



California **Labor** Federation | AFL-CIO

Headquarters: 600 Grand Av., Ste 410, Oakland, CA 94610-3561 (510) 663-4000 FAX (510) 663-4099
Legislative Office: 1127 11th St., Suite 425, Sacramento, CA 95814-3809 (916) 444-3676 FAX (916) 444-7693

FOR IMMEDIATE RELEASE: May 30, 2006
Contact: Chloe Osmer, 510-663-4051

Statement on Minimum Wage Petition to IWC By Art Pulaski, Executive Secretary-Treasurer

Today, the California Labor Federation is filing a petition with the Industrial Welfare Commission (IWC) to increase the minimum wage and to index it to the cost of living in California.

Since 2002, the California Labor Federation has pressed the Industrial Welfare Commission and the Legislature to index the minimum wage. In 2003, in response to a petition by the Labor Federation to review the minimum wage, the IWC said it had to protect the welfare of employers instead of the welfare of workers and refused to create a wage board to review the adequacy of the wage.

So we went to the Legislature. In each of the past two years, Governor Schwarzenegger has vetoed bills to raise the wage. This year, Gov. Schwarzenegger is ignoring the bills currently moving in the Legislature and has petitioned the IWC for a nominal increase in the minimum wage, without indexing it to the cost of living.

It's an election year and the Governor knows he must give the appearance of doing something. We know that if the Governor really wants a meaningful wage increase, he can do it by working with the Legislature faster than going through the IWC process. But we also cannot let a discussion the minimum wage be conducted at the IWC without the issue of indexing.

The minimum wage is too important to depend on election year politics. It must be taken permanently out of the political mix. California workers making the minimum wage are the backbone of our society. They are overwhelming full time workers and fully 84 percent are over 20 years old.

Indexing makes sense for workers and for business. For workers, it is a lifejacket allowing them to stay financially afloat. It means their wages do not lose their purchasing power even as their productivity climbs, as has happened in recent years. For employers, indexing means they have predictable labor costs in future years. In past years they have had to deal with years of stagnation followed by spikes in the wage.

Other states have seen the wisdom of indexing, including our neighbors to the north: Oregon and Washington. Job growth in these states since indexing has continued to be strong.

The real question before the Governor is this: Will he make a token improvement to pull up his polling numbers? Or will he provide a real fix for poverty forced upon minimum wage families in California?

###

The California Labor Federation is the umbrella organization for more than 1,200 affiliated local unions, representing 2.1 million union members in diverse communities and sectors of the state's economy.

Co/tng39521cwa/aflcio