

On Tuesday, July 24, millions of Americans nationwide will receive a long-overdue pay raise when the first phase of the federal minimum wage increase takes effect. Workers currently receiving the \$5.15 an hour rate will see their hourly wage increase by 14 percent to \$5.85. The 70 cent raise this July will be followed by two more 70 cent increases in July 2008 and July 2009 to reach the new federal minimum wage of \$7.25.

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The last time the federal minimum wage was increased was in 1996, making the eleven years that followed the longest gap between adjustments in the history of the law. After more than a decade without an increase to account for inflation, the real value of the minimum wage has steadily dropped, reaching its lowest point in 50 years. As a result, the failure to increase the minimum wage has resulted not in a pay freeze, but a pay cut for millions of workers whose income has been held at this rate.

For an entire decade Congress refused to pass the increase, standing idly by as the value of a hard day's work declined in the face of inflation and rising costs of living. It took a new Congressional majority to finally approve this fair and common sense increase, and some tough negotiating with the President before it was signed into law earlier this year.

□ As the federal minimum wage stagnated, Maryland enacted its own increase, approving a state minimum wage of \$6.15 that has strengthened the economic security of Marylanders. As such, the **full impact of the minimum wage increase will not be felt in Maryland until the next phase of the increase occurs to \$6.55 in July 2008.**□

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What will the impact be as a result of the new minimum wage? Consider that the average family spends about \$34,920 a year to purchase just the basics –housing, groceries, healthcare, and childcare. At \$5.15 an hour, a full-time minimum wage worker brings home \$10,712 a year –nearly \$6,000 below the poverty level for a family of three.

The fact is that millions of hardworking Americans who earn the \$5.15 minimum wage are struggling to put food on the table for their families. Skyrocketing costs have put healthcare and decent housing out of reach, while rising gas prices are squeezing them even further. People who work full-time in America should not be poor, but in 2003 there were 3.7 million workers who worked full-time, year-round, and still lived in poverty. That is why Democrats made raising the minimum wage a top priority, passing the increase in its first 100 hours of business.

Once fully implemented, the federal minimum wage increase will provide workers with an additional \$2.10 an hour, or \$4,400 a year. Altogether, nearly 13 million people would likely benefit from the increase – 5.3 million directly and 7.2 million indirectly—as well as more than 6 million children of low wage workers. In Maryland, an estimated 66,000 workers in will see their income rates rise and an additional 117,000 Marylanders will benefit indirectly.

And it's about time. For years, I have argued that raising the federal

minimum wage is a matter of doing what's right, what's just, and what's fair - not only for minimum-wage workers, but also for a nation that prides itself on its equity. It's simply not right that a man or woman in the United States who works hard and plays by the rules is relegated to poverty.

Yet, that is precisely what happens today with minimum wage earners who work full time. Studies show that while minimum wage workers earn just \$10,700 a year, the average chief executive officer in 2005 made 821

times as much, up from 450 times as much in 1997. In fact, many corporate CEOs make as much before lunch on their first day of work every year as a minimum-wage worker makes in an entire year.

This country was built on the American Dream, which promised that Americans' hard work and perseverance would bring prosperity and a better life for workers and their families. I am proud to count the federal minimum wage increase as one of the accomplishments of the 110th Congress.