

# A higher wage

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Increasing the minimum wage in Vermont to \$15 by 2022 has become an essential ingredient of the Democrats' affordability agenda in Vermont. It would make life more affordable for those holding about 25,500 jobs — which accounts for about 8.5 percent of the jobs in Vermont.

A bipartisan study committee made up of six legislators issued its report last month, finding that raising the minimum wage step by step over the next four years would have many benefits for the state and for individual workers. It acknowledged that a relatively small number of jobs would be lost when higher wage demands caused employers to reduce staffing. But this reduction was projected to fall within the normal churn of jobs lost and added, and overall the higher wage was foreseen to be a plus for the state.

Raising the minimum wage is proposed as a way of addressing a problem that has gotten worse in recent decades. Income for low and middle-income workers has been stagnant, while for upper income workers, it has grown rapidly. The result is a widening disparity of incomes that has fed growing resentment among workers and starved government of revenue.

Business groups and Republicans often oppose a higher minimum wage because they believe it will be burdensome on employers, adding to their costs and reducing their competitiveness. Yet economists studying the consequences of the higher minimum have found that employers benefit from a more stable and satisfied workforce when the wages they pay provide a livable income. Thus, studies have shown that the cost of higher wages is worth it.

The benefits of the higher wage go beyond the higher living standard enjoyed by individual workers and their families. When higher wages are paid, the state gains more in revenue and the cost of state services is reduced. The committee report acknowledges

that reduced benefits paid out by the state would lead to reduced federal funding that is meant to help cover those benefits. But a reduction in the need for the state to pay out income supports would have to be seen as a gain.

The higher minimum wage is a national movement that is meant to address income disparities all across the nation. The study committee heard testimony saying that there is no credible evidence that a wage increase to \$13 or higher would have adverse effects on employment. To the contrary, the higher wage would put an additional \$240 million in the pockets of Vermonters — which would go a long way to making life more affordable for thousands of people. It would also give a shot of vitality to the state's economy.

Making work pay would seem to be a more effective economic stimulus than conferring largesse on the upper tier. In a recent column in the Guardian newspaper, Sen. Bernie Sanders described the global inequality that is spreading discontent and feeding right-wing authoritarianism in many parts of the world. He said six of the richest individuals possess wealth equal to the wealth of half of the people of the world. The top 1 percent have as much as the bottom 99 percent.

Not only does this inequality give rise to absurd indulgences — the 500 Rolls Royce autos owned by the Sultan of Brunei — but it creates conditions depriving billions of people of basic needs, such as education and health care. The migration from south to north that is taking place in Europe and North America is one consequence.

Thus, Vermont's confrontation with the issue of the minimum wage is taking place in a global context that Sanders has long sought to convey to the public, and it raises a question: Can a democracy stand up for the people?

The minimum wage workers in Vermont are the people staffing the convenience stores, the restaurants, the shops, the warehouses, the child-care centers. They are not teens holding down summer jobs. They are people who may be working more than one job, trying to make a living in a system that until this point has been tilted against them.

The Legislature now has a chance to tilt it back.

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