Leadership Conference strongly supports H.R. 582, The Raise the Wage Act of 2019, which would amend the Fair Labor Standards Act to give low-wage working people an overdue raise and ultimately end several carve outs that allow certain groups of working people to be paid even less than the federal minimum wage.

As an organization that is committed to promoting and protecting the civil and human rights of all persons in the United States, The Leadership Conference advocates against injustice in all forms, including in the workplace. The Leadership Conference has long maintained that civil and human rights are inextricably linked to economic security. From the passage of the Universal Declaration of Human Rights in 1948 to the March on Washington for Jobs and Freedom in 1963, the economic security of all in America has long been a priority of the civil and human rights community. We should all be paid fairly for the work that we do, regardless of our gender, race, ethnicity, disability, age, sexual orientation, or immigration status.

Working people should be able to live with the dignity of a fair paycheck. Today, low-paid working people care for our family members. They pick our fruits and vegetables. They clean our homes and

offices. They cut our hair and serve lunch to our children.<sup>1</sup> They do valuable work that benefits us all. And they should be paid fairly for that work.

Gradually raising the federal minimum wage to \$15 an hour by 2024, indexing it to median federal wages, and ensuring that all tipped workers, working people with disabilities, and young people get paid at least a full minimum wage is essential for working people to cover basic expenses like housing, food, transportation, childcare, health care, and other necessities. Paying tipped workers and people with disabilities the full minimum wage would also rectify longstanding injustices and ensure that no one will work for pennies in America.

For decades, wages for most people in America have stagnated while productivity has increased. This has been particularly true for low-wage and working-class people. Congress has not raised the federal minimum wage of \$7.25 an hour since 2007. And the tipped minimum wage has been stuck at \$2.13 an hour since 1991. Tipped workers have not received a raise in 28 years.

In a 2018 report entitled *Bare Minimum: Why We Need to Raise Wages for America's Lowest-Paid Families*,<sup>2</sup> The Leadership Conference's sister organization, The Leadership Conference Education Fund, together with the Georgetown Center on Poverty, looked at the plight of low-wage working people in our country, focusing on their lived experiences.

What we found is that nearly half (42.4 percent) of working people in our country are paid less than \$15 per hour.<sup>3</sup> And according to a 2018 report from the Board of Governors of the Federal Reserve, 44 percent of American adults cannot afford a \$400 emergency.<sup>4</sup> One cause of the decline in wages for working people over the last 40 years has been attacks on the ability of working people to organize. The share of the workforce represented by a union has plummeted, from 24 percent in 1973 to 10.7 percent in 2018, which has impacted working people's ability to bargain collectively for higher wages and benefits.<sup>5</sup>

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<sup>1</sup> For examples of low-paid occupations see "Low Wage Workers: Poverty and Use of Selected Federal Social Safety Net Programs Persist among Working Families." U.S. Government Accounting Office. 2017, p. 19. See also Robbins, Katherine Gallagher and Julie Vogtman. "Low-Wage Jobs Held Primarily by Women Will Grow the Most Over the Next Decade." 2016

<sup>2</sup> <http://civilrightsdocs.info/pdf/reports/Bare-Minimum.pdf>

<sup>3</sup> Trung, Irene, et al. "The Growing Movement for \$15." National Employment Law Project, November 2015. Available at <http://www.nelp.org/content/uploads/Growing-Movement-for-15-Dollars.pdf>

<sup>4</sup> "Report on the Economic Well-Being of U.S. Households in 2017." Board of Governors of the Federal Reserve System, May 2018. Available at <https://www.federalreserve.gov/mediacenter/files/report-on-the-economic-wellbeing-transcript-20180522.pdf>

<sup>5</sup> This represents the share of wage and salary employees who are union members, including employees in the public sector. See Hirsch, Barry and David Macpherson, "U.S. Historical Tables: Union Membership, Coverage, Density and Employment, 1973 - 2017." Union Membership and Coverage Database, 2018. Available at <http://unionstats.com/>. On employer mobilization against unions, see, for example, Dixon, Marc. "Limiting Labor: Business Political Mobilization and Union Setback in the States." *Journal of Policy History* 19(3): 313-344, 2007. Phillips-Fein, Kim. "If Business and the Country Will Be Run Right: The Business Challenge to the Liberal Consensus, 1945-1964." *International Labor and Working-Class History* 72: 192-215, Fall 2007. Available at <http://www.jstor.org/stable/2767310z>.

In addition, the value of the federal minimum wage has eroded because it does not currently increase automatically with either wages or prices.

Today, the National Women’s Law Center has noted that women make up nearly two-thirds of those earning the federal minimum wage of \$7.25 an hour.<sup>6</sup> Fifty-five percent of all working people making less than \$15 an hour are women.<sup>7</sup> African American and Latina working women in particular are overrepresented in low-paid jobs. Women of color are more likely than any other group to be paid the lowest wages.<sup>8</sup> The Raise the Wage Act of 2019 is a step in the right direction towards closing the gender pay gap.

When many of us think about the minimum wage, one of the first images that comes to mind may not be that of a child, but perhaps it should be. Over 31.5 million U.S. children — two of every five (42.9 percent) children — live in households with at least one working person earning under \$15 per hour.<sup>9</sup> Working mothers are especially likely to be paid low wages. Almost one in five working mothers with children under three are employed in low-wage occupations.<sup>10</sup> Raising the income of working families is essential for the future wellbeing of our country, as more than a decade of research has shown how low incomes negatively impact children’s health, economic opportunity, and educational success.<sup>11</sup>

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<sup>6</sup> Vogtman, Julie. “The Raise the Wage Act: Boosting Women’s Paychecks and Advancing Equal Pay.” National Women’s Law Center. May 2017. <https://nwlc.org/resources/the-raise-the-wage-act-boosting-womens-paychecks-and-advancing-equal-pay/>

<sup>7</sup> Trung, Irene, et al. “The Growing Movement for \$15.” National Employment Law Project, November 2015. Available at <http://www.nelp.org/content/uploads/Growing-Movement-for-15-Dollars.pdf>.

<sup>8</sup> *Id.*

<sup>9</sup> “Few Rewards: An Agenda to Give America’s Working Poor a Raise.” Oxfam America and Economic Policy Institute, 2016, p. 6. Available at [https://www.oxfamamerica.org/static/media/files/Few\\_Rewards\\_Report\\_2016\\_web.pdf](https://www.oxfamamerica.org/static/media/files/Few_Rewards_Report_2016_web.pdf).

<sup>10</sup> The definition of “low-wage” in this analysis is earning under \$10.50 per hour. Schulman Karen et al. “Nearly one in Five Working Mothers of Very Young Children Work in Low-Wage Jobs.” National Women’s Law Center, April 2017. Available at <https://nwlc.org/wp-content/uploads/2014/04/Nearly-One-in-Five-Working-Mothers-of-Very-Young-Children-Work-in-Low-Wage-Jobs-2017.pdf>.

<sup>11</sup> Mitnik, Pablo A. and David B. Grusky. “Economic Mobility in the United States.” Pew Charitable Trusts, 23 July 2015. Available at [http://www.pewtrusts.org/~media/assets/2015/07/fsm-irs-report\\_artfinal.pdf](http://www.pewtrusts.org/~media/assets/2015/07/fsm-irs-report_artfinal.pdf). Gupta, Rita Paul-Sen, Margaret L. de Wit, and David McKeown. “Impact of Poverty on the Current and Future Health Status of Children.” *Pediatrics & Child Health* 12(8):667–672, 2007. Available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2528796/>. Rouse, Cecilia Elena, and Lisa Barrow. “US Elementary and Secondary Schools: Equalizing Opportunity or Replicating the Status Quo?” *Future of Children* 16(2): 99–123, 2006. Available at <http://eaop.ucsd.edu/198/achievementgap/Equalizing%20Opportunity%20or%20Replicating%20the%20Status%20Quo.pdf>. On the importance of the early years in child development, see Shonkoff, Jack P. & Deborah A. Phillips eds. *From Neurons to Neighborhoods: The Science of Early Childhood Development*. National Research Council & Institute of Medicine, 2000. “The Timing and Quality of Early Experiences Combine to Shape Brain Architecture: Working Paper No. 5.” National Scientific Council on the Developing Child, 2007. Available at <https://developingchild.harvard.edu/resources/the-timing-and-quality-of-early-experiences-combine-to-shape-brain-architecture/>. Research has recently suggested that raising the minimum wage can improve children’s health. See Komro, Kelli et al. “The Effect of an Increased Minimum Wage on Infant Mortality and Birth Weight.” *American Journal of Public Health*, August 2016. Available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4940666/>. For another study with similar conclusions see Wehby, George, et al. “Effects of the Minimum Wage on Infant Health.” NBER Working Paper, June 2016. Available at <http://www.nber.org/papers/w22373>. Raissian, Kerri M., and Lindsey Rose Bullinger. “Money matters: Does the minimum wage affect child maltreatment rates?” *Child and Youth Services Review*, 72: 60–70, 2017. Available at <http://www.sciencedirect.com/science/article/pii/S0190740916303139>.

Just as we believe the federal minimum wage must be raised, The Leadership Conference strongly supports ensuring that tipped workers, working people with disabilities, and young people are paid at least the full minimum wage.

Congress must acknowledge the origins of the tipped minimum wage because they are deeply entwined in our nation's struggles with racial and gender inequality. The custom of tipping itself is rooted in the history of slavery.<sup>12</sup>

The practice of tipping escalated in the United States after the Civil War. Before the Civil War, tipping was largely frowned upon in the United States. But after its end, the practice of tipping proliferated. At that time, the restaurant and hospitality industry, exemplified by the Pullman Company, hired newly freed slaves without paying them base wages.<sup>13</sup> The effect was to create a permanent servant class, for whom the responsibility of paying a wage was shifted from employers to customers.<sup>14</sup> An early 20<sup>th</sup> century southern journalist recounted being uncomfortable tipping White working people. As he observed in 1902, "one expects...Negroes [to] take tips...it is a token of their inferiority. But to give money to a White man was embarrassing to me."<sup>15</sup>

Having to depend on tipping kept African Americans in an economically and socially subordinate position. By 1880, 43 percent of all working people employed in hotels and restaurants were Black. By 1900, 25 percent of all Black working people engaged in non-agricultural labor were employed as servants and waiters, including the vast majority of Black women.<sup>16</sup> In the early 1900s, it is estimated that five million working people in the United States — more than 10 percent of the labor force — were in tip-taking occupations.<sup>17</sup> The Fair Labor Standards Act established a bare minimum floor for tipped wages only in 1966. The federal tipped minimum wage has remained at \$2.13 an hour since 1991 and it is long overdue for an adjustment. Failing to raise the tipped minimum wage disproportionately hurts people of color and women.

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<sup>12</sup> Azar, Ofer H. "The history of tipping—from sixteenth-century England to United States in the 1910s." *The Journal of Socio-Economics*. Vol. 33, Issue 6. Pgs. 745-764. December 2004.

<sup>13</sup> Bates, B.T. *Pullman Porters and the Rise of Protest Politics in Black America, 1925-1945*. The University of North Carolina Press. 2001.

<sup>14</sup> Paarlberg, Michael and Teofilo Reyes. "Paying tipped workers better wouldn't lead to fewer restaurant jobs." *The Washington Post*. January 16, 2018. [https://www.washingtonpost.com/news/posteverything/wp/2018/01/16/paying-tipped-workers-better-wouldnt-lead-to-fewer-restaurant-jobs/?utm\\_term=.17fb13b45f73](https://www.washingtonpost.com/news/posteverything/wp/2018/01/16/paying-tipped-workers-better-wouldnt-lead-to-fewer-restaurant-jobs/?utm_term=.17fb13b45f73)

<sup>15</sup> Jayaraman, Saru. *Forked: A New Standard for American Dining*. 2016. P. 33-34.

<sup>16</sup> Wright, R.R, Jr. "The Negro in Unskilled Labor." *The Annals of the American Academy of Political and Social Sciences*. Vol. 49, Issue 1. Pgs. 19-27. Sept. 1913.

<sup>17</sup> Azar, Ofer H. "The history of tipping—from sixteenth-century England to United States in the 1910s." *The Journal of Socio-Economics*, Vol. 33, Issue 6. Pgs. 745-764. December 2004.

One can see the through line from the origins of the tipped minimum wage to today. In 2018, people of color are more likely to work in the tipped workforce and live in poverty than their White counterparts.<sup>18</sup> For example, the take-home wages of people of color who work in restaurants are 56 percent less than their White colleagues.<sup>19</sup> The median annual income for tipped workers of color is \$14,300. For Black working people, it is even lower at \$12,900 per year.<sup>20</sup> Poverty rates for people who work for tips are more than twice as high as rates for working people overall — with female tipped workers, especially women of color, at a particular disadvantage.<sup>21</sup>

Multiple additional factors impact pay for tipped workers, and support the need for paying tipped workers the full minimum wage with tips only added on top of that. Studies have shown that restaurant customers discriminate against African American servers, consistently tipping them less than White servers, regardless of the quality of service.<sup>22</sup>

According to the 2012-2015 ACS data on gender and race for tipped occupations, of the almost 6 million tipped working people in our country, 66 percent are women.<sup>23</sup> And women of color are disproportionately represented in the tipped workforce. Ensuring that tipped workers are paid at least the full minimum wage with tips only on top of that will help to address the gender pay gap in our country. Some tipped workers also encounter sexual harassment. Tipped restaurant servers are highly dependent on customers for their income and on management for good shifts. This situation creates a power imbalance that makes people working for tips — many of whom are women — particularly vulnerable to sexual harassment. As the National Women’s Law Center has noted, “Women’s lack of economic power in these workplaces perpetuates the already pervasive culture of sexual harassment in the restaurant industry and others that employ large numbers of tipped workers.”<sup>24</sup> We can and must do better.

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<sup>18</sup> Gallagher Robbins, Katherine and Julie Vogtman. “Low-wage jobs held primarily by women will grow the most over the next decade.” April 2016. <https://nwlc-ciw49tixgw5lbab.stackpathdns.com/wp-content/uploads/2016/04/Low-Wage-Jobs-Held-Primarily-by-Women-Will-Grow-the-Most-Over-the-Next-Decade.pdf>

<sup>19</sup> Oatman, Maddie. “The racist, twisted history of tipping.” Mother Jones. May/June 2016. <https://www.motherjones.com/environment/2016/04/restaurants-tipping-racist-origins-saru-jayaraman-forked/>

<sup>20</sup> Ibid.

<sup>21</sup> See generally NWLC & ROC United. “Raise the Wage: Women Fare Better in States with Equal Treatment for Tipped Workers.” Oct. 17, 2016. <https://nwlc-ciw49tixgw5lbab.stackpathdns.com/wp-content/uploads/2016/10/Tipped-Wage-10.17.pdf>

<sup>22</sup> Michael Lynn et al., “Consumer Racial Discrimination and Tipping: A Replication and Extension.” *Journal of Applied Social Psychology*, 19 March 2008. Available at <http://onlinelibrary.wiley.com/doi/10.1111/j.1559-1816.2008.00338.x/full>.

<sup>23</sup> 2012-2015 ACS data on gender and race for tipped occupations, ipums.org.

<sup>24</sup> Johnson, Andrea. “Sexual Harassment Won’t Stop If We Aren’t #FightingForFamilies.” National Women’s Law Center. February 7, 2018. <https://nwlc.org/blog/sexual-harassment-wont-stop-if-we-arent-fightingforfamilies/>

As with the tipped minimum wage, the subminimum wage under Section 14(c) of the Fair Labor Standards Act that allows people with disabilities working in segregated settings to be paid less than the minimum wage leaves this community vulnerable to poverty and exploitation.

I previously served as head of the Justice Department's Civil Rights Division from 2014 until January 2017, where I oversaw the Disability Rights Section. The Disability Rights Section works to achieve equal opportunity for people with disabilities in the United States by implementing the Americans with Disabilities Act (ADA). When Congress passed the ADA in 1990, it ushered in a new era for people with disabilities in this country. Progress built the pathway for further reform. And in 1999, in *Olmstead v. L.C.*, the Supreme Court recognized a crucial tenet of the ADA: the community integration mandate. The court held that under the ADA, "unjustified institutional isolation of persons with disabilities" constitutes discrimination.

Unfortunately, 20 years after *Olmstead* and almost 30 years after passage of the ADA, for too many people with disabilities, we continue to see a real gap between what the law guarantees and what people experience. We see this gap in employment, as hundreds of thousands of people with disabilities spend their time in segregated workshops or day programs, with some paid just pennies per hour.<sup>25</sup>

Employers who have applied for approval from the Department of Labor under Section 14(c) of the Fair Labor Standards Act are permitted to set wages for people with disabilities in segregated settings based on a piece-rate standard of how much they produce per hour. The National Disability Rights Network believes that "sheltered workshops have replaced institutions in many states as the new warehousing system and are the new favored locations where people with disabilities are sent to occupy their days."<sup>26</sup>

While in theory segregated settings provide people with disabilities the opportunity to receive job training and experience that will help them to find regular employment in their community, the reality is that too many remain stuck in segregated settings for years. In a 2018 report, The National Council on Disability found that "[i]n the experts' judgment, the sheltered workshop business model, itself, rather than the

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<sup>25</sup> DePillis, Lydia. "Disabled people are allowed to work for pennies per hour — but maybe not for much longer." *The Washington Post*. February 12, 2016. [https://www.washingtonpost.com/news/wonk/wp/2016/02/12/disabled-people-are-allowed-to-work-for-pennies-per-hour-but-maybe-not-for-much-longer/?utm\\_term=.fbfc31a999f3](https://www.washingtonpost.com/news/wonk/wp/2016/02/12/disabled-people-are-allowed-to-work-for-pennies-per-hour-but-maybe-not-for-much-longer/?utm_term=.fbfc31a999f3); National Council on Disability. "National Disability Employment Policy, From the New Deal to the Real Deal: Joining the Industries of the Future." Oct. 18, 2018. [https://ncd.gov/sites/default/files/New%20Deal%20to%20Real%20Deal%20FINAL\\_508.PDF](https://ncd.gov/sites/default/files/New%20Deal%20to%20Real%20Deal%20FINAL_508.PDF).

<sup>26</sup> "Segregated and Exploited: The Failure of the Disability Service System to Provide Quality Work." National Disability Rights Network. 2011. For an update on what states are doing to more effectively integrate workers with disabilities into competitive employment see "Beyond Segregated and Exploited: Update on the Employment of People with Disabilities." National Disability Rights Network, April 2012. [http://www.ndrn.org/images/Documents/Resources/Publications/Reports/Beyond\\_Segregated\\_and\\_Exploited.pdf](http://www.ndrn.org/images/Documents/Resources/Publications/Reports/Beyond_Segregated_and_Exploited.pdf).

impact of disability on productivity, incentivizes low wages and correspondingly disincentivizes reasonable accommodations, better job matches, and more integrated employment services.”<sup>27</sup>

Cases that the Department of Justice investigated to enforce *Olmstead*'s community integration mandate illustrate the deep concerns with 14(c) employment. One example comes from a landmark agreement the Department of Justice and private plaintiffs reached regarding Oregon's employment services system, which unlawfully — and unnecessarily — placed people with disabilities in segregated settings instead of integrated jobs in their communities.

The agreement impacted 7,000 Oregonians with disabilities — Oregonians who can and wanted to work in typical community employment settings. As a result of the settlement, one individual, Xavier, no longer earns \$1.70 per hour assembling small company parts. Instead, with employment support, he began working at a local YMCA, helping kids complete their homework and resolve their conflicts. Another, Gabrielle — who dreamed of saving up money to buy a home — no longer assembles nut-and-bolt kits and knee pads in a sheltered workshop for \$100 to \$150 per month. Instead, she began working as a grooming assistant at a dog day care and boutique, earning more than \$9 per hour. And as she told a local media outlet, “I feel better about my life and ... I ended up buying that house.”

When the Fair Labor Standards Act was first enacted in 1938, the provision allowing people with disabilities to be paid a sub-minimum wage was included. Think about how differently we as a society perceive what it means to have a disability today versus then. The era in which the Fair Labor Standards Act was signed into law is the same era of the infamous case *Buck v. Bell*, in which the Supreme Court found that people with disabilities were “manifestly unfit from continuing their kind,” and sanctioned the practice of people with disabilities enduring compulsory sterilization.<sup>28</sup> Section 14(c) reflects that painful past and it belongs in the dustbin of history.

The National Council on Disability's 2012 Report — as well as its 2018 Report — recommended phasing out the Section 14(c) program.<sup>29</sup> The time has come for federal action to support and fully integrate people with disabilities into the workplace. The Raise the Wage Act would do just that, eventually sunseting the Section 14(c) program entirely.

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<sup>27</sup> “National Disability Employment Policy. From the New Deal to the Real Deal: Joining the Industries of the Future.” National Council on Disability. October 11, 2018. [https://ncd.gov/sites/default/files/New%20Deal%20to%20Real%20Deal%20FINAL\\_508.PDF](https://ncd.gov/sites/default/files/New%20Deal%20to%20Real%20Deal%20FINAL_508.PDF).

<sup>28</sup> *Buck v. Bell*, 274 U.S. 200, 207 (1927).

<sup>29</sup> National Council on Disability. “National Disability Employment Policy, From the New Deal to the Real Deal: Joining the Industries of the Future.” Oct. 18, 2018. [https://ncd.gov/sites/default/files/New%20Deal%20to%20Real%20Deal%20FINAL\\_508.PDF](https://ncd.gov/sites/default/files/New%20Deal%20to%20Real%20Deal%20FINAL_508.PDF)

H.R. 582 also includes the elimination of the youth minimum wage for those under the age of 20. The Leadership Conference believes that all people should be paid fairly for the work that they do — including young people. The Fair Labor Standards Act currently allows employers to pay employees who are under the age of 20 a lower “youth” wage for 90 calendar days when they are first employed. During that time period, employers may pay any wage rate above \$4.25 an hour.

Many households rely on the income of young members of the family for support. Some young working people currently being paid the lower youth subminimum wage are also students who are either partially or fully supporting themselves. The National Employment Law Center notes that of 18- and 19-year-olds enrolled in college, 70 percent also work. Of those working, “[n]early 50 percent of U.S. students pursuing a two-year degree, and over 40 percent of students pursuing a four-year degree, work more than 35 hours per week.”<sup>30</sup>

One area that requires more study but should raise concern for members of the committee is the potential negative consequences of the youth minimum wage on food insecurity faced by too many college students today. In April 2018, Wisconsin’s HOPE Lab conducted a study on food insecurity in college students at 66 institutions across 20 states and Washington, DC. Their conservative estimate was that 36 percent of students were food insecure, which is defined as the limited or uncertain ability to obtain nutritionally adequate food due to lack of financial resources, which can result in disrupted eating patterns and/or reduced food intake.<sup>31</sup> According to the study, 47 percent of Black students and 42 percent of Hispanic students at 4-year institutions experience food insecurity compared to 30 percent of their White peers. The study also shows that 46 percent of Pell Grant recipients at 4-year institutions experience food insecurity.<sup>32</sup>

In the face of inaction at the federal level, some states and localities have taken action to raise the minimum wage on their own. Seven states currently require tipped workers to be paid the standard state minimum wage before tips: Alaska, California, Minnesota, Montana, Nevada, Oregon, and Washington. And states and localities like Maryland, Alaska, New Hampshire, and the city of Seattle eliminated the subminimum wage for people with disabilities. While these states and localities should be applauded, we need federal action in this area to establish a higher universal floor for wages in our nation, one that pays working people fairly for their work and keeps pace with median federal wages and increases in

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<sup>30</sup> Id.

<sup>31</sup> Romo, Vanessa. “Hunger and Homelessness Are Widespread Among College Students, Study Finds.” *National Public Radio*. April 3, 2018. <https://www.npr.org/sections/thetwo-way/2018/04/03/599197919/hunger-and-homelessness-are-widespread-among-college-students-study-finds>

<sup>32</sup> <https://hope4college.com/reports/>

productivity. Unfortunately, there are regions of the country where low-wages are the norm. Ten of the 21 states stuck at \$7.25 an hour are in the South,<sup>33</sup> with large African American populations, and growing Latino and Asian American populations. The Leadership Conference opposes proposals like a regional minimum wage that could be misused to enable forum shopping for employers and would further calcify racial and gender inequities.

Low-wage working people across the country also need Congress to act because some states prevent cities and counties from raising the minimum wage through preemption laws. Seventeen of the 21 states that follow the \$7.25 federal minimum wage have passed such laws. In 2017, state preemption laws in Iowa and Missouri nullified local minimum wage laws that had already gone into effect — causing some people’s paychecks to decrease.<sup>34</sup> One example of preemption in action is the case of Birmingham, Alabama. In August 2015, the Birmingham City Council voted to raise the city’s minimum wage to \$10.10 an hour. But in 2016, days before the pay raise was set to take effect, the state passed and signed into law HB-174, which nullified the ordinance. The Alabama State Conference of the NAACP, fast food workers in the Fight for \$15, the Alabama Black Legislative Caucus, and Greater Birmingham Ministries challenged the law, and the case has been in litigation since. Derrick Johnson, CEO of the NAACP, noted, “The state’s legislature must be held accountable for discriminating against hard working Birmingham citizens fighting to get out of poverty.”<sup>35</sup>

At the 1963 March on Washington for Jobs and Freedom, one of the founders of The Leadership Conference, black labor leader A. Philip Randolph, noted, “Nor is the goal of our civil rights revolution merely the passage of civil rights legislation. Yes, we want all public accommodations open to all citizens, but those accommodations will mean little to those who cannot afford to use them.”

The beauty of America’s story and the promise of its legal framework show us that we, as a country and as a people, can change. We can progress, imperfectly but unyieldingly. This progress must include the

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<sup>33</sup> [https://www.epi.org/minimum-wage-tracker/#/min\\_wage/](https://www.epi.org/minimum-wage-tracker/#/min_wage/)

<sup>34</sup> “The 21 States Stuck at \$7.25: Federal Raise the Wage Act of 2017 Would Lift Wages for 20 Million Workers in These States.” National Employment Law Project. Hirsch, Mitchell. “Missouri Lawmakers to Lowest-Paid Workers in St. Louis: We’re Taking Back Your Raises.” National Employment Law Project, 19 May 2017. Available at <http://www.nelp.org/blog/missouri-lawmakers-to-lowest-paid-workers-in-st-louis-were-taking-back-your-raises/>. Hirsch, Mitchell. “Heartless in the Heartland.” National Employment Law Project, 30 March 2017. Available at <http://www.nelp.org/commentary/heartless-in-the-heartland/>. For stories of individuals whose wages decreased once a preemption law went into effect, see Graham, David A. “How St. Louis Workers Won and Then Lost a Minimum-Wage Hike.” *The Atlantic*, 29 August 2017. Available at <https://www.theatlantic.com/business/archive/2017/08/st-louis-minimum-wage-preemption/538182/>.

<sup>35</sup> “Fast-Food Workers’ Landmark Minimum Wage Lawsuit Revived, Charges Alabama Violated Equal Protection Laws in Blocking Increase to \$10.10.” July 26, 2018. <https://www.naacp.org/latest/fast-food-workers-landmark-minimum-wage-lawsuit-revived-charges-alabama-violated-equal-protection-laws-blocking-increase-10-10/>

passage of new laws — and vigorous enforcement of the laws we already have — to secure the freedoms that our Constitution guarantees and the opportunities that all people deserve.

We should all be paid fairly for the work that we do. And that is why The Leadership Conference supports the Raise the Wage Act of 2019. Thank you for the opportunity to participate in today's hearing and share the perspective of the civil and human rights community. We call on Congress to give working families across our country the raise they are overdue.

I am available to answer questions from the Committee.