

Contrary to the rhetoric, a hike in the minimum wage will not cost jobs

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Author: The following column was written by US Senator Edward M. Kennedy, state Senate President Thomas Birmingham, state Senator Stephen F. Lynch, and state Representative James Marzilli.

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The nation is enjoying an extraordinary period of growth and prosperity. Some experts are calling it "the best economy ever." Alan Greenspan says the current economic performance "is as impressive as any I have witnessed." The stock market is soaring. Unemployment is at its lowest level in 28 years, and inflation is at its lowest level in 40 years. But for too many Americans in Massachusetts and around the country, it's someone else's boom. This fact is especially true for those at the bottom of the pay scale. Minimum-wage workers have not received their fair share of this remarkable growth. Working 40 hours a week, 52 weeks a year, they earn just under \$11,000 -- nearly \$3,000 below the poverty level for a family of three. That's why we say now is the time to raise the minimum wage. No one who works for a living should have to live in poverty.

We know who minimum-wage workers are. Three-quarters are adults over the age of 20. They are disproportionately women -- 60 percent. They are single women heading households -- 20 percent. Half work full-time, and 80 percent work at least 20 hours a week. The average minimum-wage worker contributes over half of his or her family's weekly earnings. They work hard, and they deserve to be treated with dignity. About 138,000 workers in Massachusetts deserve a fair increase in the minimum wage, and it's time for Congress and the state Legislature to enact it.

Nay-sayers in Washington and Massachusetts parrot the same arguments they have always used against a fair minimum wage. They claim an increase will damage the economy, cost jobs, and hurt the very people it's intended to help. The more they make those false claims, the longer their noses get.

Consider the National Restaurant Association. It claims a "study" found that more than 146,000 restaurant jobs were lost because of the 1996-97 minimum wage increases. The Restaurant Association should stick to cooking meals, not statistics. Its "study" was actually a telephone survey of 1,000 restaurant owners and managers whose profits might be reduced if they paid workers a higher minimum wage. The Bureau of Labor Statistics reports that as of May 1998, 220,000 new restaurant jobs have been added -- not lost -- since the federal minimum wage was increased in 1996.

The Restaurant Association also claims that restaurant owners "postponed hiring" 106,000 employees. Again, it isn't true. By their own admission, restaurant owners are offering unprecedented benefits in order to get and keep workers.

According to the National Restaurant Association, "in addition to health and pension benefits, restaurants are increasingly offering disability insurance, day care, prescription benefits, and even relocation perks."

The president of the Restaurant Association of Metro Washington says: "Why restaurants are offering benefits is pretty simple. It's an incredibly tight labor market for restaurant workers, and there's only so much you can do with money."

The fact is that modest increases in the minimum wage do not cost jobs for men, women, adults, teenagers, African-Americans, Latinos, restaurant workers, or anyone else. The most recent increases in the minimum wage did not cause the sky to fall. There was no measurable effect on jobs and no measurable effect on inflation. The only measurable effect on low-income workers was positive -- they received the pay increase they deserved.

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