

TESTIMONY OF RICK MELITA
BEFORE THE LABOR AND PUBLIC EMPLOYEES COMMITTEE
MARCH 7, 2019

GOOD EVENING MEMBERS OF THE LABOR COMMITTEE, MY NAME IS RICK MELITA AND I AM THE DIRECTOR OF THE CONNECTICUT STATE COUNCIL OF THE SERVICE EMPLOYEES INTERNATIONAL UNION. SEIU REPRESENTS OVER 60,000 MEMBERS AND RETIREES IN THE HEALTHCARE, BUILDING SERVICES, AND PUBLICLY FUNDED SECTORS.

I AM HERE TO SPEAK IN FAVOR OF S.B. No. 2 AN ACT INCREASING THE MINIMUM FAIR WAGE AND H.B. No. 5004 AN ACT INCREASING THE MINIMUM FAIR WAGE.

I'D LIKE TO QUOTE FROM A REPORT FROM THE PEW RESEARCH CENTER FROM AUGUST 2018

For most U.S. workers, real wages have barely budged in decades

By Drew DeSilver

On the face of it, these should be heady times for American workers. U.S. unemployment is as low as it's been in nearly two decades (3.9% as of July) and the nation's private-sector employers have been adding jobs for 101 straight months – 19.5 million since the Great Recession-related cuts finally abated in early 2010, and 1.5 million just since the beginning of the year.

But despite the strong labor market, wage growth has lagged economists' expectations. In fact, despite some ups and downs over the past several decades, today's real average wage (that is, the wage after accounting for inflation) has about the same purchasing power it did 40 years ago. And what wage gains there have been have mostly flowed to the highest-paid tier of workers.

THERE ARE THREE WAYS FOR WAGES TO BE SET IN OUR LATE STAGE CAPITALIST ECONOMY- BY MARKET FORCES, BY COLLECTIVE BARGAINING, AND BY GOVERNMENT POLICY. I DON'T KNOW WHY THE ECONOMISTS IN THIS ARTICLE ARE PUZZLED OVER LOW WAGE GROWTH IN TIMES OF TIGHT LABOR MARKETS. OVER THE YEARS, AS CORPORATIONS AND THE FRACTION IF THE THE 1% THAT CONTROL THEM ATTAINED MORE AND MORE POWER, THEY CHOSE TO STIFLE THE MARKET'S ABILITY TO SET WAGES AND KEPT MORE AND MORE MONEY FOR THEMSELVES. THAT POWER GRAB HAS ALSO HELPED CRIPPLE COLLECTIVE BARGAINING - THE MOST RECENT EXAMPLE WAS THE THEFT OF A SUPREME COURT SEAT TO ENSURE ANTI UNION OUTCOMES IN THE SUPREME COURT, CASES THAT WERE BROUGHT BY CORPORATE FUNDED FRONT GROUPS. THAT LEAVES GOVERNMENT, WHICH ALSO IS HIGHLY SOLICITOUS OF THE NEEDS OF THE WEALTHIEST AMONG US. THE FEDERAL MINIMUM WAGE WAS LAST RAISED IN JULY 2009.

THE RESULT OF THIS POWER GRAB AND SELF ENRICHMENT OF THE CORPORATE RULING CLASS IS UNSURPRISING - HISTORIC INCOME INEQUALITY. LET'S HIGHLIGHT TWO CORPORATIONS THAT PAY LOW WAGES - MCDONALDS AND WALMART. THE AVERAGE MCDONALDS' US WAGE IS ROUGHLY \$12,200 A YEAR AND THE MEDIAN WALMART SALARY IS \$19,177. BUT CEOS IN BOTH THESE COMPANIES ARE PAID AROUND \$22 MILLION.

YOU HAVE HEARD MUCH TESTIMONY TODAY ABOUT THE NEED TO RAISE THE MINIMUM WAGE, AND HOW IT DOES NOT NEGATIVELY IMPACT THE ECONOMIES OF LOCALES THAT RAISE IT. I URGE YOU TO PASS THESE BILLS BECAUSE IT IS THE RIGHT THING TO DO FOR CONNECTICUT WORKERS.

SEIU ALSO SUPPORTS S.B. No. 764 AN ACT PROHIBITING "ON-CALL" SHIFT SCHEDULING, S.B. No. 989 AN ACT CONCERNING BASIC LABOR STANDARDS FOR TRANSPORTATION NETWORK COMPANY DRIVERS, AND H.B. No. 7224 AN ACT CONCERNING PARAEDUCATOR PAY EQUITY.