

How to sustain a living wage

Mary Ann McGivern | Jan. 13, 2014 NCR Today

People who work full time deserve a living wage; that is, enough money to provide food, shelter, clothing, health care, education and retirement -- and contribute taxes for the maintenance of roads, schools, fire department, etc. To me, that's a moral principle.

But we've been going in the opposite direction since the '70s. For 40 years, wages have remained stagnant, high-paying jobs have disappeared, health and education costs have soared and pensions have dried up. Yes, this is an income gap the government cannot close, at least by stop-gap measures like food stamps and the earned income tax credit. We're left with hard-working city dwellers who don't earn enough to pay taxes (except for regressive payroll taxes), suffer poor schools and are a paycheck away from homelessness.

European governments tax deliberately to redistribute income. We could do that, but it isn't likely.

Or we could come at the problem from the other direction. We could make a law requiring that full-time workers earn, say, \$15 minimum, indexed to inflation. That would put the burden on business, not the government. But government would then have to support business by embarking on giant infrastructure projects -- bridges, sewers, water mains, railroads, underground wiring, denying the Asian carp access to the Great Lakes, and so on. There is plenty of work to be done. We just have to decide to pay for it, putting money in consumers' pockets so the companies can afford to pay living wages, putting more money in more consumers' pockets. You get the idea.

This merry-go-round won't last. When our infrastructure is up to snuff, what will those workers do? The nature of work is changing. Robots will do a lot of the tedious tasks and maybe some interesting ones, too, like brain surgery and piloting airplanes. Some of these jobs are gone already.

There will always be a need for plumbers and home health care workers, farmers and politicians, teachers, artists. And there will always be opportunities for human engagement. But linking the opportunities with the people will be difficult. I suggest we unlink work and wages.

When I've written blogs like this before, there has been lively interaction. I'm sorry we've lost that because the benefit is in our thinking together about just wages and job creation. If we don't think together about how to meet the moral requirement to pay a living wage, we'll never do it. So hold your thoughts for when the interactive mode is back up. Soon, I hope.