



\$9 minimum wage might pass with GOP support

By: Susan Ferrechio - February 13, 2013

Republicans Wednesday were cold to President Obama's plan to raise the minimum wage from \$7.25 to \$9, saying it would hurt the nation's struggling job market, but despite GOP opposition Democrats may prevail on the increase if they are willing to fight for it, experts say.

"Republicans have caved on this before," said Chris Edwards, director of tax policy studies at the libertarian Cato Institute. "It's certainly possible it could pass Congress."

The last increase in the federal minimum wage passed with both Democratic and Republican support in 2007, when the GOP controlled the House and the White House. The measure, which raised pay from \$5.15 to the current \$7.25 an hour, was initially pushed forward by moderate Republicans who convinced then-House Majority Leader John Boehner, R-Ohio, to allow a vote on the measure.

Minimum wage in local jurisdictions

District of Columbia - \$8.25

Maryland - \$7.25

Virginia - \$7.25

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Boehner, a former small-business owner, had initially refused, saying such a measure "will destroy jobs."

But Republicans pressured him to bring the wage increase to the floor for a vote, telling him they feared the political consequences of defeating the plan.

It passed both chambers with bipartisan support.

Boehner, who is now speaker of the House, repeated that argument on Wednesday in response to a proposal by Obama in his State of the Union address to raise the minimum wage again, and this time tie future increases to inflation.

"When you raise the price of employment, guess what happens? You get less of it," Boehner told reporters after meeting privately with his GOP conference. "At a time when the American people are still asking the question, 'Where are the jobs?' why would we want to make it harder for small employers to hire people?"

Edwards said Republicans may again feel pressured to capitulate on the issue, even though many GOP lawmakers agree with Boehner that a minimum wage increase will hurt job creation.

"It really depends on how much the president pushes it," Edwards said. "It will be a question of whether Obama wants to use this to just whack the Republicans for being meanies to poor people or whether he really wants to get it done."

Daniel Hamermesh, an economics professor at the University of Texas, said a minimum wage increase could be included as a provision of tax reform or other major legislation.

"It could be part of so many different deals," he said.

Hamermesh, who has studied the effect of wage increases on the economy for more than 30 years, said some jobs would be lost by raising the rate. "Despite what the president says, it kills jobs," Hamermesh said. But he said the number of jobs lost would be very small, probably close to one-tenth of a percentage point of all employment.

States can set minimum wages above the federal minimum, but only a minority do so.

Virginia and Maryland adhere to the federal rate, where local business leaders say they would like it to stay.

"It would be detrimental to job growth here," Fairfax County Chamber of Commerce President Jim Corcoran told The Washington Examiner. "Because it would impact small businesses, who are hiring [to fill] entry-level jobs."