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Raise the Minimum Wage

A Montana Public Radio Commentary by Evan Barrett
November 21, 2013

November marks the 50th anniversary of the assassination of President John F. Kennedy and Thanksgiving.

Events surrounding these two separate days help make a strong point about the challenges facing America's working poor.

For Thanksgiving, Walmart, the largest employer in U.S., is asking its customers to donate items to help provide food for workers of Walmart who are not getting by. Plain and simple, the workers of Walmart are not getting by because they are not paid enough or provided enough benefits. If that in and of itself is not enough to make you want to shout about the injustice, Walmart is also setting the standard for other businesses to not pay enough to their employees to actually make a living. Walmart is the flagship of a poverty-creating Armada of American businesses who pad their profit margins and expand their CEO compensation at the expense of hard-working Americans.

The anniversary of JFK's death brings home thoughts of boats of a different kind from when he dramatically said that "a rising tide lifts all boats." JFK was dedicated to a growing economy that helped all in America to prosper. But while the large ships of the wealthy and the corporations are riding high on the economic tide of the last 40 years, the dinghies of the regular folk have holes punched in their bottoms and are slowly and surely sinking as the tide goes up.

Before those small boats completely sink, economically drowning millions of American families, Congress has started talking about raising the minimum wage. The current federal minimum wage is \$7.25 per hour (below even Montana's which will be \$7.90 at year's end, and is indexed to keep up with inflation). That \$7.25 federal minimum wage represents only \$15,080 annually for a full-time worker. The federal minimum wage has lost more than 30% of its value over the last 40 years and would be more than \$10.59 an hour today if it had kept pace with the cost of living. But even that figure only represents \$22,027 a year for fulltime work, still not enough to keep a family out of poverty.

Raising the minimum wage is economically just, but also economically smart ... every penny would be spent directly into the economy helping to create or sustain even more jobs – jobs still being the biggest economic challenge we face.

That's probably why raising the minimum wage is so popular – supported by 91% of Democrats, 76% of Independents and even 58% of Republicans.

But Congress talks and talks and talks and ultimately will probably do nothing. They don't have time for such frivolous things. They are too busy taking food stamps away

from families and kids, many of whom are locked into those same minimum wage households of the working poor.

And the usual “it will cost jobs” mantra of the right and the Chambers of Commerce is being heard again, even though there is no credible economic study that backs up such a ludicrous claim. After all, every business that pays the minimum wage to its workers will retain its current competitive position as all such businesses raise wages at the same time.

Yes, the opponents of fairness and economic justice will probably succeed in getting Congress to do nothing ... something Congress is quite good at.

And while they are pushing the working poor down even further with low wages and more holes in the economic safety net, like fewer food stamps, many in Congress will continue to refer to those in need as “takers.” Well, it’s clear to me that the real “takers” in this economic situation are the top 10%, the top 1%, the top 1/10th of 1%, all of whom are riding high on the waves of a \$16,000 Dow Jones average.

Here’s hoping that the coming of Christmas will result in some Christian values rising up in that “millionaire class” that we call Congress so that we might, by year’s end, see the minimum wage go up. But I wouldn’t bet on it.

Evan Barrett, Butte, has spent the last 44 years at the top level of Montana economic development, government, politics and education. He is currently the Director of Business & Community Outreach and an instructor at Highlands College of Montana Tech. These are his personal views.