



Kriss Worthington

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CONSENT CALENDAR

April 30, 2013

To: Honorable Mayor and Members of the City Council
 From: Councilmember Kriss Worthington

Subject: Support HR 1010; The Fair Minimum Wage Act

RECOMMENDATION

Support the Fair Minimum Wage Act

BACKGROUND

U.S. Representative George Miller and Senator Tom Harkin unveiled the Fair Minimum Wage Act of 2013 on March 5th, in hopes of raising the federal minimum wage from \$7.25 to \$10.10. This change will occur through three incremental raises of 95 cents. The raise is long overdue starting from after 1968 in which the minimum wage began to stop accounting for inflation. If the minimum wage had accounted for inflation since after 1968, the wage would be \$10.56 as of today. The act also hopes to adjust for increases in the cost of living in the future and also to increase wages for tipped workers, who are currently paid \$2.13 per hour to \$7.07 per hour.

The idea behind this bill is that the more people earn in wages from a hard day's work will increase the money in their pocket to keep them from poverty. Since income inequality is a threat to the U.S. future economy, closing this gap by raising the minimum wage to \$10.10 will immediately increase the income of 30 million Americans. This will bring families who earn currently \$15,000 a year on minimum wage, which is below the poverty line of \$18,000, to \$21,000 dollars a year, which is above the poverty line.

The second idea behind this bill is basic economics. When people have more money to spend, there is greater economic activity. This law is not only about keeping people from poverty but also keeping the economy growing in general for everyone in this country. It is projected that the increase in minimum wage will raise GDP by around \$33 billion and will create 140,000 new jobs over the span of three years.

For more information:

<http://democrats.edworkforce.house.gov/sites/democrats.edworkforce.house.gov/files/documents/FairMinimumWageAct-BillText.pdf>

FINANCIAL IMPLICATIONS

None.

CONTACT PERSON

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