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OPINION

The Case for Raising the Minimum Wage

Higher incomes drive job growth

by William Spriggs

As states, cities and municipalities across the country raise wages to improve the lives of working people, it is worth highlighting how such moves affect low-income communities of color.

Many argue that higher wages hurt job growth. Here's why that thinking is wrong.

The Congressional Budget Office, in an extensive review of the available research on the effects of the minimum wage, found that as many studies found job gains as found job losses, with the average estimate being that increases in the minimum wage have no measurable effect on employment.

Digging more deeply into the studies' various methodologies, the CBO noted that the best and most convincing studies looked specifically at instances in which minimum wages were increased

in localities where bordering jurisdictions did not raise their minimum wage.

The CBO found that in those studies, no significant employment effects were observed in the localities that raised their minimum wage compared with employment in the bordering communities. On that basis, the current consensus among economists is that raising the minimum wage has negligible effects on employment.

During the expansion of private-sector employment that began in 2010, and is now at record length, many states and localities have raised their minimum wage. Despite this, the sector most sensitive to increases in the minimum wage—the fast-food restaurant sector—has seen the greatest job growth of any sector. Job growth in those states with higher minimum wages is not lagging job growth in states that have failed to raise their minimum wage; again, this is true when looking at neigh-

boring states with different minimum wages.

It continues to be the case that minimum wages are presented as a creator or destroyer of jobs. In reality, job growth is driven by rising incomes and growing customer bases that demand products, prompting businesses to respond by hiring more people to increase their output and serve the growing customer demand. Low wages do not create jobs or expand customer bases.

An error often repeated within the black community confuses the notion of not employed with unemployed. These are two separate concepts, and economists use them to understand the policy solution. The black community suffers from a very high unemployment rate—the share of people actively trying to find work. Nationally, while the number of unemployed people per job opening has come down, it remains higher than when the labor market peaks at slightly fewer than two unemployed people per job opening. The black community also suffers from a low labor-force partici-

pation rate, which is the share of people either employed or looking for work—those who are active members of the labor market.

Because of high unemployment rates, black working people are far more likely than white working people to accept low-wage work. Among households with full-time year-round working people, 9.2 percent of black families live in poverty compared with 3.4 percent of white families; among female-headed households in the black community, it's 18.1 percent. At every level of educational attainment, black income is less than white income, just as at every level of educational attainment, black unemployment rates are higher than those of whites. Lowering black people's wages will not close the unemployment gap faced by black working families.

Blacks will work for less, but that doesn't mean blacks will work for anything. Some are not active in the labor market because of discouragement over limited job openings. However, many are discouraged not over job openings but over wages. Non-employment

includes both those who are unemployed—actively looking for work—and those not in the labor force at all, such as young people who would rather pursue more education than take low wages, mothers who can't afford transportation and child care expenses at low wages, and non-custodial fathers who wouldn't net an income at low wages after paying for transportation and child support.

Raising wages will increase black labor-force participation. More black working people will continue to be engaged in job search if the jobs they are chasing pay higher wages. Working and being poor can be a poverty trap itself. Those who want to help the black community should work to raise the wages of the jobs that black people find themselves locked into. Raising wages for black working families means that money will support the growth and survival of businesses in their community.

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A Quip to Insult Millions of Black Americans

Jeb Bush blows it on race

by Raul A. Reyes

The Republican Party has struggled for years to attract more voters of color. In a recent campaign appearance, candidate Jeb Bush offered yet another useful case study of how not to do it.

At a campaign stop in South Carolina, the former Florida governor was asked how he'd win over African-American voters. "Our message is one of hope and aspiration," he answered. So far, so good, right?

"It isn't one of division and get in line and we'll take care of you with free stuff. Our message is one that is uplifting — that says you can achieve earned success."

Whoops.

With just two words — "free stuff" — Bush managed to insult millions of black Americans, completely misread what motivates black people to vote, and falsely imply that African Americans are the predominant consumers of vi-

tal social services.

First, the facts.

Bush's suggestion that African Americans vote for Democrats because of handouts is flat-out wrong. Data from the Joint Center for Political and Economic Studies shows that black voters increasingly preferred the Democratic Party over the course of the 20th century as it stepped up its support for civil rights.

These days, more than 90 percent of African Americans vote for the Democratic Party's presidential candidates because they believe Democrats pay more attention to their concerns. Consider that in the two GOP debates, there was only one question about the "Black Lives Matter" movement. When they do comment on it, Republican politicians feel much more at home criticizing that movement against police brutality than supporting it.

Bush is also incorrect to suggest that African Americans want "free stuff" more than other Americans. A plurality of people on food stamps, for example, are white.

Moreover, government assistance programs exist because

we've decided, as a country, to help our neediest fellow citizens. What Bush derides as "free stuff" — say, Medicaid, unemployment insurance, and school lunch subsidies — are a vital safety net for millions of the elderly, the poor, and children, regardless of race or ethnicity.

reported that, during his father's 12 years in elected national office, Bush frequently sought (and obtained) favors for himself, his friends, and his business associates.

Even now, about half of the money for Bush's presidential campaign is coming from the

icans have been earning success for generations, despite the efforts of politicians like Bush — who purged Florida's rolls of minority voters and abolished affirmative action at state universities.

If nothing else, this controversy shows why his candidacy has yet to take off as expected. His campaign gaffes have served up endless fodder for reporters, pundits, and comics alike.

Sound familiar?

As you may recall, Mitt Romney helped doom his own presidential aspirations by writing off the "47 percent" of the American people he said would never vote Republican because they were "dependent upon government."

In Romney's view, they're people "who believe that they are victims, who believe the government has a responsibility to care for them, who believe that they are entitled to health care, to food, to housing, to you-name-it."

Sorry, Jeb. The last thing this country needs is another man of inherited wealth and power lecturing the rest of us about mooching.

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African Americans have been earning success for generations, despite the efforts of politicians like Bush — who purged Florida's rolls of minority voters and abolished affirmative action at state universities.

How sad that Bush, himself a Catholic, made his comments during the same week that Pope Francis was encouraging Americans to live up to their ideals and help the less fortunate.

Finally, Bush's crass comment is especially ironic coming from a third-generation oligarch whose life has been defined by privilege.

Bush himself is a big fan of freebies. The New York Times has

Bush family donor network.

And what about those corporate tax breaks, oil subsidies, and payouts to big agricultural companies Bush himself supports? Don't those things count as "free stuff" for some of the richest people in our country?

It's also the height of arrogance for Bush to imply that African Americans are strangers to "earned success." African Amer-

