

President Barack Obama
The White House
1600 Pennsylvania Avenue NW
Washington, D.C. 20500

June 25, 2013

Dear President Obama,

Today marks the 75th anniversary of the first lasting federal minimum wage law in the United States, the Fair Labor Standards Act. When President Franklin Delano Roosevelt signed this law, his vision was to ensure a “fair day’s pay for a fair day’s work” and to “end starvation wages.”

Seventy five years later, there are 3.6 million Americans working for pay at or below the federal minimum wage. More extensively, *thirty million low wage workers are making less today, adjusted for inflation, than they did 45 years ago in 1968*. They are working for a minimum wage that does not even reach the federal poverty line for a family of three and can not afford basic necessities like food, housing, transportation, and health care.

Had the minimum wage simply kept pace with inflation since 1968, it would stand at \$10.70 per hour today instead of the current federal minimum wage of \$7.25. And had the minimum wage increased the same amount that worker productivity had since 1960, it would stand at \$22 per hour today. In that time, the minimum wage has lost nearly one third of its value while the prices of everything from food to housing to health care have been increasing – often at rates higher than inflation. Each year that the federal minimum wage is not increased, you and Congress are effectively telling low-wage workers that they are not worth as much as they were the year before and each of the dollars they earn gets stretched even further due to the effects of inflation.

Just about a month ago, federally contracted low-wage workers walked off the job and participated in some of the larger strikes the nation’s capital has seen in recent years. Despite the fact that they work for the federal government, they are still being paid poverty wages – some even explained that they were being paid *below* the federal minimum wage, which invites your administration’s immediate investigation! This is disgraceful; the federal government should be providing a shining example of fair and just treatment of their workers for other employers to follow. And absent that - of all employers, the federal government should at least be able to enforce its own woefully inadequate minimum wage laws to protect the workers it employs – even those it employs through contractors.

Would you say that this lives up to FDR’s vision of ending “starvation wages”? Does this set a good example for the rest of the business community to follow or provide the type of determined and persistent leadership that our country’s political class has lacked for decades? Of course not.

According to a recently released report from Demos, the federal government indirectly employs the largest number of low-wage workers in the country. More even than Walmart and McDonald’s combined. The *Washington Post* reported that a report from the National Employment Law Project (NELP), surveyed a sample of 567 federally contracted jobs. Seventy-four percent earned less than \$10 per hour, 58 percent have no employment benefits, and 20 percent or more depend upon some form of public assistance.

In the absence of any serious movement in Congress to increase the minimum wage, you have the potential to exert significant influence on the wages paid to millions of low-wage workers in this country. With a simple executive order, you can fix this shameful deprivation. I urge you to sign an executive order which mandates that federal contractors be paid no less than \$10.70 per hour, which would catch those workers back up with the inflation adjusted minimum wage they would have been paid in 1968. Is this too much to ask of you?

This is, of course, no substitute for a lasting federal minimum wage increase. But an executive order provides you with an option to avoid the morass in Congress and effect real positive change to millions of low-wage workers' lives and to effect that change *now*. I hope that you will recognize and seize this opportunity.

This small but important example will make it easier for you to push Congress for a greater and bolder minimum wage increase than you did in your State of the Union address. A \$9 minimum wage by 2015 does not go nearly far enough, remains far below what workers made, adjusted for inflation, in 1968, and doesn't even match the \$9.50 by 2011 you called for five years ago during your 2008 campaign!

On the 75th anniversary of the federal minimum wage, you should sign an executive order raising the minimum wage of those working for the federal government, even if through corporate contractors. It is the federal government's – and your – responsibility to set the example for the rest of the country to follow.

Not to mention that increasing wages could help spur on a lagging economic recovery. The *Wall Street Journal's* story yesterday, "Slow-Motion U.S. Recovery Searches for Second Gear," discussed how the slow pace of recovery has left businesses and consumers wary. The plummeting stock market last week also serves as a stark reminder of how far we have to go. And a higher minimum wage could help get us there: The Economic Policy Institute estimates that increasing the minimum wage above \$10 per hour would provide \$51 billion in additional wages for consumers to increase their spending for their livelihoods.

When Franklin Delano Roosevelt signed the Fair Labor Standards Act into law, he showed courage in the face of the Great Depression as well as considerable opposition and criticism from businesses. Is it not time, after four and a half years, for you to leave your mark, to show Americans what type of President you want to be remembered as, and to be a leader on this issue? Millions of workers throughout the country deserve a minimum wage that catches up with 1968.

Sincerely,



Ralph Nader

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Cc: Michelle Obama
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