

Minimum wage hike means a fortune

By Tara Tuckwiller

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If you work in West Virginia, you're more likely to bring home minimum wage — or less — than in any other state except Oklahoma, which is tied for first.

Put it this way: If you work for an hourly wage in West Virginia, chances are better than 1 in 4 that your paycheck will get bigger if the federal government boosts the minimum wage to \$7.25 an hour, by one estimate.

Verna Black's pay would go up. The 43-year-old lifelong Charlestonian waited in the 28-degree cold Friday for the cross-town bus. She has a job cleaning for a \$6 an hour.

"Thank God I don't have kids," she said. "You can't make it."

If Congress raises the minimum wage, "Oh, God, I'd be able to pay all my bills," she said with a smile. Right now, she skimps on groceries sometimes so she'll have enough for her blood pressure medicine.

The new minimum wage has already passed the U.S. House, but Senate Republicans are refusing to pass it without adding tax cuts for businesses.

"Any minimum wage increase will significantly affect the bottom line of the nation's small-business owners," said Bruce Josten of the U.S. Chamber of Commerce. He said the Chamber would work with senators to make sure any minimum wage increase would be offset by help for businesses.

Democratic leaders in the Senate expect to pass the minimum wage bill with the business tax breaks this week.

Even if you make more than minimum wage now, the proposal in Congress could boost your paycheck.

About 20,000 West Virginians work for \$5.15 an hour or less, according to the U.S. Bureau of Labor Statistics.

But when you count all West Virginians who earn less than \$7.25 an hour — like Verna Black — that number nearly triples to 59,000 West Virginia workers who would get raises thanks to the new minimum wage. That's according to an analysis of U.S. Census data by the Economic Policy Institute, a Washington, D.C., think tank that supports raising the minimum wage.

And then there's the "spillover effect." Those are workers who make just above \$7.25 an hour now. Research shows employers raise those wages to keep the pay structure intact, EPI says.

That means 133,000 West Virginians would feel the boost, EPI estimates. That's more than 1 in 4 hourly West Virginia workers.

Some West Virginians have already felt a "spillover effect" after last year, when the state Legislature pre-empted the federal government and raised the minimum wage here.

"My son worked at the mall in a minimum-wage retail job," said Rick Wilson, director of the West Virginia Economic Justice Project. "Even though his company was not legally required to raise its minimum wage to that level, they did."

Loopholes kept the new minimum wage from helping most minimum-wage workers. It applied to only about 2,000 West Virginians.

Wilson's arm of the American Friends Service Committee is one of several groups — including the West Virginia Council of Churches — that called for the new law, and are still calling on the Legislature to close those loopholes.

If that happened, the minimum wage for most West Virginians would be \$7.25 an hour by July 2008, regardless of what the federal government does.

Supporters say that would be a good start. But to meet the basic "self-sufficiency standard" — allowing for minimum nutrition, for example, and housing that is above substandard, but not allowing for long-term needs such as retirement, a car or emergency expenses — a single Kanawha County parent of a preschooler would have to earn \$12.51 an hour, according to a 2005 report prepared for the Governor's Workforce Investment Division.

"I live in Webster County," said Carol Warren, chairwoman of the West Virginia Council of Churches' government concerns program. "Practically every place I go to shop, I'd see the same people [working]. I started to realize — they have three jobs, just trying to squeak by and support a family.

"What we want to strive for is not a minimum wage," she said. "It's a living wage."

'Just barely above poverty'

Orie Harrison remembers his first minimum-wage job, culling crabs on the Chesapeake Bay. He worked his way through school — "I made it on my own," he said. "But it was tough."

Now 56, he spent most of his career as a teacher and counselor at Army-base schools. "I'm fortunate I don't have to live on minimum wage," said Harrison, who was waiting

for the bus across the street from Verna Black in the Friday cold. “But I think of the young people coming up.

“If Congress can vote itself a raise, and the Legislature can vote itself a raise, I absolutely think they should raise the minimum wage.”

In the 1970s and 1980s, economists often argued that minimum wage increases put low-wage workers out of a job. But starting in the 1990s, researchers found that wasn't happening, or that a small rise in unemployment was more than offset by the benefits of higher wages.

Since then, 28 states and the District of Columbia have raised the minimum wage on their own.

Right now, welfare programs are picking up the slack for minimum-wage workers — “They're still qualifying for all kinds of benefits,” said Evelyn Dortch, director of the Charleston-based Direct Action Welfare Group Inc. “If one person's working for minimum wage, they're making a little bit more than \$10,000 a year. And the federal poverty line for a family of four is \$20,000.

“Even if you have two people working, they're just barely above poverty.”

Dortch is also on the board of directors of the National Center for Law and Economic Justice in New York.

“Most of the people that go to food banks — most of them are working,” she said. “They just can't make ends meet.

“Somebody should not work 40 hours a week and still not be able to feed their kids.”

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