

Opening Statement for Ranking Member Frederica S. Wilson (FL-24)

“Growth, Opportunity, and Change in the U.S. Labor Market and the American Workforce: A Review of Current Developments, Trends, and Statistics.”

Subcommittee on Health, Employment, Labor, and Pensions Hearing

Thursday, June 21, 2018 at 10:00 a.m.

I want to thank Chairman Walberg for holding this hearing on current developments and trends in the U.S. labor market and the American workforce.

Wage stagnation and inequality remain a burden on workers and a drag on the American economy. The top-level labor market indicators have all been moving in a positive direction since the Obama administration rescued us from the depths of the Great Recession. The number of jobs has steadily increased for over the past 7 years, with more than 18 million jobs added. The national unemployment rate has declined from 10 percent in 2009 to 3.8 percent now.

However, those positive numbers have not translated into higher wages.

One key reason for this is that the link between pay and rising productivity is broken. From 1973 to 2016, the typical worker saw an increase in wages of just 13 percent, despite overall productivity rising almost 75 percent. Between 1979 and 2016, the top one percent of earners saw nearly 150 percent cumulative gains in annual wages—almost four times faster than average wage growth.

Wage stagnation has become worse under this administration. As you can see from this CHART, President Trump inherited an economy that was beginning to show signs of modest wage growth – see the uptick between 2012 and 2017 on the left side. However, since President Trump took office, wages have been mostly flat. Over the last year, the average American has not gotten ahead. You can see how the trend lines have flattened out in the CHART-- growth in average hourly earnings on an inflation adjusted basis was zero! And in the case of production and non-supervisory workers, who represent four-fifths of privately employed Americans, these groups actually lost ground over the last year, as their real average hourly earnings have fallen.

These wage trends are more than just a line on the chart. This is a real blow to workers across the country, who have been working hard and struggling to get by while health care and other costs go up.

The tax cut has further exacerbated income inequality. According to the Tax Policy Center, by 2027, the top 1 percent of households will receive 83 percent of the benefits from their \$1.8 trillion tax scam. The proponents claimed that this bill would boost workers’ wages, but we can see that since the tax bill was enacted, inflation adjusted wage growth has been zero. Meanwhile, wealthy corporations are on track to spend a record \$1 trillion of this massive windfall from the Republican tax scam on dividends and stock buybacks that benefits shareholders and executives.

We know some of the reasons why workers' wages are stagnant and income inequality continues to grow. For example, Congress and the Administration have failed to update federal standards for the minimum wage and overtime. In addition, Congress has failed to strengthen workers’ rights

to collectively bargain for better wages, and the Administration has appointed officials who are aggressively undermining the limited protections that do exist.

Next week marks the 80th anniversary of the Fair Labor Standards Act, landmark legislation that provided millions of working people with protection from substandard wages. In the absence of federal action, eighteen states raised their minimum wage at the beginning of this year. Earlier this week, voters in the District of Columbia joined 8 other states in phasing out the subminimum wage for tipped workers. Yet many states have failed to act, and in Miami, legislation that would have provided many workers with a minimum wage of \$13 an hour was vetoed. That's why we must act at the federal level to boost the minimum wage.

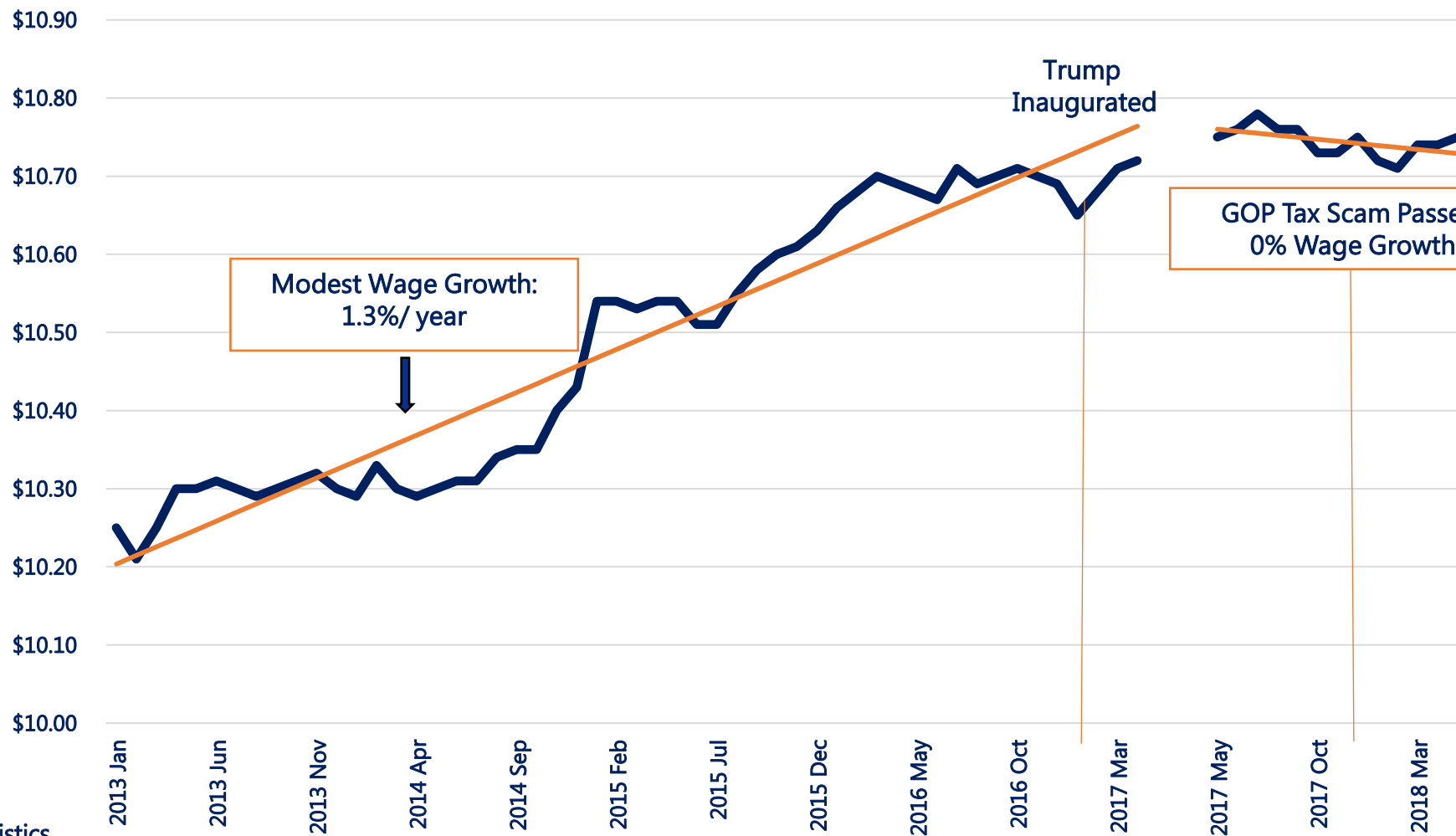
Committee Democrats stand ready to pass polices that boost wages and combat income inequality. We should pass the *Raise the Wage Act* (H.R. 15), a bill to increase the minimum wage to \$15.00 per hour by 2024, giving more than 41 million Americans a pay increase. We should enact the *Restoring Overtime Pay Act*, H.R. 4505, which codifies the Obama administration's 2016 overtime rule. The Trump administration's abandonment of this rule costs low and middle income salaried workers \$1.2 billion per year in lost wages.

Committee Democrats also support the *WAGE Act*, H.R. 4548, legislation to improve workers' ability to bargain for better wages by strengthening workers' rights to join a union free from retaliation and establish meaningful deterrents for unscrupulous employers who interfere with these rights.

I hope that we can have a serious discussion about these policies and how we can combat decades-long wage stagnation and income inequality.

I thank the witnesses for joining us today and look forward to hearing their testimony.

I yield back the balance of my time.



*1982 -1984 Constant Dollars
 SOURCE: Bureau of Labor Statistics

REAL AVERAGE HOURLY EARNINGS OF ALL PRIVATE EMPLOYEES *

January 2013 to May 2018