AMERICAN LEGISLATIVE EXCHANGE COUNCIL ALEC

Exposed By the Center for Media and Democracy www.prwatch.org

ALEC EXPOSED

"ALEC" has long been a secretive collaboration between Big Business and "conservative" politicians. Behind closed doors, they ghostwrite "model" bills to be introduced in state capitols across the country. This agenda–underwritten by global corporations–includes major tax loopholes for big industries and the super rich, proposals to offshore U.S. jobs and gut minimum wage, and efforts to weaken public health, safety, and environmental protections. Although many of these bills have become law, until now, their origin has been largely unknown. With **ALEC EXPOSED**, the Center for Media and Democracy hopes more Americans will study the bills to understand the depth and breadth of how big corporations are changing the legal rules and undermining democracy across the nation.

ALEC's Corporate Board

–in recent past or present

- AT&T Services, Inc.
- centerpoint360
- UPS
- Bayer Corporation
- GlaxoSmithKline
- Energy Future Holdings
- Johnson & Johnson
- Coca-Cola Company
- PhRMA
- Kraft Foods, Inc.
- Coca-Cola Co.
- Pfizer Inc.
- Reed Elsevier, Inc.
- DIAGEO
- Peabody Energy
- Intuit, Inc.
- Koch Industries, Inc.
- ExxonMobil
- Verizon
- Reynolds American Inc.
- Wal-Mart Stores, Inc.
- Salt River Project
- Altria Client Services, Inc.
- American Bail Coalition
- State Farm Insurance

For more on these corporations, search at www.SourceWatch.org.

DID YOU KNOW? Corporations VOTED to adopt this. Through ALEC, global companies work as "equals" in "unison" with politicians to write laws to govern your life. Big Business has "a VOICE and a VOTE," according to newly exposed documents. **DO YOU?**

Did you know that global corporation Kraft Foods served as corporate co-chair in 2011?

Resolution opposing increases in minimum wage linked to the CPI

WHEREAS, for most Americans minimum wage is entry level pay and not a way of life; it is an opportunity to learn valuable on the job training skills and to gain work experience;

WHEREAS, many politicians incorrectly paint a picture that minimum wage workers are in a perpetual state and only government control of the economy will save them. In reality, of the approximately 2.7% of U.S. workers that earn minimum wage, two thirds (2/3) will earn an increased wage within a year;

WHERAS, the federal government has set a price floor for labor with future planned increases which has already contributed to the worsening of our economy and unemployment statistics;

WHEREAS, most minimum wage earners are students, retired persons, or second income earners who do not rely on their wages to live;

WHEREAS, the fact that relatively so few workers in the U.S. earn minimum wage is actually an indication that the law of supply and demand in the labor market is working very well;

WHEREAS, many employers are forced to adjust to mandated salary increases by making staffing decisions that disproportionately hurt low skilled workers. Workers may lose on-the-job training opportunities, income, and experience greater unemployment due to employers leaving jobs vacant, reducing hours, forgoing raises, and laying off workers;

WHEREAS, increasing the minimum wage creates a compression effect on the wages of better skilled workers with which employers are left to struggle.

WHEREAS, some states go beyond the federal wage and attempt to offset inflation by linking minimum wage to the Consumer Price Index (CPI); as the CPI rises, the state's minimum wage goes up accordingly;

WHEREAS, constantly increasing the minimum wage by indexing to the Consumer Price Index (CPI) does nothing to increase the low skilled worker's real earning power beyond their current skill level. It does nothing to help them become more valuable workers so that an employer is willing to pay more for their labor;

WHERAS, CPI is a measure of the rise or fall in prices of commonly used goods and services as compared to a benchmark year; higher wages are detected by CPI in the price increases of these goods and services;

WHERAS, indexing the wage to CPI uses circular reasoning and creates additional inflation in the economy;

WHEREAS, for such states, forced wage increases produce higher labor costs, which translate into higher product prices, thus a higher CPI results, thereby triggering another increase in minimum wage - this effect is circular and compounding;

WHEREAS, economist Michael Boskin and his colleagues argue that the CPI suffers from quality and new product bias, as a result the index overstates inflation and increases the cost of living;

WHEREAS, the best government policies to aid low wage workers do not ask any one individual employer to make the sacrifice, leave employers free to make wage decisions based on market conditions, and creates a better educated employee which ultimately saves labor training costs thus saving consumers money;

Now therefore be it resolved, the American Legislative Exchange Council (ALEC) opposes increases in the minimum wage and especially those increases that are fraudulently linked to the CPI. Such action hurts the ability of low skilled, poorly educated workers to expand their capabilities, network and gain work experience which will aide his or her future employment. In addition, it builds inflation into the economy which hurts consumers; especially low wage consumers.

Adopted by the Civil Justice Task Force on August 1, 2008.
Approved by the ALEC Board of Directors on September 11, 2008

About Us and ALEC EXPOSED. The Center for Media and Democracy reports on corporate spin and government propaganda. We are located in Madison, Wisconsin, and publish www.PRWatch.org, www.SourceWatch.org, and now www.ALECexposed.org. For more information contact: editor@prwatch.org or 608-260-9713.