

## **MINIMUM WAGE: Hard day's work no longer keeps you out of poverty**

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We all want to think of ourselves as fair-minded people. We like to think that we have a clear understanding of what is fair and unfair.

And yet, we cannot seem to agree on what “fair pay” means.

Employers paying low wages are having part of their employees' earnings subsidized by the government, as many employees have to rely on food stamps, Medicaid, and other government benefits to make ends meet. Is that fair?

Corporate profits continue to rise while worker wages have continued to fall. CEOs today make 300 percent of what American workers make. Is that fair?



**Jill Fuchs, President, LWVDE**  
Illinois and Nevada as the 12th lowest.

More than half of American fast-food workers are on public assistance, costing taxpayers about \$7 billion a year. Is that fair?

The sad truth is that in 21st century America, getting up every day and putting in a hard day's work no longer keeps you out of poverty. Delaware Housing Coalition documents show that an estimated 59 percent of Delaware renters cannot afford a two-bedroom apartment. Eight of 10 top growth occupations in Delaware do not pay a median wage adequate to rent a two-bedroom apartment in any county! If the minimum wage had increased at the same rate as inflation, it would currently be equal to \$10.55 per hour. In February 2015, it was reported that Delaware's \$7.75 minimum wage was tied with Alaska and Hawaii as the fifth lowest in the nation. In June 2015 Delaware's minimum wage was raised to \$8.25, which has tied us with

The League of Women Voters of Delaware supports a minimum wage of up to \$10.25, adopted in at least two steps, indexing future increases to inflation, and raising the minimum wage for tipped workers beyond its current level of \$2.23 per hour. We have adopted this position based on a League of Women Voters U.S. policy on Meeting Human Needs, which states, “Persons whose earnings are inadequate have the right to an income ... adequate to meet basic needs of food, shelter, and access to health care.”

Delaware's Low Wage Service Industry Task Force, co-chaired by Sen. Robert Marshall and Rep. Michael Mulrooney, has recommended raising the state's minimum wage to \$10.25 an hour in two years.

The task force also recommended a goal of a \$15 minimum wage, targeting higher minimum wages for certain sectors of the economy, and raising the minimum wage for tipped workers beyond the current \$2.23 per hour. Supporters suggest these moves could save big money in Medicaid costs, along with other social programs.

Sen. Marshall and Rep. Mulrooney introduced SB 39 last March. It finally passed the Senate on Jan. 27, but only after the start date was deferred from June 1 of this year to June 1, 2017 and the cost of living increase was eliminated. The bill does nothing for tipped workers.

According to a report by the Delaware Housing Coalition, the bill would increase the wages of more than 78,000 workers in Delaware with an average age of 35, and about 54 percent of whom work full time. It would also affect over 18 percent of Delaware children.

A low minimum wage is a main contributor of income inequality, which threatens our economic future. Some claim that lazy and unskilled workers are to blame for wage stagnation, but economists have debunked that argument, pointing to low minimum wage and anti-union policies that have weakened the bargaining position of workers as the real problems.

As a result, employees are starting to protest for higher wages, asking unions to help them organize, demanding legislation favorable to workers from their elected officials and holding them accountable at the voting booth.

Fair-minded billionaire Warren Buffett debunked the myth that “all one has to do is work hard to get ahead.” Pointing out that not everyone’s “bootstraps” are equal, he said, “My wealth has come from a combination of living in America, some lucky genes, and compound interest. My being born male and white also removed huge obstacles that a majority of Americans face.” In the interest of fair play, let’s give everyone a chance to live the American Dream by paying all working people a living wage.

The Delaware Housing Coalition’s annual “Who Can Afford to Live in Delaware” report notes that “Declining upward mobility and growing political and economic inequality perpetuate harmful social conditions that threaten to undermine civil society....”

We share this grave concern.

*Jill Fuchs is president of the League of Women Voters of Delaware.*