

June, 2007

Dear Colleague:

On behalf of the Discount Foundation I am pleased to share with you a copy of America Gets a Raise-One State at a Time, a report on state minimum wage campaigns researched and written for the foundation by Tom Gallagher. Discount commissioned this report because it was interested in learning about the impact of these campaigns to increase the minimum wage and thus reduce poverty.* Discount, along with numerous other local and national funders, supported many of the community organizations that were active in these campaigns.

The report focuses on the following questions:

What were the essential elements in these campaigns that accounted for their success, including an understanding of the role of community, union, faith and other stakeholder organizations?

Were there any common themes, issues, and challenges that emerge from an analysis of these campaigns?

What has been the economic impact of these campaigns on low-wage workers?

In what ways did these campaigns contribute to building and/or enhancing the capacity, power and impact of community organizing groups and/or unions that participated in these campaigns?

In what ways did these campaigns impact voter turnout and election results?

How will these campaigns affect the passage of federal minimum wage legislation?
(Of course, since the completion of this report in May, the federal minimum wage has been raised for the first time in ten years).

I want to thank the many individuals that agreed to be interviewed for this report. We hope that they and their organizations, as well as others who read this report, will find it helpful in some small way to advance social and economic justice. The Discount Foundation is particularly grateful to Tom Gallagher for his very thorough, thoughtful and insightful work on this report. The report also will be posted on the Discount Foundation website at www.discountfoundation.org.

Sincerely,

Henry Allen
Executive Director

* Any reference to specific legislation, candidates for public office, and or political parties reflects the author's, not Discount's, views. Discount, in its actions and grants, is strictly non-partisan and takes no position on pending or proposed legislation.

AMERICA GETS A RAISE – ONE STATE AT A TIME

A Report on State Minimum Wage Campaigns Prepared for the Discount Foundation

By:
Tom Gallagher

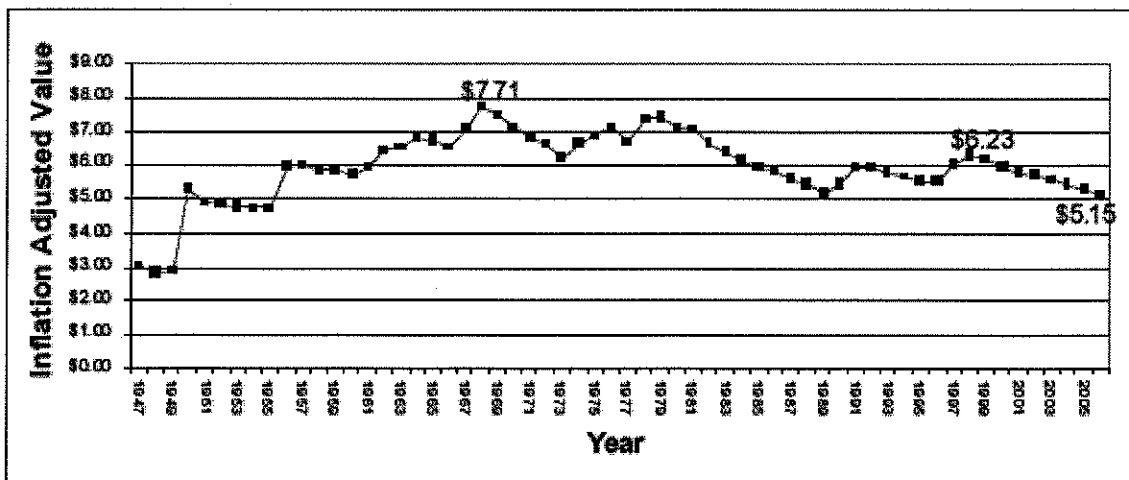
INTRODUCTION

Political movements generally have something about them of Charles Dickens' description of the French Revolution in "A Tale of Two Cities": "It was the best of times; it was the worst of times." The 2006 wave of state minimum wage increases had that about it – great political victories, driven by deteriorating economic conditions for the lowest paid in the workforce.

Although the recent state campaigns were prompted by the failure of the federal government to increase the national minimum wage for nearly ten years, the fact is that, like so many programs ultimately adopted at the national level, American minimum wage legislation got its start at the state level in Massachusetts in 1912. The more familiar federal legislation was adopted in the 1930s, an era with even more of the *best of times, the worst of times* about it than today, a time when President Franklin D. Roosevelt stated that "no business which depends for existence on paying less than living wages to its workers has any right to exist in this country," words virtually impossible to imagine passing the lips of any recent White House resident.

The purchasing power of the federal minimum wage peaked in 1968, when it was worth \$7.71 in 2005 dollars, 74 percent greater than the actual 2005 minimum wage of \$5.15 per hour. Its true value had not been so low in fifty years, since 1955, when it was worth but \$4.74 in 2005 dollars.

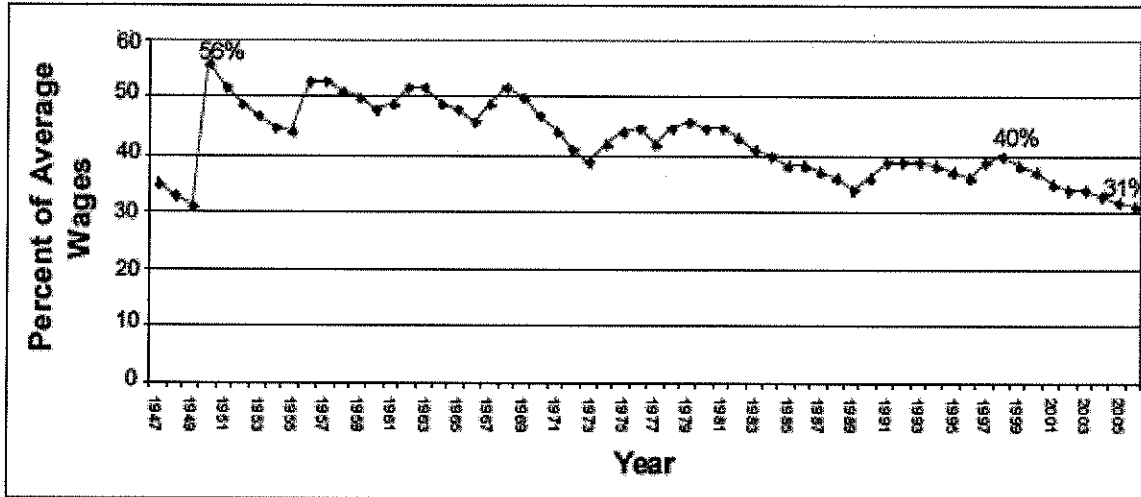
Figure 1. Inflation-adjusted value of the minimum wage



Source: Economic Policy Institute and Bell Policy Center analysis based on data from the U.S. Department of Labor.

As the federal minimum wage has never been indexed to the inflation that has become the norm in American society, it begins losing value on the day it is passed and must continually be revisited. Since the last increase in 1997, it has lost about 25% of its purchasing power. Considered relative to average wages, the minimum wage peaked at 56% in 1950. The 1997 increase took it up to 40%, but by 2005 the federal minimum had dropped to 31% of the average wage, its lowest mark since 1949.

Figure 2. The minimum wage as a percent of average private sector wages, 1947 - 2006



Source: Economic Policy Institute and Bell Policy Center analysis based on data from the U.S. Department of Labor.

The most dramatic measure of the decline of the importance of the national minimum wage, however, is the fact that had it kept pace with the 90% increase in labor productivity that has occurred throughout the US economy since 1968; in 2005 the minimum wage would have reached \$17.10 per hour.

Enter the states

At the time of the 1997 federal increase, there were only five states that had adopted their own minimum wages above the federal minimum. By 2004, there were 12, plus the District of Columbia. In 2006, another 17 states raised theirs; two more followed in 2007.

There are, of course 19 different stories of how the various state minimum wages came to be increased in the 2006-2007 flood of activity, but certainly among the most interesting are the six states that affected their increases via the initiative process.

These initiative campaigns represent, in turn, something of a special *best of times/worst of times* situation within the overall national picture. That is to say, while we can generally assume that proponents of increasing the minimum wages of these states would have taken the vastly simpler and cheaper legislative route had it been open to them, for many of them, the

initiative route turned out to provide them with an organizing opportunity far broader than anything that would have arisen from the process of lobbying their legislatures and governors. Or as journalist Deborah Solomon wrote, "Democrats see the minimum wage as a way to bolster their base, much as initiatives on gay marriage and other cultural issues boost Republican turnout." (*Weighing Minimum Wage Hikes, Wall Street Journal, November 3, 2006*)

**SIX STATES THAT WON 2006 MINIMUM WAGE INCREASES VIA THE BALLOT
AND MARGINS OF VICTORY**

ARIZONA	66-34
COLORADO	53-47
MISSOURI	76-24
MONTANA	73-27
NEVADA	69-31
OHIO	56-44

THE ESSENTIAL ELEMENTS.

Organization

The principal impetus for the minimum wage campaigns was the simple fact that these were becoming the worst of times for the nation's lowest wage workers. As Jen Kern of the ACORN Living Wage Resource Center says, "Congress hadn't acted for 10 years; this was a great moment and this was a great issue." Paul Sonn of the Brennan Center says, "Florida in 2004 was really the battleground, when we realized you can win it in almost every state."

From that starting point, as Arizona campaign coordinator Bob Grossfeld says, "The most essential element was simply getting it on the ballot. The campaign's subsequent activities were important for other reasons. We used signature gathering as persuasion; we had the signature gatherers reinforce signing; they gathered email addresses. And we collected 250,000-300,000 signatures. This was an integral part of the campaign, rather than just a preliminary. As an issue, the Minimum Wage was absolutely intuitive; it sells itself." Nevada campaign coordinator Gail Tuzzolo also concluded that "it was going to win once it got on ballot." Or, as Jan Kern says, "The campaigns were ours to lose. They were massively popular; they were apple pie."

The driving force for getting to the ballot was not always the same, however. In Arizona, Jim McLaughlin of United Food and Commercial Workers Local 99 found that "a good labor/community coalition that later included the religious community and the Democratic Governor was essential." Missouri was similar; ACORN's Jeff Ordower believes that they "won on the strength of the coalition; ACORN did field; Jobs With Justice did organizations; SEIU (Service Employees International Union) brought the money." John Hickey of Missouri PRO VOTE (Progressive Vote) saw it in similar, if not identical terms: "The coalition was ACORN, PRO VOTE, and the AFL-CIO; later on AFSCME (American Federation of State, County and Municipal Employees) funded the signature drive."

In Montana, the original impetus for the ballot drive came from two individuals, one of whom, Doug Mitchell, says, "Steve Bullock and I decided to do the initiative after the minimum wage lost in the legislature on a 25-25 tie. There was a lot of skepticism about whether two bumpkins could pull this off, especially since the last two efforts lost." Their subsequent development, however, was quite similar to that in other states: "We built a coalition of organized labor, poor people's organizations, the faith community, and small business. Some of the major groups were the Montana Human Rights Network, National Education Association (NEA), AFL-CIO, the Progressive Clergy Alliance, and Let Justice Roll" (the minimum wage campaign of the National Council of Churches.)

In Colorado, ACORN's Ben Hannah says, "We won on the strength of field campaigns -- ACORN, the Colorado Progressive Coalition, and the AFL-CIO."

Not everyone is convinced that the coalition was always key, however. Jen Kern believes that "coalitions were helpful, but not essential." Katy Gall of the American Institute for Social Justice says of the Ohio campaign, "We had a broad coalition, but day to day it was ACORN and the AFL; the campaign was always driven by them." Gail Tuzzolo viewed the Nevada situation in quite simple terms: "This was organized labor's baby." In the case of Colorado, Bill Vandenberg of the Colorado Progressive Coalition says, "We started late and our campaign was donor rather than organizationally driven. There were anti-gay and anti-immigrant initiatives on the ballot and we wanted something progressive."

Background

But whatever the specifics of the individual campaigns, they did not come out of nowhere. Jane Lin of the Tides Foundation says, "Prior experience on Living Wage and community benefits campaigns led to statewide Minimum Wage campaigns." Jen Kern agrees: "This was all a legacy of the Living Wage campaigns. We had 12 years of changing the debate." In Missouri, Jeff Ordower says, "There was a long history of working on it. Minimum wage lost here by 75-25% in 1996."

In 2006, Jane Lin believes "the wins in Florida and Nevada in 2004 created the momentum, as did the San Francisco minimum wage." We might also say that after the reelection of George W. Bush, state level organizers concluded that the prospect of the question being settled on the federal level was iffy, at best, and that they therefore needed to take the matter into their own hands.

Polling

When the decision to go to the ballot was made, the question then became exactly what to put on the ballot. Paul Sonn describes the process: "The question is how far do you go? How high a wage do you pick? You want your percentage of favorable to be in the 70s because you will be beat up in the media for the month before the election."

Doug Mitchell provides a specific example: "We chose an amount Montana could support. Research told us that \$6.50 would fail and \$6.15 would pass. The voters favored \$6.50 by a 60-30 % margin, but that's not enough to withstand an opposition campaign. They favored

\$6.15 by 75-20; that was enough.” Martin Manteca of Mi Familia Vota in Arizona reports, “We polled on the level of increase we should put on the ballot and found that \$6.35 was the figure voters could live with.”

In Florida, Brian Kettenring of the Southern Minimum Wage Organizing Project says, “We polled at 81%; we won with 71.8%” In Ohio, Katy Gall notes, “The Minimum wage was overwhelmingly popular, so you start with 80% support and then consider other objectives.”

Sometimes the polling itself could prove decisive in determining the final outcome. Frank Pierson of the Arizona Interfaith Coalition reports: “The issue polled very well pre-campaign. There was really no organized opposition or serious money arrayed against us. There were early polls showing support in the low 70% and they pretty much took out most of the opposition.”

Getting on the ballot

Brian Kettenring reports in the case of the Florida campaign, “the key was simply getting on the ballot.” But how to get there? There were several routes to actually securing the signatures. Many were gotten from signature gathering companies prepared to take on such efforts on short notice, but when there was a community based organization in place to take advantage of the situation, it could prove quite an organizational boon to them. As Kettenring says, “money was a major factor, in that we (ACORN) could pay for organizers to get signatures.” In Colorado, Bill Vandenberg says, “60% of our petition gathering was sub contracted to constituent organizations – Colorado Progressive Coalition and ACORN.”

In Missouri, SEIU State Council Director, Lenny Jones, says, “We thought we’d use a professional petition gathering company, but they didn’t work out, so we did it on our own. We got 214,000 signatures in 6 weeks, the highest number of any Missouri ballot question.”

In Ohio, Katy Gall says, “We gathered 750,000 signatures; 150,000 were from volunteers; 300,000 from ACORN; and 300,000 from a professional company. “

Montana produced an interesting example of fair labor principles in action in the campaign. Doug Mitchell says, “We had 350 volunteer signature gatherers who came up with 75% of the signatures. The paid signature gathers were hired through agencies and paid hourly at more than the minimum wage, with workers compensation.”

The opposition

What proved surprising to many of the campaigns was just how desultory an effort the opposition often mounted. For most, the campaigns went a lot easier than most of the other campaigns in their proponents’ prior experience. As Paul Sonn stated, “It was such a winning issue” that “opponents generally argue on technical issues,” he notes. They might argue, for instance, that the minimum wage should not be in a state constitution. The matter of inflation indexing – something seldom won in traditional legislative efforts to raise the minimum wage – was often seized upon as the weak point in a campaign. Automatic cost of living adjustments might be themselves declared inflationary, however contradictory that might be. Or the matter of just how inflation indexing should be determined might become a matter of dispute.

Lara Granich of St. Louis Jobs With Justice reports that in Missouri “inflation indexing was an issue.” Doug Mitchell reports a similar experience in Montana: “All the newspapers in the state were against it. They argued that the inflation index should use Montana numbers not the Consumer Price Index.”

In Colorado, where the minimum wage’s 53-47 percent margin of victory was the slimmest of the six ballot states, proponents “faced the most significant opposition in the U.S.,” in Bill Vandenberg’s opinion, led by the restaurant and hospitality industries who almost made the technical arguments stand up. State campaign coordinator, Carmen Rhodes, believes “the opposition would have won in another 3 weeks. Polling showed us starting with 75-80% support and we won with 53%. The opponents said the minimum wage should not be in the constitution and this argument mattered. Opponents of gaming had put that in the Constitution and likewise, we wanted to protect an increased minimum wage from having the legislature undo it. Indexing that was tied to prices in Denver and Boulder was also an issue in rural areas.”

Victory

Jen Kern has a simple formula for victory: “To win you have to have capacity to canvass. The key was a mixture of volunteers and the money to pay for a big canvass.” And on this, she will get little argument from Colorado, where Carmen Rhodes believes “door to door canvassing was crucial to our ultimate win. We reached 120,000 houses and were able to successfully negotiate over turf within the coalition.” Bill Vandenberg concurs that “field organization was crucial” in their hard fought win.

In Missouri, where Lenny Jones reports that “75% of our money was from labor,” Lara Granich says, “We outspent our opponents who were mostly the restaurant industry. They actually didn’t campaign that hard. 90 percent of union members in the state were reached by flyers at work; 500,000 doors were knocked.” John Hickey says, “Signature collection in Missouri was done by May 5; then we turned to voter registration; then turnout – it was almost seamless.”

The Florida campaign was similar. Kettering reports, “We spent \$2.7 million on the total campaign; NEA contributed about \$500,000; SEIU \$200,000; AFSCME \$100,000; AFT \$50-100,000. The opposition spent \$2.5 million, which was not big money for them.”

Katy Gall says Ohio’s “Get Out the Vote effort made 46,000 contacts, with follow-up. We talked to 400,000 in the post-signature campaign, either door to door or on the phone.”

In Arizona, Josh Watler, then of Arizona ACORN, says, “We had grassroots, leadership, and media. The opposition just had media.” And crucial as adequate funding so often was, as the case of Montana reminds us, it was not everything, Doug Mitchell reporting that “We had a \$490,000 budget, but we actually only raised \$110,000, yet we still did TV and billboards.”

And in campaigns like these, ultimately the bottom line was not the bottom line. Rather, the real reason for victory was, as Carmen Rhodes reminds us, the fact that “this issue is deeply

felt.” Or, as Trina Zelle of the Arizona Interfaith Worker and Justice Committee put it, “Everybody likes a raise and there are more employees than employers.”

Other routes

Most of the states that have recently increased their minimum wages did so through legislative action rather than via the initiative route. Two seem particularly worthy of note.

In early 2006, it appeared that the minimum wage would appear on the ballot in seven rather than six states, as a coalition was in place preparing to go to the ballot in **Michigan** until March, when the Republican-controlled legislature increased the wage by 44% to \$6.95 in Oct 2006 and \$7.40 by July 2008. Taking this step presumably carried the dual advantage of allowing incumbents to themselves cast a magnanimous vote in favor of raising the minimum wage while depriving potential opposition – both in the form of individual political contenders and more general ideological opponents of the status quo – of a rallying point in the November election.

In **Massachusetts**, the matter of going to the Legislature rather than the ballot was quite simply a pragmatic move, in that a recent effort to put the minimum wage on the ballot had fallen short of obtaining the required signatures. Not only was a 2006 increase approved handily in the General Court, when current Republican presidential candidate Mitt Romney vetoed the bill he was overridden by both branches – unanimously. “The key,” according to state AFL-CIO legislative director, Rich Marlin, “was having a 2/3 Democratic majority in both branches. We didn’t get inflation indexing. That’s only been gotten through the ballot or the threat of it, so far as I know. “

Conclusion

None of these campaigns could have happened without adequate funding, the primary sources of which were foundations and, above all, unions. We can, in fact, say that without the involvement of the labor movement, none of the initiative campaigns would have happened. This may seem obvious, but it bears noting that the benefit accruing to actual union members is fairly indirect, as union members do not, after all, earn the minimum wage, the purpose of organizing into unions being to lift members above that level.

The willingness upon the part of the American labor movement both to engage in minimum wage campaigns that might not pass muster of simple cost/benefit analysis, and to eagerly engage with non-labor partners may be seen as part of a sea change in the movement that has largely gone unnoticed while public attention has been focused on the overall decline in union membership as a percentage of the national workforce and the recent split-off from the AFL/CIO. But the fact is that in the midst of this decline, American Labor has taken great strides toward being the type of social movement that it was criticized for not being a generation ago, following its withdrawal from larger social concerns as a result of Cold War politics.

ECONOMIC IMPACT

The number of workers receiving wage increases as a direct or indirect result of the 2006-2007 state minimum wage increases is estimated to be in excess of 7 million.

If we assume that each of the workers affected directly and indirectly works 1,000 hours a year (50 weeks at 20 hours), a quite modest assumption of an hourly wage increase of \$.50 represents a transfer of \$3.5 billion annually to the working poor. While these numbers are gross and obviously subject to debate, the order of magnitude of the impact of the minimum wage increase is not.

STATES THAT RAISED THEIR MINIMUM WAGES IN 2006-2007		
State	Fully phased-in minimum wage	Number of workers affected
Arizona	\$6.75 + indexing	303,000
Arkansas	\$6.25	144,000
California	\$8.00	2,460,000
Colorado	\$6.85 + indexing	138,000
Delaware	\$7.15	8,000
Illinois	\$8.25	647,000
Iowa	\$7.25	257,000
Maine	\$7.00	14,000
Maryland	\$6.15	44,000
Massachusetts	\$8.00	315,000
Michigan	\$7.40	749,000
Missouri	\$6.50 + indexing	256,000
Montana	\$6.15 + indexing	44,000
Nevada	\$6.15 + indexing	101,000
New Mexico	\$7.50	161,000
North Carolina	\$6.15	99,000
Ohio	\$6.85 + indexing	719,000
Pennsylvania	\$7.15	772,000
Rhode Island	\$7.40	41,000
	Total	7,272,000

Source: Economic Policy Institute

Ripple effect

As Jen Kern argues, “The minimum wage is a more well targeted issue than people realize. A dollar an hour really does matter and there’s a ripple effect.” The “ripple effect,” incorporated in all of the totals of affected workers in the above table, is explained by Jeannette Wicks-Lim in her paper, *Measuring the Full Impact of Minimum and Living Wage Laws*:

“In the case of minimum-wage laws, the evidence suggests that ripple effects do dramatically expand their impact. Minimum wages are generally set low relative to the wage distribution. Because so many more workers earn wages just above the minimum wage compared to those earning the minimum, even a small ripple effect increases considerably the number of workers who benefit from a rise in the minimum wage.”

“For example, my research shows that the impact of the most recent federal minimum-wage increase, from \$4.75 to \$5.15 in 1997, extended to workers earning wages around \$5.75. Workers earning between the old and new minimums generally received raises to bring their wages in line with the new minimum—an 8% raise for those who started at the old minimum. Workers earning around \$5.20 (right above the new minimum of \$5.15) received raises of around 2%, bringing their wages up to about \$5.30. Finally, those workers earning wages around \$5.75 received raises on the order of 1%, bringing their wages up to about \$5.80.

“This narrow range of small raises translates into a big overall impact. Roughly 4 million workers (those earning between \$4.75 and \$5.15) received mandated raises in response to the 1997 federal minimum wage increase. Taking into account the typical work schedules of these workers, these raises translated into a \$741 million increase to employers' annual wage bills. Now add in ripple effects: Approximately 11 million workers received ripple-effect raises, adding another \$1.3 billion to employers' wage bills. In other words, ripple-effect raises almost quadrupled the number of workers who benefited from the minimum-wage increase and almost tripled the over-all costs associated with it.”

Breakdown in one state

In one of the most detailed of the studies of the proposed state minimum wage increases, *Economic Analysis of the Arizona Minimum Wage Proposal*, Dr. Robert Pollin; broke down the effect of the Arizona increase:

“We estimate that a total of about 345,000 workers will receive wage increases through this measure. This is about 13 percent of Arizona’s total workforce. Moreover, these workers, on average, live in families with two other people. This means that the beneficiaries of the wage increases will exceed 1 million people, including all family members—that is, about 17 percent of Arizona’s total population of 5.9 million. The average net income gain for low-wage workers and their families will be between \$650-to-\$700 per year.

“Seventy-seven percent of these workers are adults. Fifty percent are non-white, 42 percent are Hispanic and 57 percent are female. Their average age is 28, and they have been in the labor force for over 12 years. For a representative family with a low-wage worker, the family’s overall income is about \$26,323.

“Low-wage workers and their families will enjoy increases in disposable income of between \$650-\$700.

- This is an average disposable income gain in the range of 3.5 percent for families currently living below 150 percent of the official poverty thresholds.
- It is an average disposable income gain of about 3.2 percent for families currently living below what we define as a “basic needs” living standard, measured relative to expenditures on necessities.
- This increase in disposable income will enable these families—frequently living paycheck-to-paycheck—to reduce debt, reduce work hours, take a modest vacation or purchase a car.
- This improvement in the family’s living standard will result through raising earned income rather than government subsidies. It is widely held that, in terms of dignity and commitment to work, most people value a dollar of earned income more highly than a dollar.

Individual Characteristics. These workers constitute nearly 13 percent of the total Arizona workforce. Of these, 77 percent are adults (ages 20 or over); 50 percent are non-white, including Hispanics; and 42 percent are Hispanics; and 57 percent are female. Their average age is 28 years old, and they have been in the labor force for over 12 years. In other words, the jobs that these workers hold now reflect their long-term occupational trajectory. They are not on a career ladder that will be moving them to a significantly better job situation. The overwhelming majority are not middle-class teenagers earning some extra spending money.”

Impact on women

Well over half the beneficiaries of the minimum wages increases are female. John Hickey noted that in Missouri, “The minimum wage increase had a disproportionate benefit for women, so it made up somewhat for the gender disparity in income. We didn’t make great hay on this, but it was out there.” And what was true for Missouri was true nationwide.

AFFECTED WORKERS WHO ARE			
STATE	FEMALE	20 +	FULL TIME
ARIZONA	56%	78%	60%
COLORADO	70%	43%	
FLORIDA			
directly affected	64%	77%	
indirectly affected	53%	82%	
MISSOURI	61%	72%	43%
OHIO	58%	74%	43%
NATIONAL			
(Congressional proposal)	61.7%	70%	

(Sources: EPI, Bell Policy Center, Mass Budget & Policy Center, Policy Matters Ohio, Heather

Children

Estimates of the number of children affected by minimum wage increases vary widely, but a conservative estimate of one third as many as the number of affected workers would add another 2,400,000 beneficiaries, bring the total number of individuals affected by the 2006-2007 increases to nearly ten million.

CHILDREN AFFECTED			
	WORKERS	CHILDREN AFFECTED	AFFECTED % OF WORKERS CHILDREN
ARIZONA	303,000	200,000	66%
COLORADO	138,000	57,000	41%
MISSOURI	56,000	102,000	40%
OHIO	719,000	253,000	35%

(Sources: EPI, Bell, Mass Budget & Policy Center, Policy Matters Ohio,)

POLITICAL IMPACT

Quantifying the impact of minimum wage campaigns upon other electoral contests is the most elusive aspect of analysis of these campaigns. Nonetheless, a wide variety of sources suggest that the presence of these initiatives on the ballot helped candidates who had publicly supported them and possibly even other ballot questions supported by allied groups.

A key element in the positive impact of the initiatives is the fact that they were not polarizing. That is to say, while an anti-gay marriage initiative will bring out an anti-gay rights vote, it will also mobilize a pro-gay rights base. The minimum wage initiatives did not bring an anti vote out on election day.

A poll commissioned by ACORN showed that targeted voters in Ohio and Missouri declared that the minimum wage initiatives were the most important reason for their voting. The effort appeared to have resulted in significantly higher turnout than normal among these voter groups. 80 percent of Ohio targeted voters and 88 percent of Missouri targeted voters report that they voted in this election. 65 percent of those Ohio voters, and 62 percent of the Missouri voters recalled receiving mail about the minimum wage initiatives, and over 25 percent remembered someone coming to their door to discuss the minimum wage. Pollsters concluded that the initiatives and grass roots voter contact efforts “had a dramatic effect on helping to motivate groups that ordinarily vote less frequently and are less motivated to vote—especially in Non-Presidential elections—including African-American women, young voters, less educated voters, and low income voters” which “clearly helped make the difference in key races, including helping to elect Claire McCaskill to the U.S. Senate.”

When read of a list of reasons that might have motivated them to vote, the one most frequently chosen as the most important – by 33 percent of Ohioans polled and 41 percent of Missourians – was the minimum wage. 53 percent in Ohio and 52 percent in Missouri called it a very important reason that they voted; and 73 percent in Ohio and 79 percent in Missouri called it at least a somewhat important reason for their voting.

Those particularly likely to call the minimum wage “very important” in their decision to vote were women 50 and over, non-college women, labor union household voters, those with incomes under \$30,000, African-Americans (especially African-American women), and those who remember being contacted at the door.

The Ballot Initiative Strategy Center

The Ballot Initiative Strategy Center (BISC) concludes that “initiative campaigns focused on achieving larger electoral gains – targeted turnout, message framing opportunities for candidates, wedging political opponents based on past votes on the issue – have successfully changed the dynamic of state elections. When ballot measure campaigns in multiple states focus on these goals using the same issue, together they can force a national public conversation on a single issue. Conservatives accomplished this feat in 2004 using 13 gay marriage bans, while progressives responded in 2006 with initiatives to raise and index the minimum wage in six states.”

Voters reported a high level of interest in ballot measures in 2006, said they were a factor in motivating them to vote, and in several states reported that candidates' positions on various measures influenced their vote for those candidates. ... In Ohio, of the 31 percent who heard about U.S. Senator Sherrod Brown's position on the minimum wage, three out of ten say it made them more likely to vote and also made them feel more favorable towards him.

Supporters of the minimum wage were more interested in the initiative than opponents, presumably resulting in a higher percentage of overall supporters actually turning out to vote than that of opponents. .

The minimum wage measures also enjoyed strong support among voters who do not consistently turn out to vote (68 percent of less frequent voters supported the minimum wage). Interest was highest among Democrats, unmarried voters and women.

ARIZONA

In Arizona, where there were 19 measures on the ballot, the Ballot Initiative Strategy Center found that the minimum wage brought the highest level of interest of the 19 among Democratic voters, although the immigration and gay marriage measures on the ballot generated greater interest among the overall electorate. Almost half of the state's voters cited the minimum wage as motivating them to vote. Women – younger, college educated and Democratic said so in disproportionate numbers.

BISC found the candidates' positions on the minimum wage did not dramatically affect voters' support for either of the US Senate candidates, Democrat Jim Pederson or incumbent Republican Jon Kyl who was reelected. Most voters were not familiar with their positions on the question, although, of those who were, a third said they were more favorable to Pederson because of his support for the initiative, while voters aware of Kyl's opposition were less inclined to feel favorable toward him.

Voters most motivated by the minimum wage were more likely to oppose the ban on gay marriage that also appeared on the ballot. Arizona was the only state in the country to defeat such a ban, and the turn out of pro-minimum wage voters was likely instrumental to that outcome.

“Contrary to conventional wisdom, minority voters were more likely to oppose the initiative than were white voters,” a fact that potentially could go a long way toward furthering the solidarity of the coalition that backed the minimum wage.

COLORADO

Pollsters reporting to ACORN found that “The intensity surrounding the issue was higher among those who supported the initiative (86%), which is an important quality for measures intended to turnout certain types of voters and neutralize others.”

The question was not terribly significant in the gubernatorial election, fewer than 20% of voters indicating that a candidate's position on the initiative influenced their vote,

although one-third had a more favorable impression of the pro minimum wage candidate compared to less than one-sixth feeling more favorable toward the anti-minimum wage candidate.

MISSOURI

ACORN's pollsters found that while the stem cell initiative was most prominent in the mind of the electorate, "interest among opponents of the stem cell research measure was almost as high as interest among supporters." In the case of the minimum wage initiative, on the other hand, supporters of the initiative were much more motivated to go out and vote than opponents. "As in Ohio, the minimum wage initiative translated into higher turnout among low participation base voters, especially African Americans," 90% of whom supported the measure.

The minimum wage initiative was supported by 70% of less frequent voters. A third of voters who knew of the support of Claire McCaskill, who was elected to the US Senate, for the minimum wage initiative said it made them more favorable to her, while over one quarter of voters aware of incumbent Jim Talent's opposition were less favorably inclined towards him as a result of it. Groups more likely to support McCaskill on this basis included older women, strong Democrats, regular church attendees, African Americans and residents of St. Louis.

A separate study of targeted rural, swing voters found those receiving a message focused on ballot questions more likely to vote for McCaskill than those receiving "baseline issues messages".

John Hickey says "It was the highest turnout for midterm elections in 30 years. 13 percent of the turnout was Afro-Americans who constitute only 11 percent of the state's population. Kansas City, which is 40-50 percent black, cast 87,726 votes in 2002; in 2006, it cast 96,979 votes. In 2002, Missouri cast the 14th highest vote in nation; in 2006, it was 11th.

"The Minimum wage was used in a legislative race in Springfield. It was a 99 percent white district, but one of poorest in the state. This time, the same candidate, Charlie Norr, who lost by 1,500 in 2004, won by 1,000. There were no recorded votes on the minimum wage in the legislature, but the incumbent was dumb enough to say that he was against the increase."

Lenny Jones thinks "the minimum wage had its greatest impact on infrequent African American voters. It made the difference in the US Senate race, where African American voters went for Claire McCaskill 91%-8%, while whites supported Jim Tallen 55-45."

"BISC says those who supported the Minimum wage went for McCaskill by 7 percent. It was an opposite force to the anti-stem cell question, which spent \$30 million. The religious denominations that most supported Minimum wage were Evangelical Protestants. Churches did turn out. We worked five legislative campaigns with the minimum wage and we won them all; no one expected that."

OHIO

The Lake report found that the minimum wage initiative increased turnout among voters whose participation was normally low, particularly African Americans. It increased turnout among Democratic supporters who supported Democratic candidates in the U.S. Senate and Gubernatorial races. Its highest margin of victory came among “blacks, seniors, voters who have no college degrees, and voters who are unmarried, practice no religion and do not vote in all elections (the precise target of the campaign’s field efforts).

“Like in the other states, supporters were more interested in the measure than opponents. The pro-campaign’s communication – recalled by one-third of the voters – was well targeted at Democratic base voters and they effectively increased support for the initiative and enthusiasm for the election as a result. Candidates’ views on all of the initiatives were more important to Democrats and older voters in Ohio (particularly among supporters of the minimum wage). Of the 31 percent who heard about Sherrod Brown’s position on the minimum wage, three out of ten say it made them more likely to vote and also made them feel more favorable towards him.”

VOTER TURNOUT OF SIX COUNTIES WORKED BY OHIO ACORN

County	2006 Registered Voters	2006 votes cast	2006 Vote %	2002 Registered Voters	2002 votes cast	2002 Vote %	2002 -2006 % change
Cuyahoga	1,054,670	562,498	53.33	861,351	395,050	45.86	19.4
Franklin	766,490	342,958	44.74	706,668	285,685	40.43	20.0
Hamilton	566,661	282,190	49.80	522,307	253,808	47.38	11.0
Lucas	296,541	164,003	55.31	276,619	135,802	48.74	20.7

Montgomery	375,459	207,952	55.39	334,787	167,466	50.02	24.0
Summit	373,289	199,256	53.38	334,515	166,854	49.88	19.4

(Source: Ohio Acorn)

THE EDISON-MITOFSKY POLLS

Edison-Mitofsky, a national polling organization whose work is used by most of the major national television networks, found the variance in support for candidates in four 2006 US Senate races and one State House race between pro and anti-minimum wage voters to range from 33 to 37 percent. Given that the 51-49 margin of control of the Senate means that any one race may be said to have turned it, we cannot dismiss the possibility that the impact of state minimum wage campaigns provided the decisive margin.

CANDIDATE(Overall vote)	Vote on Minimum Wage	
	YES	NO
MISSOURI SENATE		
McCaskill (49%)	94%	6%
Talent (47%)	58%	42%
MONTANA SENATE		
Tester (50%)	90%	10%
Burns (47%)	57%	43%
NEVADA GOVERNOR		
Titus (44%)	86%	14%
Gibbons (48%)	51%	49%
NEVADA SENATE		
Carter (41%)	89%	11%
Ensign (55%)	53%	47%
OHIO SENATE		
Brown (56%)	72%	28%
DeWine (44%)	35%	65%

(Source: Edison Media Research and Mitofsky International)

ORGANIZATION BUILDING

Although it was entirely possible to conduct a successful campaign without any significant organization building, when there was an organization willing and able to take advantage of the opportunities provided by a minimum wage initiative campaign, it benefited immensely. And whether organizations grew in numbers to any significant extent or not, in every case the involved organizations gained considerable knowledge, experience, and confidence.

Nationwide, Jen Kern says it gave ACORN “a new reputation and provided the basis for leadership development. People were trained in public speaking and learned to register voters.” Kim Bobo of the Interfaith Workers Justice Committee reports that “new interfaith committees in Phoenix, Memphis, and LA came out of minimum wage campaigns. We’re rebuilding an Indianapolis group for an Indiana campaign.”

ARIZONA

Bob Grossfeld found that “the campaign helped SEIU and UFCW (United Food and Commercial Workers Union). SEIU is relatively new to the state and clearly wanted to inaugurate their activities. They’re trying to get collective bargaining rights for county workers in Pima County (Tucson). UFCW, which is already the largest private sector union in the state, was enhanced. The campaign also enhanced the standing of ballot questions as a mobilizing effort.”

Martin Manteca says, “many individuals involved in the campaign had never done this before. They were impressed by the door to door organized camp, as opposed to a demonstration. This was not our organization’s first action, but it was our most intensive.”

Jim McLaughlin says, “it helped build ACORN and Mi Familia Vota (a SEIU/UFCW project.)” Josh Watler says, “ACORN went from maybe being a statewide organization to definitely being a statewide organization.”

COLORADO

Ben Hannah says ACORN “more than doubled our membership and increased our statewide capacity.” Carmen Rhodes reports that “the AFL’s Working America organization signed up 10,000 community members. (Working America is the AFL/CIO’s program for unaffiliated people not under union contract. It has over 2,000,000 members nationwide.) We can now mail to these people as part of our educational program.”

Trina Zelle found that “the campaign helped our organization with capacity building. The national organization wanted to establish an Arizona affiliate and this was its first significant effort in state. Let Justice Roll wanted someone on the ground in Arizona to do a minimum wage campaign, so this was a convergence.”

FLORIDA (2004)

Floridians for All reports: "While collecting petitions, the campaign also registered over 70,000 new minority voters and collected emails and telephone numbers from petition signers, greatly enhancing the campaign's ability to bring them out to vote. To date, the campaign has registered over 125,000 new voters." And Brian Kettenring says, "We had a very conscious strategy to leverage the campaign to register voters, do turnout, list-build, create cadre, and build coalitions. We spent money to build organization because we knew we were going to win. We used the drive as a staff development tool; we had 100-150 people out a day, with 20-40 managers. Afterwards, we trained people as community organizers and added 10 to the ACORN staff. ACORN in Florida went from two or three offices to 12. Other organizations could have done the same thing, but there weren't others, with the exception of Jobs With Justice in Miami.

MISSOURI

Lara Granich says, "We built significantly on Jobs With Justice's work with the faith-based community; we worked with rural churches. We drew 120 volunteers from them. It's important to know we could pull off the signature frenzy. We built our donor base. We made the decision to invest in grassroots organizations and not on outside organizations. Labor in the Pulpits, which is essentially a Labor Day sermon, was devoted to the Minimum wage this year. 12 churches participated in 2005; 34 did in 2006.

John Hickey of Missouri PRO VOTE says, "we had never done a ballot question before. We had a vendor that was supposed to get the signatures, but reneged, so we put together our own effort. We built the perception of organization."

Jeff Ordower thinks "the campaign has given more excitement to ACORN members. We didn't want to do it unless it built organization. It was great for member to member contact, as opposed to organizer to member. We developed significant new trainees. The new person who opened our Des Moines office got their experience in Missouri."

NEVADA

Bob Fulkerson of the Nevada Progressive Leadership Alliance feels that "the campaign gave credibility to the Progressive Alliance."

OHIO

Katy Gall says that ACORN always had organization priorities in mind, considering the campaign a good opportunity to work with the AFL-CIO and build membership. "In 2006," she says, "ACORN had 18-20 organizers, and fewer in 2005. We have 24 now, with six staffed offices. We improved our standing with the Cleveland City Council; four Ohio City Councils passed Minimum wage resolutions. We made a list of organizations to build relationships with before the campaign. It was the biggest thing we've ever done in Ohio."

An ACORN publication reports: "Of 765,594 signatures gathered, ACORN collected 323,689. 116,367 voters were registered; 304,000 households were targeted; there were 396,273 door knocks; and 601 paid election day canvassers."

IMPACT OF FEDERAL INCREASE ON STATE CAMPAIGNS

Jen Kern makes the salient point that “the federal increase still hasn’t happened, even if it is viewed as inevitable, but acknowledges that “it certainly will take the wind out of the sails of state efforts.” Katy Gall is less certain, thinking that while “a federal increase will likely preclude efforts in 2008, although there are always opportunities for indexing. Our pre-campaign polling found it popular, to our surprise, since we thought people might consider it inflationary.”

EFFECT OF PROPOSED FEDERAL MINIMUM WAGE INCREASE ON STATES THAT HAVE INCREASED MINIMUM WAGE

	% affected by state increase	% affected by 2008 federal increase to \$6.55	% affected by 2009 federal increase to \$7.25
Arizona	9.9	0.0	5.3
Colorado	4.9	0.0	5.3
Missouri	3.9	1.8	3.4
Montana	7.8	3.3	9.6
Nevada	4.7	1.4	3.9
Ohio	9.3	0.0	4.8

(Source: Harrison, Li, Gouveia; Raising the Minimum Wage)

NEW DIRECTIONS

It seems unlikely that a successor issue to the minimum wage will come to the fore quickly. Its strength lay to some extent in the weakness of its opposition. Major industries that might have provided significant funding for opposition efforts were largely unconcerned with and unaffected by minimum wage changes, as they seldom pay wages that low. Opposition leadership, then, largely fell to relatively marginal industries such as restaurants.

And as one person after another has said, raising the minimum was just downright popular – it simply seemed like the decent thing to do.

The issue that likely has the greatest support behind it is the need to add the United States to the list of nations providing universal health, a list that includes every other industrialized nation. This, however, is not an idea without serious opposition. The health insurance industry is formidable, as the fight against the Clinton plan showed. Even though the plan was a Rube Goldberg-like construction that attempted to preserve the health insurance industry that constitutes the largest waste of funds within the overall health care industry, the insurance industry fought it fiercely and successfully.

While there are good reasons concerning economic competitiveness for other industries, such as automobile manufacturing, to break ranks with the insurance industry on this matter, it seems unlikely that they will do so in the immediate future. Progress on this front, then is likely to be extremely hard fought.

Minimum wage advocates raised any number of potential successor campaigns, but none seems likely to immediately fill the unifying role that the minimum wage increase recently played.

Paul Sonn acknowledges that even if the federal hike were not to move forward, “We’re running out of states. There may be none in 2008. Paid family leave is an issue getting consideration. And the minimum wage for tipped workers; the federal minimum of \$2.13 has been frozen since 1991. The restaurant industry is unorganizable, so there’s no organization to take up the cause.”

Jane Lin is “hearing health care issues and the living wage in individual industries, like the Chicago Big Box ordinance, or hotels.”

Jen Kern thinks campaigns for a State Earned Income Tax Credit (EITC) are a possibility in the 17 income tax states that don’t have this credit. She also notes that ACORN has introduced legislation for paid sick days in 6 states, something that has passed on the city level in San Francisco.

Kim Bobo thinks it possible that there will be a shift back to living wage measures adopted by 140 municipalities throughout the country over the past decade.

ACORN is also looking at child care and dependent tax credits in the 14 states with income tax that don’t have it.

Lara Granich reports that “for the future, health care has the most energy, but it’s not that simple.” Indeed, even in conservative Montana, Doug Mitchell raises the idea of a ballot question on universal health care.

Jeff Ordower thinks pursuing restrictions on predatory lending is a possibility. In Ohio, Katy Gall also thinks “education related issues; or school funding” are a possible new arena of activity, noting that “both teachers unions are interested in a class size initiative.”

Enforcement

In some states, including Colorado, Missouri, and Montana, the first direction in post-minimum wage victory was an old one – enforcement. Journalist David Lieb wrote of Missouri: “Thousands of waiters, waitresses and other tipped employees soon should be getting a raise after Gov. Matt Blunt’s administration reversed the state’s interpretation of its new minimum wage law.

“Blunt said Wednesday the state Department of Labor and Industrial Relations was wrong when it advised businesses they did not have to pay tipped employees a base salary of at least half the state’s minimum wage.” (*Tipped employees in Missouri get raises; Associated Press, March 14, 2007*)

In Montana, Doug Mitchell reports that “right now, the Montana House has repealed most of the minimum wage law. Most minimum wage employees in Montana are tipped – counter service, maids, etc. – and they were taken out of the minimum wage by the Montana House; the bill is pending in the Senate.

Lara Granich also fears the Missouri legislature “will take out indexing, especially if there is a federal increase.”

Protecting the process

The success of the minimum wage questions has caused something of a realignment on the entire matter of ballot questions. In Colorado, Trina Zelle says “the campaign has taught the “justice community” that ballot questions can work. It had been a right wing thing in Arizona. I think we will definitely see something on health care in 2008, but right now, right wing legislators are trying to weaken the ballot process, for instance, giving the legislature the power to name ballot questions.

Likewise, in Florida, Brian Kettenring reports, “the Chamber of Commerce is now interested in limiting initiatives. We have a new coalition to protect the process, called Save the Voters Voice. Environmental groups are prominent in it.” In Montana, because of the extreme problems the legislature is creating, Doug Mitchell says, “We’re considering an initiative requiring the legislature to keep initiatives passed by the voters for 2 years.”

New confidence

But even where new ideas have yet to surface, the minimum wage initiative successes have created a new confidence. In Arizona, Jim McLaughlin says, “It was the first time we all came together to promote rather than oppose an initiative. We have new capacity. Now we’re looking at others, although we’re not yet ready to repeal the “Right to Work” law. Josh Watler says some are talking of the need for “revolving ballot initiatives”

In Nevada, Bob Fulkerson says, “The campaign solidifies the notion that progressives can go to the ballot. The right wing had monopolized the field with gay marriage. We need to think up new things.” And in Missouri they’re moving on this right now, Lennie Jones reporting that “We opened a bank account for Ballot Initiatives for Missouri an hour ago. We’ll start polling of new issues soon.”

Ann Bastian of the New World Foundation concludes that “We can see that there’s a great deal of room for work around economic coalitions. Democrats are frequently seen as elites; the minimum wage has broken out of that. It demonstrates the potential of broad economic issues and bucks the conventional wisdom of Democratic Leadership Council types. The campaigns allowed people to think of pro-active agendas and were very good for on-the-ground coalition building.”

The reason for the almost universal enthusiasm comes down to what Kim Bobo says: “The campaigns did not involve just the usual suspects. It was really a no-brainer for the religious community.”

CONCLUSIONS

1. The minimum wage campaigns were immensely successful.

- The estimated number of workers receiving a raise as the result of the minimum wage increases enacted in 19 states in 2006-2007 is 7,272,000. More than half of them were women. A conservative estimate of one child per three affected workers suggests that nearly 10 million of the working poor and their dependents shared in upwards of \$3.5 billion in additional annual wages as a result of the legal changes.
- The estimated number of workers receiving a raise as the result of the six minimum wage ballot initiatives in 2006 is 1,561,000, with an additional 660,000 child beneficiaries. The same conservative estimate of \$500 in additional wages per affected worker suggests an additional \$780,500,000 in additional annual wages earned by the lowest paid workers of those six states.
- When they were in a position to work in the campaigns, organizations committed to the long-range benefit of the working poor flourished from their participation in them.
- The relationship between poor and working people's advocacy organizations – of the type traditionally supported by Discount and other foundations – and organized labor appears to have achieved a higher and more stable level, in part as a result of these and similar ballot initiatives.
- Traditionally low voting sectors of the working poor and their electoral allies were frequently activated, affecting all races on a particular state's ballot.
- *(See Appendix II for an example of federal government attention directed toward ACORN voter registration activities in New Mexico.)*
- The minimum wage distinguished itself as an issue that could win in states generally considered conservative, as well as those considered liberal.

2. Organizations involved in these efforts will undoubtedly seek ways both to repeat their successes at the ballot box and to continue collaboration with their recent allies.

It is unlikely, however, that they will be able to quickly repeat the spectacular six-for-six minimum wage ballot question sweep of 2006. The simple reason is that there is no obvious issue on the horizon that could deliver as much benefit as the minimum wage increases that will not be vehemently opposed by powerful economic forces.

2008 then, is likely to be a year of experimentation in which organizations involved with the minimum wage campaigns will consider and perhaps even bring to the ballot a panoply of issues that could include economic measures such as state-level Earned Income Tax Credits and paid sick days; procedural campaigns to defend or expand the initiative process; laws to address environmental degradation; campaign finance reform; and health care measures of varying degrees of boldness, leading toward universal health insurance.

RECOMMENDATION

The Discount Foundation should look to fund a variety of ballot initiative campaigns for 2008, in the hope of clarifying a general direction for 2010.

While it would certainly be overly optimistic to declare America to be on the verge of, or actually at a “populist moment,” it would be far a worse mistake to miss it if such a moment were actually at hand. So let us at least consider the possibility.

For millions of voters and thousands of campaign workers, the 2004 presidential election campaign was simultaneously dispiriting and energizing. Dispiriting in that a nation harboring a huge amount of antiwar sentiment produced two pro-Iraq War candidates. Energizing because of a widely shared sense of involvement in a presidential campaign that seemed to allow for new levels of grass roots activity around shared issue interests that was often carried out despite the limitations of the available candidates.

And while the war was the most obvious issue on which progressive political activists found themselves voiceless in the presidential debate, it was far from the only one, there being many economic issues in which their positions fell outside the narrow consensus that dominates big money politics.

In 2006, this alienation resulted, among other things, in the minimum wage triumphs under review in this study, in some significant part because of the 2004 Florida victory. The 2006 election, of course, also significantly changed the boundaries of the national discussion – for instance, a perceived need for a minimum wage increase now constitutes the majority position in Congress.

It did not alter the boundaries all that drastically, however. On the matter of universal health insurance, for instance – the obvious “big ticket” item out there – polls show voters favoring a “single payer” Canadian-style system when they understand it, yet this option remains entirely outside the establishment consensus because its adoption would put the health insurance industry on the road to obsolescence.

The argument here is not that the Discount Foundation should seek to spark a state-by-state universal health insurance campaign – or, for that matter, any specific campaign.

While a success in a single state would no doubt redefine the national health insurance debate, the 1994 California experience when an initiative embodying a complex plan received less than 27 percent of the vote, reminds us of just how difficult achieving such a success can be.

The suggestion, rather, is that the perception of the need is so great that state-based universal health insurance plans will likely constitute one end of a complexity continuum of economic issues considered by state-level activists that will include drastically simpler and narrower matters like state level Earned Income Tax Credits and sick pay at the other end.

The oft-stated, but less frequently explored potential of economic issues for cutting across traditional liberal/conservative lines was vindicated in the 2006 minimum wage campaigns. Those who carried out those campaigns should be encouraged to go further. Discount and its foundation allies can play a significant role in doing that and in thereby defining the next arenas for improving the economic situation of the lower end of American society and building the organizations that exist to carry on those efforts.

APPENDIX I: Interviewees

Anne Bastian, New World Foundation
Noah Berger, Massachusetts Budget & Policy Center
Kim Bobo, Interfaith Workers Justice Committee
Frank Clemente, Change to Win
Lew Finfer, Organizing and Training Center, Massachusetts
Bob Fulkerson, Nevada Progressive Leadership Alliance
Katy Gall, ACORN Institute for Social Justice
Lara Granich, St. Louis Jobs With Justice
Bob Grossfeld, Media Guys
Ben Hannah, ACORN
John Hickey, Missouri PRO VOTE
Lenny Jones, Missouri SEIU State Council
Jen Kern, ACORN Living Wage Resource Center
Brian Kettenring, Southern Minimum Wage Organizing Project
Jane Lin, Tides Foundation
Martin Manteca, Mi Familia Vota, Arizona
Rich Marlin, AFL-CIO legislative director, Massachusetts AFL-CIO
Jim McLaughlin, United Food and Commercial Workers, Local 99
Doug Mitchell, the Mitchell Group
Jeff Ordower, ACORN
Frank Pierson, Arizona Interfaith Coalition
Carmen Rhodes, Colorado Federation of Labor
Paul Sonn, Brennan Center for Justice
Gail Tuzzolo, Gail Tuzzolo & Associates
Bill Vandenberg, Colorado Progressive Coalition
Josh Watler, Washington ACORN (Arizona in 2006)
Trina Zelle, Arizona Interfaith Worker and Justice Committee

APPENDIX II

Rove: A Moving Target

MICHAEL ISIKOFF, NEWSWEEK

11 April 2007

New disclosures in the U.S. attorney controversy have increased the pressure on White House aide Karl Rove. Attorney General Alberto Gonzales's ex-chief of staff, D. Kyle Sampson, testified last week that "during the run-up to the midterm elections," the A.G. told him Rove had "complained" that David Iglesias, the U.S. attorney in New Mexico, and two other federal prosecutors, were not doing enough to prosecute voter fraud—a top GOP priority. It was shortly after that, Sampson said, that Iglesias got added to the list of U.S. attorneys to be fired.

(Iglesias told NEWSWEEK he had been repeatedly pushed by New Mexico GOP officials to prosecute workers for ACORN, an activist group that was registering voters in minority neighborhoods, but he found no cases worth bringing.)

Justice was also forced to correct its earlier assertion that Rove did not play "any role" in replacing the U.S. attorney in Little Rock. Sampson's e-mails showed he had described the replacement as "important to ... Karl." Senate Judiciary Committee chair Sen. Patrick Leahy warned the White House that even a Gonzales resignation would not "short-circuit" his probe, vowing to block confirmation hearings for any successor unless he gets Rove under oath. (Bush has refused to allow Rove and other White House officials to testify in public.) White House spokeswoman Dana Perino reaffirmed Bush's "100 percent" backing of Gonzales, and the A.G. vowed to carry on. The inquiries are only multiplying.

The Office of Special Counsel has begun its own investigation into whether Iglesias's dismissal was a violation of both the Hatch Act (which prohibits federal employees from being fired for "political" reasons) and a law that bars discrimination against military-service members, said an official, anonymous when talking about an internal matter. Justice officials have at times suggested one reason Iglesias was fired is that he spent too much time away from the office because he is in the naval reserves. The agency's director, Scott Bloch, recently pledged "aggressive" enforcement of the law, which is increasingly important given the growing number of National Guard and military reserves called up for service in Iraq.

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MICHAEL ISIKOFF, NEWSWEEK