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HUFFINGTON
POST

Raising the Minimum Wage: Good Ethics and Good Economics

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August 30, 2013

This week, we celebrated the 50th anniversary of a March on Washington that was as much about economic justice as political freedom. And over this long weekend, we observe the only national holiday that's all about honoring the American worker.

But this week is about much more than symbolism. It's about action. All over the country, food industry workers--some of the lowest-paid and hardest-working people in the nation--are stepping off the job to petition for a living wage. In Washington, a real fight is brewing over the nation's minimum wage, which, at \$7.25, remains one of the lowest in the developed world.

In the wake of a Great Recession that hit low-income workers hardest, America is coming around to a simple fact: Raising the minimum wage is not only good ethics but also good economics.

Back in 1963, Martin Luther King understood this. One of the official aims of the March on Washington for Jobs and Freedom was to raise the minimum wage to \$2 (adjusted for inflation, more than \$15 dollars today). Dr. King preached that the only way to build a productive and inclusive society was to ensure that every person with a job could escape the crushing hardship of poverty.

This stance was not only about compassion for the poor -- though that was MLK's primary mission -- but also about ensuring a well-functioning economy and society.

Today, a parent working full-time at minimum wage will simply not earn enough income to cover basic needs like food, clothing, and shelter. Even working a second job and well over 40-hours a week, it's mathematically impossible for many minimum wage workers to pay for childcare, clothing, and gas. If you doubt these claims, take a look at the "draft budget" that a major employer recently distributed to its employees.

This is more than an ethical failure. It has serious costs for taxpayers and business-owners. When big employers -- many of whom are turning record profits -- fail to pay a living wage, taxpayers are forced to step in and make up the difference by paying for extra Medicaid, housing assistance, and food stamps. Our nation's small businesses pay the biggest price of all: rock bottom wages mean fewer customers for restaurants, grocery stores, clothing shops, realtors, car dealerships, and so on.

When corporations fail to pay, the economy fails to grow.

That's exactly what's happening now. According to a new study from the Economic Policy Institute, the bottom 60 percent of workers are earning less than they did 13 years ago. According to a recent report by the Center for Economic and Policy Research, black Americans -- who have earned much higher average levels of education over recent decades -- have lower chances of earning a living wage today than they had 30 years ago.

And so economic growth remains slow. Unemployment stays high. Government debt continues to grow.

The best way to turn our economy around is to invest in the people who keep it running: Low-income workers. By getting more income into the hands of hard-working people who will spend it, we will create more business for American companies and eliminate much of the need for government assistance.

That's why I stand with those on strike this week and why I will fight for a higher minimum wage.

Since Americans of all political persuasions now praise Dr. Martin Luther King as a hero and an oracle, it's time we start to heed his economic advice.