Definition: minimum wage from Dictionary of Accounting
the lowest hourly wage which a company can legally pay its employees

Summary Article: minimum wage
From The Columbia Encyclopedia

lowest wage legally permitted in an industry or in a government or other organization. The goal in establishing minimum wages has been to assure wage earners a standard of living above the lowest permitted by health and decency. The minimum has been set by labor unions through collective bargaining, by arbitration, by board action, and, finally, by legislation. Introduced (1894) in New Zealand through compulsory arbitration, it has become part of the social legislation of many countries. Although federal minimum-wage laws were at first held unconstitutional in the United States, a strong fight by organized labor for enactment culminated in the passage (1938) of the Fair Labor Standards Act, which set minimum wages at $.25 per hour for workers engaged in interstate commerce (with some exceptions); the act also set up industry committees to recommend rates for every industry. In 1950 the minimum wage was raised to $.75 per hour. Thereafter, it was raised several times (for example, in 1956 to $1.00, in 1963 to $1.25, and in 1968 to $1.60). In 1974, Congress passed a bill providing for a gradual increase from the prevailing $1.60 per hour to $2.30 per hour by 1976. The bill also extended minimum-wage rules to some 8 million workers not previously covered, including state and local government employees, most domestic workers, and some employees of chain stores. Additional increases raised the minimum wage to $3.10 per hour (1980), $4.25 (1991), and $5.15 (1997). Legislation passed in 2007 raised the minimum wage, in three stages, to $7.25 in 2009. Since 1989 businesses earning less than $500,000 annually have not been subject to minimum-wage rules. A number of states and cities have minimum wages that are higher than the federal minimum wage. See also wages.

See Richardson, S., The Minimum Wage (1927);
APA


Chicago


Harvard


MLA