Minimum wage must be adjusted for inflation

by Marc H. Morial

Back in November, the black community, which mobilized and turned out in record numbers to vote, played a major role in achieving the transformation that has taken place on Capitol Hill. With the 110th Congress in full swing and its first female house speaker in U.S. history in command and blacks in prominent leadership posts, it's time for lawmakers to make good on their election-year rhetoric.

So far, so good.

Under the tutelage of Speaker Nancy Pelosi, D-Calif., the House recently passed by an impressive 315-116 margin legislation raising the minimum wage to $7.25 an hour over the next two years. I must commend Pelosi and her cohorts for rallying the ranks to follow through on their election year promises. I also must applaud them for producing a clean bill free of concessions to the business community in the form of tax breaks. As I said back in July during the National Urban League's annual conference in Atlanta, increasing the minimum wage is a small but necessary step toward narrowing the economic divide between minorities and whites in the United States. The current federal wage of $5.15 an hour has been in place since 1997. When adjusted for inflation, it is at its lowest level since 1955. Under the bill that won House approval, Americans working full time at minimum wage can expect to see their earnings rise nearly 47 percent, to $15,070 a year, nearly $5,500 above the poverty line for individuals. Overall, 13 million workers (10 percent of the U.S. work force) are expected to benefit from the wage hike, 16 percent of them blacks. More than half of states already require employers to pay workers an hourly wage above the federal minimum level. And according to a recent Associated Press-AOL News poll, 80 percent of Americans surveyed support a hike.

Our federal lawmakers need to bring our nation's lowest-wage earners out of the 1950s and into the 21st century. These workers can barely support themselves, let alone their children. Ten years of inaction by Congress has thrown more and more Americans off the road to economic prosperity and into the trenches of poverty. If we fail to acknowledge their hard work, we risk exhausting their hopes of achieving the American dream.

Now, the pressure lies upon the U.S. Senate to follow the House's lead and give our nation's working poor a needed raise. And the chamber's members must do so without the addition of sweeteners to quell the concerns of small-business interests convinced that a higher minimum wage would imperil their bottom line and, as a result, increase unemployment. Such fears are unfounded, according to the Fiscal Policy Institute. The group found that from 1998 to 2003 the number of small businesses in 10 states with minimum wages higher than the $5.15 an hour actually grew at a faster rate than their counterparts in other states - 5.4 percent compared to 4.2 percent. The institute discovered similar increases in number of employees and payroll spent per worker.

For far too long, our federal lawmakers have ignored the plight of our nation's lowest-paid employees. In recent years, they've spent more time cutting breaks to the bosses of the working poor than the working poor. Our national government needs to consider the needs of David over Goliath once in a while.

While I am encouraged by the House's recent action, it should only be a beginning. It is not enough just to raise the wage every decade if it doesn't keep pace with the cost of living. That is why I am urging Congress, as it irons out final details on this legislation later this year, to include a provision indexing future increases to inflation. Four states - Florida, Washington, Oregon and Vermont - already employ indexing. And according to the Economic Policy Institute, the cost of adjusting the current minimum wage for inflation over the past 10 years would have amounted to just $1.33 an hour.

For such a small investment, our leaders could have spared millions of American workers already in precarious economic positions from losing ground in their pursuit of the American Dream. By adjusting the wage for inflation, we'll assure that the lowest-paid employees are afforded the same cost-of-living increases as congressional members. Why should America's working poor be treated any differently?

Â© Copley News Service

Minimum wage must be adjusted for inflation by Marc H. Morial