Living wages improve our communities

Michigan’s minimum wage of $5.15 an hour provides less than two-thirds of the pay needed to lift a family of four out of poverty.

Because of that, many communities in the state and around the nation have enacted living wage ordinances. These laws usually require that employers who receive public funds pay enough to keep their workers just at the poverty line. In addition, the laws frequently encourage the employers to provide health care benefits. For example, the living wage in Detroit is set at $8.44 an hour, $10.50 without medical benefits.

Communities protect themselves in this way by supporting healthy, high performance workplaces with a future. Citizens in these communities reason that it is not in their best interest to pay taxes that will be used to keep workers below the poverty level. These locales want the positive ripple effect set in motion when workers receive wages that allow them to afford decent living standards. By rewarding companies that provide health care, communities also lower public health care costs and improve community health.

Thirteen local governments in Michigan have enacted such ordinances and several others are considering them. In addition, there has been discussion about enacting living wage standards for the employees of some contractors at the federal level.

Unfortunately, some employers, along with the politicians they support, want to deny this option to communities.

One of the arguments often made against the living wage is that it will hurt the business climate and keep new businesses from locating in the community. However, areas that have passed the ordinances do not report this experience.

Living wage ordinances don’t apply to all businesses, only those asking for contracts or other grants of a minimum set dollar amount. Many taxpayers are tired of providing public assistance to companies that underpay their employees. If a business is opposed to paying workers a living wage, then it doesn’t have to bid on city contracts or ask for taxpayer dollars.

In Michigan, legislation was introduced in both the House and Senate in recent years that would ban community living wage ordinances. Both bills are currently at a standstill, but this sort of legislation can always be resurrected.

We need to make sure our representatives at every level support living wages for full time workers, especially when those wages are coming out of our tax dollars. Anything else hurts employees, their families and the community. We need to ask candidates where they stand on these issues and vote accordingly.

It pays to vote union!

Position paper #3 in the 2002 Elections Series
The Issues and Education Committee of the Clerical Technical Union of MSU