POLICY BRIEF

Employment Policies

May 2013

INSTITUTE

Hypocritical Sponsors of Wage Hike and Paid Leave Bills Don't Provide the Same to Their Interns

Most Sponsors Also Lack Business or Economics Background

A series of proposals in Congress would raise the federal minimum wage by 39 percent to \$10.10 an hour, and create a new federal paid leave mandate of up to seven days per year. The two pieces of legislation—the Healthy Families Act and the Fair Minimum Wage Act of 2013—have 183 House and Senate co-sponsors.

Though these legislators believe it's important for private sector employees to receive a \$10.10 hourly wage and a week of paid time off, that same level of concern doesn't extend to some of their own staff members. The Employment Policies Institute conducted a comprehensive survey of all sponsors and co-sponsors of these bills, and found that roughly 97 percent don't pay their interns. Of those who do pay their interns, none provide paid leave.

Of course, mandating pay or benefits for all interns would prevent Congressional offices from hiring more of them. A similar concept applies in the private sector: Service industry businesses that keep a few cents in profit from each sales dollar (i.e. restaurants or grocery stores) can't simply absorb the cost of a new pay or benefit mandate. Absent the ability to raise prices, which could drive away customers, these businesses have to provide the same product with less service. That means fewer jobs for young, less-experienced employees who already face a 24 percent unemployment rate.

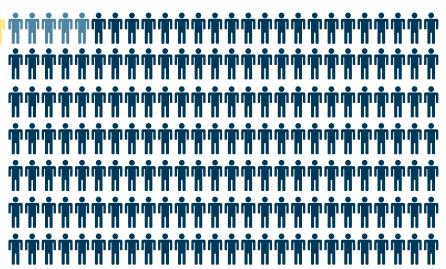
It's a basic economic concept that might be clearer to the sponsors and co-sponsors of these two bills if they had a more extensive background in business or economics. However, our research also finds that close to 90 percent of the sponsors of these bills have no educational background in either business or economics.

Many legislators' offices praise the "invaluable work experience" that interns receive in lieu of pay. That same invaluable experience exists in the private sector, however, and it would be tragic if fewer young people received it as a consequence of misguided wage and benefit mandates.

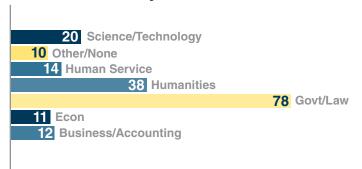
Internships, Sponsors of Fair Minimum Wage Act & Healthy Families Act

Poughly 97% don't pay any of their interns.





Educational Background, Sponsors of Fair Minimum Wage Act & Healthy Families Act



Close to 90 percent of the sponsors have no academic background in economics or business.



RESEARCH METHODS

To determine whether the 183 cosponsors of the Fair Minimum Wage Act and the Healthy Families Act compensate their interns, we sent an email asking those members' staffs if internships were offered, and whether they were paid or unpaid. For the Congressional offices that did not respond to our inquiry, we searched the members' official websites and placed phone calls to their D.C. offices to determine intern compensation. Members that offered paid positions were also asked about their paid leave policy. Members of Congress were organized into three categories: those who offer only paid internships, those who offer only unpaid internships, and those who offer a combination of paid and unpaid internships.

To identify the academic background of the cosponsors, we used a standard set of search tools, including the CQ Press Congressional Directory, the member's official website, and other online biographical sources. Members' college education was classified in seven different categories: Government & Law, Business & Accounting, Economics, Humanities, Human Service, Science & Technology, and Other. The Other category includes college degrees not well classified in other categories, e.g., Religion, as well as members that haven't obtained a college degree.

When evaluating academic background, we generally classified members of Congress according to their undergraduate degree. However, members of Congress with an advanced degree relevant to this project, e.g., an undergraduate degree in history and a Masters in Business Administration, were classified according to that advanced degree.

The Employment Policies Institute is a non-profit research organization dedicated to studying public policy issues surrounding employment growth. In particular, EPI focuses on issues that affect entry-level employment.