

## **John Kostrzewa: Minimum wage hike is only the start**

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Many Rhode Islanders who voted on Tuesday for anti-establishment candidates for president are angry about economic insecurity and income inequality. For too long, they've been working longer and harder for less.

One answer to relieve that economic anxiety has been "Fight for 15" -- the drive to raise the minimum wage to \$15 for low-end fast-food, retail and health-care workers.

Already, New York, California and several cities, including San Francisco, Los Angeles and Seattle, have approved wage hikes to \$15 in steps over several years for certain categories of workers.

While the "Fight for 15" has caught the attention of politicians under pressure and the public, hiking the minimum wage seems to be only a one-dimensional solution to the complex challenge of raising workers' living standards.

Sure, a minimum-wage increase puts more money in people's pockets and provides a little more cushion for families.

But it doesn't fix the sorry state of public education, skills training and job creation that can lead to more long-term opportunities for economic gains.

And then there are the business arguments that raising the minimum wage too steeply and too quickly would actually hurt workers by making employers cut back hours, lay off workers or curb plans to add jobs to save money to meet the additional costs of higher wages.

With those thoughts in mind, I went to the Policy and Budget Conference last week hosted by the Economic Progress Institute, formerly called the Poverty Institute, which has long advocated for working people. I wanted to hear the group's answers to the economic angst that continues to plague working Rhode Islanders.

Rachel Flum, EPI executive director, told 200 attendees that seven years after the end of the Great Recession, low-wage workers, and especially workers of color, are still being left behind.

That's because well-paying jobs are still scarce, wages have been flat for years (and down when inflation is factored in) and gaps in educational achievement have widened.

The EPI agrees with the call for raising the minimum wage. But its "Rhode to Economic Progress: An Agenda for Workers" is much more comprehensive and includes improving child-care assistance and increasing the state's earned income tax credit.

Also, EPI calls for protecting Sunday/holiday pay, allowing earned sick leave, expanding temporary caregiver insurance, better retirement security through employer-based defined benefit plans, transportation alternatives to open up job opportunities, and a solvent unemployment insurance safety net to catch laid-off workers when the next, inevitable recession hits.

Many of those proposals come with a cost, to either employers or taxpayers, and a conference attendee asked where the revenue would come from to pay for the benefits or services.

Sarita Gupta, executive director of Jobs with Justice, a national organization, answered that it would take partnerships and creative ideas to raise revenue. She pointed to a proposal being studied in Connecticut to fine employers with 500 or more workers in the state \$1 for each hour of work by an employee who earns less than \$15 an hour. By some estimates, the proposal could raise from \$189 million to \$305 million a year.

Some EPI officials said any cost to employers is outweighed by more stable, productive workers who can focus on doing the job rather than child care or paying the bills.

Public officials in the crowd endorsed parts of the agenda.

Governor Raimondo and Senate President M. Teresa Paiva Weed favored an expansion of the earned income tax credit that allows working people to reduce their state income taxes. They also spoke out for increased investments in K-12 education to close achievement gaps, especially among children of color.

Raimondo said she has proposed an increase in the minimum wage from \$9.60 to \$10.10 an hour, free SAT exams to make the key high school test more affordable and dual-enrollment programs that would allow students to earn college credits while they are still in high school.

Paiva Weed endorsed the \$40-million affordable-housing bond, a \$600,000 increase in service at senior centers and a transition program for families on the verge of losing all child-care assistance if they receive an increase in income.

But Raimondo and Paiva Weed were among only a few public officials in the crowd. There were not many business owners there, either.

That's a missed opportunity, because the election showed it's time for a wider discussion among public and private leaders about the anxieties of working people, and the government's role in providing relief.

While the EPI event was going on, Rhode Islanders were casting ballots for candidates with ideas for easing their economic plight -- and the answers seem much more complex than just raising the minimum wage.

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