

Senate Passes Minimum Wage Bill, Must Sort Differences With House

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WASHINGTON - The Senate voted overwhelmingly Thursday to boost the federal minimum wage by \$2.10 to \$7.25 an hour over two years, but packaged the increase with controversial \$8.3 billion in tax cuts for small businesses and higher taxes for many \$1 million-plus executives, which were needed to clear a Republican roadblock. Both House and Senate measures would give very necessary financial relief to several million of America's poorest workers -- dishwashers, short-order cooks, laborers, maids. It has been nearly 10 years

since the last increase, the longest period that the minimum wage has not been raised since it was created in 1938.

Since being established in 1938, the federal minimum wage has risen slowly and not kept up with inflation: 1955 - 0.75; 1956 - 1960 - \$1.00; 1961 - 1962 - \$1.15; 1963 - 1966 - \$1.25; 1967 - \$1.40; 1968 - 1973 - \$1.50; 1974 - \$2.00; 1975 - \$2.10; 1976 - 1977 - \$2.30; 1978 - \$2.65; 1979 - \$2.90; 1980 - \$3.10; 1981 - 1989 - \$3.35; 1990 - \$3.80; 1991 - 1995 - \$4.25; 1996 - \$4.75; 1997 - 2006 - \$5.15; 2007 - \$5.85; 2008 - \$6.55; 2009 - \$7.25. *Source:* U.S. Department of Labor. Web: <http://www.dol.gov/esa/whd/flsa/>

The increase in the minimum, the first in a decade, was approved by a 94-3 vote, capping a nine-day debate over how to balance the wage hike with the needs of businesses that employ low-wage workers. A top priority of Democrats, the wage hike has both real and symbolic consequences. It would be one of the first major legislative successes of the new Democratic-controlled Congress. Republicans stressed the importance of the business tax breaks in the bill, though it was a significantly smaller tax package than Republicans had sought during previous attempts to raise the minimum wage.

The bill must now be reconciled with the House version passed Jan. 10 that contained no tax provisions. House Democrats have insisted they want a minimum wage bill with no strings attached, though some have conceded the difficulty of passing the legislation in the Senate without tax breaks. The bill presents a challenge to Democrats who must navigate between the demands of labor and other interest groups and the realities of the Senate, where Republicans hold 49 of 100 votes. House and Senate Democrats will try to negotiate a way out of the potential standoff.

Besides increasing the minimum wage from the current \$5.15 an hour, the bill would extend for five years a tax credit for businesses that hire the disadvantaged and provide expensing and depreciation advantages to small firms. The tax breaks would be paid for by closing loopholes on offshore tax shelters, by capping deferred compensation payments to corporate executives and by removing the deductibility of punitive damage payments and fines.

Senators also adopted an amendment that would bar companies that hire illegal immigrants from obtaining federal contracts. That measure was designed to encourage companies to participate in an employee identification program that can weed out undocumented workers.

1. What is the approximate percent of change per decade? Arrange the figures in ascending order and determine the measures of central tendency, specifically, mean, median, mode, range, and if applicable, outlier?
2. Prior to the recent increase, what was the longest period of time without a raise? What major historical events at that time may have prohibited an increase?
3. Create a Venn diagram. Use this data to write a paragraph comparing and contrasting the alleged perspectives of the Democrat and Republican Party. Are these views consistent with any self-proclaimed Democrats or Republicans that you personally are acquainted with? Explain.
4. Assuming in 1993 and 2003, one worked 40 hours a week and paid roughly 27% of his/her income in taxes and benefits, what percentage of his/her income would be consumed by a mortgage payment of \$1,109?
5. When Mr. Daughtry's dad was in fourth grade (1955): a gallon of milk - .92, loaf of bread - .18, dozen eggs - .78, postage stamp - .03, gallon of gas - .23, new car - \$1,950, new home \$22,000, and the average income was \$4,137. In 2006, (groceries according to my wife), a gallon of milk - \$3.29, loaf of bread - \$2.00, dozen eggs - \$1.00, postage stamp - .39, gallon of gas - \$2.61, new car + fin. charges - \$27,800, new home - \$251,700 and the average income was \$43,500. Create a ratio for each category to determine if these figures are proportionate. Huh? If you have not already started working on it...TAKE NOTES!
6. In the passage above, in paragraph form, explain at least five ways using the "Four-Step Reading" poster simplifies understanding of the material. Be specific.
7. In complete sentences, using contextual clues only, explain the meaning of the italicized words: *capping*, *symbolic*, *reconciled*, and *punitive*. Additionally, use each in a sentence to demonstrate further comprehension. Basically, there are eight questions here.
8. In paragraph form, explain at least five legitimate and educational purposes behind The Daughtry Times.