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Fast-food workers push for living wage ahead of Labor Day

by Brian Roewe

Just before the Labor Day holiday, fast-food workers across the U.S. planned to walk off their jobs in a daylong strike as part of a nationwide push for higher wages. News reports before the Aug. 29 strike estimated that workers in 35 cities would join the campaign, along with low-wage retail workers. Organizing leaders want pay increased to \$15 per hour, what they have called a "living wage."

"These are multibillion-dollar companies, yet we're understaffed and underpaid," Shenita Simon-Toussant, who receives \$8.25 per hour as a shift supervisor at a KFC in Brooklyn, N.Y., told the U.K.-based *Guardian*. "I have a husband in part-time work and three children, and it's impossible to survive on. We need a living wage."

The push for a living wage is nothing new. Traditionally, the term has referred to a flexible salary based on various costs -- such as food, child care, health care, housing or transportation -- within a specific city or region. Those factors feed into a formula that determines a market-based salary that allows a living standard above the national poverty line -- currently \$23,550 for a family of four -- but usually still below what constitutes middle class.

The U.S. Catholic church has championed a living wage in its past. In 1906, noted labor priest Msgr. John A. Ryan published *A Living Wage: Its Ethical and Economic Aspects*. In it, he argued that "wages should be sufficiently high to enable the laborer to live in a manner consistent with the dignity of a human being," a belief he viewed as an "industrial, religious and moral fact."

More recently, Stockton, Calif., Bishop Stephen Blaire in the U.S. bishops' 2013 Labor Day Statement called for an emphasis on creating jobs that "provide a just compensation that enables workers to live in the dignity appropriate for themselves and their families." He noted that half of all U.S. jobs pay an

annual salary of less than \$27,000, and that social inequality in the country is often separated by city blocks.

"The current imbalances are not inevitable, but demand boldness in promoting a just economy that reduces inequality by creating jobs that pay a living wage and share with workers some profits of the company," said Blaire, chairman of the bishops' Committee on Domestic Justice and Human Development.

"Ethical and moral business leaders know that it is wrong to chase profits and success at the expense of workers' dignity. They know that they have a vocation to build the kind of solidarity that honors the worker and the least among us," he wrote.

More often than not, the living wage figure dwarfs the local minimum. One living wage calculator, created by an MIT professor as part of Penn State's Poverty in America project, provides cost estimates for a full-time worker who also is the family's sole provider. In New York City (population 8.3 million), the tool projects a living wage of \$22.32 -- compared with the state's \$7.25 minimum wage -- for an individual supporting two adults and two children. That same individual would require a \$16.46 living wage in Cody, Wyo., (population 9,689), where the minimum wage is \$5.15.

"The [living wage] calculation is always something that is both an art and a science," said Judy Conti, federal advocacy coordinator for the National Employment Law Project. She told *NCR* that the balance comes in determining what constitutes reasonable pay to support a comfortable life while at the same time figuring out what is politically feasible to appease workers without ostracizing local business owners.

Modern efforts to establish living wage ordinances have focused on leveraging government contracts and funds to ensure higher wages. One of the earliest efforts came in Baltimore in 1994, when the city required contractors to pay employees a rate higher than the minimum wage. Those efforts have expanded to include all of Maryland, which became the first state to mandate a living wage. Beginning Sept. 27, Maryland's living wage law, signed by Gov. Martin O'Malley in May 2007, requires that certain contractors and subcontractors working under state contracts pay employees \$13.19 an hour, or \$9.91 an hour, depending on jurisdiction.

Similar efforts have occurred in Washington, D.C., where in July the City Council approved a bill requiring large retailers to pay minimum wages of \$12.50, or 50 percent above the city's current minimum of \$8.25. The measure has faced pushback from Wal-Mart, which was scheduled to open as many as six stores in the district.

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"The whole concept of a living wage ordinance is where public dollars are spent to create jobs, those should not be poverty-level jobs," Conti said.

A 2011 study from Good Jobs First, a national policy resource center, looked at the use of public funds for economic development. In examining 238 subsidy programs from all 50 states and Washington that cost taxpayers more than \$11 billion, it found that fewer than half imposed wage requirements for subsidized workers, and even less tied wages to local market rates. Those programs averaged an hourly rate of \$14.76, while the study found programs without wage requirements paid at a level that often forced workers to use safety net programs, such as food stamps and Medicaid.

"If you're going to give a company a tax break or a cheap loan in a competitive market ... you should require it to pay the wages that are the market-based wage rate in that market and industry, so you're not paying that company to pull those wages down," said Greg LeRoy, Good Jobs First executive director.

Among religious efforts, Interfaith Worker Justice has sought not only the establishment of living wage ordinances, but their enforcement as well. Michael Livingston, public policy director at the group's national office, said that cities often lack the resources to monitor compliance, and in situations where wages are paid in full, employers have devised "creative ways" to reclaim a portion, such as paying by electronic debit cards with hidden fees rather than check or cash.

"[Workers are] not always being informed of what fees are, or what kind of regulations govern their usage, so they're just having their wages stolen," he said, adding that the organization has pushed for federal pay stub regulation.

For the most part, the federal government has left most living wage laws up to states or cities. Two pieces of legislation -- the Service Contract Act and the Davis-Bacon Act -- require government contractors and construction teams, respectively, to pay workers at minimum a prevailing wage equivalent to what similar workers in the area receive. But attention has primarily focused on the minimum wage. President Barack Obama has called for raising the national rate from \$7.25 to \$9, and House Democrats, in the Fair Minimum Wage Act of 2013, which they introduced in March, seek to bump it to \$10.10 by 2015. Still, that figure falls below the minimum wage in 1968 -- \$10.56 after being adjusted for inflation.

As for the effectiveness of living wage ordinances, few studies have examined that question, but others have found the parameters have not cost cities contracts or harmed their economies, as critics have often suggested.

While challenges still exist, such as extending living wages to more workers, Conti said there's no denying that people have received more pay under living wage laws than without them.

"Have they been the complete solution to the problem of low-wage work and income inequality? No. But have they worked? Absolutely," she said.

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