



COMMUNIQUE

FIGHT FOR \$15

By Dan Cunningham

In 2012 and again in 2013, when scores of New York City fast-food workers walked off job sites, most political pundits and economic gurus dismissed their \$15-per-hour-wage demand as “tilting at windmills.” Corporate powers shrugged and Wall Street yawned. They wagered the cause would just fade away.

But on tax day 2014, the campaign known as Fast Food Forward staged the largest protest by low-wage workers in U.S. history. At least 60,000 workers — maybe as many as 75,000 — marched and demonstrated in more than 230 U.S. cities demanding the \$15 hourly wage. Their ranks were swelled by other low-wage workers, including adjunct professors, home-care aides, Walmart workers, airport workers, and child-care aides. And the conversation about America’s dangerous income disparity and perverse wealth gap was back where it should be — in the national spotlight. All of sudden, the movement was not so quixotic, corporate windmills began to tilt, and the prospects of positive outcomes seemed very real.

Unions backed the play from the beginning, helping to organize protests and providing financial contributions. It makes sense because unions have been hammering out these same themes since the 1970s. Local 1180 President Arthur Cheliotis rarely misses an opportunity to keep the focus on economic injustices that thwart our members, and impoverish millions of low-wage American workers — rampant inequality, wage stagnation, concentration of wealth at the top of the income pyramid, and corporate greed. The Service Employees International Union (SEIU) has funded “Fast Forward” to the tune of several million dollars. In a piece by Steven Greenhouse and Jana Kasperkevic (Guardian, April 2015), SEIU President Mary Kay Henry was quoted as saying: “There is no price tag you can put on how this movement has changed the conversation in this country. It is raising wages at the bargaining table. I believe we are forcing a real conversation about how to solve the grossest inequality in our generation. People are sick of wealth at the top and no accountability.”

And the momentum continues to build. In September 2015, the New York State Labor Commission gave final approval for a bill that requires New York State-based fast-food franchises (those with more 30 locations in the U.S.) to pay workers \$15 per hour. On January 6 of this year, Mayor de Blasio announced a \$15-per-hour wage minimum for all City workers to be phased in by 2018. This will have a direct effect on 20,000 low-paid City workers and 30,000 workers contracted by the City. Two days earlier, Governor Cuomo said that the lowest paid State University of New York

employees will receive incremental raises that will reach the \$15 minimum by 2021. San Francisco, Los Angeles, Long Beach, CA, and Seattle have already agreed to the \$15 minimum. Washington, D.C. will vote on the issue in 2016. On an even more positive note, the wage plans for San Francisco, Los Angeles and D.C. will continue to increase the minimum, after the \$15 rate is reached, based on either the consumer price index or the rate of inflation. Other states that have indexed minimum wage hikes to inflation going forward include Oregon, Arizona, Ohio, New Jersey, Florida, Montana, Missouri, and Colorado.

President Obama promised to campaign hard to raise the current federal minimum from \$7.25 to \$10.10 per hour before he leaves office, and he has the support of the Democratic legislature. While 71% of all Americans now support raising the federal minimum wage to at least \$10.10 per hour, Republicans have blocked amendments to raise the federal minimum from even coming to a vote.

Presidential candidate Bernie Sanders, at a Fight for \$15 rally in South Carolina recently, said, “Let me thank you not only for what you are doing here, but for what your fellow workers are doing all over this country. And I’ve been pleased to march and struggle with all workers in this country who are fighting for \$15 an hour and a union. We are the wealthiest country in the history of the world. People should not have to work for starvation wages!”

The potential voting bloc of 64 million low-wage workers could elect the next president if they turn out to vote for the candidate most likely to work to raise their wages.

Most reasonable Americans know that a substantial raise of the minimum wage is long overdue and sorely needed. Such a raise would be a life-saver for low wage workers, a benefit to the vast majority of our workforce; and a boon for the economy in general. Yet despite the evidence, corporate interests, Tea-Party types, and anti-living wage lawmakers continue to peddle dark-age myths about how it would hurt the economy, be bad for business, raise taxes, and corrupt the initiative of American workers.

President Cheliotis recently talked about the Fight for 15 and his thoughts on some of the anti-raise rhetoric. When asked about the notion being pushed that the minimum wage was never meant to be a living wage to support a family on, and that this generation just refuses to pull themselves up by the bootstraps, Cheliotis had this to say: “tell anyone making that argument that they are lying or didn’t do their home-

work. Tell them to read American history and learn what the Fair Labor Standards Act states and what Franklin D. Roosevelt had to say. He'd roll over in the grave if he heard that nonsense."

Although the Fair Labor Standard Act didn't become law until 1938, FDR set the stage in his 1933 State of the Union, saying: "no business which depends for existence on paying less than living wages to its workers has any right to continue in this country. By business I mean the whole of commerce; by workers I mean all workers, the white collar class as well as the men in overalls; and by living wages I mean more than the bare subsistence level. I mean the wages of decent living." Cheliotos also advised that if you really study the issue, you could probably find precedent for minimum wage/living wage initiatives that date back long before the FDR era.

There is actually one incarnation of a "living wage" as far back as 1381, when it was set to the price of food during the reign of King Richard II of England. By the crown, even then they indexed based on inflation. The first example of minimum wage laws in modern times took place in Australia in 1894. It began as a four-year experiment and was limited to six industries. Eight years later, the laws covered 150 industries and were extended to Western Australia and New South Wales. In 1909, Winston Churchill, then President of the Board of Trade, introduced England's first minimum wage law. Churchill said at the time: "It is a serious national evil that any class of His Majesty's subjects should receive less than a living wage in return for their utmost exertions. ...Where you have a powerful organization on both sides...there you have healthy bargaining which increases the competitive power of industry...but where you have no parity of bargaining, the good employer is undercut by the bad, and the bad employer is undercut by the worst...where those conditions prevail, you have not a condition of progress, but a condition of progressive degeneration."

There is an argument among union members and supporters that the Fight for 15 won't have a big impact on most union members who already earn well more than minimum wage, and many of these low-wage workers will never unionize due to high turnover. So why should unions spend resources to support the Fight for 15?

According to Cheliotos, "You've heard the 'old saw' about a rising tide lifting all boats. If we raise the floor, it should follow that our ceiling will also start to rise. I've seen it work at the bargaining table. With a \$15 minimum wage in the works, our argument is stronger that as Administrative Managers, professionals serving at the very top of our bargaining class, we should be compensated at a better rate than the current \$27 per hour. That's one of the practical arguments. But we should be on board with this because, morally and ethically, it's the right thing to do. We're in the fight together."

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A high minimum wage will be bad for businesses and jobs will be lost.

This theory has been refuted time and again. Modern research shows that the majority of states that increased minimum wages during periods of high unemployment outpaced the national average for job growth. Studies in the Economic Policy Institute show that a \$15 minimum wage would benefit 81 million Americans. Families would have increased purchasing power and be able to buy more goods. According to the Los Angeles Economic Round Table, the wage hike would generate an additional \$9.2 billion in annual sales, create more than 50,000 jobs, and lift 4.6 million Americans out of poverty..

Most of these low-wage workers are teenagers, high-school kids flipping burgers.

Statistics show that 88% of minimum and sub-minimum wage workers are adults and one-third are more than 40 years of age.

My taxes will go up to support the wage increase.

Our tax dollars are currently supplementing the corporate profits of Walmart and McDonald's to the tune of \$153 billion per year. That's what the government pays to supplement the salaries of their workers who earn below poverty levels. The Congressional Budget Office estimates that the government forks over about \$8,800 annually to the lowest income households but only \$4,000 to those earning at least \$35,000. That's the full-time salary for one employee making \$15 per hour. Do the math.

Very few, if any at all, can clearly define how America got to this dangerous level of wealth and income inequality, but most economists agree that we are on the edge of an abyss. America now boasts the biggest gap between wage growth and productivity growth in the industrialized world. There are a myriad of factors that have led us to this point, such as the political desertion of labor unions, the explosion of dicey finance, deregulation of our financial institutions, and privatization to name a few. Whether or not these factors were part of a grand plan to redistribute wealth into the hands of a greedy and glutinous elite may be a moot point; but that is what has happened.

We're in a perfect storm, and this tide may sink all boats. Look at the Fight for 15 as a sign of hope that we can turn the tide and weather the storm. But as Churchill said, we need a powerful organization on both sides. For working men and women, that's always meant union.