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Higher Minimum Wage Benefits Workers, Businesses

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Perception often lags behind reality, particularly when it comes to the minimum wage in Connecticut and the country. Because of the unfortunate — but not unusual — time lag in recognizing facts on the ground, much of the resistance to the proposed incremental increase to a \$10.10 hourly wage, now before the General Assembly, is misplaced. It relies on what people think they know to be true, but isn't.

It begins with minimum wage workers. They are not your grandfather's part-time workers, flipping burgers to make a few extra bucks. Today, the average age of minimum wage workers is 35.

These are people seeking desperately to get an economic foothold and to provide for themselves and their families. Among those who would be affected by an increased minimum wage nationally, about 54 percent work full time, about 69 percent come from families with income less than \$60,000 and more than a quarter have children. Many are women. The average minimum wage worker earns half of his or her family's total income, according to the Economic Policy Institute.

The Connecticut Department of Labor estimates as many as 90,000 workers earn the minimum wage here. Research by Connecticut Voices for Children indicates that although Latinos comprise only 12.84 percent of the workforce, we make up a disproportionate share, 17.1 percent, of those who would be affected by an increase.

In 1979, less than 25 percent of low wage workers had any college experience, and most had not finished high school. Today, nearly a third have been to college, and another 10 percent have graduated. Nonetheless, their advanced education hasn't led to better paying jobs.

That, in part, is because many middle income jobs have disappeared. Low wage workers are virtually locked on what previously was the first-rung of the economic ladder. The middle rung jobs, which brought advancement to the middle class, have been obliterated by recession or technology, or both. Minimum wage workers — especially those in the Latino and other minority communities — have fewer choices and fewer chances to advance.

Providing a realistic living wage would not only help these families and workers, it would help all of us. It is not drastic or dramatic. It is overdue.

From the mid-1960s until the early 1980s, minimum wage workers earned a wage equal to roughly half that of the typical American worker. Today's minimum wage is equal to only 36 percent. Raising the minimum hourly wage to \$10.10 would return it to about half.

A correction is badly needed, lest the disparity continue its misguided trajectory.

Today's misaligned minimum is not due to economic necessity. Over the past 45 years, the U.S. economy expanded, and productivity more than doubled. Yet the minimum wage was left behind, and with it much of the American workforce, as costs continued to climb.

It is not a choice between being pro-worker and pro-family or being pro-business. Small businesses are vital to the Latino community and state. Small business drives our economy — and no community better exemplifies the link between family and business.

Paying workers a minimum wage that helps them meet basic expenses means they'll have a few more dollars to spend on essentials each payday. That money that will go into business coffers. Although a minimum wage increase may cost small business slightly more in payroll, the return on that investment will be more customers.

Research over the past two decades has shown that modest increases in the minimum wage have little to no negative effect on jobs, the Economic Policy Institute reports, and the National Employment Law Project found that two-thirds of low-wage employees work for companies with more than 100 employees.

Evidence suggests that when costs increase, for whatever reason, employees are the last place that small employers make cuts. Budgets are carefully trimmed to ensure that employees — who are vital to customer service, the linchpin of any successful business — can be kept on the job. The incremental nature of the minimum wage proposal both at the federal and the state level provides businesses time to plan, adjust and prepare.

The peace of mind in knowing that one can provide adequately for a family's needs can't be underestimated — and can't help but boost employees' productivity. President Barack Obama, said during his recent stop in Connecticut, "Nobody who works full time should ever have to raise a family in poverty. That violates a basic sense of who we are. That's why it's time to give America a raise." Fairness goes a long way. What is good for American families — be they Latino or otherwise — is good for business.

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