

The Minimum We Can Do: Wage Floors in the U.S.

UNION PRIVILEGE LIAISONS' CONFERENCE

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Sound familiar?

*"Do not let any calamity-howling executive
with an income of \$1,000 a day,
...tell you...*

*that a wage of \$11 a week is going to have a
disastrous effect on all American industry."*

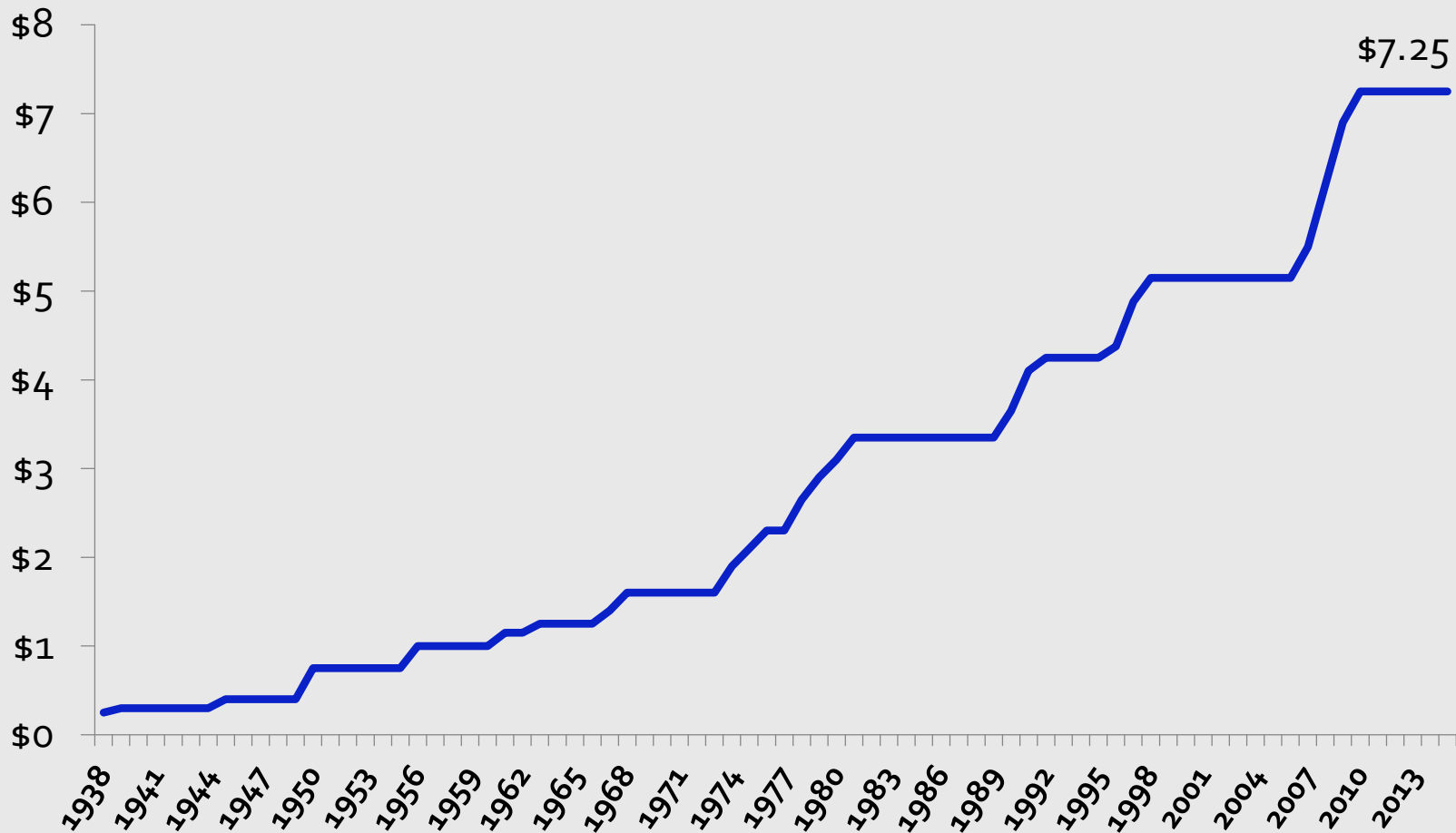
~President Roosevelt

The night before signing the 1938 FLSA

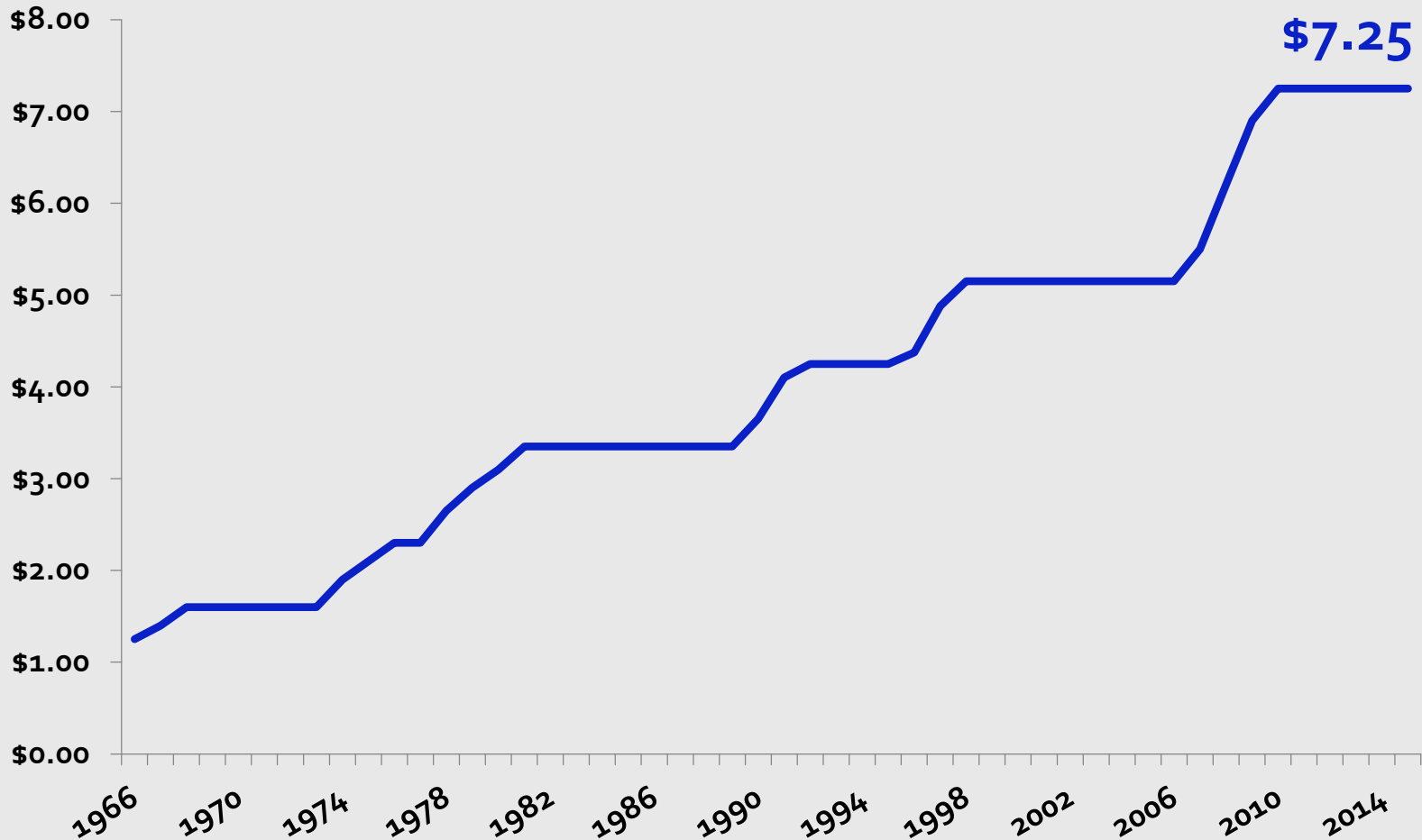
FLSA beyond MWs



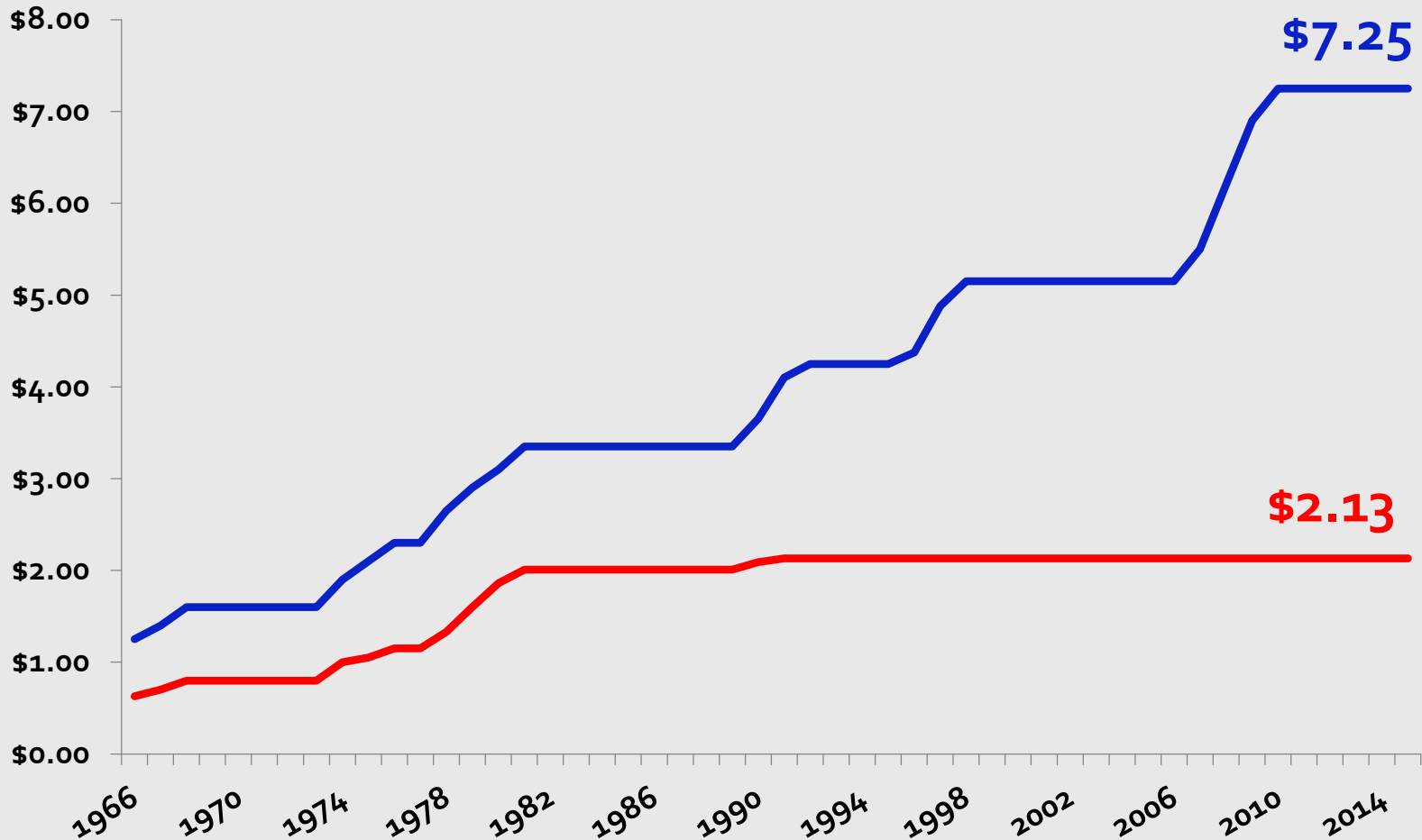
1938 FLSA & a 25 cent MW



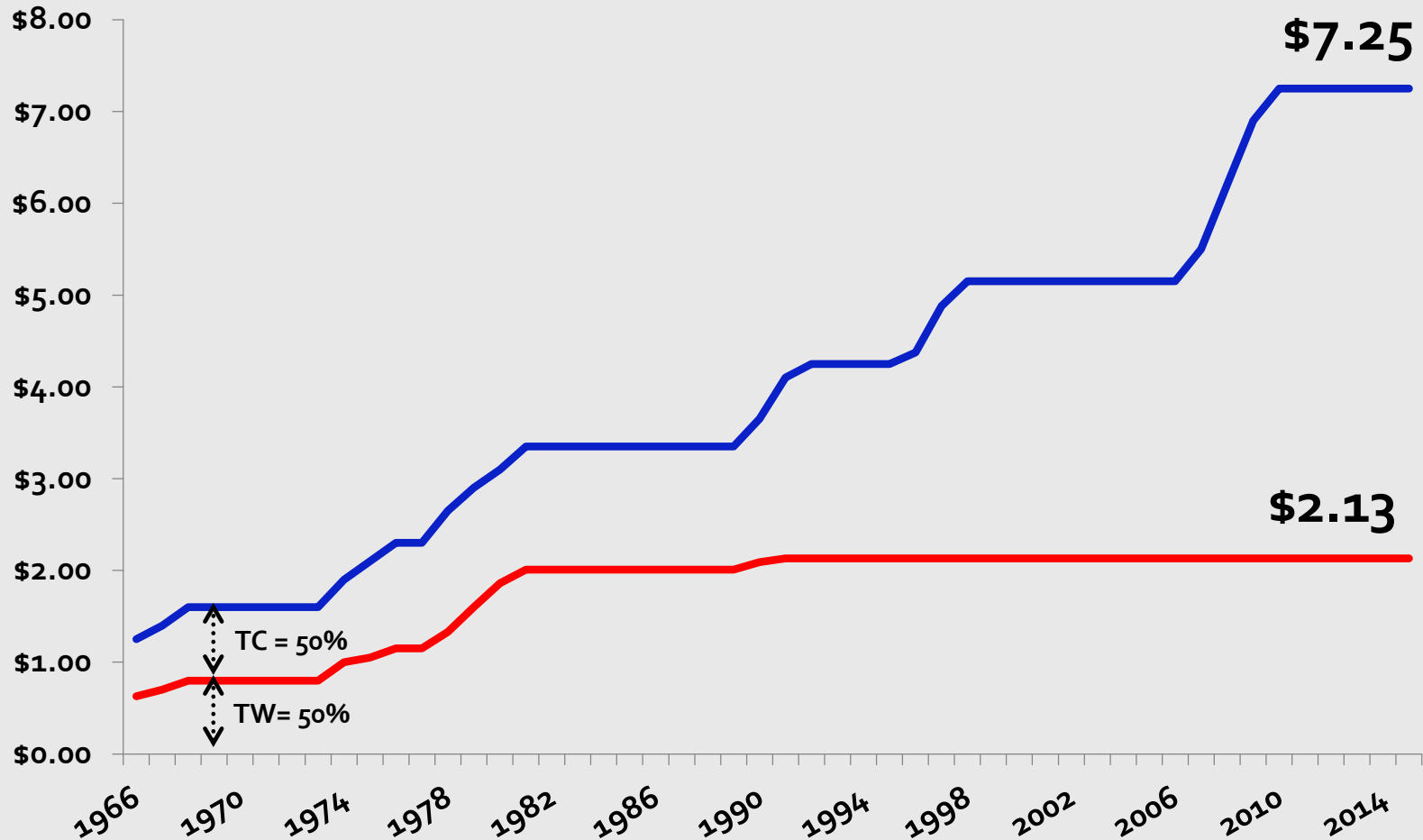
1966 FLSA & The Two-tiered System



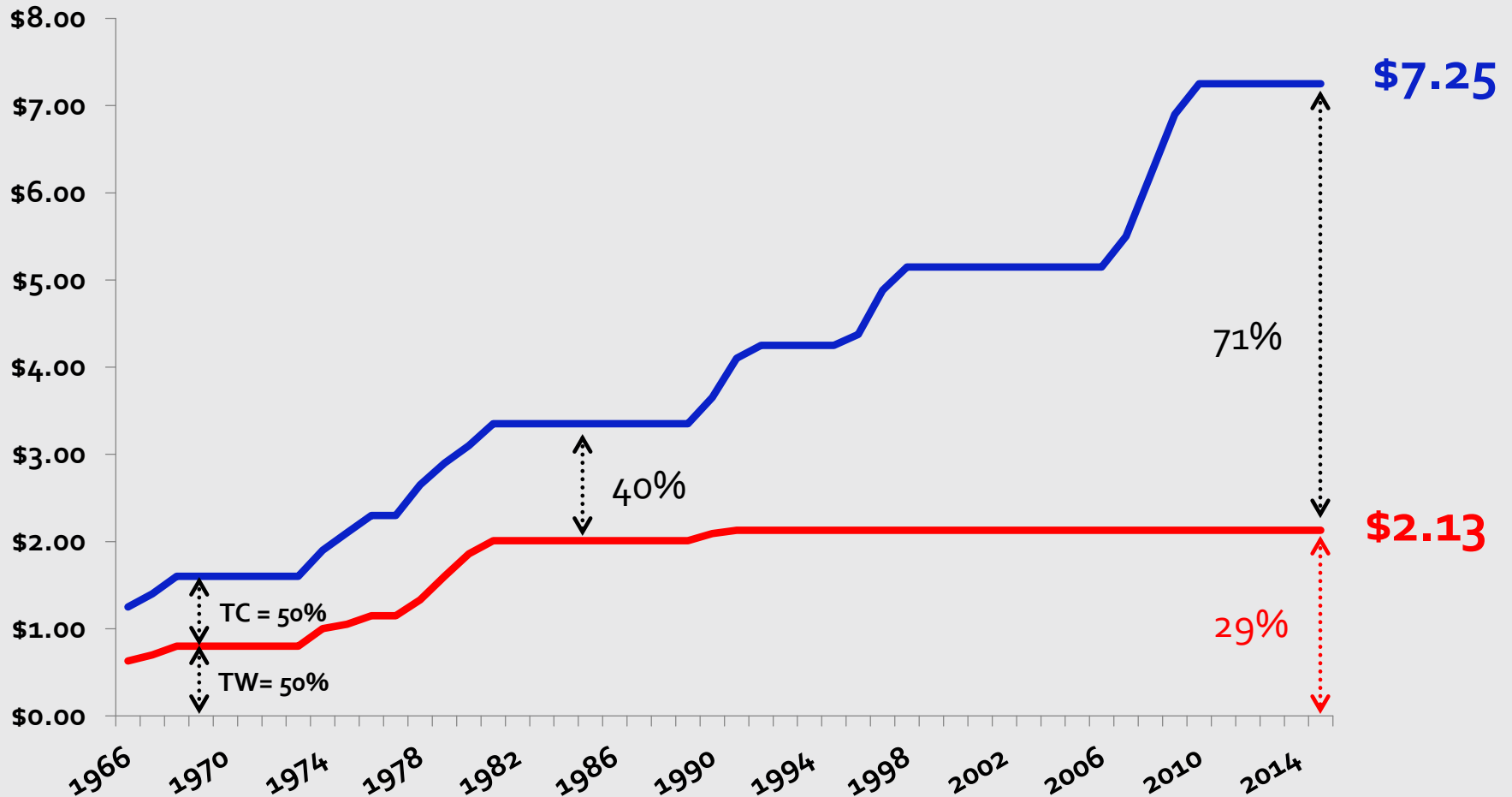
1966 FLSA & The Two-tiered System



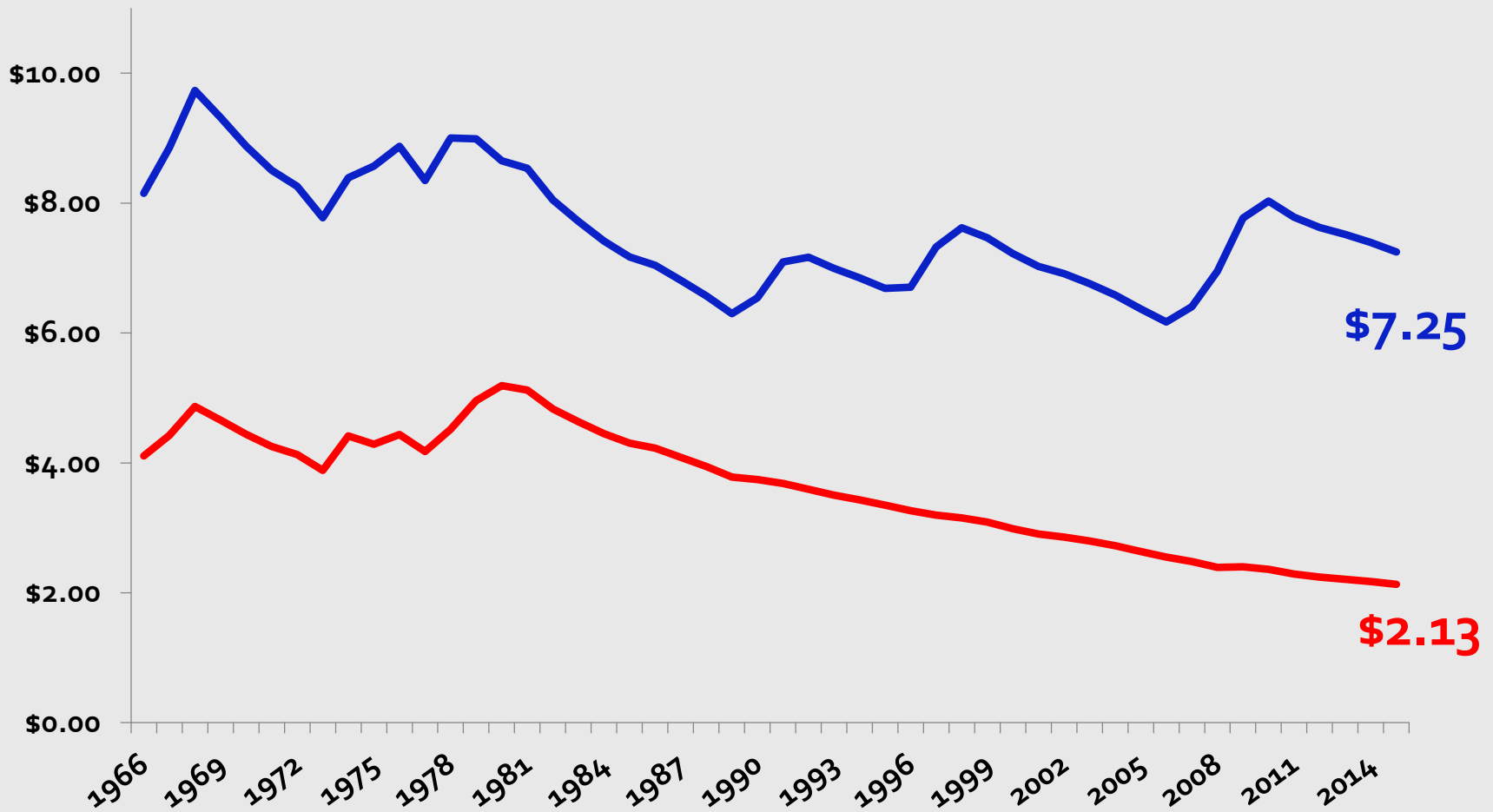
The Two-tiered System



Customer provided wage subsidy

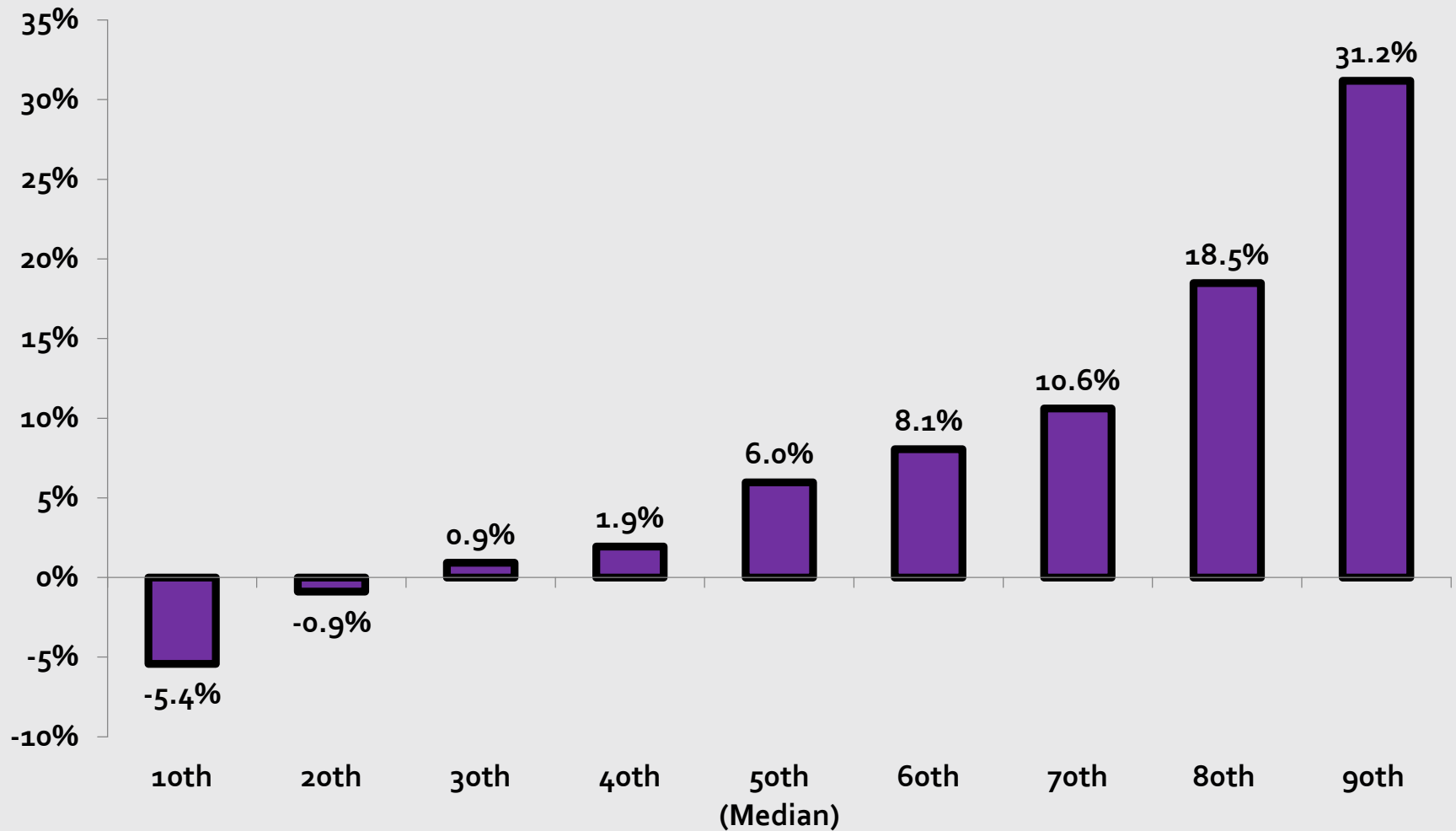


Slip sliding away

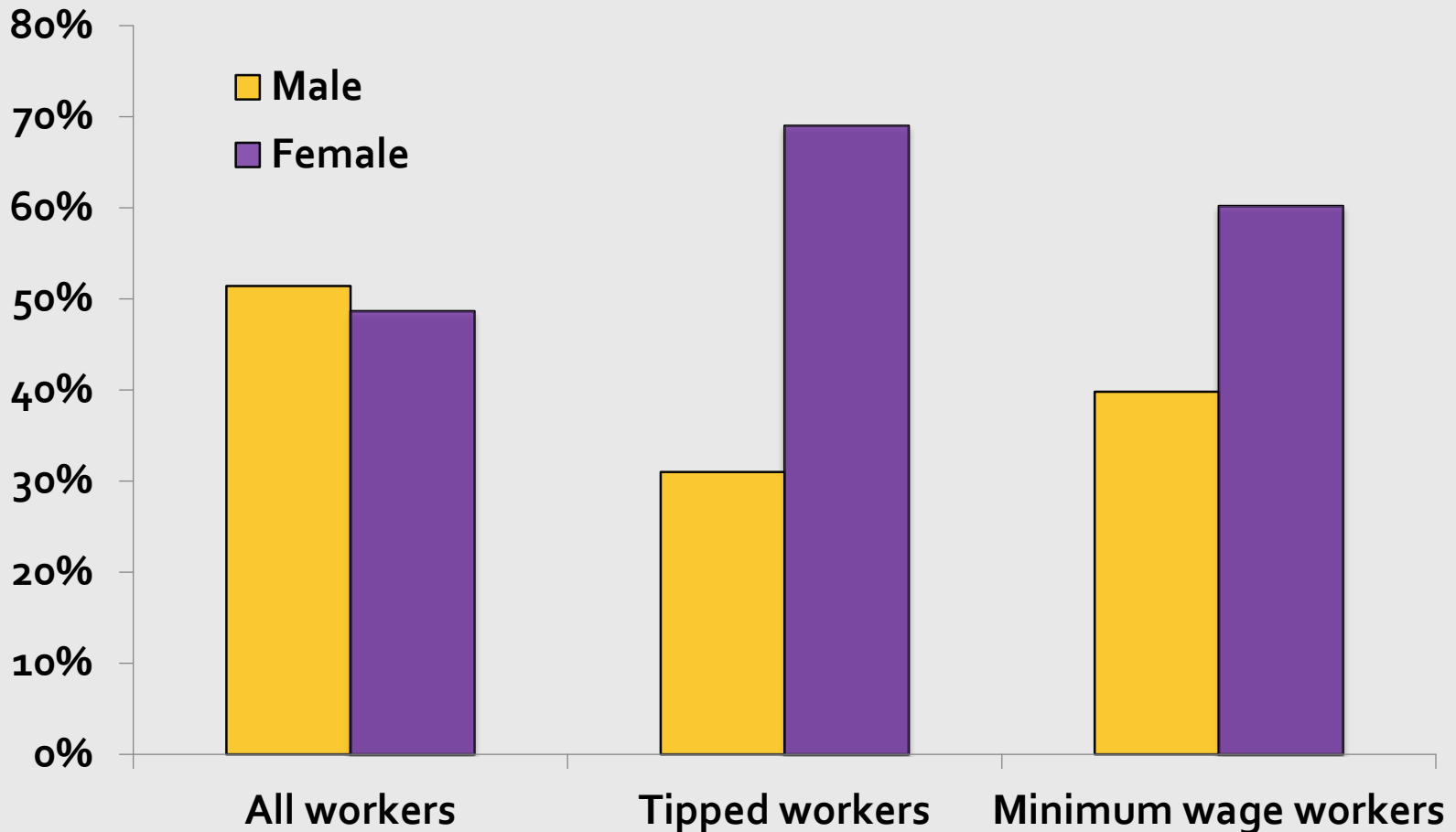


...some will win and some will lose

Wage Growth in the USA: 1979-2013



Gender matters

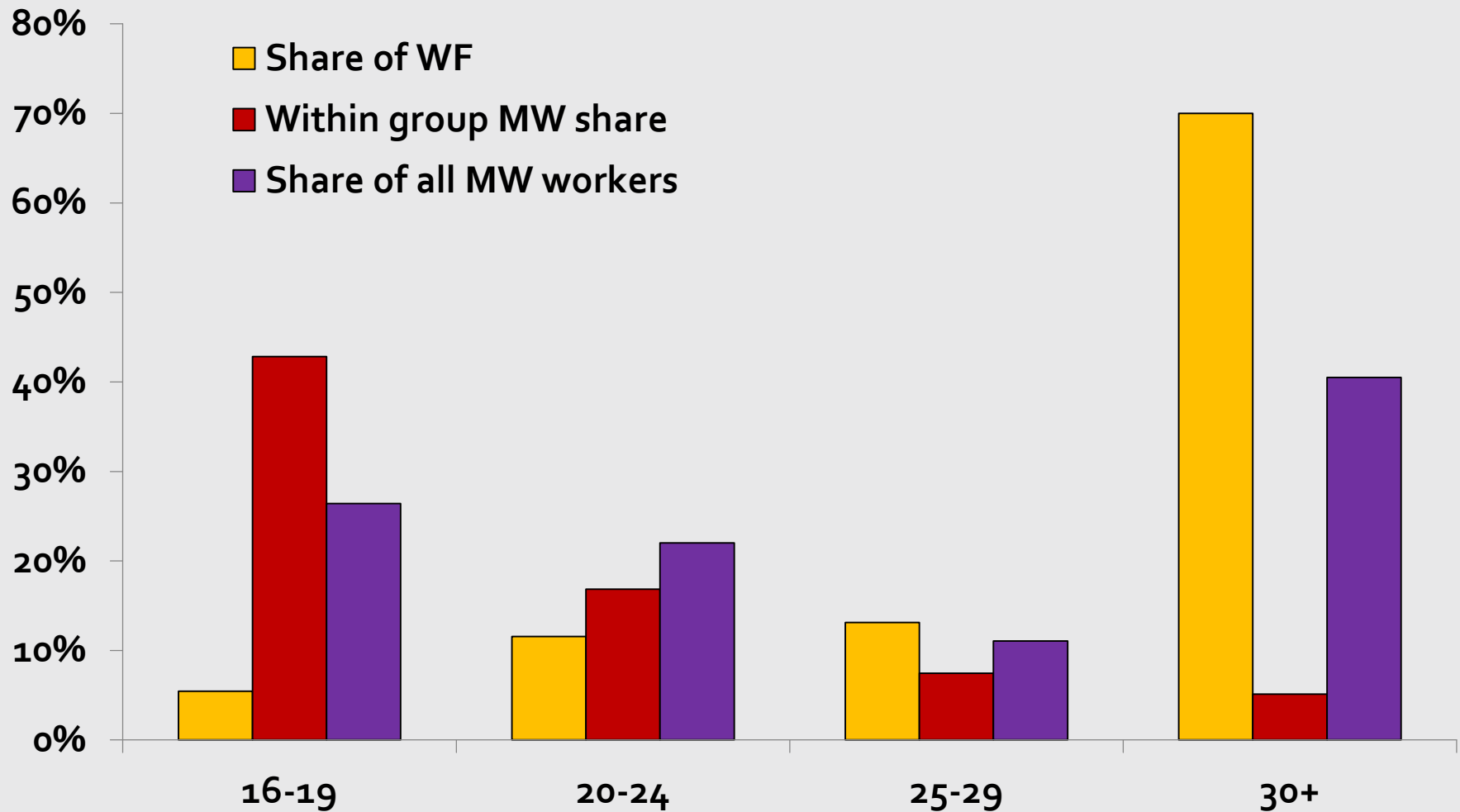


Source: BLS CPS data. Allegretto & Cooper, EPI 2014 brief <http://www.irle.berkeley.edu/cwed/briefs/EPI-CWED-BP379-1.pdf>

Restaurant industry is booming



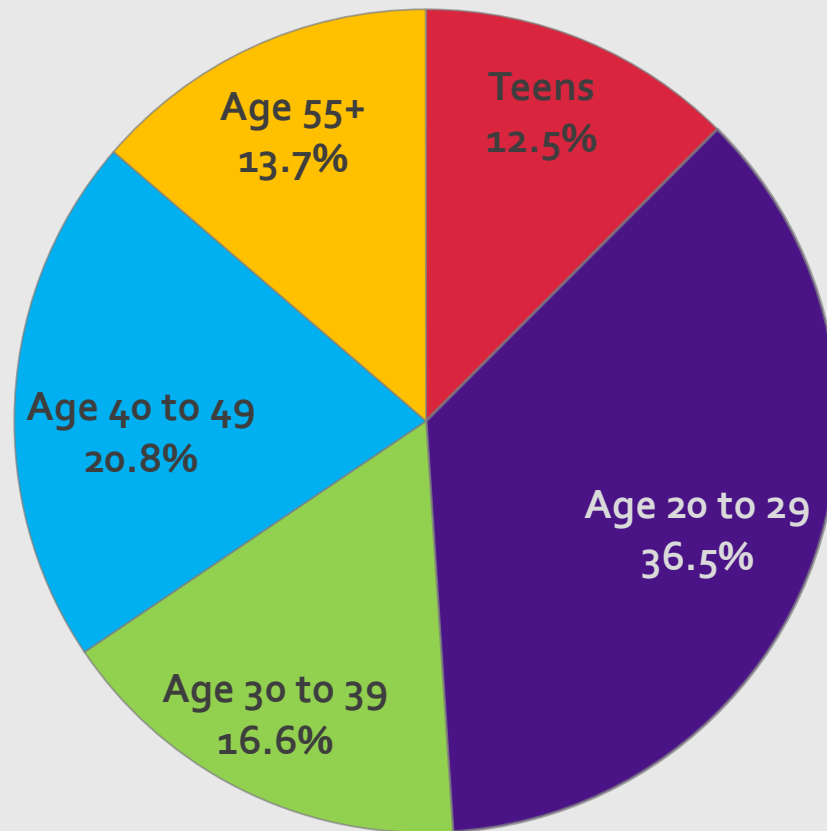
Who are MW workers?



Source: BLS CPS data

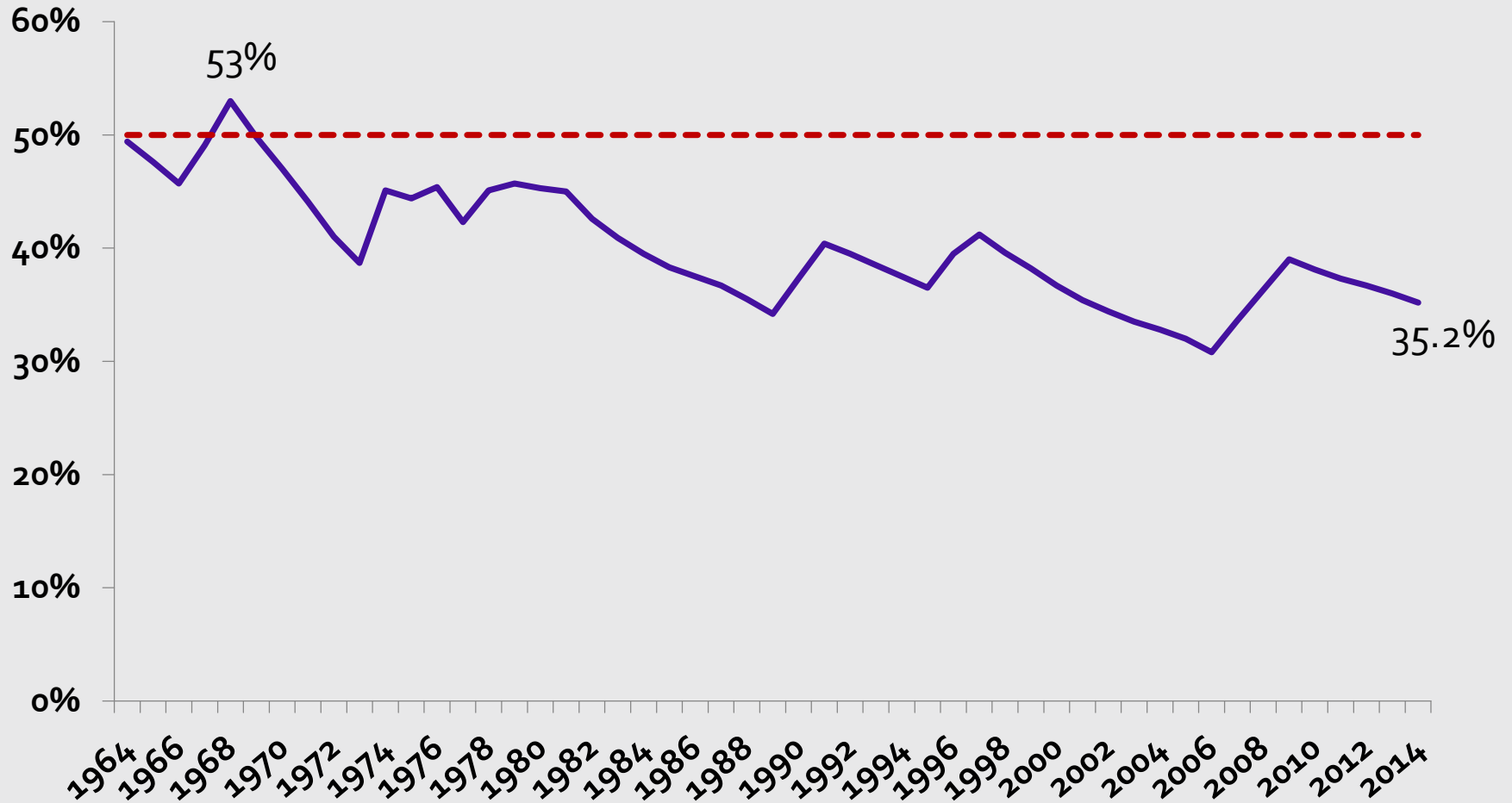
Allegretto 2015

MW Policy \$10.10

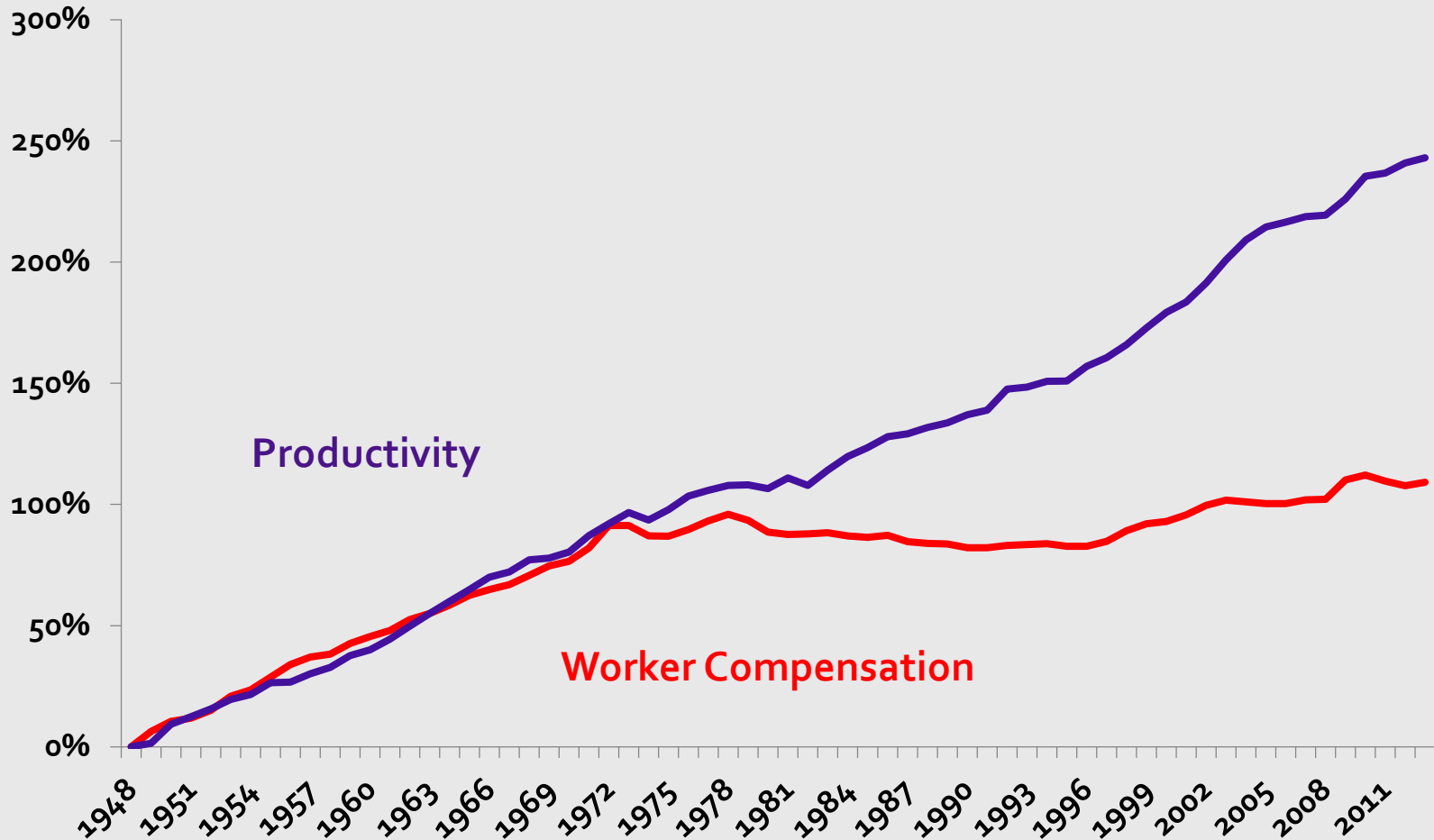


Source: The Economic Policy Institute, Briefing Paper #371. <http://www.epi.org/publication/safety-net-savings-from-raising-minimum-wage/> by David Cooper.

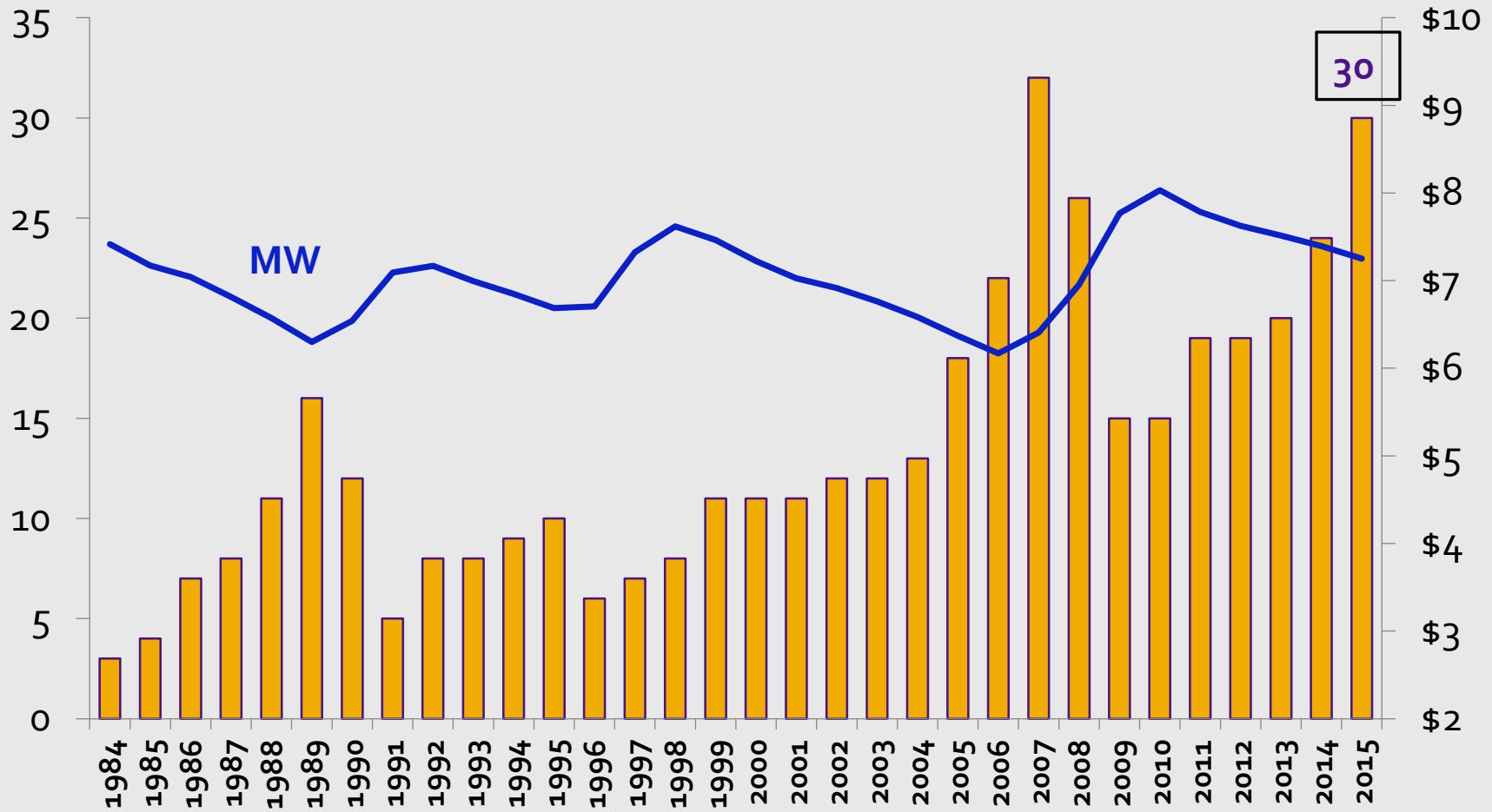
What should it be?



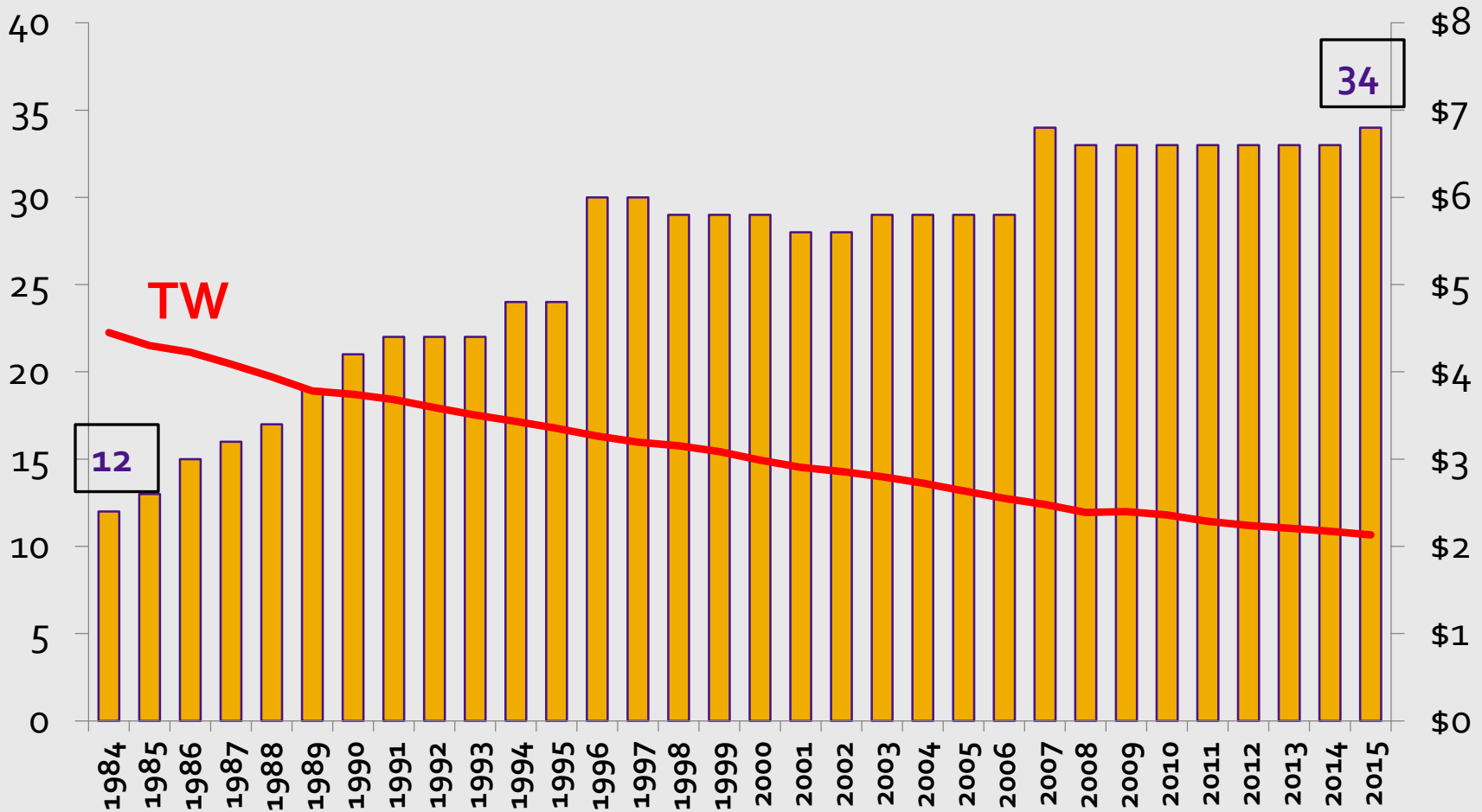
“One step up & two steps back” ~Springsteen



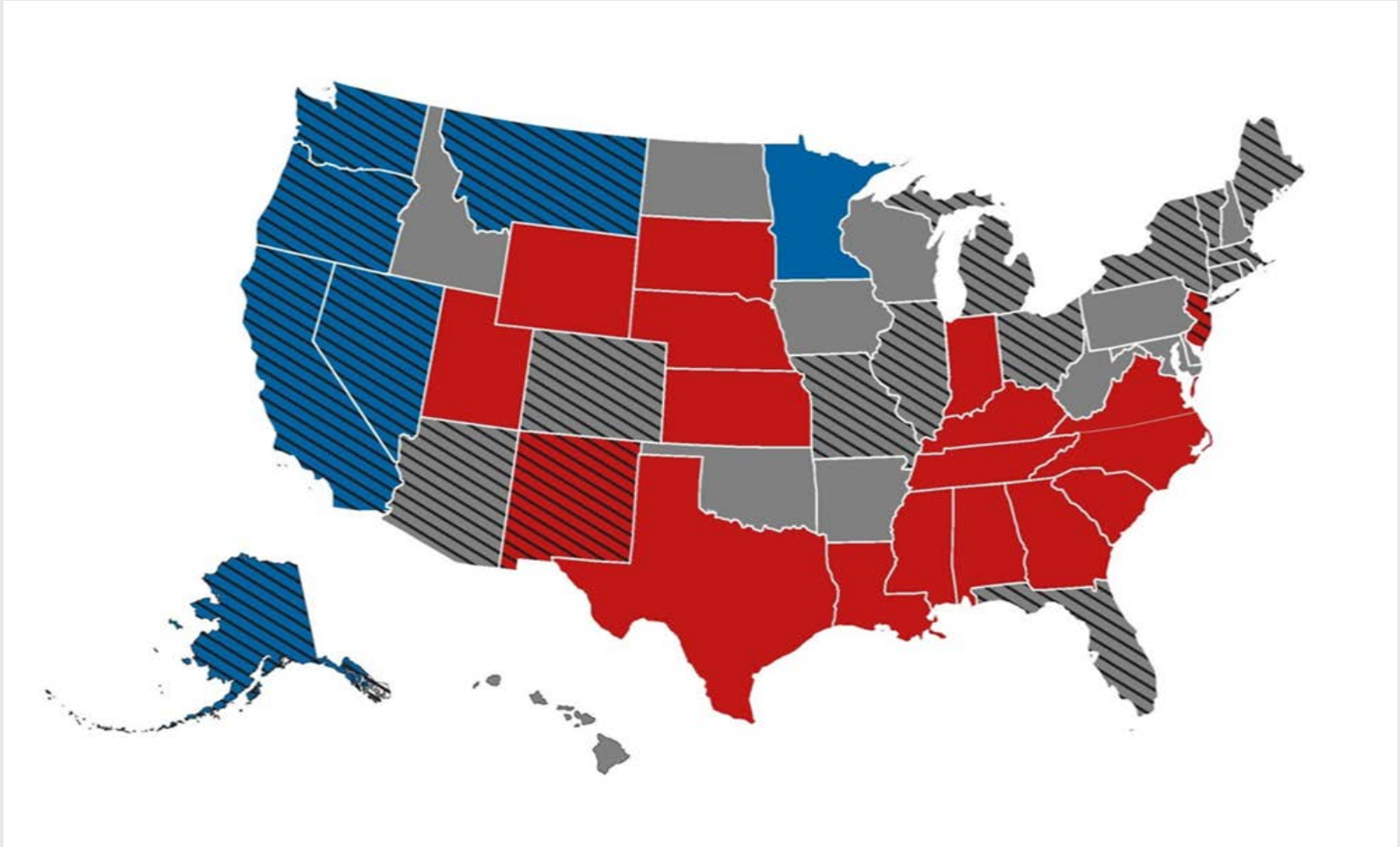
States act when FMW erodes



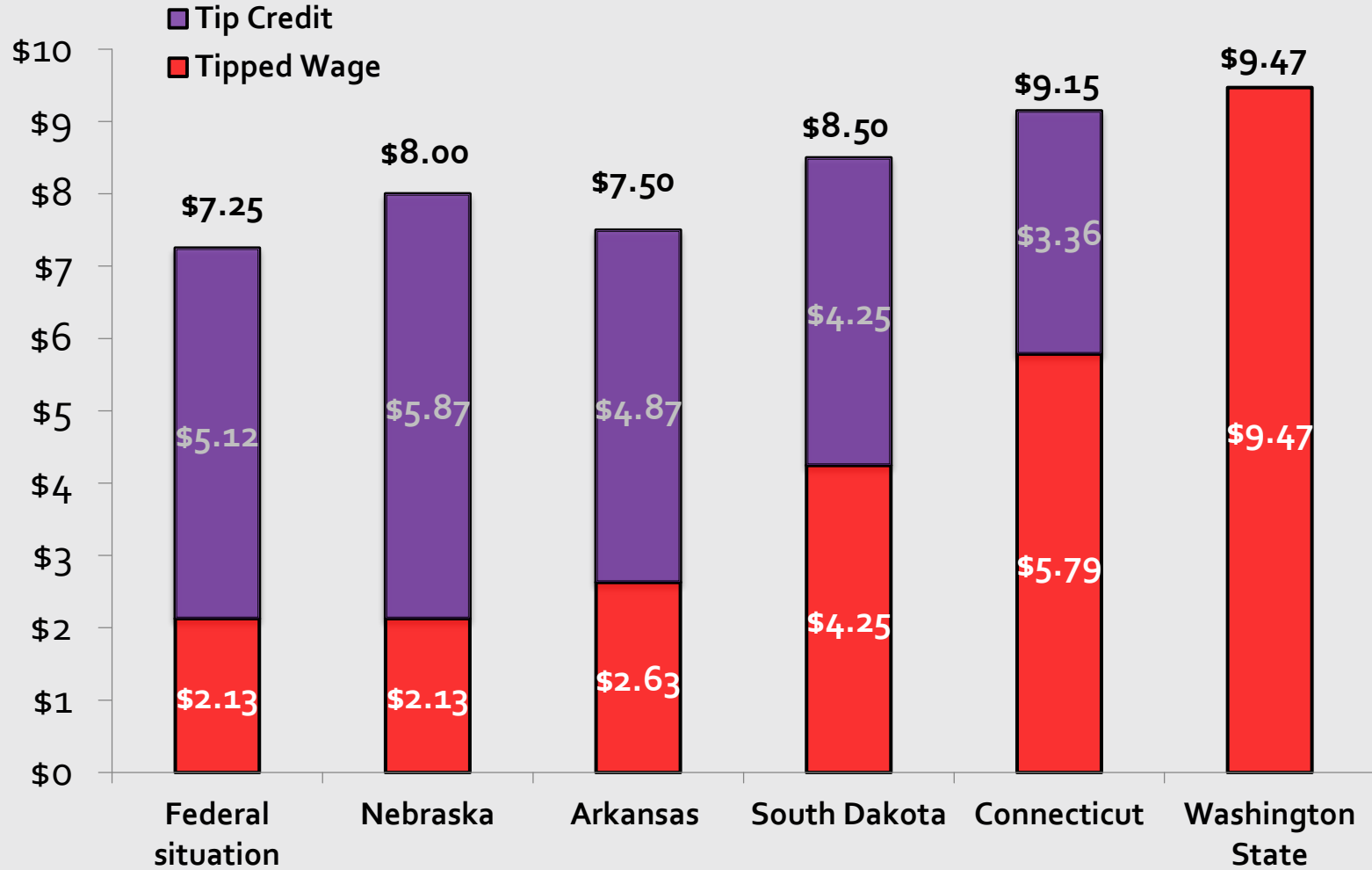
States with TW > \$2.13



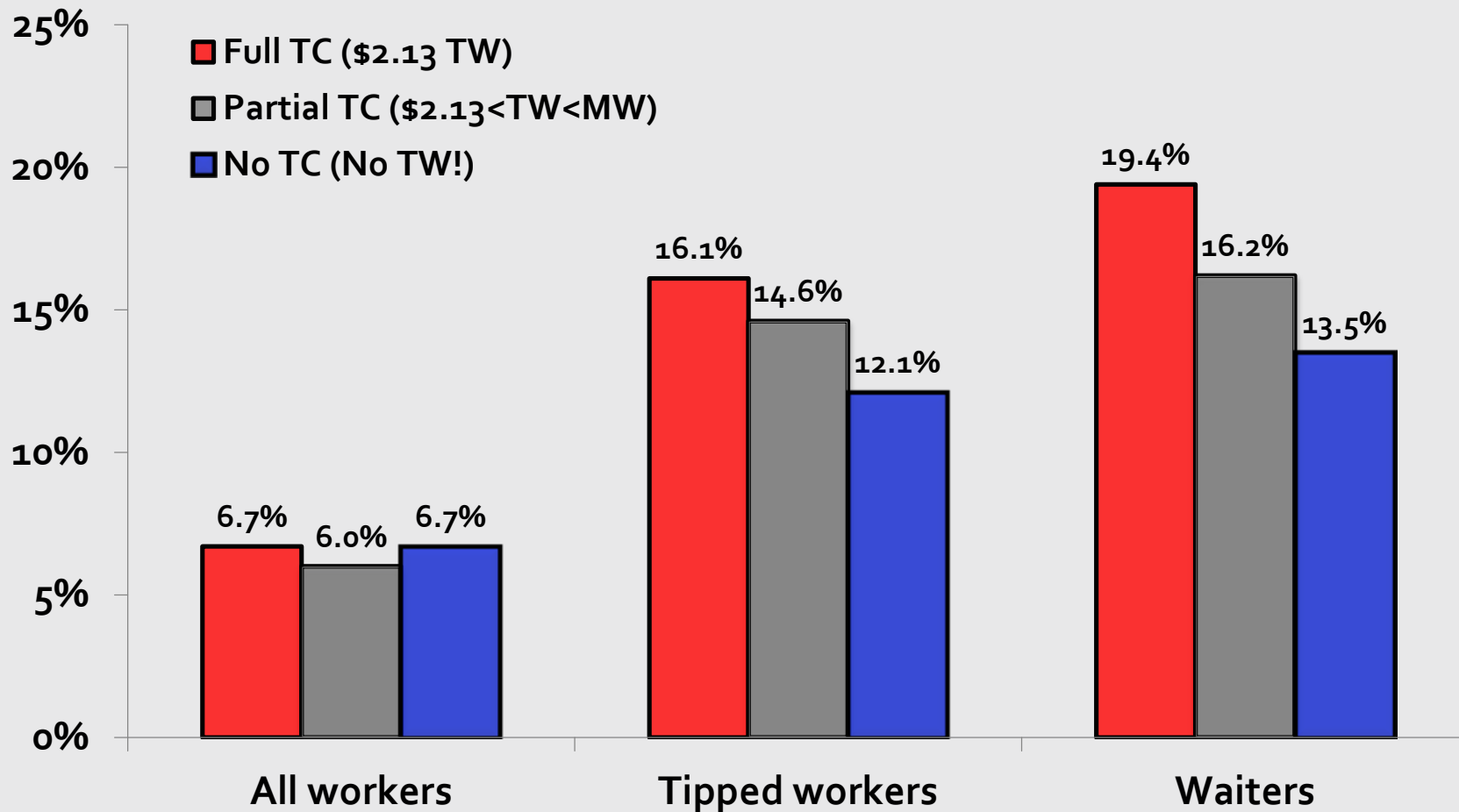
Natural experiment



MW – TW = Tip Credit



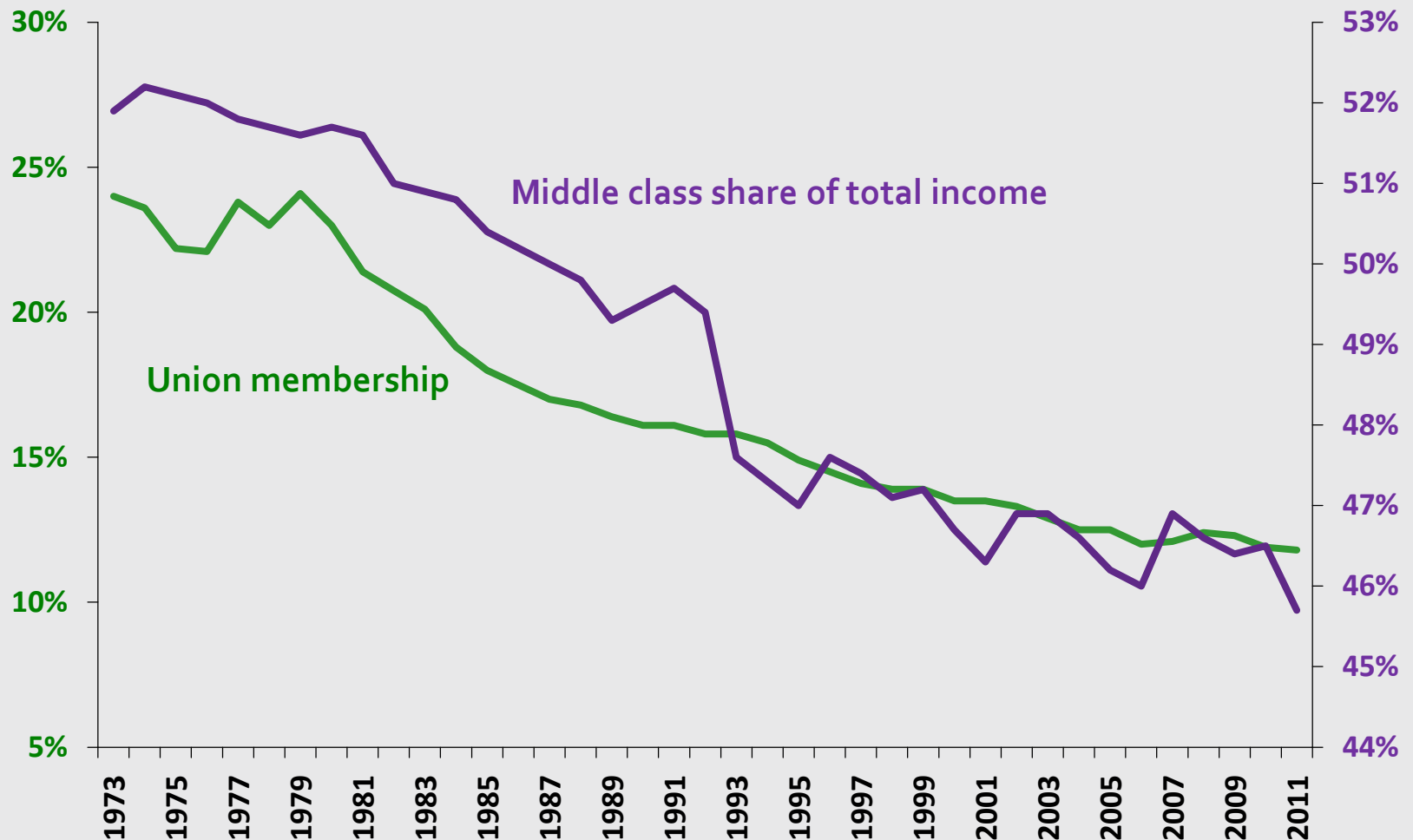
Poverty rates



Source: BLS March CPS data. Allegretto & Cooper 2014.

Allegretto 2015

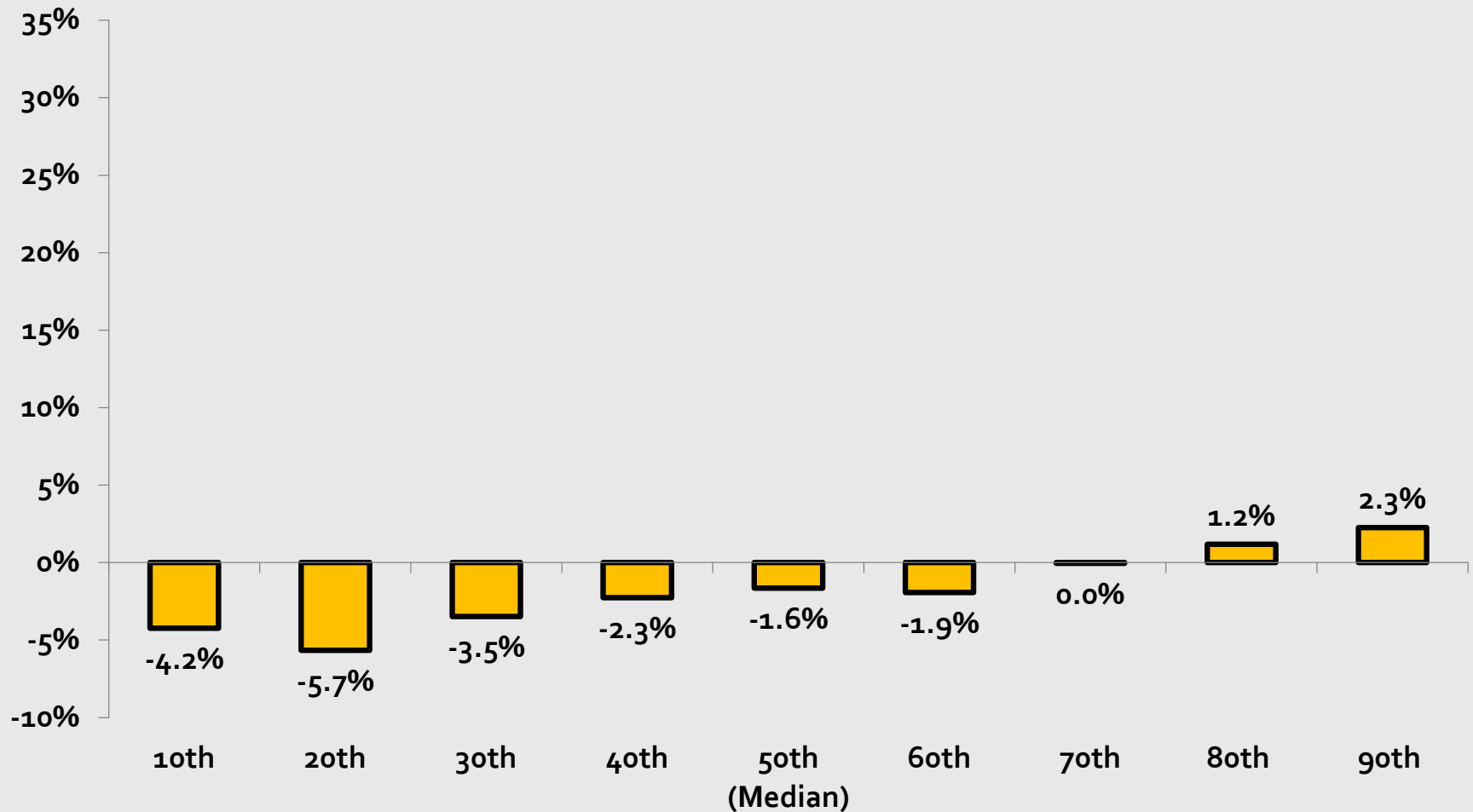
Unions & inequality



Source: Madland & Bunker CAP. Hirsch and Macpherson, unionstats.com; U.S. Census, Current Population Reports.

...the great recession keeps on giving

Wage Growth in the USA: 2007-2014





Importance of wage floors

- More important as few workers have unions/bargaining power
- Four decades of declining wages
- Recent stagnating family incomes
- Significant increases in student loans
- Workers falling further behind amidst growing inequality

Can we raise the wage floors?

- **Yes, both the MW and the TW**
 - Natural experiment and credible academic studies
- **Polls report 75% want \$12.50 MW**
 - 53% of Republicans agree
 - 71% support elimination of tipped wage
- **Workers, activists & unions push forward**
 - FFF \$15 and right to collectively bargain
 - Restaurant Opportunities Centers
 - Unions support higher MWs
 - OUR Walmart

THANK YOU!

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www.irle.berkeley.edu/cwed/allegretto.html

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Resources

- CWED <http://www.irle.berkeley.edu/cwed/allegretto.html>
- IRLE: www.irle.berkeley.edu/research/minimumwage
- The Economic Policy Institute: www.epi.org
- NELP: www.nelp.org
- DOL FLSA: www.dol.gov/dol/aboutdol/history/flsa1938.htm