Four-and-a-half million Americans signed up to fight, including a friend that I later got to know by the name of Frank Buckles, who was 16 when he joined the war in World War I. He lived to the age of 110 and died in 2011. American doughboys like him proved the decisive difference.

Just a year after the U.S. was in the war, the war was over on the 11th day of the 11th month at the 11th hour. In all, there were 30 million casualties worldwide, civilian and military.

Mr. Speaker, after the war, the United States became an international power. So 114,000 doughboys died over there in the great World War I. When they got home, an equal number died from the Spanish flu that they had contracted when they were in Europe.

Mr. Speaker, we remember them all 100 years ago this year, for the worst casualty of war is to be forgotten.

And that is just the way it is.

## LEAD POISONING IN DRINKING WATER IN SCHOOLS

(Mr. PAYNE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PAYNE. Mr. Speaker, we have a situation that is getting very serious in this Nation, and it is the issue of drinking water in schools.

I hail from the 10th Congressional District of the State of New Jersey, and after traveling to Flint, Michigan, on March 4 to listen to the people of that community talk about what had happened in their community around their drinking water and how their children have been poisoned—a potential of 9,000 children having issues with lead—I came back to Newark, New Jersey, my home, knowing that Newark is the third oldest city in the Nation.

I took action. I spoke to several mayors in my community, and I said: ''You need to pay attention to what is going on with drinking water. There is a problem.''

Lo and behold, 3 days later, in 30 schools in Newark, New Jersey, elevated levels of lead were found. So I took action, and I have introduced the TEST for Lead Act in schools. This will help States that get Federal dollars from the Federal Government test the water in schools for lead.

This is not only a cities issue. In several communities around Newark, this issue has also been found in the suburbs. It is coming to a community near you. So I ask my colleagues to support the TEST for Lead Act.

□ 1545

## CHANGES TO THE WHITE COLLAR EXEMPTION

(Mr. YOHO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. YOHO. Mr. Speaker, the current administration has changed the way business is done in America.

By making unilateral changes to the white collar exemption within the Fair Labor Standards Act, businesses across our Nation will be forced to change their investment and growth strategy. This Big Government pie-in-the-sky philosophy does not grasp the realities of Main Street America. The change would require employers to pay overtime for all employees who make $50,440 or less per year.

The administration's own Chief Counsel for Advocacy at the Small Business Administration pointed out that research for this comprehensive rule change was based on assumptions and lacked industry data and involvement.

Here is another example of an agency reinterpreting an old law from 1938 and changing it to fit the current administration's agenda. This is lawmaking by executive fiat and it is unconstitutional.

It is time for Congress to revive the legislative veto and hold an unaccountable executive branch accountable.

## MINIMUM WAGE

The SPEAKER pro tempore (Mr. WALKER). Under the Speaker's announced policy of January 6, 2015, the gentleman from California (Mr. DESAULNIER) is recognized for 60 minutes as the designee of the minority leader.

### GENERAL LEAVE

Mr. DESAULNIER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and include extraneous material on the subject of my Special Order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DESAULNIER. Mr. Speaker, I rise today to support the Raise the Wage Act that was introduced almost exactly 1 year ago today.

Raising the minimum wage is critical to addressing income inequality in the United States, one of the most pressing issues facing our Nation. But the majority has not even called a hearing on this issue.

Yesterday, the Committee on Education and the Workforce Democrats held our own forum on this issue, during which we considered the evidence in support of raising the minimum wage. We heard from business leaders and economists that raising the wage will reduce workforce turnover, stimulate consumer spending, and grow jobs.

The evidence is absolutely clear that raising the minimum wage will give 35 million workers a raise and lift 4.5 million Americans out of poverty. It is also abundantly clear that raising the minimum wage will benefit businesses in the U.S. economy. That may be why in a recent poll from Republican pollster Frank Luntz, 80 percent of business executives supported raising the minimum wage.

The record could not be more clear: raising the minimum wage is good for workers, businesses, and the American economy. That is why today I include in the RECORD testimony from yesterday's Member forum on the Business Case for Raising the Federal Minimum Wage, presented by David Cooper of the Economic Policy Institute; Sherry Deutschmann of LetterLogic, Inc.; Scott Nash of MOM's Organic; and Carmen Ortiz Larsen of AQUAS, Inc.

WRITTEN REMARKS FROM CARMEN ORTIZ LARSEN, PRESIDENT OF AQUAS INC. AND CHAIR OF THE BOARD OF THE HISPANIC CHAMBER OF COMMERCE, MONTGOMERY COUNTY, MD

Submitted to the House Education & the Workforce Committee—Minority Panel on the Business and Economic Case for Raising the Minimum Wage, April 27, 2016

My name is Carmen Ortiz Larsen, and I support an increase in the Federal minimum wage to at least $12 by 2020; I support the Raise the Wage Act. I am the owner and President of an Engineering and Information Technology firm called AQUAS Incorporated. I am also the Chair of the Board of the Hispanic Chamber of Commerce of Montgomery County, Maryland.

AQUAS Inc. staff includes professionals, administrative personnel, and field technicians. Our lowest wage is $14 an hour. Our plan is to have the minimum wage in our workplace at $16/hour within the next 18 months.

Being a small business owner is hard work. Small business owners have to be frugal, prudent, smart and alert to opportunities, navigating cash flow ups and downs, and managing cost increases and price competitiveness. Controlling costs is essential to ensure sufficient margins for funding growth, long-term success and customer satisfaction. If I don't control costs wisely, though, the dollars I save in one area of the business could cost me more in other areas.

Some years ago we sought to keep costs down by using the lowest legal minimum wage as compensation for clerical and field staff. We found that these workers had a greater incidence of health issues, absenteeism and turnover. The cost of replacing and retraining staff outweighed any savings in keeping their pay rate low.

We found that it was a smarter business policy to raise the hourly rate for the lower paid jobs. The results were better staff morale, increased loyalty and better service to the customer. We gained a more stable workforce and improved performance.

Markets are competitive, and every year costs go up. We have to face yearly increases in cost of insurance, supplies, advertising, facilities, services. We take this for granted as the cost of doing business. It should be no different to expect wage increases, especially for the lowest paid workers. All employees deserve a wage that is sufficient to live without the anxiety of being left without food or shelter.

AQUAS does not believe that the answer to cost management or competitive challenges lies in paying our staff poverty wages; this simply diminishes the quality and ongoing success of our enterprise. Instead, we remain competitive through efficiencies and quality improvements, through innovative ways to maintain reasonable profitability and improve the customer's experience. Our staff is part of who we are as a company, and they deserve to make ends meet.

We look to you as elected officials to set boundaries that cut across special interest areas, to make those tough decisions that create a delicate balance between an unrestrained commercial interest and a level playing field for businesses and acceptable conditions for individual sustainability. The current minimum wage adjusted for inflation is lower than it was in 1950. This is simply untenable and should be unacceptable in our country.

The current $7.25 an hour does not provide minimum wage workers with a wage with which they can live with dignity, have a decent home, nutritious food, and a reliable way to get back and forth from work, without worrying about whether or not they will lose their job or their family if they can't. The minimum wage is so low that workers have to seek a second job or public assistance of one kind or another. I want to contribute to my community—not burden it by paying wages my employees can't live on. Raising the federal minimum wage is long overdue.

In my community engagement as a business owner and as the Chair of the Board of the Hispanic Chamber of Commerce, I see an awful lot of the consequences of poverty wages in the community; I see families that fall apart and struggle to stay healthy, with each adult working more than one job, and still having a hard time making ends meet. These people are our consumer base, they are our neighbors, they buy from us, they vote for you. I don't want my government supporting policies like an inadequate minimum wage that promote poverty, weaken consumer demand, and ultimately hurt my business and other businesses. We have to set a reasonable wage floor.

I am here today to testify on behalf of a decent minimum wage that will reinforce employee productivity and ensure that when an employee goes home after work, they have the time, energy and enthusiasm to give to their families and community without fear, without anxiety and without hunger.

Thank you.

WRITTEN REMARKS FROM SCOTT NASH, OWNER, MOM'S ORGANIC MARKET

Submitted to the House Education & the Workforce Committee—Minority Panel on Business and Economic Case for Raising the Minimum Wage April 27, 2016

My name is Scott Nash. I am the founder and CEO of a grocery chain called MOM's Organic Market. With an investment of $100, I started MOM's in 1987 out of my mother's garage in Beltsville, MD. We currently have 15 locations in Virginia, Maryland, Pennsylvania and the District of Columbia. By the end of this year as we expand into New Jersey and elsewhere, we will have 18 stores and more than 1,000 employees. Our annual sales are more than $200 million. We support raising the federal minimum wage to at least $12 by 2020.

In 1980, just as I turned 15, I took my first part-time job. I ran the fry station at Burger King for $3.10 per hour. That's actually more than today's minimum wage adjusted for the cost of living. I was surrounded by full time adult co-workers—some with children—and they relied on their paychecks to survive. Most of my coworkers had good attitudes, even though every day their lives were permeated with struggle and stress.

A minimum wage that is too low puts millions of people between a rock and hard place. Over the years, we at MOM's have gradually increased our hourly minimum wage from $8.00 to $11. I'm happy to report that after multiple raises to $9, $10, and $11, MOM's is the most profitable we've ever been.

All good businessmen know that their most important asset is their employees. At MOM's, we consider paying a higher wage not a burden, but rather a high-return strategic investment. Our workforce is more productive, engaged and dedicated. They are happier, have less stress in their overall lives, and feel appreciated and secure.

With this higher employee morale and strengthening of our corporate culture, our retention rates have skyrocketed over the years, which has driven down our training and hiring costs. Studies show that the costs of hiring and training are substantial—thousands of dollars per employee. An employee generally doesn't operate at full efficiency until he or she has been working for at least 5 months. Longer term employees also offer more expertise and better customer service, which helps increase revenues. Customers love shopping at places with engaged employees.

Raising the minimum wage is smart business strategy. I can't hire anyone unless people buy our products. People like me start companies to fulfill the needs and desires of consumers. These needs and desires are not created by entrepreneurs; rather they are fulfilled by entrepreneurs. When workers' purses and wallets have more money in them, they spend more at local businesses. Increased consumer spending means more entrepreneurs start companies, the economy grows, and more wealth is created at all levels. One of the best quotes I've heard on job creation was, ''For a CEO to take credit for job creation is like a squirrel taking credit for evolution.'' Contrary to what some CEOs claim, raising the minimum wage will actually create jobs, not cut them.

Many full-time hourly workers who are paid the minimum wage are also dependent on government subsidies, as the current minimum wage is not a living wage. A low minimum wage essentially amounts to a taxpayer subsidy for incredibly profitable large corporations and industries. Want to see unnecessary government spending go down, raise the minimum wage!

As a member of Business for a Fair Minimum Wage, I can share that raising the minimum wage has strong support from the business community. To summarize, raising the minimum wage will increase American productivity, decrease the number of full-time workers on government entitlement programs, grow consumer spending and the economy, increase wealth, and improve the lives of hard working people. It's time we raise the minimum wage to $12 by 2020.

WRITTEN REMARKS FROM SHERRY STEWART DEUTSCHMANN, FOUNDER AND CEO, LETTERLOGIC, INC. AND COUNCIL MEMBER, NATIONAL WOMEN'S BUSINESS COUNCIL

Submitted to the House Education & the Workforce Committee Minority Panel on the Business and Economic—Case for Raising the Minimum Wage, April 27, 2016

Representative Scott, thank you for inviting me to speak today. It is an honor.

My name is Sherry Stewart Deutschmann and I am the founder and CEO of LetterLogic, a small business in Nashville, TN. I am also a member of the National Women's Business Council, a small group of female business leaders whose role is to advise the Small Business Administration, the President, and Congress on issues related to female entrepreneurship.

Please allow me to share some basic background information on myself and my business. In 2002, as a single mom with only a high-school education, I cashed in my 401k and had a week-long yard sale to raise the capital needed to start my own company, LetterLogic, in the basement of my home. That bet on me turned out to be a good one because my company quickly outgrew my basement and is now a $36 Million company. Indeed, our growth has enabled us to be recognized by INC Magazine as an INC 5000 company for nine consecutive years, an honor bestowed upon the fastest growing privately held companies in the US.

My company processes and delivers patient billing statements for hospitals nationwide, doing so in both traditional print/mail formats and also electronically. Though our business has a high-tech component, most of our jobs are in the factory, where our employees operate machinery that prints, folds, inserts, and then sorts over 235,000 bills each day. These positions could easily be filled at the minimum wage, which is $7.25 an hour in Tennessee. However, our entire business model was built on my belief that I could build a better company if I took extraordinary care of the employees. I believed that well-cared for employees could better focus on turning out a high quality product and impeccable service, and their loyalty and dedication would create a corresponding loyalty among our clients. And, I believed that a loyal client base would happily pay a higher price for the best service.

Though we've always paid the highest wages in our industry, until a few years ago our entry-level pay was $12 an hour. At that time, we began looking at our employees and trying to understand the kind of life we were enabling them to create, and as our ''litmus test'' we used the following baseline: ''If the two lowest-paid employees of LetterLogic got married, what kind of housing could they afford? Could they afford to start a family? What schools would their children attend? How much of their income could they save?'' And, at that point, we raised our starting wage to $14 an hour, and then just a few months later, we raised it to $16.

In the months since we increased our minimum starting wage from $12 an hour to where it is now at $16 an hour, my company has grown from annual revenues of $27.5 Million to $36 Million, 25% growth over a 27–month period. But what happened to the bottom line is even more striking. In that same time frame, our net profit increased 300%. Yes, when we increased our minimum starting wage from $12 an hour to $16 an hour, our revenue increased by 25% and our profit margin tripled. Yes, we made other smart business decisions that helped us achieve those results, but we believe that putting the needs of the employees above all else was a major contributor.

Moreover, my fast-growth company has zero debt—also a factor we attribute to the financial results of paying our employees fairly.

We are confident that our results are duplicable, that putting the needs of the employees first is a great business model. During the last three years, we've polled our clients bi-annually and they express their happiness and loyalty when 100% of the respondents say they'd recommend us, and 99% say they rank our service as Excellent or Good. But they DEMONSTRATE their loyalty by staying with us. Indeed, over the last three years, our revenue churn rate has been only 3.2%.

I'd also like to touch briefly on how a higher minimum wage affects the local economy by sharing the story of Kim, a woman we hired a few years ago. She says this is the first workplace in her life that she is making enough money that she has to work only one job. She is now able to fully commit her energy and attention to her job at LetterLogic, taking great care of our customers and better care of her family. And, she left an open position for someone else to fill.

From my experience operating a small business, I can attest to the value of paying a living wage. When employees are paid a wage they can live on, they are better able to focus on the demands of their jobs. The quality of the goods and services they create are much better and build customer loyalty to the point where the company can be more profitable and sustainable.

When I pay a starting wage of $16 plus benefits my employees have more money to spend at other businesses. The very least other businesses can do is pay a wage that allows their employees to afford the basics.

My business can set a good example, but I can't do it alone. The businesses with me in Business for a Fair Minimum Wage can't do it alone. The federal minimum wage, which Tennessee follows, has not been raised since 2009.

Increasing the minimum wage to $12 by 2020, as called for in the Raise the Wage Act, is an overdue step in raising the floor for businesses, communities and our economy. Raising the minimum wage will increase productivity and reduce the costly turnover that plagues so many short-sighted low-wage businesses. It will boost sales by putting more money in the pockets of workers who most need to spend it.

Raising the minimum wage is good for business!

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THE IMPACT OF RAISING THE FEDERAL MINIMUM WAGE TO $12 BY 2020 ON WORKERS, BUSINESSES, AND THE ECONOMY

TESTIMONY BEFORE THE U.S. HOUSE COMMITTEE ON EDUCATION AND THE WORKFORCE MEMBER FORUM

(By David Cooper, Senior Economic Analyst, Economic Policy Institute, April 27, 2016)

Ranking Member Scott, members of the committee, and Members of the Democratic Caucus, thank you for inviting me to speak with you today. My name is David Cooper. I am the Senior Economic Analyst at the Economic Policy Institute (EPI), a nonpartisan, nonprofit research organization that focuses on improving the economic conditions of low- and middle-income workers and their families.

I am going to speak today about the appropriateness of a $12 federal minimum wage in 2020, and what the research tells us about the effect of raising the minimum wage on workers, businesses, and the economy.

First, it cannot be emphasized enough that the current federal minimum wage of $7.25 is incredibly low by every relevant benchmark. In 1968, the high point of the federal minimum wage in inflation-adjusted terms, the minimum wage was equal to roughly $10 an hour in today's dollars. (Using the Bureau of Labor Statistic's longest-running measure of inflation, it was worth $10.95 in today's dollars; using the Bureau's current method for measuring inflation, it was worth about $9.60.) This means that minimum wage workers today are paid between a quarter and a third less than what similar jobs paid almost 50 years ago, depending on how you measure inflation.

As a consequence, the majority of low-wage workers in America today must rely on federal and state public assistance programs in order to afford their basic needs: 53 percent of workers earning less than $12 an hour rely on some form of means-tested government assistance—such as food stamps, Medicaid, refundable tax credits, and housing and energy subsidies. The federal government spends over $78 billion dollars each year to support the families of workers earning less than $12 an hour, and this is undoubtedly an underestimate because it does not include the value of Medicaid or premium subsidies in healthcare exchanges. To be clear, these dollars are going to workers and families who desperately need this support and if anything, our anti-poverty programs need to be strengthened and expanded. Yet there is considerable savings to be had in these programs if businesses were simply held to the same standard to which they were held in the 1960s. In a paper EPI released last year, we estimated that federal antipoverty programs would save $17 billion annually if the minimum wage were raised to $12 by 2020. That very savings could be used to strengthen government's antipoverty tools.

The current minimum wage is also exceptionally low relative to the pay of typical workers. In the 1960s, the minimum wage was equal to just over half of the median full-time wage in the United States (between 52 and 55 percent of the median, depending upon how one measures wages). Today, the federal minimum wage is equal to roughly 36 percent of the median wage. This means that someone working at or near the minimum wage is much farther away from a middle class job than similar workers a generation ago. Sometimes it is said that minimum wage jobs are just starter jobs for young people entering the labor force. First of all, we know that is not true—the average age of workers that would get a raise from a minimum wage increase to $12 is 35 years old and the vast majority (90 percent) are 20 or older. Yet even in cases where it is true, those young people are starting off their careers much further from the middle class than young people of previous generations.

Raising the federal minimum wage to $12 by 2020, as the Raise the Wage Act would do, would restore the national wage floor to the same relative position that it had in the late 1960s. Under conservative assumptions for wage growth at the median, $12 in 2020 would be equal to roughly 54 percent of the full-time median wage, bringing low-wage workers closer to the pay of a middle-class job, and helping undo some of the growth in wage inequality that has taken place since 1968.

Whenever increasing the minimum wage is discussed, there is always concern that doing so might hurt job growth or imperil businesses that employ low-wage workers. In the 22 times the federal minimum wage has been raised, and the over 300 times that states or localities have raised their minimum wages just since the 1980, these concerns have never materialized. The effect of increasing the minimum wage on employment is probably the most studied topic in labor economics, and the consensus of the literature is that moderate increases in the minimum wage have little to no effect on employment. In fact, this was the conclusion of a letter signed by over 600 PhD economists—including 8 winners of the Nobel Prize—sent to the leaders of both houses of Congress in 2014. The letter stated, "In recent years there have been important developments in the academic literature on the effect of increases in the minimum wage on employment, with the weight of evidence now showing that increases in the minimum wage have had little or no negative effect on the employment of minimum-wage workers, even during times of weakness in the labor market.

The most detailed study in recent years of the minimum wage's effects was published in a 2014 book by economists Dale Belman and Paul Wolfson. Belman and Wolfson conducted a meta-analysis (a study of studies) of over 200 scholarly papers on the minimum wage published since 1991. They conclude that "modest minimum wage increases raise wages for the working poor without substantially affecting employment or work hours, providing solid benefits with small costs." (p.401) Belman and Wolfson's book was subsequently awarded Princeton University's Bowen award for the book making the most important contribution toward understanding public policy related to the operation of labor markets.

In recent years, research has found not only that have minimum wage increases have had no measurable negative effects, but they have often produced positive effects on the functioning of the low-wage labor market. Higher minimum wages tend to reduce turnover and increase job tenure among low-wage workers—leading to productivity improvements and lower turnover costs at affected businesses.

Most importantly, research has consistently shown that raising the minimum wage boosts the pay of low-wage workers who typically come from low- and moderate-income households. Because these households typically spend a larger portion of their income than wealthier households, the rising wage floor can provide a modest boost to consumer spending, generating new business activity, particularly in lower-income areas where consumer demand is more depressed. And this is true even if some firms have to enact small price increases as a result of the higher minimum wage. Pay raises for low-wage workers resulting from higher minimum wages are vastly larger than any resulting price increases—typically by a factor of more than 10 to 1. This is because labor costs are only one piece of businesses' overall operating costs, and as previously noted, raising pay simultaneously generates savings from higher productivity and lower turnover.

In summary, raising the minimum wage to $12 by 2020 would boost the wages of tens of millions of American workers, increase low-income households' buying power, reduce reliance on federal assistance programs, and bring the wage floor back up to the same relative value it had in the 1960s. The research indicates that such an increase would not be overly burdensome on businesses or hamper job growth, and could, in fact, strengthen the consumer demand that drives the U.S. economy. I strongly encourage Congress to pass the Raise the Wage Act.

Mr. DESAULNIER. Mr. Speaker, it is past time for Congress to raise the Federal minimum wage. We learned yesterday that, of the people who would most be impacted by raising the minimum wage, only 10 percent are teens, as opposed to a popular misconception. In fact, the average age affected is 35, and 56 percent are women. In addition, nearly one-third of all Hispanics and one-third of all African Americans would get a raise by enacting this act, and 30 percent of working mothers would get a raise.

It is time that we stand up for hard-working people all across America and give them a well-deserved and long-overdue raise.

I yield to the gentleman from California (Mr. TAKANO).

Mr. TAKANO. Mr. Speaker, I thank my colleague from the State of California, my home State of California, for yielding.

I am glad to stand here today in support of the Raise the Wage Act. I want to thank my colleagues for standing with me today to promote the benefits of increasing the minimum wage.

While critics warn of mass layoffs and economic calamity, studies consistently show that a higher minimum wage will stimulate the economy and lift workers out of poverty.

We cannot allow ideology and partisanship to stop millions of workers from earning a living wage. A report on poverty in my own community, which my office produced last year, revealed the urgency of this issue. Here is what we found:

Last year, a single parent of two kids working full time at the minimum wage in Riverside, California, was likely to fall $600 short of what they need to get by every month. Not only does this situation violate the premise of the American Dream that working hard and playing by the rules will land you in the middle class, it also damages our economy.

A University of California, Berkeley study found that low wages cost American taxpayers $152 billion each year on social welfare programs for working families. We are effectively subsidizing companies that do not pay their workers a living wage.

Now, there is a myth—a myth—that the typical minimum wage earner is a high school student, a high school student living at home working part time. But young people make up just a tiny fraction of the minimum wage workforce. Eighty-nine percent of workers who would benefit from a Federal minimum wage increase to $12 per hour are actually age 20 or older. Nearly 40 percent of this workforce is older than 40.

These are not kids on a summer job. These are parents who are seeking to provide for their children. With more money in their pockets, these workers could take a few extra trips to the grocery store, buy new school supplies for their children, or save up to buy a home, all of which would help stimulate our economy.

All of us have expressed serious concerns about rising income inequality in our communities. We all understand that the economy has been thrown out of balance because the rules that protect workers from exploitation have atrophied over time. The minimum wage is a clear example of that trend.

The real value of the Federal minimum wage has declined 24 percent since 1968. Workers are not worth 24 percent less than they were 50 years ago, and families cannot get by with 24 percent less than they did 50 years ago.

Raising the minimum wage is not only good policy, it is popular policy. Paying workers a living wage reduces turnover, improves worker morale, and increases productivity. For those reasons, a poll by the American Sustainable Business Council found that 60 percent of small-business owners support raising the minimum wage to $12 an hour by 2020. And most revealing, the Republican pollster Frank Luntz found that 80 percent of business executives support raising the minimum wage.

Mr. Speaker, I include in the RECORD an article from The Washington Post describing this secret poll done by Frank Luntz of these business executives—the very one I mentioned in my remarks—that found that 80 percent of business executives support increasing the minimum wage.

[From the Washington Post, Apr. 4, 2016]

LEAKED DOCUMENTS SHOW STRONG BUSINESS SUPPORT FOR RAISING THE MINIMUM WAGE

SO WHY DO MOST CHAMBERS OF COMMERCE STILL OPPOSE IT?

(By Lydia DePillis)

Whenever minimum wage increases are proposed on the state or federal level, business groups tend to fight them tooth and nail. But actual opposition may not be as united as the groups' rhetoric might make it appear, according to internal research conducted by a leading consultant for state chambers of commerce.

The survey of 1,000 business executives across the country was conducted by LuntzGlobal, the firm run by Republican pollster Frank Luntz, and obtained by a liberal watchdog group called the Center for Media and Democracy. (The slide deck is here, and the full questionnaire is here.) Among the most interesting findings: 80 percent of respondents said they supported raising their state's minimum wage, while only eight percent opposed it.

''That's where it's undeniable that they support the increase,'' LuntzGlobal managing director David Merritt told state chamber executives in a webinar describing the results, noting that it squares with other polling they've done. ''And this is universal. If you're fighting against a minimum wage increase, you're fighting an uphill battle, because most Americans, even most Republicans, are okay with raising the minimum wage.''

Merritt then provided some tips on how to defuse that support, such as suggesting other poverty-reduction methods like the Earned Income Tax Credit. ''Where you might find some comfort if you are opposing it in your state is, 'how big of a priority is it against other priorities?' '' he said. ''Most folks think there are bigger priorities. Creating more jobs rather than raising the minimum wage is a priority that most everyone agrees with. So when you put it up against other issues, you can find other alternatives and other things to focus on. But in isolation, and you ask about the minimum wage, it's definitely a winner.''

Sixty-three percent of respondents said they belong to a chamber of commerce, whether on the local, state, or federal level—suggesting that the groups' public statements might be out of step with their members' beliefs. The materials shed light on how some business trade associations operate, and why they've continued to oppose minimum wage increases even as the rest of the public thaws towards them.

The research had been commissioned by the Council of State Chambers, a small, nonpolitical umbrella organization that coordinates messaging across the dozens of groups that make up its membership. The main purpose of the survey, says Council director Joe Crosby, had been to assess what the broader business community thinks about state chambers, and what kind of language they respond to best. (Under the terms of its contract, Crosby says, LuntzGlobal was forbidden from discussing the survey publicly.)

So why do state chambers, which are usually the largest and most powerful business organizations represented in state capitols, seem so far apart from the broader business community when it comes to the minimum wage?

Crosby argued that modest minimum wage hikes don't impact the majority of chamber members, and so they actually tend to leave the issue to trade groups for retailers, hotels and restaurants, which employ most low-wage workers.

''In chambers, historically, it's more successful businesses that are in manufacturing and other higher wage industries,'' Crosby says. ''They tend to see themselves as the voice of business, but there are other groups that are focused on sectors that are focused on different wage mandates.''

In the more liberal areas where minimum wage increases have succeeded, that's often true: Broad-based business groups have hesitated to speak out too strongly against the popular measures, leaving those industries that are most affected out in the cold.

In some instances, advocates have even targeted low-wage service industries first—a hotel wage ordinance passed in Los Angeles before the across-the-board increase, for example, and New York Gov. Andrew Cuomo raised wages for fast food workers before launching a campaign to do so for all workers (which New York City-based chambers of commerce actually supported).

But in most states, chambers of commerce haven't been as shy in their opposition to minimum wage hikes. Pennsylvania Chamber of Business and Industry president Gene Barr says he canvasses his members regularly on lots of issues, and they are against raising the state's minimum wage above where it still sits at the federal floor of $7.25—even the big, high-tech industries that already pay well above it.

''Our larger businesses get that,'' said Barr, who sat through the LuntzGlobal presentation. ''We don't get pushback saying that 'you really need to get behind a minimum wage increase,' because they understand that it's really not appropriate.''

Minnesota Chamber of Commerce president Doug Loon says his members' opinions don't match those of the LuntzGlobal survey—including those regarding requirements that businesses offer benefits like paid paternity leave, which 82 percent of respondents supported, or more paid sick leave, which 73 percent supported. The Minnesota Chamber has found that even those of its members who are offering those benefits would rather have the choice of whether to do so, and how.

''It's what most employers are moving to,'' Loon says. ''Do we need to pass a one-size-fits-all on sick leave? We would argue that we do not.''

So Loon and Barr say they're just following their members' wishes. Some business groups have a different perspective—but don't necessarily have the power to combat a state chamber when it puts its mind to something.

The South Carolina Small Business Chamber of Commerce has supported a higher minimum wage, but its president Frank Knapp says his members simply don't have the bandwidth to push for it, with so many other issues on their plate. ''When you actually talk to those people one on one, you find that yeah they're fine with raising the minimum wage,'' Knapp says. ''But they're not going to crusade for the minimum wage.''

That might be true of traditional chamber members too, Knapp thinks, many of whom mostly join for the networking benefits rather than the political advocacy aspect anyway. But within those groups, the industries that care most about a given policy matter—hotels and restaurants, in the case of the minimum wage—drive the organization's agenda. ''Usually the most vocal members of the state chambers dominate on that particular issue, and everybody else stays quiet,'' Knapp says.

When that happens, it's easy for politicians and the public to get the idea that the private sector stands united against raising the minimum wage, when opinions are actually much more diverse.

Holly Sklar is CEO of a national group called Business for a Fair Minimum Wage that favors raising the wage floor in states and nationwide, and she points to a number of surveys by reputable pollsters—from CareerBuilder, Small Business Majority, and the American Sustainable Business Council—that found most businesses agree Many of those businesses don't join state chambers, which means their opinions don't filter up to the organization's leadership, so its positions don't change—and that's what gets conveyed to politicians.

''Sometimes you end up confused by the fact that someone has enough money to be in the halls of the state senate, day after day after day, funded by some of the bigger corporations that have more of an investment in the status quo,'' Sklar says. ''It has an impact on how it's perceived—you start thinking that's what business thinks.''

Mr. TAKANO. Mr. Speaker, I urge my colleagues to listen to their constituents, listen to these businessowners, and raise the minimum wage. It is past time that we took this action to improve the lives of millions of working Americans and strengthen our economy.

Mr. DESAULNIER. Mr. Speaker, I thank my colleague from California.

Mr. Speaker, I yield to the gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Speaker, I thank my colleague. I am proud to join with him this afternoon to talk about an issue of critical importance to the people of this Nation.

Obviously, I want to be very, very clear about the issue of a rise in our minimum wage. For the length of time that I have served in this body, which is for 25 years, I have been a strong supporter of increasing the minimum wage. I believe that it has sustained America's working families and it is justified, which is why I strongly support the Raise the Wage Act.

We need to index the minimum wage. It needs to keep up with inflation. It is long past time that this gets done. Time goes on, costs increase, and the minimum wage ought to increase. We can't afford to settle for the status quo.

Full-time, year-round work at the current minimum wage of $7.25 leaves a family of three below the Federal poverty line. This disproportionately, by the way, hurts women, who make up nearly two out of three workers making the minimum wage. This means low-wage workers have to work longer hours just to achieve the standard of living that was considered the bare minimum almost a half century ago.

The greatest economic challenge that faces our Nation today is that too many Americans are in jobs that do not pay them enough to live on. Raising the minimum wage would directly or indirectly lift wages for more than 35 million workers—or more than one in four in the United States. The Raise the Wage Act would lift 4.5 million Americans out of poverty and reduce income inequality.

The low minimum wage, by the way, is not just bad for workers. It is bad for business, and it is bad for the entire economy. Low wages limit consumer demand, which stalls our country's economic growth. That hurts everyone.

A raise is long overdue for hardworking Americans if you realize, between 1948 and 1973, productivity and compensation grew at nearly equal rates; but from 1973 to 2014, American workers' productivity grew by 72 percent—they were producing more—while hourly worker compensation grew by just 9 percent.

Wages for the top 1 percent have grown 138 percent since 1979, while wages for the bottom 90 percent have only grown 15 percent. We have an opportunity to make a real step toward closing this gap.

There is a broad and growing consensus on a need to raise the wage. In a poll—and my colleagues have referenced this poll. This is a poll of business executives, and I think they were trying to hide it. I don't think that they wanted to get it out. But business executives—and this is a poll conducted by Frank Luntz, who is a Republican pollster, and he found that 80 percent supported raising the Federal minimum wage.

If our colleagues across the aisle want to make a real impact on poverty in the United States, they would support legislation that helps working families cope with rising costs like the Raise the Wage Act. The American people have waited long enough. It is time to make sure that all of our workers can make decent pay for a hard day's work, get a decent day's pay.

I urge my colleagues to pass this legislation.

Also, if I can, Mr. Speaker, Republicans contend that they can't raise the wage because doing so would kill jobs. So I include in the RECORD a paper from the National Employment Law Project describing, among other research, two meta-studies on the effect of the minimum wage on employment.

EMPLOYMENT AND BUSINESS EFFECTS OF MINIMUM WAGE INCREASES

INTRODUCTION

While the U.S. economy continues to see steady growth, wages have been flat or falling for much of the labor force. This dynamic has spurred the most significant wave of action to raise the minimum wage in fifty years, with momentum for significant increases at the federal, state and local levels. The growing momentum for raising the minimum wage has focused attention on the impact of higher minimum wages on employment levels. Supporters argue that higher minimum wages help workers and the economy, and that research shows any adverse effect on jobs is minimal. Opponents, by contrast, generally contend that higher wages will reduce employment or slow job growth.

The fact that many states and cities in the U.S. have raised their minimum wages in recent years while others have not has created a rich store of data for research and analysis and has made the minimum wage one of the most studied questions in economics.

This brief reviews the extensive body of research on the impact of higher minimum wages in the U.S. over the past twenty years and draws these key findings:

The bulk of rigorous research examining hundreds of case studies of minimum wage increases at the state and local levels finds that raising the minimum wage boosts incomes for low-paid workers without reducing overall employment job growth to any significant degree.

The minority of researchers reaching different conclusions rely on less precise or flawed methodologies that fail to take advantage of the most recent advancements in economic research.

Businesses are able to absorb the cost of paying higher wages without reducing employment through a range of channels, including savings from increased employee productivity and reductions in employee turnover that consistently result from minimum wage increases.

The minimum wage is one of the most studied subjects in the field of economics. Since the early 1990s, economists—armed with richer data than previously available and the computational power to analyze it—have conducted scores of studies in an effort to better understand the employment effects of raising the minimum wage. Many of these studies, often referred to as the ''new minimum wage research,'' have used sophisticated methodologies that control for variables unrelated to the minimum wage—such as regional employment trends not driven by minimum wage changes—that otherwise may bias a study's findings. The results overwhelmingly suggest that raising the minimum wage has very little effect on employment.

Most prominently, two leading ''meta-studies'' survey and pool the data from over four decades of research. The meta-studies represent the most reliable and sophisticated approaches to studying the employment impact of raising the minimum wage, as they aggregate data from dozens of studies containing thousands of different estimates of the employment impacts of minimum wage increases.

The first meta-study, by Hristos Doucouliagos and T.D. Stanley (2009), shows that there is ''little or no significant impact of minimum wage increases on employment,'' as noted by the Center for Economic and Policy Research in its review of the minimum wage literature. This is illustrated in Figure 1, which arrays 1,492 different findings from 64 different studies, mapping their conclusions on employment impacts against the statistical precision of the findings. As economist Jared Bernstein summarizes, ''the strong clumping around zero [impact on jobs] provides a useful summary of decades of research on this question [of whether minimum wage increases cost jobs].

Drawing on the methodological insights of Doucouliagos and Stanley, the second meta-study by Dale Belman and Paul Wolfson (2014) reviews more than 70 studies and 439 distinct estimates to come to a very similar conclusion: ''[i]t appears that if negative effects on employment are present, they are too small to be statistically detectable. Such effects would be too modest to have meaningful consequences in the dynamically changing labor markets of the United States,'' and too small to merit policy or political controversy.

In addition to these meta-studies, state-of-the-art individual studies have developed new research methods to enable economists to better isolate and analyze the actual impact of minimum wage increases—and have confirmed that raising the minimum wage does not reduce employment. Two of these leading individual studies are:

''Minimum Wage Effects Across State Borders,'' in which economists Arindrajit Dube, T. William Lester and Michael Reich (2010) apply innovative new research methods to examine the real-world impact of state minimum wage increases on employment. In order to completely isolate other factors influencing state job growth trends, the study compares employment trends in neighboring counties that are economically similar except for having different minimum wages (by virtue of being on different sides of a state border). The study looks at employment levels among every pair of neighboring U.S. counties that had differing minimum wage levels at any time between 1990 and 2006—and finds that higher minimum wages did not lead business in those states to reduce their hiring or shift their hiring to neighboring counties with lower minimum wage rates.

''Do Minimum Wages Really Reduce Teen Employment?,'' in which economists Sylvia Allegretto, Arindrajit Dube and Michael Reich (2011) demonstrate that neglecting to control for regional employment trends leads observers to erroneously attribute reductions in employment in certain states to an increase in the minimum wage. They find that, after controlling for regional trends, the negative effects on teen employment in regions with higher minimum wages not only disappeared, but turned slightly positive, and that these observations hold true whether the economy is growing or in a downturn. The fact that there is no evidence that past U.S. minimum wage increases have reduced teen employment is significant since, if there were any adverse effects associated with minimum wage increases, one might expect to see them among teens who are new entrants to the labor market.

The innovative approach used by Dube, Lester and Reich in the 2010 study has won praise from leading labor economists at top universities, such as Harvard economist Lawrence Katz and Massachusetts Institute of Technology economists David Autor and Michael Greenstone. As Autor explained, ''The paper presents a fairly irrefutable case that state minimum wage laws do raise earnings in low wage jobs but do not reduce employment to any meaningful degree. Beyond this substantive contribution, the paper presents careful and compelling reanalysis of earlier work in this literature, showing that it appears biased by spatial correlation in employment trends.''

The new body of research has led to a shift in the views of mainstream economists on the employment impact of minimum wage increases. Indicative is a February 2013 poll of leading economists by the University of Chicago's Booth School of Business, in which economists by a more than 3 to 1 margin believe that the benefits of raising the minimum wage and indexing it for inflation outweigh any costs. Similarly, centrist economists, including Larry Summers and Robert Rubin, have called for raising the minimum wage and empowering workers as part of a strategy to help grow the middle class and move the economy forward; and Goldman Sachs released an analysis of minimum wage increases, which did not mention disemployment at all—neither as an immediate effect, nor as a forecast.

The shrinking body of economic research that continues to argue that increases in the minimum wage cost jobs emanates in large part from a single source: University of California-Irvine economist David Neumark. Neumark is the author of both a survey that claims that the weight of minimum wage research points towards evidence of job losses, and of several studies that claim to show the same. However, both Neumark's survey and the methodology he uses in his individual studies have been shown to be skewed and inaccurate.

Neumark's 2006 survey (coauthored with William Wascher), ''Minimum Wages and Employment: A Review of Evidence from the New Minimum Wage Research,'' maintains that 85 percent of the ''most credible'' research on the impact of raising the minimum wage finds job losses as a result. However, other economists have pointed out that this survey—which is not a true meta-study—was conducted in a highly subjective manner, generating its unrepresentative conclusions. Specifically, Neumark's survey:

1. Fails to comprehensively review the economic research on the impact of raising the minimum wage, and instead selects just 33 studies that the author subjectively designates as the ''most credible;''

2. Omits several of the most important recent studies on the impact of minimum wage increases in the United States, with the result that half of the studies analyzed by Neumark focus on foreign labor markets, rendering their conclusions less relevant to the U.S.; and

3. Is skewed towards Neumark's own research, which makes up a full 26 percent of the U.S.-based studies that he elects to include.

Neumark's research, as well as the few other studies which continue to maintain that minimum wage increases cost jobs, have used variants on a single approach: comparing job growth in states with higher minimum wages against job growth in states with lower minimum wages.

However, as demonstrated by Dube, Lester and Reich (2010) and Allegretto, Dube and Reich (2011), Neumark's simplistic approach cannot accurately assess the impact of a higher minimum wage since It does not adequately control for the wide range of varying local economic conditions—such as regional trends in manufacturing jobs losses, population shifts to the sun belt, and the local severity of economic shocks such as the housing bubble collapse—that affect job growth in state labor markets. As a result of these inadequate controls, Neumark and other conservative economists erroneously attribute differences in regional job growth levels to minimum wage differences.

More recent and sophisticated research does a better job of controlling for those regional economic differences. The 2010 study by Dube, Lester and Reich, for example, uses a methodology similar to Neumark's. But rather than comparing job growth rates among all states nationwide, it focuses on comparisons among states in the same region of the country that have differing minimum wages. Dube, Lester and Reich show that when one uses a regional focus to control for extraneous economic trends, any evidence of job losses disappear.

The strength of the new research has led major business publications to endorse its findings and methodologies—and to reject opposition research as faulty and inaccurate. In 2012, Bloomberg News, for example, called for increasing the minimum wage and indexing it for inflation, writing that, ''[a] wave of new economic research is disproving those arguments about job losses and youth employment. Previous studies tended not to control for regional economic trends that were already affecting employment levels, such as a manufacturing-dependent state that was shedding jobs. The new research looks at micro-level employment patterns for a more accurate employment picture. The studies find minimum-wage increases even provide an economic boost, albeit a small one, as strapped workers immediately spend their raises.''

Despite the advances made in new research on the minimum wage, in 2014 the Congressional Budget Office (CBO) published a report, based partially on older research, suggesting that an increase in the minimum wage would reduce total U.S. employment by about 500,000 workers—though it acknowledged the possibility of an impact ranging from near-zero to one million jobs lost. Economists who have studied the minimum wage, however, have criticized the report for a major flaw in its analysis: Despite acknowledging the greater accuracy of newer methodologies, in its synthesis of minimum wage studies the CBO gave equal weight to older methodologies as to new, without explaining its reason for doing so.

Michael Reich—one of the critics of the report and coauthor of two of the studies discussed above—notes the CBO erred when it took the findings of research by Neumark/Wascher and Reich/Dube and averaged them, as if those studies were similar enough in methodology, time and data sets used to justify doing so. He writes, ''We conclude, and many other labor economists agree, that our studies invalidate the previous approach used in many studies by Neumark and Wascher and others. It makes no sense to take an average between a rigorous study and one that has been shown to be flawed.'' Giving equal weight to these studies likely biased the CBO's conclusions.

Goldman Sachs analysts also reviewed the CBO report and concluded that its job loss estimates are overstated. The analysts cite the findings of the new minimum wage research, which find little to no effects on employment (see the first section of this brief); a boost in demand from higher earnings; a concentration of employment impacts on only two industries (retail and leisure & hospitality); and the fact that states and localities have taken the lead in increasing the minimum wage in the face of congressional inaction, as reasons the CBO estimates are likely too high.

Even with its flawed analysis, taken as a whole the CBO report nonetheless demonstrates that the benefits of raising the minimum wage far outweigh any drawbacks. Among its positive findings, the report concluded that 24.5 million workers would benefit from a wage increase to $10.10, and nearly one million would be lifted out of poverty.

In January 2014, House of Representatives Speaker John Boehner made the following claim in explaining his opposition to raising the minimum wage: ''When you raise the cost of something, you get less of it.'' This idea seems intuitive to many who learned about supply and demand in an introductory economics class. But in fact, both research and real life experiences show that, rather than automatically raising costs and forcing layoffs, higher wages can lead to significant savings for businesses, offsetting a large portion of the higher payroll costs. Among the leading factors explaining this seemingly counter-intuitive observation are two related concepts: employee turnover and productivity.

Low wages are associated with high levels of employee turnover. Workers earning low wages tend to be less committed to their jobs than better paid workers and are less likely to stay at their jobs for long. Unsurprisingly, the accommodations and food services sector—one of the lowest-paying sectors—has an annual turnover rate of nearly 63 percent, while ''limited service restaurants''—a subsector which includes fast food restaurants like McDonald's and Burger King—have a turnover rate of well over 100 percent each year. The retail trade, which employs cashiers, customer service representatives, stock clerks and other low-wage workers, has a turnover rate of nearly 50 percent.

Employee turnover forces businesses to constantly find and train new workers, costing firms significant amounts of money and time. In the fast food industry, the cost of turnover is approximately $4,700 each time a worker leaves his or her job. Studies show that higher wages can substantially reduce turnover and the costs associated with replacing lost workers. In the fast food industry, increasing the minimum wage could lead to as much as $5.2 billion in cost savings to businesses and as many as 1.1 million fewer separations. Overall, savings from reduced turnover alone can offset as much as 30 percent of the cost of a minimum wage increase—even to $15 per hour.

Low pay also impacts productivity. While experienced workers tend to be more productive, new workers may not be as optimally efficient during their training period, and this can incur indirect costs to businesses from lost sales and imperfect customer service as new workers learn on the job. While the savings from greater productivity and lower turnover may not fully pay for a minimum wage increase, these savings can nonetheless substantially offset the higher labor costs associated with an increase.

The benefits from higher productivity and lower turnover helps explain why large companies as well as many small businesses have chosen to invest in higher wages as part of a highly competitive business strategy. As MIT business school professor Zeynep Ton explains, ''Highly successful retail chains—such as QuikTrip convenience stores, Mercadona and Trader Joe's supermarkets, and Costco wholesale clubs—not only invest heavily in store employees but also have the lowest prices in their industries, solid financial performance, and better customer service than their competitors. They have demonstrated that, even in the lowest-price segment of retail, bad jobs are not a cost-driven necessity but a choice. And they have proven that the key to breaking the trade-off is a combination of investment in the workforce and operational practices that benefit employees, customers, and the company.''

Many employers can afford to pay better wages. The vast majority of small businesses (89 percent) already pay their employees more than the federal minimum wage, a strong majority (60 percent) support raising the minimum wage to $12 and adjusting it for inflation each year, and a growing number of employers see $15 as a fair minimum wage. Many also believe that higher wages level the playing field by preventing larger or less scrupulous firms from gaining a competitive advantage through very low labor costs. Large businesses, in particular, are in the position to improve their wages. Corporations like Walmart, T.J. Maxx, Gap and Ikea, which employ the majority of low-wage workers, have been enjoying record profits for years. According to the St. Louis Federal Reserve Bank, in the second quarter of 2015, corporate profits amounted to $1.8 trillion—the highest since the late 1940s.

CONCLUSION

''When employers stop thinking about employees as costs to cut, but instead as customers, they see it is in their self-interest to raise the minimum wage. We need to change their concept of self-interest.''—Nick Hanauer, entrepreneur and venture capitalist.

The most recent and sophisticated research—as well as the experiences of leading employers like Trader Joe's, Costco and thousands of small businesses—strongly suggest that higher wages increase incomes for low-wage workers without reducing overall employment or hurting businesses. Not only do employers benefit from the savings they accrue from lower turnover and higher productivity; they also benefit from an increase in demand for the goods and services they offer. As observers from Nick Hanauer to Larry Summers point out, workers are customers—and the better a worker's ability to participate in the economy as a consumer, the better off will be both individual businesses and the economy as a whole.

Ms. DELAURO. This document examined 64 minimum wage studies measuring the effect of minimum wages on teenage employment in the United States published between 1972 and 2007. While these studies estimated a range of employment effects, Mr. Stanley and Mr. Doucouliagos found the most precise estimates in the studies were around zero or near zero employment effects.

□ 1600

The second is from Paul Wolfson and Dale Belman. It examined studies published since 2007 on the employment effect on minimum wage increases. This meta-analysis also found that the best estimates in the compiled studies revealed no statistically significant negative employment effects.

We all have listened over many years that any increase in the minimum wage would, my gosh, send the U.S. economy into a tailspin, and every time it has proven false. It was false then; it is false now. Let us raise the minimum wage, and let us support the Raise the Wage Act.

I thank my colleague from California for including me in this Special Order.

Mr. DESAULNIER. My pleasure. I thank my colleague from Connecticut for her passionate advocacy on this issue and on others around wage inequality.

Mr. Speaker, I include in the RECORD a letter sent to President Obama and signed by over 600 economists, including seven Nobel Prize winners, stating that the most recent economic research shows that increases in the minimum wage have little or no negative effect on the employment of minimum wage workers. In fact, the letter goes on to read that a minimum wage increase could have a stimulative effect on the economy as low-wage workers spend their additional earnings, thus increasing consumer demand and leading companies to hire additional workers.

OVER 600 ECONOMISTS SIGN LETTER IN SUPPORT OF $10.10 MINIMUM WAGE: ECONOMIST STATEMENT ON THE FEDERAL MINIMUM WAGE

DEAR MR. PRESIDENT, SPEAKER BOEHNER, MAJORITY LEADER REID, CONGRESSMAN CANTOR, SENATOR MCCONNELL, AND CONGRESSWOMAN PELOSI: July will mark five years since the federal minimum wage was last raised. We urge you to act now and enact a three-step raise of 95 cents a year for three years—which would mean a minimum wage of $10.10 by 2016—and then index it to protect against inflation. Senator Tom Harkin and Representative George Miller have introduced legislation to accomplish this. The increase to $10.10 would mean that minimum-wage workers who work full time, full year would see a raise from their current salary of roughly $15,000 to roughly $21,000. These proposals also usefully raise the tipped minimum wage to 70% of the regular minimum.

This policy would directly provide higher wages for close to 17 million workers by 2016. Furthermore, another 11 million workers whose wages are just above the new minimum would likely see a wage increase through ''spillover'' effects, as employers adjust their internal wage ladders. The vast majority of employees who would benefit are adults in working families, disproportionately women, who work at least 20 hours a week and depend on these earnings to make ends meet. At a time when persistent high unemployment is putting enormous downward pressure on wages, such a minimum-wage increase would provide a much-needed boost to the earnings of low-wage workers.

In recent years there have been important developments in the academic literature on the effect of increases in the minimum wage on employment, with the weight of evidence now showing that increases in the minimum wage have had little or no negative effect on the employment of minimum-wage workers, even during times of weakness in the labor market. Research suggests that a minimum-wage increase could have a small stimulative effect on the economy as low-wage workers spend their additional earnings, raising demand and job growth, and providing some help on the jobs front.

Mr. DESAULNIER. Mr. Speaker, I stand here as a fervent believer in what we have advocated for and as someone who has spent 35 years owning and managing restaurants in an area of the country in which the economy is growing more rapidly than anywhere else in the country right now, which is the San Francisco Bay Area.

With that background, I also speak to this as somebody who has a good deal of empathy for small-business owners, particularly restaurant owners, who are looking at monthly and quarterly business reports and are wondering how they would accommodate the increase in the minimum wage. In California, of course, we are much higher than in the U.S., and many cities, including San Francisco, have gone to $15 with an indexed minimum wage.

I believe firmly in the research that shows that one of the biggest challenges to small businesses, particularly in the restaurant field, is not the challenge of minimum wage workers, but the fact that there is less disposable income in middle-income households to be able to have the discretion to go out and spend that disposable income in restaurants and on hospitality events. While I understand the angst, these are the kinds of things, once we take that step—from my experience and the experience in California and in high-cost areas like New York and San Francisco, which have gone ahead with raising the minimum wage—that would indicate the overall benefit to the economy and to everyone.

Lastly, I think the challenge of this time for us domestically is, as I said, the inequality in the country. In a country in which the economy is based on 70 percent consumer investments, having more disposable income is a good thing. As President Lincoln once famously said: In order for this democracy to thrive, there must always be a balance between capital and labor; and if there is ever an imbalance towards capital, we have, in effect, lost democracy.

There is no question that, at this point in time, capital investment is doing many great things, including in the bay area and in our venture capital community and in our innovation community. In having said that, one does not have to read Thomas Piketty to understand that we have a huge imbalance between wages and labor and capital, which Lincoln warned about.

I ask the majority party to work with us to raise the minimum wage in order to help the economy.

Mr. Speaker, I yield back the balance of my time.

## 1-YEAR ANNIVERSARY OF THE HBCU CAUCUS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 2015, the gentleman from Alabama (Mr. BYRNE) is recognized for 60 minutes as the designee of the majority leader.

Mr. BYRNE. Mr. Speaker, it is my great privilege and honor today to be a part of a Special Order on the 1-year anniversary of the bipartisan HBCU Caucus. For those who are listening or who are watching, let me make sure you understand that HBCU stands for Historically Black Colleges and Universities. That is what we will be talking about today.

I am the co-chair of this caucus, along with a Member of this body who came up with this idea and who has spearheaded this effort from the very beginning—she is the spirit behind it—Congresswoman ALMA ADAMS from the great State of North Carolina.

I yield to Congresswoman ADAMS so that she may speak to this House and to the Nation about the importance of this topic and about the importance of HBCUs to the United States of America.

Ms. ADAMS. I thank Congressman BYRNE. I appreciate the gentleman's yielding to me and his work with this caucus.

Mr. Speaker, today marks the first anniversary of the bipartisan Congressional Historically Black Colleges and Universities Caucus, known by many as the HBCU Caucus.

As a retired 40-year educator from Bennett College in Greensboro, North Carolina, I have always believed that every young person who desires a college education should get that opportunity. Like many of the young people I taught at Bennett College for those four decades of my academic career, my story is one of perseverance.

I was a first-generation college student at North Carolina A&T. I came to school like so many students today—not fully prepared to do college work. A&T gave me a chance because it believed in opportunity and the fundamental importance of education that W.E.B. Du Bois spoke about when he said: ''Of all the civil rights for which the world has struggled and fought for 5,000 years, the right to learn is undoubtedly the most fundamental.'' That is why I advocate for HBCUs, for they advocated for me, and they invested in my success.

There are more than 100 HBCUs in the United States that enroll more than 300,000 students per year. HBCUs are taking our students in—students like me and like you—from diverse backgrounds and are giving them a chance, a chance that other schools might not have given them. Many HBCU students are often like I was—first generation from low-income families—so we must ensure that all students, including those from economically strained backgrounds, have access to a high-quality education and are equipped with the knowledge and the 21st century skills that they need to succeed. HBCUs do just that for so many students. HBCUs represent 3 percent of colleges and universities; yet we graduate 20 percent of African Americans with undergraduate degrees and 50 percent of African American educators. Despite these facts, HBCUs have historically been underfunded.

There are many unique challenges that HBCUs and the students they serve face. Many students don't have the luxury of being supported through school. Some have to work their way through, taking breaks along the way. It is imperative then that we work together to ensure that these institutions not only have the resources that are necessary to encourage enrollment and increase the graduation rates among these students, but also that they are capable of preparing these young people for the workforce. That is why I launched the first bipartisan Congressional HBCU Caucus with my Republican co-chair and former Alabama Community College System Chancellor, Congressman BRADLEY BYRNE from Alabama.

Representative BYRNE, I thank you for being my co-chair. It is a pleasure to serve our HBCUs alongside of you.

The purpose of the caucus is to create a national dialogue so as to educate other Members of Congress and their staffs about the issues that impact HBCUs as well as to address the needs of HBCUs and to support the students and graduates of these institutions by increasing access and career opportunities. With the help of Representative BYRNE, we have grown the caucus to 56 members now, from both sides of the aisle, over the course of this year. I am proud to announce that the caucus is now bicameral and has the support of my home State Senator, RICHARD BURR of North Carolina.

Those of us in Congress have more to learn from our HBCU institutions and from the students who attend them. That is why, when we first launched the caucus, our first goal was to listen, and we did just that—we listened. We have held several staff briefings on various topics that impact HBCUs. I hosted a roundtable in my district with presidents and representatives from 10 HBCUs in the 12th District of North Carolina. I hosted a roundtable in my district, as well, with the former Secretary of Education Arne Duncan as well as with presidents and representatives from HBCUs in the 12th District to make sure that their needs were heard. We hosted a diversity in the workforce event with Fortune 500 companies to discuss the role HBCUs play in graduating a skilled and diverse workforce while learning more about the programs that are currently available to improve diversity at these companies. We surveyed members of the caucus and Members of Congress to find out what their priorities are for the reauthorization of the Higher Education Act, and we hosted conference calls with chancellors and presidents for their input. At the start of this year, we held a caucus meeting with the new Secretary of Education, Dr. John King, Jr., in order to share those priorities with him.

Caucus members have been steadfast in crafting legislation to positively impact our HBCUs, which I am proud to support, from the America's College Promise Act, which would grant any first-time student access to community college for free and sets aside special funding for HBCUs and other institutions that serve many low-income, first-generation college students, to the HBCU Historic Preservation Program, which would reauthorize funds for the preservation and restoration of historic buildings on these campuses.

Recently, I introduced the HBCU Innovation Fund Act, which would provide $250 million in competitive grants to these schools across the country in order to develop critical solutions to meet current and emerging needs, like student retention and improving graduation rates; but this is just the start, and it is, clearly, not the end of our work to support HBCUs.

Many of the members of this bipartisan HBCU Caucus have long been champions for education and for our schools. This bipartisan caucus is just another step in the right direction as we join forces across the aisle so that we can truly make a difference and deliver for our HBCUs: from Assistant Democratic Leader CLYBURN, who works to protect institutions like South Carolina State and who has helped start Centers of Excellence, which have had a tremendous impact on students in his State; to my ranking member on Education and the Workforce, Representative BOBBY SCOTT, who has used his leadership position to be a national voice for all HBCUs and institutions of higher learning; to Representative EDDIE BERNICE JOHNSON, a leader in STEM education and a steadfast voice for our students—and HBCUs in particular.

To Congressional Black Caucus chair and my colleague from North Carolina, Representative G.K. BUTTERFIELD, I thank him for making HBCUs a priority for our Congressional Black Caucus and for Congress.

To our Democrat vice chairs—Representative BENNIE THOMPSON and Representative TERRI SEWELL—and our Republican vice chairs—Representatives BRUCE WESTERMAN and RANDY FORBES—who have all been fierce advocates for HBCUs in their districts, and to my colleagues—Representatives CEDRIC RICHMOND and CORRINE BROWN—