

Living wage efforts take aim at fast food, big-box retailers

In cities across the nation, low-wage workers are walking out over pay that doesn't pay their bills. In recent weeks, fast-food workers have stood in picket lines demanding that their voices be heard.

Fast-food workers, who have for years endured less than living wages, walked off the job in 58 cities across the country on Aug. 29, with the backing of the Service Employees International Union.

"I've been here [at McDonald's] almost a year; \$7.25 is not a living wage," Latoya

The strikes got the attention of New York City Council Speaker Christine Quinn, who said she would introduce legislation making it mandatory for fast-food chains to provide flexible schedules for their employees and to notify workers of shift changes at least a week in advance.

Living wages were a major theme of the recent Labor Day celebrations in many cities as well, especially where living wage ordinances were being discussed. In Milwaukee, a Labor Day rally was greeted

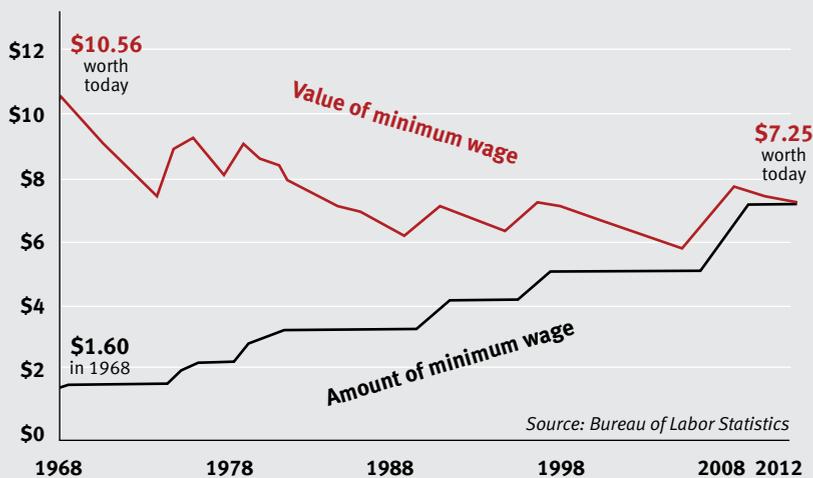
in front of Walmart's downtown Washington, DC, office and were arrested for civil disobedience. This action came one month after 70 Walmart employees were fired or disciplined for going out on strike. The workers gave Walmart an ultimatum: reinstate the workers and publicly commit to paying a fair wage, or protests like the one in downtown Washington would intensify.

The need to reassess the minimum wage or enact living wage provisions has come to the forefront as the economic slowdown puts more workers at the bottom of the wage charts. During the Great Recession, 60 percent of the jobs lost were middle income; 58 percent of the jobs gained since have been low income. The middle-class jobs that came to define the American way of life are literally being replaced by low-income work, according to the National Employment Law Project.

The manufacturing sector in particular has suffered huge job losses. This devastating effect of the Great Recession produces another disturbing trend in the U.S. economy: a decline in the middle-class share in overall household income. According to the Pew Research Center, in 1971 middle-class income was 62 percent of the total, while upper-income Americans held 29 percent; in 2010, those numbers were 45 percent and 46 percent, respectively. Pew also reported that between 2000 and 2009, the middle class saw almost 30 percent of its wealth disappear in a "lost decade." Rarely has the middle class been so precariously on the edge.

The national crisis of low-wage growth and middle-class decline has been compounded by the fact that the minimum wage isn't what it used to be. Over the past four decades, the real value of the minimum wage has declined by more than 30 percent. In 1968, a minimum-wage worker was making \$1.60 per hour. Today, that would be the equivalent of \$10.56 an hour, according to the Bureau of Labor Statistics

The diminishing value of the minimum wage



Jones, a Memphis striker, said. "I'm a single mom with three kids. I'm living paycheck to paycheck."

The disruption was significant: Some stores closed down entirely, while others had managers filling in for striking employees. However, the purpose of the strike was not to halt business, but rather to shine a light on the plight of those barely getting by at an average wage of \$9 per hour, while the fast-food industry has an annual revenue of \$200 billion. By contrast, the average hourly wage for non-farm labor was \$23.98 in July.

with the news that the county will take up the living wage in the fall. The proposed legislation affects only those working in municipal jobs.

"I'm in this because the living wage needs to be increased," said Deirdre Dunlap, one of the marchers at the rally. "It's really needed to meet basic needs, just paying rent and bills."

Retail workers also are demanding that their voices be heard. Walmart has become notorious for its low wages and paucity of employee benefits. On Aug. 22, 10 Walmart employees who had been fired protested



Photo by Carlos Fernandez

Local living wage efforts are sprouting up across the nation, including in Chicago (above) and Washington, DC (right).

Inflation calculator. Full-time minimum-wage workers—the few who can find full-time work—earn \$15,080 a year, keeping them near the poverty line.

The charade of low-income work was recently brought to public attention when McDonald's established a website to help its employees to "McBudget." Given the corporation's calculations, it was perfectly possible to make a living working as a McDonald's cashier, provided you were working two jobs, paid just \$20 per month for health care and paid only \$600 per month in rent.

To stop this assault on workers, and to avoid the national partisan battles in Congress over raising the minimum wage, some municipalities have enacted living wage laws. Living wages are above federal and state minimum wages, usually paying in the range of \$10 to \$12 an hour for traditionally minimum-wage work such as retail jobs.

This movement is often said to have started in Baltimore in 1994, when a partnership of labor and religious leaders launched a campaign requiring city service contractors to pay a living wage. Community activists in Boston, Los Angeles, San Francisco and St. Louis also secured similar legislation, and by 2007 there were at least 140 living-wage ordinances in municipalities across the United States, and more than 100 living-wage campaigns in progress.

One of the most encouraging signs in the movement for living wages is the recent appointment of Thomas Perez as labor secretary. Prior to assuming office on July 23, Perez served as Maryland's secretary of labor and was instrumental in proposing a statewide living wage bill in 2007 that was signed into law. It requires certain businesses and contractors to pay their employees an hourly wage of either \$9.91 or \$13.91, depending on the jurisdiction where these services are performed.



Photo courtesy UFCW

However, there are limitations to these kinds of laws. For example, the Maryland law does not apply to certain groups of county and municipal workers, and Montgomery County, MD, (a suburb of Washington, DC) and Baltimore have their own regulations. In addition, only contracts ratified after Oct. 1, 2007, are affected by the new law.

Critics of living-wage legislation have pointed to examples like these to make the case that living wages are not as effective as they could be. Although these laws raise the living standards and security of some workers, many workers are not covered. By contrast, everyone would benefit under an increased minimum wage because of the ripple effect on wages in general.

These criticisms have recently been part of the debate over Washington, DC's proposed Large Retailer Accountability Act of 2013. Under the legislation, retail workers in large businesses such as Walmart or Target would be paid a living wage of at least \$12.75 an hour.

The legislation grew out of Walmart's plan to build several stores in the District of Columbia. In response, Walmart threatened to withdraw three of its six planned stores in the District if the DC council passed the living wage bill. Much to the corporation's chagrin, the council passed the measure. While Mayor Vincent Gray vetoed the bill on Sept. 12, the measure returned to the council, where it could vote to overturn the veto.

More broadly, a two-pronged approach is needed to address the decline of middle-income jobs that is producing enormous economic inequality. One involves the type of actions discussed above, to fight for mini-

imum wages, fair wages or living wages. The other, which is complementary, involves strengthening the labor movement so it can help workers improve their wages and benefits—as it has done in the past—bringing millions of people into the middle class. For decades, unions such as the NALC have provided their membership with middle-income jobs that are dignified and allow their members to support their families.

However, the ability of unions to perform this function has been weakened by the political and business-led attacks on labor. In recent decades, the American labor movement has been eviscerated by a variety of factors, including increasing employer aggressiveness and public policies ranging from right-to-work laws on the state level to unfair trade agreements on the federal level. The increasing pace of globalization also has contributed.

Through changes in labor law, ending the attack on public-sector workers, and passing fairer trade agreements, the labor movement can regain its seat at the table to improve the lives of working people.

NALC, along with the whole of organized labor, is throwing its support behind these approaches.

"We've seen countless attacks on working families over the last several decades," NALC President Fredric Rolando said. "We must fight these attacks wherever they are, whether in helping workers organize or in pushing local governments to demand higher pay for the people who work in these communities. We must do all that we can to stop the middle class from becoming an endangered species." **PR**