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How Seattle's $15 Minimum Wage Victory Began in New York City's Zuccotti Park

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Ever since the Occupy movement hit the streets, an explosion of worker unrest—especially among Walmart employees, workers at fast-food chains, janitors, and hospital workers—has shaped the political life of America's cities.

15 Now/Seattle Activists at an April demonstration demanding a $15-per-hour minimum wage in Seattle.

An idea that only a year ago appeared both radical and impractical has become a reality. On Monday, Seattle struck a blow against rising inequality when its City Council unanimously adopted a citywide minimum wage of $15 an hour, the highest in the nation.

This dramatic change in public policy is partly the result of changes brought about by last November's Seattle municipal elections. But it is also the consequence of years of activism in Seattle and around the country. Now that Seattle has established a new standard, the pace of change is likely to accelerate quickly as activists and politicians elsewhere seek to capture the momentum. Five years from now, Americans may look back at this remarkable victory and wonder what all the fuss was about.

Seattle now joins a growing list of cities—including San Francisco, Santa Fe, Albuquerque, San Jose, and Washington, D.C. (along with two adjacent Maryland counties)—that in the past few years have seized growing frustration over the widening income gap and declining living standards by establishing local minimum wages substantially above the federal level of $7.25. Unions, community groups, and progressive politicians in San Diego, New York City, Oakland, Los Angeles, and other cities are already taking steps to follow in Seattle's footsteps.

In nineteen states, minimum wages are now over $7.25 an hour; ten of those states automatically increase their minimum wages with inflation. The highest state-mandated wage law is in Washington State, where the minimum wage increased to $9.32 in January. In September, California Governor Jerry Brown signed legislation that raised the state's minimum wage from $8 to $9 an hour this year, and to $10 an hour in 2016, but last week the state Senate pushed the bar even higher, approving a bill to lift the pay floor to $13 an hour by 2017. Earlier this year, Minnesota raised its minimum wage by $3 to $9.50 an hour starting in 2016, while Connecticut will require employers to pay $10.10 an hour by 2017. Many other states have substantial wage hikes on the drawing boards.

The gridlock on Capitol Hill—where Congress hasn't boosted the federal minimum wage, stuck at $7.25 an hour, since 2009—has helped catalyze a growing movement in cities and states. But this upsurge in government-mandated wage hikes didn't come about suddenly; it is the result of years of changing conditions, effective grassroots organizing, and changing public views about the poor.

In 1994, a coalition of community organizations, religious congregations, and labor unions in Baltimore mobilized a successful grassroots campaign to pass the nation's first "living wage" law in 1994. It required companies with municipal contracts and subsidies to pay employees at least several dollars above the federal minimum wage. The idea quickly caught fire. Since then, about

120 cities have adopted laws that establish a wage floor, from $9 to $16 an hour, mostly for businesses that receive contracts or subsidies from local governments. Although these laws reach a relatively narrow group of workers, they injected the notion into the public debate that people who work full-time should not live in poverty.

In 1996, Congress enacted and President Bill Clinton signed so-called “welfare reform,” limiting the time people during which can receive assistance. Although liberals justifiably decried this approach, it ironically helped shift public opinion and stereotypes about the poor. Increasingly, Americans came to view low-income people as the “working poor,” a group considered more sympathetic than the so-called “welfare poor.”

The mainstream news media began to pay more attention to low-wage workers, while academics and journalists expressed growing concern about the "Walmartization" of the economy—meaning the growing number of low-wage jobs with few benefits. In 2001, Barbara Ehrenreich’s book, *Nickel and Dimed: On (Not) Getting By in America*, which recounted her experiences toiling alongside hardworking low-wage employees who couldn’t make ends meet, became a bestseller, reflecting a changing national mood about people who earn their poverty on the job.

All these trends came to a boil a decade later, when a handful of activists took over Zuccotti Park in New York City to draw attention to the nation’s widening wealth and income gap. Occupy Wall Street, which began in September 2011 and quickly spread to cities and towns around the country, changed our national conversation. At kitchen tables, in coffee shops, in offices and factories, and in newsrooms, Americans began talking about economic inequality, corporate greed, and how America’s super rich have damaged our economy and our democracy. Occupy Wall Street provided Americans with a language—the “1 percent” and the “99 percent”—to explain the nation’s widening economic divide, the undue political influence of the super-rich, and the damage triggered by Wall Street’s reckless behavior that crashed the economy and caused enormous suffering and hardship.

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The past two years have seen an explosion of worker unrest, especially among Walmart employees, workers at fast-food chains, janitors, and hospital workers. Walmart workers have engaged in strikes and civil disobedience at big-box outlets and at company headquarters in Arkansas as part of an escalating grassroots campaign to demand that the nation's largest private employer pay its workers at least $25,000 a year.

Employees at McDonalds, Taco Bell, Burger King and other fast-food restaurants have gone on strike to demand a base wage of at least $15 per hour. Two weeks ago, more than 1,500 McDonalds workers and supporters converged on the company's corporate headquarters outside Chicago—and then to the company's annual investor meeting—to bring their message to its top executives. More than 100 protesters were arrested. They pointed out that while the company pays an average of between $7.13 and $8.84 an hour, McDonald's CEO Don Thompsonpulled in $9.5 million last year—the equivalent of $9,247 an hour. Last year, aNational Employment Law Project (NELP) study revealed that the low wages paid to employees of the 10 largest fast-food chains cost taxpayers an estimated $3.8 billion a year by forcing employees to rely on public assistance to afford food, healthcare, and other basic necessities.

The Institute for Policy Studies, in a report released in March, found that the $26.7 billion in bonuses handed to 165,200 executives by Wall Street banks in 2013 would be enough to more than double the pay for all 1,085,000 Americans who work full-time at the current federal minimum wage of $7.25 per hour. Meanwhile, the majority of new jobs created since 2010 pay just $13.83 an hour or less, according to NELP.

The reality of widening inequality and declining living standards, the activism of Occupy Wall Street radicals and low-wage workers, and increasing media coverage of these matters has changed public opinion. A national survey by the Pew Research Center conducted in January found that 60 percent of Americans—including 75 percent of Democrats, 60 percent of independents, and even 42 percent of Republicans—think that the economic system unfairly favors the wealthy. The poll discovered that 69 percent of Americans believe that the government should do “a lot” or “some” to reduce the gap between the rich and everyone else. Nearly all Democrats (93 percent) and large majorities of independents (83 percent) and Republicans (64 percent) said they favor government action to reduce poverty. Over half (54 percent) of Americans support raising taxes on the wealthy and corporations in order to expand programs for the poor, compared with one third (35 percent) who believe that lowering taxes on the wealthy to encourage investment and economic growth would be the more effective approach.

Overall, 73 percent of the public—including 90 percent of Democrats, 71 percent of independents, and 53 percent of Republicans—favor raising the federal minimum wage from its current level of $7.25 an hour to $10.10 an hour.

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These shifts have obvious political consequences. Immediately after the Occupy Wall Street protests began, candidates and elected officials--at the federal, state and local levels—began echoing its themes and nation’s growing inequality and the greed of the super-rich.

President Barack Obama began injecting concerns about inequality and poverty in his speeches.In a major address in Kansas in December 2011, two months after the first Occupy protests, Obama criticized the “breathtaking greed” of the super-rich. He pointed out that the average income of the wealthiest 1 percent had increased by more than 250 percent, to $1.2 million a year. In his January2013 State of the Union address, Obama proposed raising the federal minimum wage to $9 an hour.

"Even with the tax relief we’ve put in place, a family with two kids that earns the minimum wage still lives below the poverty line. That’s wrong," Obama said at the time. Last November, however, in response to escalating protests by low-wage workers, he embraced a bill sponsored by Senator Tom Harkin of Iowa and Representative George Miller of California to lift the federal minimum to $10.10 an hour.

In the 2012 Republican presidential primaries, some GOP candidates attacked Mitt Romney for being an out-of-touch "crony capitalist." In his campaign against Obama, Romney opposed a hike in the minimum wage. But this May, Romney urged Republicans to endorse a $10.10 minimum wage, arguing that it would help GOP candidates “convince the people who are in the working population, particularly the Hispanic community, that our party will help them get better jobs and better wages.” But so far Congressional Republicans have refused to budge.

So in the face of gridlock in the U.S. Capitol Building, local activists and their allies in city halls have taken matters in their own hands.

The battle in Seattle began last year. In November, voters in the suburb of SeaTac approved a

union-sponsored Good Jobs Initiative' to raise the minimum wage to $15 an hour for workers in Seattle-Tacoma International Airport and at airport-related businesses, including hotels, car-rental agencies, and parking lots. The new law applied to only 6,000 workers, but the victory had huge ripple effects. Seattle Mayor Mike McGinn and his chief challenger Ed Murray (a gay state legislator best known for leading Washington’s campaign for sex-same marriage) both supported the SeaTac initiative and raised the possibility of doing the same thing in the state's largest city.

On May 30, a week after the candidates for mayor and council filed for a place on the ballot, Seattle’s fast food workers went out on a one-day strike. Throughout the summer, low-wage workers conducted actions timed to key campaign events. By the time of the primary election in August, the question of a $15 minimum wage was being asked at every debate and every candidates forum.

On the same day in November that the SeaTac measure won, so did Murray and Kshama Sawant, a Socialist candidate for Seattle City Council who had been active in the city’s Occupy movement and who made the $15/hour minimum wage a centerpiece of her campaign.

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After his victory, Murray followed through. He appointed a 24-person Income Inequality Committee, co chaired by Howard Wright, CEO of Seattle Hospitality Group, and David Rolf, president of SEIU Local 775, who had been a major force behind the minimum wage proposal.

Rolf was adept at playing the inside/outside game. While pushing to forge an agreement among the task force members, he worked with Seattle’s labor movement and community activists to keep the pressure on city officials and to keep the issue in the media. He made sure that economists and other experts were available to educate the public, politicians, and journalists and to rebut the business leaders' warnings that the $15 minimum wage would kill local jobs.

Both Rolf and Murray discovered that socialist Sawant was a useful, though unpredictable, ally. She was working with a group called 15 Now that threatened to put an initiative on the November 2014 ballot to raise the minimum wage to $15 an hour on January 1, 2015, for all businesses. Murray told business leaders that unless they reached an agreement with the unions, he would announce his own plan that was closer to Sawant's proposal than the phased-in plan that was being discussed in the mayoral task force.

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Business leaders took the SeaTac referendum to court, delaying its implementation for workers on airport property, but there were no legal obstacles in Seattle, where the progressives clearly had the political momentum. Even after a series of compromises, the unions and their allies won a huge victory. They agreed to a three- to seven-year phase-in, with large businesses (those with at least 500 workers) required to reach the $15 wage first. The new law will raise the wages of more than 100,000 workers in the city, lifting many out of poverty, and giving them sufficient income to pay for housing, food, and other necessities in Seattle's high-priced economy.

Progressives have clearly won the moral argument. Americans believe that people who work should not live in poverty. So business groups have to resort to persuading the public that raising the federal minimum wage—or adopting a living wage or minimum wage plan at the local level – will hurt the economy. Business lobby groups and business-funded think tanks— including the U.S. Chamber of Commerce and its local affiliates, the National Restaurant Association, the American Legislative Exchange Council (ALEC), the Employment Policies Institute (an advocacy group funded by the restaurant industry) and other industry trade associations—typically dust off studies warning that firms employing low-wage workers will be forced to close, hurting the very people the measure was designed to help.

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But such dire predictions have not materialized. That's because they're bogus. In fact, many economic studies show that raising the minimum wage is good for business and the overall economy. Why? Because when low-wage workers have more money to spend, they spend it, almost entirely in the local community, on basic necessities like housing, food, clothing and transportation. When consumer demand grows, businesses thrive, earn more profits, and create more jobs. Economists call this the "multiplier effect."

Moreover, most minimum-wage jobs are in "sticky" local industries—such as restaurants, hotels, hospitals and nursing homes and retail stores—that can't simply flee to another city.

In their new book, *When Mandates Work: Raising Living Standards at the Local Level,* economists Michael Reich and Ken Jacobs of the University of California at Berkley summarize the findings of research on the impact of local minimum wage laws. They discovered that there are no differences in employment levels between comparable cities with and without living-wage laws. In doing so, they showed that business lobby groups are crying wolf when they claim that these laws drive away business and kill jobs.

"Seattle has made a significant step. We are leading the nation," said Mayor Murray after Monday's vote. "We need a movement in America. The federal government is stuck. States are stuck. The cities must lead."