



Economists Group: Boost Minimum Wage

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(AP) More than 650 economists, including five winners of the Nobel Prize for Economics, called Wednesday for an increase in the minimum wage, saying the value of the last increase, in 1997, has been "fully eroded."

Economists including Nobel prize winners Kenneth Arrow of Stanford University, Lawrence Klein of the University of Pennsylvania, Robert Solow of the Massachusetts Institute of Technology, Joseph Stiglitz at Columbia University and Clive Granger of the University of California, San Diego said in a statement released Wednesday that the real value of today's federal minimum wage is less than it has been at any time since 1951.

The federal minimum wage is \$5.15 an hour. Twenty-two states and the District of Columbia have set their minimum wages above the federal level.

"We believe that a modest increase in the minimum wage would improve the well-being of low-wage workers and would not have the adverse effects that critics have claimed," the economists wrote.

Critics of a minimum wage hike have contended a higher minimum wage could lead employers to cut jobs or move them offshore. They also say that many minimum wage earners are teenagers working after-school jobs.

The economists disagreed, writing that a phased-in increase in the federal minimum wage to \$7.25 "falls well within the range of options where the benefits to the labor market, workers, and the overall economy would be positive."

The economists wrote that they share the view of a 1999 Council of Economic Advisors Economic report that found "the weight of the evidence suggests that modest increases in the minimum wage have had very little or no effect on employment."

The economists wrote, "While controversy about the precise employment effects of the minimum wage continues, research has shown that most of the beneficiaries are adults, most are female, and the vast majority are members of low-income working families."

The economists spoke on a conference call hosted by the Economic Policy Institute, an economic research group based in Washington.

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