

..Number

1119

..Version

SUBSTITUTE 1

..Reference

..Sponsor

MEMBER SYNOWICZ

..Title

Substitute resolution urging the U.S. Congress to maintain the federal minimum wage under the U.S. Fair Labor Standards Act.

..Analysis

This resolution urges the U.S. Congress to maintain the current minimum wage of \$7.25 per hour under the Fair Labor Standards Act of 1938 (FLSA) for a period of 3 years - or until the U.S. economic growth exceeds 3% over 4 consecutive calendar quarters – due to the potential dis-employment effect of an increase in the minimum wage which will disproportionately reduce employment opportunities for youth.

... Body

Whereas, The federal minimum wage originated with passage of the Fair Labor Standards Act (FLSA) which became law in 1938; and

Whereas, The FLSA covered 38% of the workforce in 1938; and

Whereas, The FLSA currently covers 85% of the workforce; and

Whereas, 45 states and the District of Columbia have enacted minimum wage laws, of which 18 are higher than the current federal minimum of \$7.25 per hour; and

Whereas, Most workers earning the minimum wage are young workers, part-time workers, or workers from non-poor families; and

Whereas, Nearly half of the 1.8 million paid-hourly workers are aged 24 and under; and

Whereas, 62.2% of those same workers live in families with incomes two or more times the official poverty level; and

Whereas, Only 28% of all minimum wage workers are family heads or spouses working full-time; and

Whereas, Only 4.7% of all workers earning the minimum wage are poor adults over the age of 25 working full time while trying to raise families; and

Whereas, The dis-employment effects of a minimum wage increase have been found to fall disproportionately on the least-skilled and on the most disadvantaged individuals, including the disabled, youth, lower-skilled workers, immigrants, and ethnic minorities; and

Whereas, In 1977, Congress created a Minimum Wage Study Commission to review the effects of the FLSA; and

Whereas, Studies cited by Mark Wilson, former deputy assistant secretary of the U.S. Department of Labor in an analysis attached to this file, find that a 10 percent increase in the minimum wage typically reduces teen employment by one to 3 percent; and

Whereas, In 1995, the Congressional Joint Economic Committee published a major review of 50 years of academic research that found a wide range of direct and indirect effects of increased minimum wages that included an increase in the likelihood and duration of unemployment for low-wage workers and an increase in teenage crime rates as a result of higher unemployment; and

Whereas, In 2004, a comprehensive review of more than 20 minimum wage studies looking at price effects found that a 10 percent increase in the minimum wage raises food prices by up to 4 percent; now, therefore, be it

Resolved, By the Youth Council of the City of Milwaukee, that the Youth Council urges Congress to freeze the federal minimum wage for a period of 3 years or until the economic growth rate remains above 3 percent for 4 consecutive quarters; and, be it

Further Resolved, That the City Clerk shall send a copy of this resolution to each member of Wisconsin's delegation of the U.S. Congress.

..Requester

..Drafter

LRB147773-2.1

Richard L. Withers

08/13/2013