



# THE STOUFFER REPORT

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Senate District 21

**Capitol Building, Room 332**  
Jefferson City, MO 65101

**For the Week of:**  
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## Minimum Wage Proposal

In November we are going to have the ability to change Missouri's Constitution and economy forever. There are three initiative petitions that will be on the ballot and each week my column will be looking at the *Who, What, When, Where* and *Why* of each petition. This week will start with the minimum wage proposal, also known as Proposition B.

**Who started the petition for Proposition B?** "Give Missourians a Raise" filed the petition with the Secretary of State. This group is supported by labor unions and community groups. The opposition to the wage increase includes a group of business organizations collectively known as "Save Our State's Jobs" or "SOS Jobs."

**What is Proposition B?** This proposal would raise the minimum wage from \$5.15 to \$6.50 per hour or to the level of the federal minimum wage, if it is higher. The wage would then be increased every year for inflation based on the Consumer Price Index.

**Why do people want a wage increase?** Wage-increase supporters say an increase in the minimum wage is needed to improve the standard of living of Missouri workers. Supporters point out research from the nonprofit, nonpartisan, Economic Policy Institute (EPI) that says the 1996-97 minimum wage increase resulted in lower unemployment rates, higher average hourly wages, and increased family incomes in the low-wage labor market. They also point to an EPI study released last month showing that of those who would be affected by a wage increase, 72 percent are adults and 46 percent are full-time workers.

**Why don't people want a wage increase?** Opponents of the mandatory wage increase argue artificially increased wages mean fewer jobs for the workers the minimum wage is supposed to help and greater costs for small-business owners.

SOS Jobs points to a study released this week by the Show-Me Institute, a Clayton-based think tank, showing minimum wage increases reduce employment for young and less-skilled workers. The study also states that minimum wages deliver no net benefits to poor or low-income families and could actually increase poverty.

In addition, SOS Jobs has pointed to a Florida State University study, sponsored by the nonprofit Employment Policies Institute, stating that the wage increase would cause more than 1,500 workers to lose their jobs, one-third of which would be from families earning less than \$25,000 per year. The study also states that the wage hike would cost Missouri businesses \$44.4 million a year.

Opponents of the wage increase also say that any action on wage levels must come at the federal level to avoid competitive disadvantages among states.

**When would Proposition B go into effect? Jan. 1, 2007**

This important issue will have a significant effect on the state of Missouri's economy, and citizens of rural Missouri should head to the polls on November 7th to make their votes count.

If you have questions or comments about this or any other issue, please call toll free (866) 768-3987 or by e-mail at [bstouffer@senate.mo.gov](mailto:bstouffer@senate.mo.gov).

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