



## The Fight for the Minimum Wage

Voters in several states soundly approved minimum wage increases last fall. But now state legislatures, with a push from industries that employ low-wage workers, are hard at work to gut the new laws.

Paul K. Sonn | June 4, 2007 | web only



***Workers rally for a minimum wage increase. (Photo by the Associated Press)***

Last November, voters across the country overwhelmingly approved ballot initiatives to raise the minimum wage. Now, however, legislatures in several states are trying to gut these new wage laws and deny long overdue raises to low-income families. Industries that employ low-wage workers are fighting against annual cost-of-living increases,

long overdue raises for tipped restaurant workers, and applying minimum wage laws to home care workers and seasonal farmworkers. Whether these efforts succeed will test our national commitment to American workers and their right to fair wages.

For ten years the Republican Congress froze the federal minimum wage at just \$5.15 an hour, driving its value in real terms down to the lowest point in 50 years. Even worse, the

eroded minimum wage is dragging down pay for everyone at the bottom end of our economy. As a result, 44 million working Americans -- everyone from security guards and Wal-Mart clerks to home health aides and restaurant servers -- today earn less than \$10 an hour.

National momentum for restoring the minimum wage has been building for some time, mostly in the states. This movement culminated last fall when voters in six states passed ballot initiatives to raise the minimum wage and, just as important, automatically increase it each year in the future to keep up with the cost-of-living. (Full disclosure: the Brennan Center for Justice assisted these campaigns and is helping fight the roll-back efforts.)

Last month, the new Democratic Congress was finally able to force through a federal minimum wage increase by attaching it to the Iraq war funding bill. But while long overdue, the approved increase was very modest -- lower even than the current minimum wages in many of the states. Even after it takes effect in July, it will still take a minimum wage worker a full day to earn enough to buy a tank of gas.

The reason it was so small is that minimum wage supporters still do not have the 60 votes needed to overcome a Republican filibuster in the Senate, which a stronger bill would face. So at least until 2009, the real fight to restore the minimum wage will continue to be in the states. And what happens there will set the stage for further national reform.

Lobbyists for low-wage employers know this. Last year industry groups like the National Restaurant Association and the National Federation of Independent Businesses and restaurant mega-corporations like McDonald's and OSI Restaurant Partners (Outback Steakhouse) bankrolled unsuccessful efforts to defeat the minimum wage ballot initiatives. Now these industries are using their clout with legislators in states like Ohio, Missouri, and Montana, where voters approved wage hikes last fall, to try to roll back the increases. Their back-room machinations in these states are brazen attempts to go behind voters' backs and reverse the wage increases they overwhelmingly approved.

In Ohio, for example, the votes had barely been counted when low-wage employers launched a roll-back campaign under the guise of "implementing" the new wage hike. They hurried through a lame-duck session of the legislature a bill that attempted to reverse many of the new protections contained in the minimum wage law that the voters had approved. Grassroots activists mobilized to fight back. Unfortunately, they lost the first round when the deeply partisan legislature approved this unconstitutional roll-back just days before Governor-elect Ted Strickland -- who surely would have vetoed it -- took office.

Governor Strickland was then faced with attempting to reconcile the strong voter-approved minimum wage with the legislature's effort to gut it. This included a portion of the legislature's bill that some interpreted as rolling back the minimum

wage hike for seasonal farmworkers and home health aides -- workers who shamefully are still excluded from our federal minimum wage. In a major victory, the Strickland administration discovered that, as drafted, the legislature's bill could be interpreted as not cutting these deserving workers out of the minimum wage after all. As a result, tens of thousands of health aides and agricultural workers are now receiving the legally mandated raise.

In Montana, the attack was by the restaurant industry, which is focused on rolling back the minimum wage for tipped food-service workers -- one of the state's largest low-wage sectors. The industry proposed legislation making "modest adjustments" in the minimum wage rules for restaurant workers who collect tips. But this Trojan horse would in reality slash pay by more than \$4 an hour for nearly 9,000 waiters and waitresses statewide and block them from getting the future minimum wage increases that the voters approved. Advocates worked to expose this roll-back and appealed to the legislature to respect the will of the 74 percent of Montana voters who endorsed the wage increase. Fortunately, the bill died in committee when the legislative session ended in April. But advocates and Governor Brian Schweitzer will need to be vigilant next year in case it returns.

In Missouri, where 76 percent of voters approved the minimum wage increase, the attack has been the most brazen. Like in Montana, the restaurant industry is trying to reverse the minimum wage increase for tipped workers. They began by persuading Governor Matt Blunt's labor department to reinterpret the law to allow restaurant servers to be forced to work just for tips and be paid no hourly wages at all. Fortunately, after a public outcry and the release of an analysis that exposed the new interpretation as illegal, Governor Blunt abandoned the effort, and fired the staffer behind it.

The fact that elected leaders would even consider reversing or undermining wage hikes that voters approved by margins as high as 76 percent is surprising and troubling. But the impact of campaign money from low-wage employers can't be underestimated. The emerging lesson of these fights is that if progressives organize

These fights in the states are especially important because they are paving the way for long overdue federal reform. That's because the changes that we're now fighting for in Missouri, Montana, and Ohio -- annual cost-of-living increases for the minimum wage, raises for tipped restaurant workers, and ending outmoded exclusions for home care workers and seasonal farmworkers -- are some of the key reforms in our national wage protections that Congress will need to tackle after 2008. Whether the grassroots campaigns to resist these state cuts succeed will be an important test of our national commitment to finishing the job of rebuilding a strong minimum wage for all Americans.

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