

Doing the Math: What is a Living Wage?

Last week, workers at fast food restaurants demonstrated outside their places of work, highlighting the low wages they receive and demanding more. They say twice as much, or \$15 an hour, will provide them with a living wage. In Washington, D.C., the City Council has sent legislation to Mayor Vincent Gray requiring “big box” stores such as Wal-Mart and Best Buy to pay \$12.50, which is more than the D.C. minimum wage of \$8.25 an hour. In response, Wal-Mart says it may not build all of the six stores it had slated for D.C. Responses depend on whom you talk to, with some of the unemployed saying that an \$8.25 job is better than no job, and others saying that \$8.25 is not a living wage.

Let’s do the math. Someone who earns \$8.25 an hour (which is a dollar more an hour than the federal minimum wage) earns \$17,160 per year if they work full time (40 hours) all year (52 weeks). Although taxes for the low income are low, they are still deducted, especially the Social Security tax (about 7 percent). Too many minimum workers don’t work full-time, full-year. Many have their hours cut so that companies can avoid paying benefits. This means full time,



BENNETT COLLEGE

Julianne Malveaux

full year work is the best-case scenario. For many, it can be much worse.

The poverty line for one adult and two children is \$19,530, which puts the \$8.25 worker below the poverty line. The parent who earns this scant wage struggles to make ends meet, and often cannot. Too often, this parent has to choose between transportation and shoes for their children, between children’s books and food. A two-parent family has a higher poverty threshold of \$23,550, about 20 percent more than the minimum wage worker earns.

Federal and state supplements often make the difference between swimming and sinking. Many families who live below the poverty line use supplemental nutrition programs (formerly called food stamps) to enhance their food budget. Congress is in the process of cutting SNAP so low that 5 mil-

lion of the roughly 47 million people on the program will be cut. Some receive medical assistance through Medicaid. Some cities subsidize summer programs or other efforts, offering day care possibilities for those who struggle to afford it. According to the Economic Policy Institute, the average cost of childcare in the District of Columbia is \$1,300 a month, or \$13,600 a year. Poverty

Some feel these low wages are acceptable, especially some Tea Party members of Congress, yet they earn at least \$174,000 per year. Actually, if fast food workers were as productive as this Congress (which has produced little of nothing so far this year), they wouldn’t earn a penny. Yet those who are well paid and well supported show little empathy for those whose lives and work are

instances, the poverty line does not reflect differences in housing costs, health care costs, or even transportation costs.

The Economic Policy Institute (epi.org) has developed budgets for “adequate” living in certain cities. (Full disclosure – I sit on the organization’s board). This tool shows the wide variety of realistic and adequate living costs, which range from more than \$90,000 in New York City, to around \$40,000 in parts of Mississippi. These are adequate living standards, not extravagant ones, taking into account rent, transportation, and other costs.

Many quibble over the minimum wage, but the more relevant issue is the living wage. Millions are pushed below the poverty line because too many employers do not take the cost of living into consideration when the set wage levels. Paying workers less than they are worth drains our economy because these workers will not be spenders or “economic expanders.”

Julianne Malveaux is a Washington, D.C.-based economist and writer. She is President Emerita of Bennett College for Women in Greensboro, N.C.

Congress is in the process of cutting SNAP so low that 5 million of the roughly 47 million people on the program will be cut

line \$23,550, childcare costs \$13,600 per year. Go figure.

In other parts of the country, full-time, full year workers earn less than D.C. workers. Those who earn the federal minimum wage of \$7.25 an hour earn \$15,160 per year, less than the poverty line for one parent and one child. Those who earn \$12.50 per hour, the proposed wage for D.C. big box stores, will earn \$26,000 a year. The \$15 an hour that some fast food workers suggest would push their wages to \$31,200 a year.

daily struggles.

The issue of unemployment must be taken into account when we look at the matter of poverty lines and minimum wages. With an overall unemployment rate of 7.4 percent and a Black unemployment rate of 12.6 percent as of July, too many households with two adults have only one earner in the household. Another concern is that the federal poverty line is published as a national rate, yet it’s much cheaper to live, for example, in rural Mississippi than it does in New York City. In many

Oversimplifying Complicated Reality of Black Poverty

Cable news anchors Don Lemon of CNN and Bill O’Reilly of FOX News are strange bedfellows indeed. Lemon is a liberal, gay, Black man and O’Reilly is a conservative, lightning rod out of step with most Black folks. In spite of this, they agree on some points about the ills of our community. Lemon’s recent commentary (July 27, 2013) on CNN raises salient questions about who has a right to speak to us about the issues we face. Lemon has taken a lot of criticism because of his comments; some deservingly and some not. In my assessment, I find Lemon’s statements to be gutsy, populist and simplistic.

Let’s review Lemon’s Five Points and closing statement:

1. Pull up your pants
2. Stop using the “N-word”
3. Stop littering in your community
4. Finish school
5. Stop having babies before you are married or prepared to care for them

He closed with these words: “Pay close attention to the hip-hop and rap culture that many of you embrace. A culture that glorifies everything I just mentioned, thug and reprehensible behavior, a culture that is making a lot of people rich, just not you. And it’s not going to.”

I will not argue with anything he said that I listed. There is no virtue in deflection and we should not preserve or defend some of the cultural mores and icons (rappers) that demean marriage, education and full participation in legitimate employment that increases social mobility. The problem lies in his oversimplifications. Any practi-

COMMUNITY ISSUES

Hakim Hazim

tioner worth his salt will tell you the most troubling aspects of our community are: institutional racism of all types, intergenerational poverty, and the decaying family structure. Criminality, misogyny, addiction, abuse, dropout rates, out of wedlock births, and increased suicide rates spring from this soil. Serious problems call for a more serious

‘Serious problems call for a more serious dialogue’

dialogue.

Two immediate things we should embrace are volunteering to mentor and the emergence of Problem solving courts. Both have demonstrated the positive outcomes scientific, holistic approaches can produce in the lives of offenders – especially in terms of sobriety and rehabilitation. Nowadays people are embracing political rhetoric that either demonizes or idealizes the poor. Sentiment codified in ideology is not an effective tool for governing. The poor need a better community structure that promotes their well-being and proper support from the government. The two should not be polar oppo-

sites; they should be married in the temple of strategy.

Sadly many of us believe that the government is either the enemy or our savior. Some think it’s both. This contradictory, ambivalent tendency fuels rage and dependency during times of racial unrest.

The historical vestiges of institu-

tional racism wreaked havoc on us and our primal, collective memories rise with images of the trauma we have endured from the past. Crisis calls for leadership and we need mature, logical and altruistic statesmen in our community. I want village elders that will help shape our troubled youth and adults in terms of what I call the 4

Cs: Character + Competence + Critical Thinking = Credibility. As we all master this equation, we enhance our value to the larger society and emerge as a voice of progress for all people, not just our own. In times like these, it is important to steady our gaze and look to the God that has brought us this far.

Week on the Web

Mac Smiff Uses ‘We Out Here Magazine’ to Promote Local Hip-Hop and Self Sufficiency ... NW News

Sex Trafficking: There’s More to Fighting it Than Arrests ... Opinion

The Payday Playbook: How High Cost Lenders Fight to Stay Legal ... US News

Ada Lee Little, 79, Missing from King Neighborhood Home ... Latest News

VIDEO: To Tackle Racism English Soccer Club Liverpool Issues List of Banned Words ... Latest News

Lemon and O’Reilly Oversimplify the Complicated Reality of Black Poverty ... Opinion

www.**THE SKANNER**.com