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Higher Minimum Wage Would Help Many

Many more will fall through the cracks if we wait for the 'free' market to cure all

By Mike Owen

It should not be surprising that the head of a temp firm fears a better wage climate for American workers. That understood, let's take a look at Mike Cambridge's unsupportable arguments against a minimum-wage increase in the Nov. 19 Telegraph Herald ("My View").

First, his numbers are off. We know from official U.S. Census data that well over half of workers who would benefit from a skimpy \$1 increase in the minimum wage (to \$6.15) are older than 20; and three-fourths of those who would benefit at a \$7.25 minimum wage are older than 20.

As corporate executives' salaries skyrocket and workers' wages stagnate, he complains that workers' wages make the U.S. uncompetitive in a global economy. Rather than lifting all boats worldwide, this approach would allow American wages to sink further.

How, you may ask yourself, will your family survive if that mind-set prevails? We should not see such exploitation as the model for America. Rather, we must challenge it.

Where Mr. Cambridge sees problems, we should see opportunity for a better Iowa, a better America, where more people have a chance to pursue their dreams. It would be a good thing to see the minimum wage push the general wage scale upward in the United States.

Or, we could just assume the "free" market will cure all. Do we really believe that? In a futile wait for the market to deliver, how many more will fall through the cracks? Who will they be? You? Me? Our children? Our neighbors?

We must ask ourselves what we as a community of Iowans, of Americans, expect of those in business who have built their fortunes on our investment in public infrastructure – public education, roads, protection of life and property.

State minimum wage above \$5.15

Effective Jan. 1, 2007

| | |
|----------------------|--------|
| Alaska | \$7.15 |
| Arizona* | \$6.75 |
| Arkansas | \$6.25 |
| California | \$7.50 |
| Colorado* | \$6.85 |
| Connecticut | \$7.65 |
| Delaware | \$6.65 |
| D.C. | \$7.00 |
| Florida* | \$6.67 |
| Hawaii | \$7.25 |
| Illinois | \$6.50 |
| Maine | \$6.75 |
| Maryland | \$6.15 |
| Massachusetts | \$7.50 |
| Michigan | \$6.95 |
| Minnesota | \$6.15 |
| Missouri* | \$6.50 |
| Montana* | \$6.15 |
| Nevada* | \$6.15 |
| New Jersey | \$7.15 |
| New York | \$7.15 |
| North Carolina | \$6.15 |
| Ohio* | \$6.85 |
| Oregon* | \$7.80 |
| Pennsylvania | \$6.25 |
| Rhode Island | \$7.40 |
| Vermont* | \$7.25 |
| Washington* | \$7.93 |
| Wisconsin | \$6.50 |

* Adjusted yearly for inflation

It is not too much to ask those same folks to make the minimal commitment to us as a community by paying a meaningful wage for work they deem meaningful. Millions nationally and 257,000 people in Iowa alone would be helped by a serious minimum-wage increase, to \$7.25 an hour.

We all can agree that inflation harms the poor; this in fact is one of the strongest arguments in favor of a higher minimum wage. The minimum wage has fallen in value due to inflation, because it has not risen since 1997. Meanwhile, prices have increased generally, and have spiraled up for the health insurance that minimum-wage workers cannot afford and that temp firms typically, and many others increasingly, do not provide.

It is high time that our leaders – in politics, business and other fields – stand up for low-wage workers. The simple step of increasing the minimum wage to \$7.25 would make an important difference to workers and barely affect either profits or inflation – all while restoring value to work.

We must replace our broken first step on the ladder to the middle class, itself a shrinking population as poverty has grown in our state and nation. If Congress does not raise the minimum wage to a sufficient level, Iowa should act on its own – as 28 other states already have done.

Look at that list of states that took action to raise the minimum wage and decide if you are embarrassed as an Iowan that our state is not on it. If you're not, you should be.

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Mike Owen is assistant director of the nonpartisan Iowa Policy Project in Iowa City. For more information about the minimum wage, visit www.iowapolicyproject.org.