

MONTANA WOMEN'S LOBBY

Senate Business & Labor Committee
January 25, 2005
Testimony in favor of SB 78
Raising the Minimum Wage

Facts on the Minimum Wage

Business and Professional Women of Montana support raising the minimum wage. These are women who sign pay checks.

- * Nearly 75 percent of all minimum wage earners are adults (20 years and older).
- * 60 percent of all minimum wage earners are women.
- * Among teenagers earning the minimum wage, more than 50 percent are in families with below-average incomes.
- * 40 percent of minimum wage earners are the sole breadwinners in their families.
- * The real value of today's minimum wage is 30 percent below its peak in 1968 and 24 percent below its level in 1979.
- * Currently, a minimum wage earner makes only \$10,700 per year -- \$2,900 below the poverty level for a family of three.

Distribution of Wealth

- * The United States now has the most uneven distribution of income and wealth of any industrialized nation.
- * In the past 20 years, 80 percent of the income increase in the United States has gone to the top 20 percent - most of it to the top one percent.
- * The average CEO in the United States makes \$5,300 an hour - more than 1000 times the hourly minimum wage.
- * If the average minimum wage had grown as much as the average CEO salary over the past five years, the minimum wage would now be \$23 per hour.



Minimum Wage and the Economy

- * Full-time workers increased productivity by 20 percent since 1978, but are getting 8.6 percent less compensation.
- * Despite claims of minimum wage opponents in 1996, 4 million new jobs have been added and unemployment is the lowest it has been in a generation since the 1996 minimum wage hike.
- * A recent study by the Economic Policy Institute found that the 1996 minimum wage raise had no measurable affect on unemployment or inflation.
- * Business Week magazine acknowledged that, "When employees become more valuable, employers tend to boost training and install equipment to make them more productive. Higher wages at the bottom often lead to better education for both workers and their children."
- * The Jerome Levy Economics Institute's study of small businesses found that 90 percent of the businesses surveyed (90 percent of which had 100 employees or fewer) said the 1996-97 minimum wage increase did not affect their employment or hiring practices. Less than three percent indicated another pay increase might affect their hiring practices.

Statistics compiled by Business and Professional Women
Source: Department of Labor, Bureau of Labor Statistics