

United States Senate

WASHINGTON, DC 20510

September 25, 2013

The Honorable Barack Obama
President of the United States
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear President Obama:

We agree with you that reversing the trend of income inequality “must be Washington’s highest priority.” Doing so will restore fairness to the economy, create jobs and grow the middle class.

As you know, five years ago, the Federal Reserve and the Treasury Department acted boldly and aggressively to rescue Wall Street and the rest of the financial sector from collapse. Today, while Wall Street, large corporations, and those at the top have fully recovered from the worst economic crisis since the Great Depression and are now doing very well, millions of our people are working longer hours for lower wages and the number of Americans living in poverty is at an all-time high.

Since 1968, the real value of the federal minimum wage has fallen by about 30 percent. If the minimum wage had kept up with inflation since 1968, it would be worth more than \$10.50 per hour today.

Clearly, we need to strengthen the middle class, raise the minimum wage, and invest in the creation of millions of decent-paying jobs rebuilding our crumbling infrastructure. But Republicans in Congress have refused to work with us on any of these efforts.

We cannot stand by and do nothing while the income of the average middle class family has gone down by more than \$5,000 since 1999 and virtually all of the new income created in the economy is going to the top one percent. We cannot wait for the Republicans in the Senate to stop obstructing every significant piece of legislation that will provide relief to millions of struggling working families barely scraping by to make ends meet.

That is why we were encouraged by your statement that you “will not allow gridlock, or inaction, or willful indifference to get in our way. That means whatever executive authority I have to help the middle class, I’ll use it.”

With that approach in mind, we urge you to use your executive authority to require federal agencies to give a major preference in awarding contracts to companies that pay a minimum wage of no less than \$10.10 an hour, and pay their workers decent wages and benefits. Taking this action would be one of the most concrete actions you could take to reduce income inequality, boost the economy, and help working families pay their bills.

Last year, private companies received more than \$446 billion in federal contracts to perform work in this country. They employed more than 2 million workers. It has been estimated that 560,000 of these employees of federal contractors, about 28 percent, are paid less than \$12 an hour. Further, the National Employment Law Project (NELP) recently interviewed over 500 federal contract employees who make military uniforms; provide food, retail and janitorial services; and drive trucks. More than 7 out of 10 of the workers interviewed by NELP were paid less than \$10 an hour. That is simply unacceptable. Profitable corporations that receive lucrative contracts from the federal government should pay all of their workers a decent wage.

In 1965, President Lyndon B. Johnson signed an executive order to combat discrimination in the workplace by prohibiting federal contractors from making employment decisions based on race, color, religion, sex, or national origin. It is now time to prohibit these same federal contractors from paying poverty level wages. A job should lift workers out of poverty, not keep them in it.

A number of us in the U.S. Senate will keep fighting to increase the federal minimum wage for all workers to \$10.10 an hour.

Unfortunately, every Republican on the Senate Budget Committee voted against a non-binding amendment to the Senate Budget Resolution earlier this year to reduce income inequality by increasing the minimum wage. Further, the Ranking Member of the Health, Education, Labor, and Pensions Committee in the Senate said that he supported abolishing the minimum wage altogether at a hearing on this subject on June 24, 2013. Many other Republican senators support his position.

The simple truth is that unless Republicans in Washington reverse course, it will be extremely difficult for Congress to pass an increase in the minimum wage during the 113th Congress. The financial situation of millions of low-wage workers will continue to deteriorate.

Therefore, we urge you to take immediate action to increase the wages of hundreds of thousands of low-wage employees who work for federal contractors and subcontractors by making sure that they are paid no less than \$10.10 an hour. This will be a significant step forward in their lives and will give a boost to our economy.

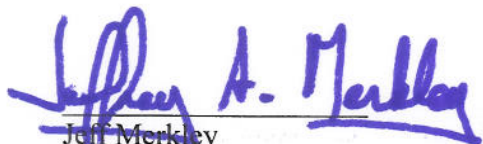
Sincerely,



Bernard Sanders
United States Senator



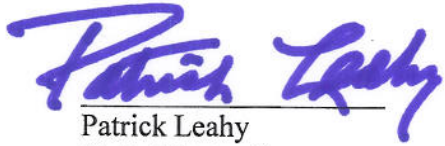
Barbara Boxer
United States Senator



Jeff Merkley
United States Senator



Elizabeth Warren
United States Senator



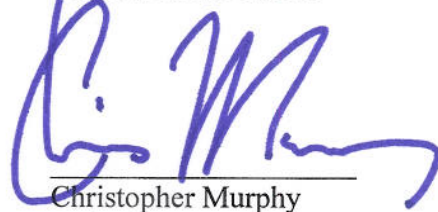
Patrick Leahy
United States Senator



Brian Schatz
United States Senator



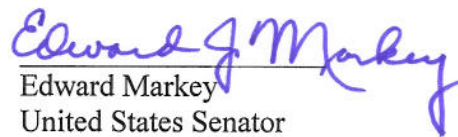
Mazie Hirono
United States Senator



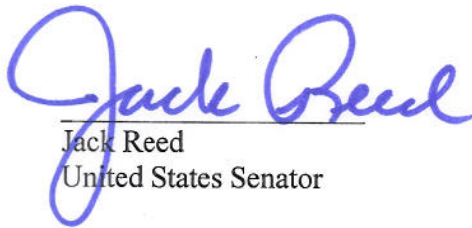
Christopher Murphy
United States Senator



Kirsten Gillibrand
United States Senator



Edward Markey
United States Senator



Jack Reed
United States Senator



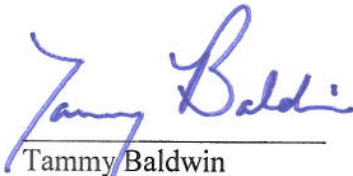
Martin Heinrich
United States Senator



Benjamin Cardin
United States Senator



Sheldon Whitehouse
United States Senator



Tammy Baldwin
United States Senator