

Voice of the Left

Glenn Swift
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Minimum Wage: Time for a Raise

The rich get richer...and the minimum wage remains frozen. That sounds fair doesn't it? Of course, whatever is best for Big Business is best for America...or so the Republican hierarchy tells us.

Yes, the gap between rich and poor is an old story. But nowadays it's more a matter of the ultra rich and everyone else. Despite what we are constantly told by the current administration and the corporate media about how well the economy is doing, the truth is that most Americans are seeing their wages in real terms (minus inflation) continue to decline. And those with minimum wage jobs? They are simply being trampled on – all in the name of corporate profits.

What our right-wing brethren do not comprehend is that as the income gap widens in America, our society becomes less fair...and ultimately, less stable. Here is the simple truth: no democracy can thrive without a vibrant middle class.

Recent studies by Thomas Piketty, of the École Normale Supérieure in Paris, and Emmanuel Saez, of the University of California at Berkeley, are worth noting. Here's a snippet of what these two distinguished scholars found:

From 2003 to 2004 (the latest year for which there is definitive data) real average income for the top 1% of American households — those making more than \$315,000 in 2004 — grew by nearly 17%! For the remaining 99%, the average gain was less than 3%, and that probably makes things look better than they really are, since other data, most notably from the Census Bureau, indicate that the average is bolstered by large gains among the top 20% of households. **In all, the top 1% of households enjoyed 36% of all income gains in 2004, on top of an already stunning 30% in 2003.**

And from where did the bulk of this windfall arise? That's easy. Both studies confirmed that the source of this new-found wealth resulted from the unconscionable payments to corporate executives, in the form of salary, bonuses and stock options. Another recent study by the Business Roundtable (not exactly a cadre of socialist ideologues) showed that median executive pay at our 350 largest public companies was \$6.8 million in 2005! This is nearly 200 times the pay of the average American worker!

Let me give you a few more facts. (I know you've heard these from Bill O'Reilly already, but just to refresh your memory.)

In 2003, the federal government's General Accounting Office (GAO) reported that the top 1% of households owned 57.5 % of corporate wealth (primarily dividends and capital

gains), up from 53.4 % a year earlier. The GAO also found that the top 10% of American households had 46% of the nation's income – the biggest share in all but two of the last 70 years. As for the top 1% of households in America, the Federal Reserve has concluded that this elite group now holds the largest share of total income (33.4%) since 1929. (Does this date ring a bell?) OK...enough of statistics. But no matter how you cut it, wealth in America is increasingly concentrated at the top.

So what is the Republican solution to the growing crisis of income disparity in the United States? Well...To decrease taxes for the top 1% of all wage earners, eliminate the estate tax for the wealthy, and FREEZE THE MINIMUM WAGE. Seriously now folks...Is this what Jesus would do? Not the one I believe in.

Now, of course, the Right will tell you that increasing the minimum wage will cause unemployment. A little common sense tells you how absurd this argument is. If we were talking \$15 an hour, then I would agree -- but not at a tad over \$5.

I do agree; however, that a few CEOs would suffer by raising the minimum wage to a livable level. Wouldn't that be sad...