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THEIR OPINIONS

Decent jobs can co-exist with healthy economy

By Eric Garcetti

OVER the past decade, more than 125 cities across the country have passed living-wage laws as a way to address the proliferation of working poverty.

LOCAL VIEW

Invariably, opponents of these policies have warned of economic catastrophe. Not only will living-wage laws harm businesses, they argue, but they will hurt the very people they are intended to help through massive job cuts by employers.

Relatively little research has been done to measure the actual impact of living-wage laws. Now a new study from University of California researchers has shed some real empirical light on the Los Angeles living-wage ordinance. Passed in 1997 amid much controversy, the law covers city contractors and other firms that do business with the city.

And here's the big news: The naysayers were wrong.

The study finds that L.A.'s living-wage law has increased pay for an estimated 10,000 jobs, with minimal employment reductions. The huge job loss predicted by critics simply did not materialize.

Equally important, the study concludes that most of the workers who benefit from the living wage are from poor or low-income families, and that only 4 percent are teenagers. This finding undermines another favorite argument of living wage critics — that pay raises resulting from these laws are not well targeted at low-income workers.

The study dispels yet another fallacy, that under the living wage, workers would sacrifice most of their pay increases to higher taxes and reduced benefits. In fact, most workers retained more than 70 percent of wage increases after taxes, while few were likely to see cuts in their benefits.

The study no doubt comes as unwelcome news to living-wage opponents in Miami, Phoenix, Memphis and the dozen other cities across the nation where living-wage policies are being considered. But perhaps it's time for these critics to step back from the rhetorical breach and acknowledge the powerful truth suggested by this report: We don't have to choose between decent jobs and a healthy economy. We can have both.

The myth that higher wages will destroy our business climate is a marginal idea with unfortunate persistence. It's a myth that's used to perpetuate the appalling gap between rich and poor, which continues to grow at an alarming rate.

Not only is this idea inaccurate, it is fundamentally at odds with a core conviction that has nurtured the American dream for generations. This country was built on the belief that if you work hard, you can provide a decent life to your family.

Tragically, tens of millions of Americans today experience a different reality. Outsourcing, downsizing and the Wal-Martization of our economy have turned working poverty into a national epidemic, and a national shame.

Living-wage laws, though limited in scope, offer a potent rebuke to the prevailing acceptance of widespread economic deprivation among hard-working Americans. These policies advance the wholly American idea that people working full time should not be relegated to poverty, and should not have to rely on government assistance for food, health care and housing.

One troubling finding in the new report by the UC economists is that, even with the living wage, more than 40 percent of affected workers continue to depend on at least one government anti-poverty program. One-third of these workers lack health insurance, while the children of more than 50 percent either rely on public-insurance programs or are uninsured.

The living wage has helped low-income workers, but clearly Los Angeles, and the nation, must do more. As we press for more job training, more access to health care and more work-force housing, we should be secure in adding the living wage to our tool kit. And we should not hesitate to embrace the vision of a just society until it becomes a reality.

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