

Levin-Waldman, Oren M.

**Working Paper**

## State Type and Congressional Voting on the Minimum Wage

Working Paper, No. 243

**Provided in Cooperation with:**

Levy Economics Institute of Bard College

*Suggested Citation:* Levin-Waldman, Oren M. (1998) : State Type and Congressional Voting on the Minimum Wage, Working Paper, No. 243, Levy Economics Institute of Bard College, Annandale-on-Hudson, NY

This Version is available at:

<https://hdl.handle.net/10419/186917>

**Standard-Nutzungsbedingungen:**

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

**Terms of use:**

*Documents in EconStor may be saved and copied for your personal and scholarly purposes.*

*You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.*

*If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.*



## Working Paper No. 243

State Type and Congressional Voting on the Minimum Wage

by

[Oren M. Levin-Waldman](#)

The Jerome Levy Economics Institute

July 1998

Although the minimum wage is considered a serious economic policy issue, it is above all else a political matter. And as a political issue, it has been among the more contentious ones. Not only has it pit workers against employers and teenage workers against the dependent poor, it has also pit states against one another on the basis of their own respective constituent interests. Unlike other entitlement programs, the minimum wage is not indexed to inflation, rather it requires an act of Congress. But Congress is comprised of members whose primary obligation is to serve the constituents of their respective districts (Mayhew, 1974; Kau, Keenan and Rubin, 1982). Among the influences affecting how members of Congress vote in a particular state is whether the state has a "state" interest that is perhaps reflected in the existence of "right-to-work" laws that make union organizing more difficult, thereby maintaining a lower wage structure. Also among the influences affecting how members vote is the presence of labor unions, especially as they represent a voting constituency for wage increases (Levin-Waldman, 1996, 1998).

In this paper I specifically explore the relationship between state type, union density and congressional voting patterns on the minimum wage. Historically there has been a pattern of Congress supporting increases in the minimum wage when unions were strong and were clearly backing them. Conversely, during the 1980s when labor unions suffered their greatest decline, the minimum wage appears to have also suffered its greatest loss of value. There were no increases in the minimum wage at all between 1981 and 1989, and consequently it dropped to below 40 percent of average annual hourly earnings. For some, it was no coincidence that the minimum wage stagnated at the same time that organized labor was suffering its greatest decline (Gordon, 1996; Prash, 1996; Piore, 1995). Through an analysis of congressional voting patterns between 1949 -- when the first vote to increase the wage occurred -- and 1996 -- when the last vote occurred -- I intend to show that there is a relationship between union strength and positive voting, as well as a relationship between "right-to-work" states and negative voting. And through a longitudinal analysis, I also intend to show that as unionism has declined, so too has its significance as a factor affecting congressional voting. This should then only underscore the conclusion that the minimum wage is more than simply an economic issue. On the contrary, it is a politically charged one.

### **Significance of Declining Unionism?**

Relative to other countries, unionism among the American work force has never been strong. At its height during the 1950s, unionism never exceeded 35 percent, but in recent years it has fallen to less than 19 percent. As of this writing, fewer than twelve percent of workers in the private sector are represented by unions. The percentage of the workforce unionized, however, does not tell the whole story. Union membership strength has been eroding not merely because of the difficulty in organizing new constituents in less organized parts of the country, but because union organization has been weakening even in those areas of traditional strength. Evidence of this trend would also appear to be evident in the decline of NLRB victories (Keeran & Tarpinian, 1989-90). The weakness of unions is further reflected in their long-term decline in public opinion. And another sign of weakening collective bargaining strength can be located in the widespread nature of concession bargaining (Goldfield, 1987).

Some have suggested that it is precisely because of this reality that presidential administrations that might have

campaigns on promises to create high-wage and high-skill jobs -- as the Clinton administration did during the 1992 presidential campaign -- have found it difficult to do so. Because there has been no strong base of support for a new approach, there has been no real impetus to force industry to abandon its current preoccupation with short-term profits. On the contrary, the decline of unions encourages American industry to pursue low-wage strategies (Rothstein, 1994, p. 453). For some, such low-wage strategies are captured in what Piore and Sabel have referred to as the low-road, which entails finding cheap and low skilled labor to work in a mass production industrial economy. And when labor isn't cheap enough at home, it can simply be outsourced abroad to underdeveloped areas where labor costs are substantially lower (Piore & Sabel, 1984). Richard Freeman too, has noted that the declining influence of unions has had an effect on the distribution of income, insofar as it has worked to widen the inequality of income (Freeman, 1993).

Still, the question remains as to why unions would necessarily be supportive of a wage floor rather than making greater efforts to unionize more workers. Indeed, prior to the adoption of the Fair Labor Standards Acts (FLSA) in 1938, when only a handful of states had minimum wage laws for women, the American Federation of Labor (AFL) only supported minimum wages for women; not for all workers. Initially, the AFL opposed all legislation that might improve working conditions out of a fear that it would undermine the impulse to organize. Then the principal goal of labor unions was to make men's wages adequate to support a family (Lehrer, 1987). Under the leadership of Samuel Gompers, the labor movement shied away from using legislation as a tool for the improvement of wages and other working conditions. On the contrary, the AFL adopted a position of voluntarism that wages could best be obtained through firm level negotiation with trade unions (Hattam, 1993). The AFL, however, did support minimum wage legislation for women out of the belief that higher wage rates for women -- who otherwise were exploited because of their vulnerability -- would serve to strengthen idealized notions of the family of the time because it would price them out of the labor market (Kessler-Harris, 1988; Hart, 1994). Employers, then, would hire their husbands who would earn more because the unions they joined had negotiated higher wages and better working conditions through principles of voluntarism.

By the time the FLSA was passed in 1938, organized labor came to understand that voluntarism wasn't enough. Rather laws protecting their rights to organize were definitely needed (Dubofsky, 1994). Similarly, if unions were viewed as a necessary ingredient in propping up a wage structure, other institutions, like statutory wage floors, would certainly provide a necessary compliment. Though the decline of unions may, in part, encourage low-wage strategies, the lack of an adequate wage floor may do as much to encourage it, if not more so. In the absence of a statute, unions will create a wage floor in unionized industries. And it may well serve the interests of unions to support a statutory floor which can further serve to inflate their's. The premise upon which an examination of the decline of unions rests is that in the absence of unions as a strong political force, the case for a statutory wage floor -- which would serve to encourage an overall high-wage strategy becomes even weaker. And it is at that point that the debate deteriorates into the side issues we have seen in recent years between those who argue the youth disemployment effects (Kosters & Welch, 1972; Welch, 1974, 1978; Meyer & Wise, 1983; Neumark & Wascher, 1992) and those who argue the potential benefits to the poor (Levitan & Belous, 1979; Ellwood, 1988; Bane & Ellwood, 1994).

In his now classic work on exit and voice, Albert Hirschman talked about how the option of exit could effectively give either firms, workers or politicians voice. In a slack labor market, exit isn't as much of an option, but when exercised collectively it can become more powerful. Of course, those without an exit option might be forced to rely on voice, as is often the case in the political sphere. It may be that one of the principal differences between the political and economic spheres is the prevalence of voice in the former as opposed to the latter. In the latter there is rarely voice, but exit. But the union perhaps has a form of exit in the form of the strike, of which the threat of it can be translated into voice. And yet, the offer of voice even in the absence of exit might have the effect of engendering greater loyalty (Hirschman, 1970). Insofar as unions effectively give their workers voice in the workforce, wage floors may effectively extend a type of voice to the nonunionized workforce that unionized workers already enjoy -- a measure of protection.

It would then stand to reason that by supporting institutional measures that provide a measure of protection to all workers, the voice of unions' own members in collective-bargaining agreements is effectively strengthened because they are limited in the type of concession bargaining they might be required to engage in. Moreover, because only a relatively small portion of the workforce earn the minimum wage (Burkhauser, Couch &

Wittenburg, 1996; Shapiro, 1990-1991; Burkhauser & Finegan, 1989), and those who do -- teenagers, the working poor and others with low socio-economic status-- are usually less likely to vote (Verba & Nie, 1972), labor unions might conceivably be the only real constituency for the minimum wage. Therefore, it isn't implausible to expect that as this constituency erodes in terms of its membership, so too will its influence on the legislative process.

Unionism has always been strongest in the northeastern and midwestern industrial belts. They have been weaker in so-called sunbelt states, especially in the South and Southwest, where many passed "right-to-work" laws making union organizing considerably more difficult. Even in those regions where they have been relatively strong, attempts to weaken and even break unions has been on the rise since 1981. Resistance to unions began to grow during the late 1960s and all of the 1970s, which as Michael Goldfield explains, was part of a "continuous, growing capitalist anti-union offensive (Goldfield, 1987) ." So if it is true that unionism indeed is in decline, the critical question is just how this decline may have affected minimum wage policy in the United States.

### **Congressional Voting**

Much of the literature on Congress assumes the institution to be comprised of members whose only concern is to win reelection (Mayhew, 1974; Fiorina, 1978). Although Congress through its broad representative function will serve the common good by holding the executive branch accountable to the public (Maass, 1983), it can only do this if it is reelected, which requires satisfying constituents in its members' home districts (Ripley, 1988; Hinkley, 1983). If these assumptions can be applied to the minimum wage, especially in light of the declining influence of organized labor in recent years, the following propositions ought to follow: Members of Congress from states in which labor unions are inconsequential like "right-to-work" states will tend to vote against increases in the minimum wage because those increases are contrary to their state's interests. And in fact, these state's interests or "state" interests, might be conceived as an institutional structure which maintains a relatively low wage structure because those states have made it difficult to establish structures that might "artificially" inflate wages. Labor unions will be inconsequential in those states because their ability to organize has in effect been hindered by the existence of laws that make organization more difficult. In a practical sense, this means that there are fewer unionized workers relative to other regions from that which a strong constituent base of support can be drawn. Hence the "right-to-work" designation speaks more to the state's respective interests than it does to the level of constituent support, although it does suggest a higher probability of that constituency being absent.

Nevertheless, if the state's interests are strong enough, the influence of the party should not be all that strong. This isn't to say that party affiliation isn't an influence; only that it may not be as strong as constituent interest. If this is true, the converse may also be true -- that in the absence of strong constituent feelings, one way or the other, legislators will most likely vote in accordance with their party's preferences. Therefore, we should expect to see even Democrats from "right-to-work" states voting against increases in the minimum wage, despite their tendency as a party to support increases. Conversely, members of Congress from high-union density states ought to be more inclined to vote for increases in the minimum wage because they have a strong constituent base of support for those increases. Similarly, this base of support should be strong enough to motivate even Republicans -- who as a party representative of business interests have traditionally opposed the minimum wage -- from those states to vote for those increases. If it is true that relative union density will be a factor in how members vote on the issue, it should also be true that as unionism declines, so too will the significance of it on the voting behavior of members of Congress. A distribution of unionization for 1996 can be seen in Table I.

Although this table merely represents a snapshot in time, it nonetheless provides a reference point for the division of states into state types. Because the principal concern is how congressional votes are affected by the type of states they represent, I divided the states into three categories: "right-to-work," middle and high union density. For the exception of Nevada, all the "right-to-work" states have union densities below 14 percent. High union density states have union densities in excess of 15 percent. Those states that are neither "right-to-work" nor have union densities higher than 15 percent, fall into a middle category. But even among this middle category, there are some states with union densities similar to some of the "right-to-work" states.

**Table I Percentage of Unionized Workers**

<i>State</i>	<i>Percentage</i>	<i>Rank</i>
Alabama*	13.6	25
Alaska	23.1	4
Arizona*	8.0	41
Arkansas*	7.8	42
California	17.7	15
Colorado	9.9	33
Connecticut	20.2	9
Delaware	13.0	26
D.C.	15.1	22
Florida*	7.3	44
Georgia*	6.8	46
Hawaii	24.6	2
Idaho*	8.1	40
Illinois	20.2	8
Indiana	16.5	17
Iowa*	12.1	29
Kansas*	10.2	31
Kentucky	12.6	27
Louisiana*	7.0	45
Maine	15.6	21
Maryland	14.9	23
Massachusetts	16.2	19
Michigan	23.7	3
Minnesota	20.3	7
Mississippi*	5.2	49
Missouri	14.6	24
Montana	15.8	20
Nebraska*	9.1	38
Nevada*	20.2	10
New Hampshire	12.6	28
New Jersey	21.9	5
New Mexico	9.4	35
New York	27.7	1
North Carolina*	4.2	50
North Dakota*	10.0	32
Ohio	18.5	14
Oklahoma	9.3	36
Oregon	20.1	11
Pennsylvania	18.9	13
Rhode Island	19.4	12
South Carolina*	3.3	51
South Dakota*	7.7	43
Tennessee*	9.5	34

Texas*	6.5	48
Utah*	9.0	39
Vermont	9.3	37
Virginia*	6.7	47
Washington	21.0	6
West Virginia	16.3	18
Wisconsin	17.7	16
Wyoming*	11.2	30

\* State has right-to-work-law

Source: Drawn from Table 8 in Barry T. Hirsch and David A. Macpherson, *Union Membership and Earnings Data Book: Compilations from the Current Population Survey* (1996 Edition) (Washington, The Bureau of National Affairs, Inc., 1996), pp. 22-23

For the purposes of this analysis, I drew upon the representative votes on the minimum wage in Congress for those years that there was a vote to increase the minimum wage. The votes span from 1949, the first time the FLSA was amended until 1996 when it was last amended. By representative vote I mean the actual vote to pass a bill either to increase the minimum wage, expand coverage, or both. Although most of these votes did ultimately lead to passage of a bill that was signed by a president, some of them were no more than bills that successfully made it out of both chambers to die either in conference committee or at the hands of a presidential veto. The congressional record is replete with numerous votes in both chambers of Congress that concerned amendments that were often defeated. Although amendments are important in as much as they illustrate what groups are trying to get through the process, the critical question is how members actually voted in the end, and how their decisions might have been affected by constituent bases. Tables II and III illustrate the percentage distributions of votes for and against minimum wage increases in both the House and the Senate.<sup>1</sup>

**Table II House Minimum Wage Vote by State Type**

Year	Votes for			Votes Against		
	RTW	Middle HU	RTW	Middle	HU	
1949	35.9	12.4	51.6	14.4	18.2	67.4
1955	19.9	14.9	64.4	61.1	7.4	20.4
1960	18.8	14.4	66.6	55.6	6.9	0.6
1961	33.3	11.6	50.5	14.3	15.8	69.5
1966	15.2	12.2	71.9	53.8	16.1	21.5
1972	36.9	13.8	44.2	10.5	11.0	78.5
1974	24.3	12.0	61.9	43.2	16.2	29.7
1977	16.5	11.0	71.0	36.8	15.7	43.2
1989	27.0	13.1	57.1	40.5	13.5	45.9
1996	25.9	13.8	57.3	46.7	6.7	46.7

**Table III Senate Minimum Wage Vote by State Type**

<i>Year</i>	<b>Votes for</b>			<b>Votes Against</b>		
	<i>RTW</i>	<i>Middle</i>	<i>HU</i>	<i>RTW</i>	<i>Middle</i>	<i>HU</i>
1949	75.0	20.0	5.0	37.0	14.8	48.1
1960	27.4	16.1	56.5	67.6	20.6	11.8
1961	26.6	17.2	54.7	82.1	14.3	3.6
1966	35.1	17.5	47.4	88.2	5.9	5.9
1972	23.1	20.0	56.9	74.1	14.8	11.1
1974	57.9	21.1	21.1	35.5	18.4	46.1
1977	30.2	20.6	49.2	70.8	16.7	12.5
1989	40.4	13.5	33.7	62.5	25.0	--
1996	34.2	16.4	49.3	60.0	24.0	16.0

RTW = "right-to-work states

Middle = those states in between "right-to-work" and high union density

HU= high union density States

It would appear that on the basis of simple percentages alone that state type does make a considerable difference in how members in Congress vote. The highest percentages against the minimum wage come from the "right-to-work" states while the lowest percentages come from the so-called high-union density states. Conversely, most votes for increases in the minimum wage come from the high union density states. Nevertheless, there are some exceptions, which owe more to the particulars of the bills in question and the political circumstances of those years surrounding them. Although there are differences from the House to the Senate, the basic pattern nonetheless appears to hold. And yet the question remains as to just what the influence of political parties are. Conventional wisdom assumes Democrats to vote for the minimum wage a majority of times while Republicans will vote against it a majority of times. The key question, however, is just which factor might be stronger -- party or state type?

The answer to this question can in part be determined on the basis of a logistical regression analysis which will 1) establish the statistical significance of each relationship and 2) illustrate which variables are likely to have a probability of having greater effects. The results of the regression, shown in Table IV, are based on voting for the minimum wage as the dependent variable in two separate models. In the first model, RTW represents those from "right-to-work" states; DEM represents Democrats; and DEMRTW is an interaction term representing specifically Democrats from "right-to-work" states. In the second model, HU represents those from high union density states; REP represents Republicans; and REPHU is an interaction term representing specifically those Republicans from high union density states.

**Table IV House and Senate Regression Results**

	<b>House</b>		<b>Senate</b>	
	<b>B</b>	<b>Sig</b>	<b>B</b>	<b>Sig</b>
DEM	.6342	.0000	.8897	.0000
DEMRTW	-.5660	.0007	.3479	.2731
RTW	.5950	.0000	-1.2327	.0000
Constant	1.4647	.0000	.5160	.0003
HU	.0833	.3406	.7136	.0010
REP	.2963	.0113	-.9952	.0000
REPHU	.3125	.0407	.4444	.1729
Constant	.7756	.0000	.6604	.0000

The above table demonstrates two types of relationships. The first is the tendency among congressional members from "right-to-work" states, particularly Democratic members in the House of Representatives, to vote against minimum wage increases. The second is the tendency among congressional members from high union density states to vote for minimum wage increases. Of course, the effects of these variables vary from the House to the Senate. In the House of Representatives, both Democratic and Republican parties have positive effects for voting favorably for increases in the minimum wage, although the positive effects of being a Democrat are considerably stronger than they are of being a Republican. Although there is a positive effect from "right-to-work" states for voting for increases, those Democrats specifically from "right-to-work" states are less likely to vote for increases even though Democrats overall are likely to vote for increases. This would then suggest that there is something known as "state" interest -- or constituent interest -- which is strong enough to cancel out the positive party effects. This is quite different in the Senate, where the interaction variable has absolutely no statistical significance, but simply being from a "right-to-work" state has a strongly negative effect on voting for minimum wage increases.

On the other side of the equation, being from a high union density state has no significance in the House, but a strong positive effect for favorable voting which is significant in the Senate. Although being a Republican does have a positive effect for voting in the Senate, it still isn't as strong as being a Democrat. And in the Senate it actually has a negative effect. On the contrary, specifically being a Republican from a high union density state appears to have the stronger positive effect in the House. In the Senate the interaction is simply insignificant. And yet, the differences between the House and Senate do stand out. Whereas in the House Democrats from "right-to-work" states are likely to vote against increases while Republicans from high union density states vote for them, in the Senate the only important factor is the state type. Those from "right-to-work" states, regardless of party will most likely vote against increases, while those from high union density states will most likely vote for increases. Although constituent interests are equally important in the Senate as they are in the House, it would appear that in the Senate "state" interest is the overriding concern. Whereas House members would appear to be tuned into the constituent interests of their particular districts, members in the Senate appear to be voting as blocks.

**Table V Relationship between State Type and Direction of Congressional Voting**

		Votes For						
<i>Chamber</i>	<i>All</i>	<i>HU1</i>	<i>HU2</i>	<i>Sig</i>	<i>non-RTW</i>	<i>Rephu1</i>	<i>Rephu2</i>	<i>Sig</i>
House	73.2	60.2	75.2	.00056	73.5	29.5	76.7	.00000
Senate	63.6	47.7	76.0	.00000	65.8	16.0	60.3	.29701
		Votes Against						
<i>Chamber</i>	<i>All</i>	<i>RTW1</i>	<i>RTW2</i>	<i>Sig</i>	<i>non-HU</i>	<i>Demrtw1</i>	<i>Demrtw2</i>	<i>Sig</i>
House	26.8	31.2	30.5	.00068	39.8	22.7	28.9	.00538
Senate	36.4	56.3	48.5	.00000	73.7	27.0	33.5	.61614

RTW1 = of those who voted against, the percentage who were from right-to-work states

RTW2 = of those from right-to-work states, the percentage who voted against

Demrtw1 = of those who voted against, the percentage who were Democrats from right-to-work states

Demrtw2 = of those who were Democrats from right-to-work states, the percentage that voted against

HU1 = of those who voted for, the percentage who were from high union density states

HU2 = of those from high union density states, the percentage who voted for

Rephu1 = of those who voted for, the percentage of those who were Republicans from high-union density states

Rephu2 = of those Republicans from high-union density states, the percentage that voted against



Nevertheless, logit regression analyses do not necessarily tell the whole story. The logit analysis merely establishes relationships and effects; it doesn't show how members from specific types of states, or how members of a particular party in those types of states vote relative to the entire membership of each chamber. For this a Chi Square analysis might actually be more informative.

What the chi square relationship shows that the logit analysis does not is the probability of voting in a particular direction. The probability of voting for increases in the minimum wage is

26.8 and 36.4 percent in the House of Representatives and the Senate respectively. And yet, that probability increases among those from "right-to-work" states to 31.2 percent in the House and 56.3 percent in the Senate.<sup>2</sup> And on the other side of the equation, the probability of voting for increases in the minimum wage is 73.2 percent in the House and 63.6 percent in the Senate, which rises to 75.2 and 76.0 percent respectively among those from high union density states. And among those Republicans from high union density states in the House, the probability of voting for increases even further to 76.7 percent. This would certainly appear to fly in the face of the conventional wisdom that assumes Republicans to generally vote against increases in the minimum wage because as the party of business, wage floors run contrary to their philosophy.

Although there is clearly a relationship between state type and the direction of voting in both houses of Congress, the question of even greater concern is this relationship in each year that the minimum wage was voted on. At issue is just how the decline in unionism has affected the voting behavior of members of Congress over time. Again, if the propositions I began this section with are true, there ought to be a noticeable change in the strength of that association over time. If there is a relationship between the declining influence of unionism and the decreased likelihood of members of Congress voting for increases because of the decline of that constituency, there should be a noticeable trend over time. Either the effects will diminish or it will simply become insignificant. If as some have suggested that it is no coincidence that the minimum wage stagnated at precisely the same time that organized labor suffered its greatest decline, we would expect the significance of the high union density effect to disappear. Longitudinal logistical regression results are shown below in Table VI for each year that there was a representative vote.

**Table VI Longitudinal Regression Results**

	House		Senate	
	B	Sig	B	Sig
1949				
DEM	-5.0348	.0000	-.0488	.9602
DEMRTW	3.4538	.0027	.8160	.5177
RTW	0.2639	.8066	1.0498	.2575
Constant	2.3749	.0000	-1.8971	.0022
HU	-5.0268	.0000	-9.0692	.7627
REP	3.4247	.0011	-.7419	.2507
REPHU	3.5629	.0156	7.2366	.8098
Constant	0.3268	.0567	-.1335	.7152
1955 <sup>3</sup>				
DEM	1.6858	.0280		
DEMRTW	-.9508	.2884		
RTW	-2.4113	.0000		
Constant	2.4913	.0000		

HU	9.0163	.5888		
REP	-.2993	.4332		
REPHU	-7.3888	.6579		
Constant	1.1866	.0000		
1960				
DEM	2.1572	.0001	1.8816	.0124
DEMRTW	-1.3786	.0768	.6286	.6399
RTW	-1.8072	.0011	-2.7881	.0145
Constant	1.5559	.0000	.4855	.2799
HU	3.1457	.0000	2.1128	.0091
REP	-.6292	.1363	-1.6151	.0087
REPHU	-1.8946	.0281	.5544	.6539
Constant	.9775	.0000	.4520	.1862
1961				
DEM	-4.1055	.0000	9.0397	.7593
DEMRTW	1.9225	.0843	1.4314	.9809
RTW	1.3496	.1980	-11.3660	.0479
Constant	1.5933	.0000	1.1632	.0232
HU	-4.9829	.0000	9.6323	.7694
REP	2.2148	.0004	-1.4178	.0179
REPHU	4.1018	.0007	-6.4824	.8437
Constant	.2129	.2239	.5705	.1001
1966				
DEM	2.0600	.0000	8.4981	.7290
DEMRTW	-2.5581	.0001	-7.5330	.8152
RTW	-.8656	.0731	-2.0412	.0347
Constant	1.0480	.0000	1.7047	.0266
HU	9.9941	.4638	9.3378	.7898
REP	-.2694	.4920	-.5465	.3836
REPHU	-8.6387	.5268	-8.0469	.8184
Constant	.2088	.2458	.8650	.0401
1972				
DEM	-4.2816	.0000	9.1042	.7654
DEMRTW	1.8838	.0919	-5.6179	.8540
RTW	1.7472	.0941	-3.7377	.0009
Constant	1.7492	.0000	1.0986	.0118
HU	-4.3020	.0000	2.1795	.0501
REP	2.7881	.0002	-1.6345	.0069

REPHU	2.5760	.0087	.3283	.8157
Constant	.5261	.0092	.9985	.0239
1974				
DEM	.4255	.4678	-9.5097	.7395
DEMRTW	-.3742	.6274	6.3421	.8246
RTW	-1.4929	.0199	.9163	.1537
Constant	3.1023	.0000	-.6931	.1094
HU	1.3925	.0019	.0377	.9791
REP	.2538	.5694	3.2958	.0024
REPHU	-.0917	.9113	-1.1363	.4849
Constant	1.6094	.0000	-3.2958	.0012
1977				
DEM	3.9778	.0000	9.5838	.7453
DEMRTW	-1.6502	.0256	-7.3037	.8046
RTW	-.6471	.3296	-1.9183	.0168
Constant	-17806	.0000	.6190	.1867
HU	2.8081	.0000	8.8906	.8041
REP	-2.4765	.0000	-2.1595	.0009
REPHU	-2.1975	.0014	-6.8394	.8487
Constant	.1542	.4058	1.3122	.0021
1989				
DEM	2.8593	.0001	9.1234	.8561
DEMRTW	6.4963	.7271	1.2040	.9871
RTW	-.7419	.0599	-1.2040	.1378
Constant	1.5892	.0000	2.0794	.0007
HU	.2653	.8517	2.04E-12	1.0000
REP	-3.6008	.0005	-10.3379	.8290
REPHU	.2250	.8783	10.3379	.9181
Constant	4.6817	.0000	11.2029	.8150
1996				
DEM	-.6883	.1181	2.5337	.0206
DEMRTW	-.0550	.9331	1.0499	.5038
RTW	-.8358	.0839	-1.4917	.0149
Constant	2.7076	.0000	.7985	.0467
HU	.6026	.1596	-.0870	.9520
REP	.7802	.0792	-3.6088	.0008
REPHU	-.2043	.7525	2.0582	.2034
Constant	1.3863	.0000	3.1780	.0018

On the basis of the longitudinal regression results, it would appear that there are consistent patterns in both the House and the Senate. Although there are exceptions, both being from a "right-to-work" state and being a Democrat from a "right-to-work" state have negative effects for voting for increases in the minimum wage. Conversely, being from high union density states have positive effects for voting favorably, whereas being a Republican from a high union density state doesn't necessarily. In the Senate, however, the pattern appears to be more uniform with "right-to-work" states consistently having negative effects and high union density states having positive ones. Specific probabilities for each year can be found in chi square tests in the Appendix.

It is also on the basis of the longitudinal analysis that the effects of party affiliation on how members of Congress vote can be seen more clearly. Democrats, as the party that brought forth much of the welfare state legislation of the 1930s, including the FLSA, would be assumed to vote for increases. In the House of Representatives, at least, there appears to be a significant association between Democrats from "right-to-work" states and votes against the minimum wage. The longitudinal regression would appear to demonstrate the irrelevance of the party effect. In the House of Representatives there are clear and persistent patterns. For a couple of exceptions, there is a significant relationship between negative votes among those Democrats from "right-to-work" states through 1977. In terms of voting for increases in both the House and the Senate, except in a few cases, there again appears to be a strong statistically significant association between voting for increases and being from a high union density state. Nevertheless, there are exceptions to these trends, which owe more to the specifics of the bills in question.

In 1949, for instance, the parties were divided over the issue of coverage. Democrats wanted to expand coverage while Republicans, resigned to the inevitability of a wage increase, opposed the expansion of coverage. Moreover, there were those, who typically would have supported an increase, who opposed the specific legislation because the compromise necessary to get it through a Republican led House restricted the coverage (*CQ Almanac*, 1949). Then in 1955, the minimum wage increase was advocated by a Republican president. So that Republicans would be voting favorably would not come as any great surprise. Even so, as the Chi-square analysis shows, most of those who voted against it were from "right-to-work" states, with a significant proportion of them being Democrats. In 1960 when opposition from "right-to-work" states appeared to be less, the bill never cleared the conference committee, where the great division between the House and Senate was again the question of coverage. Although Kennedy, then chairman of the Senate Education and Labor committee was willing to yield to the House on a higher wage in exchange for not expanding coverage, the AFL-CIO proved to be major source of the impasse in its refusal to yield on the coverage issue. And yet, a year later, when Kennedy was president the bill ultimately did become law (*CQ Almanac*, 1960; 1961). Then in 1972, the House killed the minimum wage, which President Nixon perhaps would have vetoed anyway, to have a similar bill passed in 1974, which Nixon, then facing impeachment over Watergate, was willing to pass. And even though there is no statistical significance for 1996, it is nonetheless interesting because a Republican controlled congress voted for the increase because it was wrapped into a larger tax bill offering rebates and other goodies to both small businesses and larger corporate interests (Rubin, 1996). Although Republicans did overwhelmingly vote for the package, their reasons for doing so were different from the Democrats who also voted overwhelmingly for the package. Whereas Democrats voted on the merits of increasing the minimum wage, Republicans specifically voted on the value of the other provisions to their constituents in business.

Although the relationship between Democrats from "right-to-work" states and negative votes and Republicans from high union density states and positive votes in the Senate are mostly insignificant, the critical association is the general trend. This may well be accounted for by basic constitutional differences. Members of the House represent specific districts comprised of specific constituencies. Although senators may represent the same constituencies, they also represent the entire state interest. Therefore, it is more likely that senators are simply voting as blocks. That is, Democrats who voted against the wage increases probably voted as their Republican colleagues had. Similarly, Republican senators who voted for wage increases most likely joined their Democratic colleagues in their respective states in voting for the legislation (Levin-Waldman, 1996, 1998).

What stands out the most from this analysis is the statistical insignificance the high union density effect takes in both chambers after 1977. This is by no means immaterial. The last minimum wage increase prior to the vote in 1989 took effect in 1981, and this was according to the schedule legislated in 1977. So the 1989 vote was the first vote that occurred at a point when unionism was at its weakest. That this variable becomes insignificant

towards the end of the decade that organized labor suffered its greatest losses would appear to be no mere coincidence. On the contrary there would appear to be a strong relationship. For any number of years there is a significant relationship between "right-to-work" states and voting against minimum wage increases. But among high-union density states, there is consistently a significant relationship between voting for increases and being from high union density states until the 1980s. It is the last two votes, those following the watershed events of the 1980s, that the union relationship appears to become insignificant. It is also during this period that the decline in union membership becomes most noticeable. Therefore, given the loss of association after the 1977 vote, it would be reasonable to conclude that the increasing irrelevance of unions during the 1980s may have had something to do with the fact that 1) it took so long to vote on it again; and 2) it stagnated as a result during this period.

## Implications

What, then, does the overall analysis tell us? That both members of Congress are willing to vote against the position of their respective parties at a minimum demonstrates the inability of modern day political parties to enforce discipline on its members. Overall, party effects are by and large irrelevant. This, of course, is nothing new. But what does become clear is the overall relationship between state type and the direction of congressional voting, and that state type is a more important determinant than party affiliation. That state type does have this effect would appear to suggest that differentials in wage structure do to an extent speak to the issue of what constitutes respective "state" interests. On one level the fact that members from those regions with high union densities --particularly Republican members --are willing to vote for the increase, would imply that a key interest group in affecting how members vote is organized labor. On another level, from the fact that most Democratic votes against the minimum wage come from those regions where there are "right-to-work" laws, it might be concluded that the minimum wage, at least in certain areas, has a detrimental effect on the wage structure, and this runs contrary to many of the politically hegemonic interests in the area. Although party effects are shown to be statistically insignificant in 1996, it is perhaps interesting to note that by then many of the seats in "right-to-work" states that at one time were held by Democrats were Republicans. Many of these so-called "right-to-work" states had undergone a realignment. Even though a majority of Republicans voted for the minimum wage, on the basis of chi square tests (contained in the Appendix) there is still a strong statistical significance between being from a "right-to-work" state and voting against the increase in the minimum wage in 1996.

Nevertheless, that certain regions passed "right-to-work" laws, they did so with the hope of becoming more competitive. Lower wage rates would enable them to attract greater capital investment. To them, the minimum wage is an issue affecting their ability to compete competitively. Conversely, for those representatives from the industrial sections who support minimum wage increases, it may be a measure which, in part, will stem the flow of capital investment --ultimately jobs --from their regions to the lower wage areas, most notably "right-to-work" states. Hence, it effectively becomes a contest between being able to offer goods at cheap prices because costs overall are lower and the right not to be a victim of the other's unfair advantage because they are paying substandard wages. To the extent that representatives do vote in the interests of their constituents, they are clearly doing so in these regions of the country. Therefore, it would appear that those who wield greater power are better able to influence how members of Congress vote. But it also isn't difficult to see how the minimum wage has become an issue wrapped up in the more traditional competition between states for capital investment (Eisinger, 1988).

Wages, after all, in "right-to-work" states tend to be lower than in high-union density states. This can be seen in the table below.

**Table VII State Type Wage Differentials (Overall Averages)**

Year	Right-to Work		Middle	High Union Density			Overall % Difference		
1982	6.27	<b>4.5</b>	6.55	<b>7.6</b>	7.05		12.4		
1987	7.53	20.1	<b>7.6</b>	8.10	23.7	<b>6.8</b>	8.65	22.7	14.4
1992	9.37	24.4	<b>9.6</b>	10.27	26.8	<b>8.3</b>	11.12	28.6	18.7

The figures in bold type represent the percentage differences between columns. Those figures in italics represent the percentage differences from one five year period to another.

Source: Author's calculations based on data downloaded from Bureau of Economic Analysis.

Whereas the wages rise in all regions during each five year period, the rise is much less in the "right-to work" states than in the others. And yet the gap in wages from "right-to-work" to middle states appears to be larger than from the middle to the high union density states. That gap also appears to grow larger between the former than between the latter. On the basis of this table, then, it does not appear that HU states pull wages up so much as "right-to-work" states keep them down. Therefore, if both wage floors and unions could be viewed as institutions intended to establish a stable wage structure, it is then understandable why those regions where wages have traditionally been lower would be hostile to both. This hostility is clearly evident in the "right-to-work" states, first in the passage of laws hostile to unions in the first place, and second in consistently voting against wage floors.

This then leads to perhaps one other implication that can be drawn from the analysis. The minimum wage is a matter affecting the labor market. Issues about youth disemployment effects and potential benefits to the poor are really diversionary. Although there is considerable data on these so-called adverse effects, it is really incomplete, and in recent years it has come under considerable attack, most notably from the work by Card and Krueger (1995). The overall issue is the effect both minimum wages and unions have on wage structure. When couched as a labor market issue affecting the overall wage structure of the nation, it not only draws union support, but the support of Congress as well. In terms of policy, then, the minimum wage needs to be conceived of as an institution with import for the overall wage structure and as but one measure, among several, essential for the maintenance of a credible welfare state. That it already divides groups along the lines of economic interest is indicative that there are those who already view it in those terms.

But in as much as unions may effectively give their workers voice, as well as they may have added to the effective voice of other workers, there are perhaps clear implications for the future of unions as institutions. Unions do not enjoy the type of support they once did because of a perception that they are too rigid and adversarial. And yet, without them, working Americans don't seem to have as much voice. Workers do need to have a voice both in the workplace and in the political arena, especially on policy matters that affect them as workers. If the voice that unions give workers results in more equitable public policy, then the union as an institutional structure has to be viewed as that which can provide its members with a greater stake in the system. In the world of policy, the union can serve the function of the working person's interest group, regardless of whether their actual place of work is unionized or not. If as a result of greater voice the nation ends up pursuing policies that might be of benefit to all Americans like wage policies and other social safety net programs, the political arena will effectively be more democratized.

## Appendix

### House of Representatives Longitudinal Analysis (Percentages)

Year	House	RTW1	RTW2	Votes Against			Sig
				Sig	non-HU	Demrtw1	

1949	44.6	14.4	23.2	.00000	85.6	30.3	75.2	.00007
1955	13.0	72.2	34.5	.00000	79.6	50.0	28.7	.00000
1960	17.4	62.5	39.8	.00000	69.4	50.0	35.6	.00000
1961	48.4	14.7	27.0	.00000	30.5	14.3	29.9	.00013
1966	23.5	62.4	55.2	.00000	78.4	51.6	52.7	.00000
1972	46.8	10.5	18.2	.00000	27.2	9.9	23.5	.00003
1974	9.0	54.1	17.1	.00029	70.3	32.4	16.7	.00547
1977	43.9	41.1	35.0	.00000	56.8	22.7	49.4	.12077
1989	8.8	40.5	13.3	.16700	54.1	00.0	00.0	.00225
1996	11.5	46.7	17.5	.01300	53.3	24.4	19.6	.01471

RTW1 = of those who voted against, the percentage who were from right-to-work states

RTW2 = of those from right-to-work states, the percentage who voted against

Demrtw1 = of those who voted against, the percentage who were Democrats from right-to-work states

Demrtw2 = of those who were Democrats from right-to-work states, the percentage that voted against

Votes For								
<i>Year</i>	<i>House</i>	<i>HU1</i>	<i>HU2</i>	<i>Sig</i>	<i>non-RTW</i>	<i>Rephu1</i>	<i>Rephu2</i>	<i>Sig</i>
1949	55.4	49.8	47.8	.00035	50.2	49.3	81.0	.00000
1955	87.0	64.4	95.5	.00000	79.6	37.6	87.7	.06033
1960	82.6	65.4	91.0	.00000	80.1	29.0	80.5	.65884
1961	51.6	50.4	43.6	.00007	62.5	50.0	80.0	.00000
1966	76.5	71.9	91.6	.00000	84.4	24.1	73.0	.50039
1972	53.2	55.7	39.0	.00000	58.5	42.9	78.8	.00000
1974	91.0	61.9	95.5	.00015	74.1	18.9	89.9	.16878
1977	56.1	71.2	67.7	.00000	82.6	5.5	14.4	.00000
1989	91.2	57.1	92.8	.19305	70.4	20.2	77.8	.00435
1996	88.5	57.3	90.5	.17427	71.5	30.0	88.1	.00928

HU1 = of those who voted for, the percentage who were from high union density states

HU2 = of those from high union density states, the percentage who voted for

Rephu1 = of those who voted for, the percentage of those who were Republicans from high-union density states

Rephu1 = of those Republicans from high-union density states, the percentage that voted against

### Senate Longitudinal Analyses (Percentages)

Votes Against								
<i>Year</i>	<i>Senate</i>	<i>RTW1</i>	<i>RTW2</i>	<i>Sig</i>	<i>non-HU</i>	<i>Demrtw1</i>	<i>Demrtw2</i>	<i>Sig</i>
1949	73.0	37.0	57.1	.00367	48.1	24.1	39.4	.16264
1960	35.4	67.6	57.5	.00013	88.2	38.2	43.3	.19711
1961	30.4	82.1	57.5	.00000	96.4	46.4	43.3	.02538
1966	23.0	88.2	42.9	.00012	94.1	47.1	29.6	.04088

1972	29.3	74.1	57.1	.00000	88.9	22.2	25.0	.80015
1974	80.0	35.5	71.1	.07505	53.9	25.0	79.2	.61039
1977	27.6	70.8	47.2	.00058	87.5	25.0	24.0	1.00000
1989	8.2	62.5	12.2	.22652	100.0	0.0	0.0	.09985
1996	25.5	60.0	37.5	.02375	84.0	4.0	5.3	.02728

RTW1 = of those who voted against, the percentage who were from right-to-work states  
RTW2 = of those from right-to-work states, the percentage who voted against  
Demrtw1 = of those who voted against, the percentage who were Democrats from right-to-work states  
Demrtw2 = of those who were Democrats from right-to-work states, the percentage that voted against

#### Votes For

Year	Senate	HU1	HU2	Sig	non-RTW	Rephu1	Rephu2	Sig
1949	27.0	5.0	3.7	.00062	25.0	5.0	4.0	.03474
1960	64.6	56.5	89.7	.00002	72.6	14.5	81.8	.15117
1961	69.6	54.7	97.2	.00000	73.4	15.6	83.3	.13692
1966	77.0	47.4	96.4	.00197	64.9	8.8	50.0	.63742
1972	70.7	56.9	92.5	.00005	76.9	20.0	86.7	.05636
1974	20.0	21.1	10.3	.04755	42.1	15.8	23.1	.67335
1977	72.4	49.2	91.2	.00171	69.8	15.9	71.4	.48121
1989	91.8	31.5	100.0	.01780	59.6	19.1	94.4	.36022
1996	74.5	49.3	90.0	.00344	65.8	19.2	77.8	.61411

HU1 = of those who voted for, the percentage who were from high union density states  
HU2 = of those from high union density states, the percentage who voted for  
Rephu1 = of those who voted for, the percentage of those who were Republicans from high-union density states  
Rephu2 = of those Republicans from high-union density states, the percentage that voted against

---

## References

- Bane, Mary Jo and David T. Ellwood,** 1994. *Welfare Realities: From Rhetoric to Reform*. Cambridge, MA: Harvard University Press.
- Burkhauser, Richard V., Kenneth A. Couch and David C. Wittenburg.** 1996. " 'Who Gets What' from Minimum Wage Hikes: A Re-Estimation of Card and Krueger's Distributional Analysis in Myth and Measurement: The New Economics of the Minimum Wage," *Industrial and Labor Relations Review* 49,3 (April):547-552.
- Burkhauser, Richard V. and T. Aldrich Finegan.** 1989. "The Minimum Wage and the Poor: The End of a Relationship." *Journal of Policy Analysis and Management* . 8,1:53-71.
- Card, David and Alan B. Krueger.** 1995. *Myth and Measurement: The New Economics of the Minimum Wage*. Princeton: Princeton University Press.
- Congressional Quarterly Almanac.* 1949. 5, 81<sup>st</sup> Congress. (1<sup>st</sup> session):434-441.



*Congressional Quarterly Almanac* . 1960. 16, 86<sup>th</sup> Congress. (2<sup>nd</sup> session):309-319.

*Congressional Quarterly Almanac* . 1961. 17, 87<sup>th</sup> Congress. (1<sup>st</sup> session):471-482.

**Dubofsky, Melvyn.** 1994. *The State & Labor in Modern America* . Chapel Hill: The University of North Carolina Press.

**Eisinger, Peter K.** 1988. *The Rise of the Entrepreneurial State and Local Economic Development Policy in the United States* . Madison: University of Wisconsin Press.

**Ellwood, David T.** 1988. *Poor Support: Poverty in the American Family* . New York: Basic Books.

**Fiorina, Morris.** 1977. *Congress: Keystone to the Washington Establishment* . New Haven: Yale University Press.

**Freeman, Richard B.** 1993. "How Much Has De-Unionization Contributed to the Rise in Male Earnings Inequality." in Sheldon Danziger and Peter Gottschalk ed. *Uneven Tides: Rising Inequality in America* . New York: Russell Sage Foundation.

**Goldfield, Michael.** 1987. *The Decline of Organized Labor in the United States* . Chicago: University of Chicago Press.

**Gordon, David M.** 1996. *Fat and Mean: The Corporate Squeeze of Working Americans and the Myth of Managerial "Downsizing."* New York: The Free Press.

**Hart, Vivien.** 1994. *Bound by Our Constitution: Women, Workers, and the Minimum Wage* . Princeton: Princeton University Press.

**Hattam, Victoria C.** 1993. *Labor Visions and State Power: The Origins of Business Unionism in the United States.* Princeton: Princeton University Press.

**Hinkley, Barbara.** 1983. *Stability and Change in Congress* . New York: Harper & Row.

**Hirschman, Albert O.** 1970. *Exit, Voice, and Loyalty: Responses to Decline in Firms, Organizations, and States* . Cambridge, MA: Harvard University Press.

**Kau, James, Donald Keenan and Paul Rubin.** 1982. "A General Equilibrium Model of Congressional Voting." *The Quarterly Journal of Economics* . 97, 2 (May):271-293.

**Keeran, Roger and Greg Tarpinian.** 1989-90. "Public Policy and the Recent Decline of Strikes." *Policy Studies Journal* . 18,2 (Winter):461-470.

**Kessler-Harris, Alice.** 1988. *A Woman's Wage: Historical Meanings and Social Consequences* . Lexington, KY: The University Press of Kentucky.

**Kosters, Marvin and Finis Welch.** 1972. "The Effects of Minimum Wages on the Distribution of Change in Aggregate Employment." *American Economic Review* . 62,3 (June):323-332.

**Lehrer, Susan.** 1987. *Origins of Protective Labor Legislation for Women, 1905-1925* . Albany: State University of New York Press.

**Levin-Waldman, Oren M.** 1996, 1998. "Exploring the Politics of the Minimum Wage." *Working Paper No. 176* (November); also forthcoming in *The Journal of Economic Issues* (September).

- Levitan, Sar A.** and **Richard S. Belous.** 1979. *More Than Subsistence: Minimum Wages for the Working Poor* . Baltimore: The Johns Hopkins University Press.
- Maass, Arthur.** 1983. *Congress and the Common Good* . New York: Basic Books.
- Mayhew, David R.** 1974. *Congress: The Electoral Connection* . New Haven: Yale University Press.
- Meyer Robert H.** and **David A. Wise.** 1983. "The Effect of the Minimum Wage on the Employment Earnings of Youth." *Journal of Labor Economics* . 1,1:66-100.
- Neumark, David** and **William Wascher.**1992. "Employment Effects of Minimum and Subminimum Wages: Panel Data on State Minimum Wage Laws." *Industrial and Labor Relations Review* 46,1 (October):55-81.
- Pettengill, John S.** 1980. *Labor Unions and the Inequality of Earned Income* . Amsterdam and New York: North-Holland Publishing Co.
- Piore, Michael J.** 1995. *Beyond Individualism* . Cambridge, MA: Harvard University Press.  
----- and Charles F. Sabel. 1984. *The Second Industrial Divide: Possibilities for Prosperity* . New York: Basic Books.
- Prasch, Robert E.** 1996. "In Defense of the Minimum Wage." *Journal of Economic Issues* . 30,2 (June):391-397.
- Ripley, Randall B.** 1988. *Congress: Process and Policy* . New York: W.W. Norton & Co.
- Rothstein, Richard,** 1994. "Unions and the New Administration." *Dissent* 40 (Spring):159-165.
- Rubin, Alisa J.** 1996. "Congress Clears Wage Increase with Tax Break for Business."  
*Congressional Quarterly Weekly Report* . (August 3):2175-2177.
- Shapiro, Daryl Marc.** 1990-1991. "Will an Increased Minimum Wage Help the Homeless?" *University of Miami Law Review* . 45:651-699.
- Stigler, George J.** 1946. "The Economics of Minimum Wage Legislation." *American Economic Review* . 36 (June)358-365.
- Verba, Sidney** and **Norman H. Nie.** 1972. *Participation in America: Political Democracy and Social Equality* . Chicago: University of Chicago Press.
- Welch, Finis.** 1978. *Minimum wages: Issues and Evidence* . Washington: American Enterprise Institute for Public Policy Research.  
----- 1974. "Minimum Wage Legislation in the United States." *Economic Inquiry* 12, 3 (September):285-318.

---

## Notes

1. The data is contained in two computer files drawn from printed House and Senate votes in *Congressional Quarterly Almanac* 5 (1949); 11(1955); 16 (1960); 17(1961); 22 (1966); 28 (1972); 30 (1974); 33 (1977);

45 (1989); and 52 (1996)

2. It is perhaps worth noting that the slight 4.4 percent increase in the House may in part explain why the "right-to-work" variable had a positive coefficient in the House while it was negative in the Senate, where the difference was 19.9 percent.

3. Although there obviously must have been a vote in the Senate, I was unable to locate it in either the *Congressional Quarterly Almanac* , *Congressional Quarterly Weekly Report* or *Congressional Digest* .