Premier Debate

January/February 2015 Briefs

This is the third installment of the free Premier Debate Briefs for the 2014-15 season. The cards enclosed deal with the January/February LD topic, “Resolved: Just governments ought to require that employers pay a living wage.”

All of our cards are tagged, organized thematically, and lined-down. These blocks are ready to read. Best practice for brief use is to re-cut the original articles to ensure that you have a good grasp of the material. Second, you should highlight any cards you plan on using. This gives you a better handle on the evidence and ensures you only read the parts you need in round. You should also re-tag the evidence based on how you are using it. Briefs can be a tremendous resource as long as you familiarize yourself with the underlying material.

We have received a huge amount of feedback from debaters thanking us for distributing these briefs for free. Not everyone has the resources to pay for briefs and this is one important way to level the playing field. If you use these briefs please help us and direct other debaters to PremierDebate.com/Briefs. The more people that are aware of the service, the more likely it is that those who need it most will be able to use this product.

PREMIER DEBATE

Main Session

July 25 - August 7

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A) Strategy Discussion

This brief has large portions of what you'll need for a number of different strategies

Aff:

1) Utilitarian/consequentialist affs

The primary advantage areas are poverty and boosting the economy, but you might construct some more obscure ones such as AIDS, terrorism, or crime based on the evidence we have. You will need to find impact evidence – the college and high school policy wikis are always good resources for these generics, as is the open evidence project. Another direction to take this aff in would be to focus on how poverty is racialized/gendered and perhaps we can use the lens of minority oppression to evaluate our impacts. There is evidence enclosed to support such an aff.

The most significant part of the brief to be familiar with for the aff side is the solvency section. If negs don't have a great answer to your specific advantages or framework, chances are they'll rely on generic solvency turns based on employment or price effects, so you absolutely must be ready to go on those fronts. Look for more on this style of affirmative coming up in Tom Placido's Util/Trutil column on PDT.

2) Republicanism and Virtue Ethics affs

The Levin-Waldman 03 evidence is really good for a more framework-heavy aff. For more local or regional tournaments, these cards may be good for their powerful rhetoric and backing in social contract theory such as Locke and Rousseau. All of the evidence is here to construct such an aff. However, Levin-Waldman also makes arguments about cultivating a virtuous citizenry through living wage that could be backed up by a more advanced virtue ethics framework. We think this aff is well-positioned against Kantian NCs about the value of autonomy, and some of the evidence here can be used as 1AR blocks.

Neg:

1) Utilitarian/consequentialist negs

The main neg strategy will employ a counterplan with a disad such as politics as the net benefit. This neg strategy would also invest heavily in the solvency debate on the aff, and as such, we have included tons and tons of evidence to prove that living wage harms people in poverty and the economy.

Keep in mind that many of these solvency arguments are relevant for other types of affs too, e.g. if the aff wants to show that living wage helps the least well-off, thereby linking to a Rawlsian framework, (s)he still needs to show that the living wage solves the impacts.

2) Kantian/means-based negs

The main strategy for the framework debater will probably be a strict means-based standard on the neg, arguing that living wage violates employer's freedom. The cards in the tax DA could also be used to show how the aff leads to more 'coercive' government policies.

3) Kritikal negs

Lastly, you can find the makings for a Cap K and Gender K. The former argues that the living wage is just a palliative – an attempt to make the system look less capitalist than it really is. On traditional Marxist analysis, we need a more radical shift. The latter argues that the discourse surrounding living wage often assumes the one-breadwinner home model, which is rooted in stereotypes about the traditional family and the male as sole earner.

B) Living Wage vs. Minimum Wage

Some of the studies and evidence are about minimum wage, not living wage, and there may be a strong distinction between the two (see the Topicality section). That said, the evidence was included to give a good sample of the literature, and many of the living wage authors will rely on arguments from the minimum wage debate, so at the very least, understanding both will be important to debating the topic.

Aff

Solvency

AT Solvency Turns – Generic

Living wage avoids the primary disadvantages of the minimum wage—doesn't apply to teenage workers, small businesses, and there's no disemployment effect.

Nadeem 08, (Shehzad Nadeem, ASSISTANT PROFESSOR, SOCIOLOGY. LEHMAN COLLEGE. CITY UNIVERSITY OF NEW YORK, "THE LIVING WAGE MOVEMENT AND THE ECONOMICS OF MORALITY: FRAMES, IDEOLOGY AND THE DISCURSIVE FIELD," Research in Social Movements, Conflicts and Change, Volume 28, 137–167, 2008, http://www.emeraldinsight.com/journals.htm?articleid=1761598&show=abstract) [PDI]

In passing ordinances, campaigners have worked to demobilize an opposition comprised of the restaurant and hospitality industries, local chambers of commerce, and conservative think-tanks. A consideration of opposition frames helps explain why the campaigns took their present course: local ordinances rather than a concerted push for a higher federal minimum wage. **The living wage took a form that was relatively invulnerable to popular criticisms leveraged against the minimum wage.** Drawing lessons from debates over the federal wage floor, the campaigns anticipated the criticisms that would likely result from a more ambitious strategy. And **by adopting a more targeted approach they were able to preempt potentially lethal objections.** By virtue of the campaigns' economics of morality, which exploits an opening between the civil and social frames of liberalism, the living wage has been institutionalized at the local level.¶ **Critics**, for example, **argue that minimum-wage workers are generally young and unmarried and thus an increase would go in many cases to teenagers who do not need the money to support a family. This criticism**, whatever its accuracy, **does not translate** well **to living wage laws. Studies of policies in three cities conclude that most of the affected workers were adults working full-time** (Brenner, 2005; Fairris & Reich, 2005). **It is also alleged that that an increase in the minimum wage will hurt small businesses by increasing labor costs. But as the Atlanta Living Wage Coalition** (2006) **argues, their ordinance ''will mainly affect big businesses, such as those companies that hold large contracts for security or cleaning services. The ordinance will have exemptions for very small employers, small level of contract or aid, and small non-profits.''**¶ **Another critique** of wage floors **is** that they have a **''disemployment''** effect. Increased labor costs, the argument runs, reduce employment opportunities for low-skilled workers as employers will hire fewer workers and even lay off existing employees. **Living wage laws, however, are less likely than a minimum wage increase to lead to unemployment in that a city's demand for services is relatively fixed and some increased costs can be passed on from businesses to municipal governments.**1 **A number of studies conclude that there have been either no or only small employment losses as a result of adopting living wages** (Brenner, 2005; Fairris & Reich, 2005; Reich, Hall, & Jacobs, 2005).

AT Employment Effects

Living wage legislation does not increase unemployment—results from California prove and are generally applicable to all jurisdictions.

Lester 11, (T. William Lester, Department of City and Regional Planning, University of North Carolina at Chapel Hill, "The Impact of Living Wage Laws on Urban Economic Development Patterns and the Local Business Climate: Evidence From California Cities," Economic Development Quarterly 25(3) 237–254, 2011, http://edq.sagepub.com/content/early/2011/05/19/0891242411409205.abstract) [PDI]

Ultimately, **the findings of this article confirm the general conclusions of individual case evaluations** such as Fairris (2005) and Reich et al. (1999) **that living wage laws do not have large negative impacts on employment.** Since the NETS database provides a consistent time series of employment and establishment counts at the city level (the scale at which the laws are enacted) and allows a more accurate identification of covered firms (i.e., government contractors), this research improves on existing panel studies (e.g., Adams and Neumark (2005) and contradicts their finding of a significant disemployment effect. **For government contractors in low-wage sectors—where one would expect to find the largest impacts—this article finds slight positive effects associated with passing living wage laws.** However, because of the large standard error, one can only rule out negative impacts larger than 10%. In addition to adding additional information to the empirical literature on the direct impact of¶ living wage laws, **my findings also suggest that living wage laws do not significantly harm a city's business climate. With the exception of restaurant establishments, there is little evidence that firms flee cities that pass living wage laws or that economic growth shifts to suburban portions of the metropolitan area.¶ Although the research was based on** an analysis of **living wage laws in California**—and as such the empirical findings are limited to the confines of the state—**the findings are relevant to the broader living wage debate throughout the United States** for several reasons. **First, California is a large and economically diverse state that contains significant variation in industrial structure and the degree of economic restructuring at the urban scale.** For instance, **this sample** of living wage cases **includes cities that have undergone significant industrial decline such as Oakland and Richmond, similar to cities in the so-called rust belt. It also contains examples of growing**, high-technology **urban economies that generate considerable wealth and income inequality** (**e.g., San Jose and San Francisco**). **Second, California**, like many states in the United States, **exhibits divergent growth pattern among local governments characterized by rapidly growing exurban areas surrounding older, slow growth central cities.** The research design presented in this article offers other researchers a method of controlling from such structural differences between local governments when attempting to isolate the impact of urban policy changes. Although California does not perfectly mirror the interurban trends across the United States, policy makers may find the results of this article to be more generalizable than an individual case study.

Firms will find other ways to cut costs

Economist 12

"Wage flaws; The living wage" The Economist, 11-10-12 [PDI]

Such results might seem puzzling. **If the price of something is forced upwards, demand for it should fall. Why might this not be the case for low-paid workers? The answer is that firms find other ways to absorb higher wage costs. The simplest is to raise prices.** Fast-food restaurants in New Jersey did so when the state's minimum wage was raised in 1992, according to a landmark study by David Card and Alan Krueger of Princeton University. **Firms may also skimp on non-wage benefits, trim the number of hours worked by low-paid staff, or cut other costs. Even the best-run firms can find savings when pushed. They may even find benefits. Turnover of low-paid staff often falls in places where minimum wages go up, reducing hiring costs. Higher wages might also make workers more productive. The theory of "efficiency wages" says that well-paying firms can induce staff to work harder by**

improving morale or by making it costlier for them to risk being sacked. The well-heeled firms that have signed up to the living wage report a better standard of work. Bosses in less cosy workplaces know this, too. A study of prostitution in Chicago found that pimps paid above-market wages to retain the best street workers.

The well-cited Katz and Krueger fast food study on minimum wage affirms – employment increases, not decreases after legislation

Katz and Krueger 97

Lawrence F., Harvard econ prof, and Alan B., Princeton econ prof and chair of White House Council of Economic Advisors, "The Effect of the Minimum Wage on the Fast Food Industry," NBER Working Paper #3997 [PDI]

We first **analyze the employment effects of the minimum wage increase** from $3.80 to $4.25 in April 1991 using the matched sample of establishments that responded to both our December 1990 and July/August 1991 surveys. **For 100 establishments**, we have complete data on the number of full-time employees, number of part-time employees, and on average starting wage for nonmanagement employees both several months **before** (in December 1990) **and** several months **after** (in July/August 1991) **the most recent increase in the Federal minimum wage**. We measure the likely impact of the minimum wage increase on an establishment's level of employment by the proportional increase required in the firm's starting wage for the firm to minimally comply with the new minimum wage of April 1, 1991. The log minimum wage gap is defined as min(0, log(4.25/W) where W is the establishment's starting wage for nonmanagement employees in December 1990. The log minimum wage gap ranges from 0.11 ($.045 in levels) for firms at the old minimum wage of $3.80 to 0 for those already paying at least $4.25 prior to the most recent minimum wage increase.

Table 5 presents regression estimates of the effects of wage changes mandated by the minimum wage increase of April 1991 on employment growth from December 1990 to July/August 1991 for our sample of matched establishments. The table presents both the OLS estimates of reduced form models linking employment changes directly to the log minimum wage gap. The first two columns present estimates of equations where the dependent variable is the hange in log total employment in bodies (with full-time and part-time workers counted equivalently). **The** reduced form **model indicates that, contrary to the predictions of the conventional competitive labor market model, employment growth was positively related to the size of wage increases mandated by the minimum wage.**13 The instrumental variables estimates in column (2) show a similar story. **The estimates of positive minimum wage effects on employment are statistically significant** at the 10 percent level (prob-values of approximately 0.07) in both models. **The estimates are also moderately large** with an elasticity of 1.70 to 1.85.

The neg uses the wrong economic model – if employers of low-wage workers are monopsonistic buyers, employment increases with wage floors

Katz and Krueger 97

Lawrence F., Harvard econ prof, and Alan B., Princeton econ prof and chair of White House Council of Economic Advisors, "The Effect of the Minimum Wage on the Fast Food Industry," NBER Working Paper #3997 [PDI]

These caveats aside, **a model in which the employers of low-wage workers are assumed to have market power and act as monopsonistic buyers of labor** (Stigler, 1946; Sullivan, 1989) **is** potentially **consistent with the findings** presented in Table 5 and Figure 2. **In the standard monopsony model, a binding minimum wage can both increase employment and wages**. **Our estimates** in Table 5 **are consistent with a model of monopsony with an elasticity of supply of labor to individual fast-food restaurants** ranging from 1.70 to 2.65. **These elasticities indicate a substantial amount of monopsony power in the short run** (over an eight month period). A possible interpretation of this type of monopsony model is that **low-wage employers have**

some degree of monopsony power over their existing employees and do not increase wages to attract further outside employees because internal equity concerns essentially require them to raise the wages of all existing employees to the level of wages of new recruits. **The cost of raising the wages of infra-marginal workers outweighs the benefits of attracting new employees with higher starting wages.** The responses to both of **our surveys** of Texas fast19 food restaurants **indicate**s **much employer concern with the fairness of the internal wage structure**. **The same equity concerns** that appear to make establishments reluctant to use the subminimum wage may **make them reluctant to raise wages** when they have some monopsony power over a subset of workers. The major problem with this monopsony interpretation of our employment findings is that a large degree of monopsony power seems somewhat implausible in the high-turnover labor market of the fast-food industry.

Wage increases attract more types of workers, raising employment overall
Katz and Krueger 97

Lawrence F., Harvard econ prof, and Alan B., Princeton econ prof and chair of White House Council of Economic Advisors, "The Effect of the Minimum Wage on the Fast Food Industry," NBER Working Paper #3997 [PDI]

An alternative interpretation is a **model[s] with two types of labor** with different productivities **(e.g. teenagers and adults or part-time and full-time workers) and** an **internal equity constraint** that **forces firms to pay both groups the same wage** (or limits the wage gap between the groups). Such models **have been proposed** by Akerlof and Yeller'i (1990) and Grossman (1983). **Firms may choose to pay a low wage and attract workers of type one** (teenagers, parttimers) **and no workers of type two** (adults, full-timers), or perhaps only a small number of type two workers over whom they have some monopsony power. **A binding minimum wage could increase the wage to a level that could attract more type two workers**. **This appears consistent with our finding that wage increases mandated by changes in the minimum wage law appear to be positively related to employment growth and that the growth in employment is concentrated among full-time workers**.

The employment effects argument was disproved decades ago
Dickens et al 94

Richard Dickens, LSE, Stephen Machin, University College London, Alan Manning, LSE, “The effects of minimum wages on employment: theory and evidence from the UK” NBER Working Paper # 4742 [PDI]

The late 1980s and early 1990s increases in the US federal minimum wage have generated a renewed interest in the economic effects of minimum wages. This has become even more the case since **a number of recent empirical pieces based on these increases have reported very unconventional results, with minimum wage increases either not affecting employment or even raising it.** Given the long-standing presumption in economics that minimum wages depress employment then it has proved somewhat difficult to provide a reasonable theoretical explanation of such findings. In this paper we have presented a model of the labour market which we have argued 27 can be usefully used for thinking about the likely effects of minimum wages on the labour market. We have not attempted to test our model against competing alternatives but we believe that it is intuitively plausible and it can do quite well in explaining the stylized facts about the effects of minimum wages. Using this theoretical framework, **we have evaluated a number of possible empirical approaches to looking at the effect of minimum wages.** Implementing the approaches that we favour to examine **the effect of minimum wages in the UK,** we find strong evidence that they **have compressed the distribution of earnings and probably raised**

employment, the latter being a result that would be regarded as anomalous in a competitive model but one that can easily be explained in our framework. Of course, the results reported here cast severe doubt on the UK Government's claim that the recent abolition of the Wages Councils in its 1993 Trade Union Reform and Employment Rights Bill could be justified on the grounds that they have traditionally hindered employment. According to our results it seems that the only likely impact of abolition will be increased inequality of earnings, coupled with no employment gains.

Aff increases living wage just for government contractors, and the government is insensitive to changes in labor costs

Neumark and Adams 03

David, prof of econ @ UCI, edits several journals, started several institutes. Scott, director of grad studies @ Wisconsin-Milwaukee, co-editor of Journal of Economic Behavior and Organization. "Do Living Wage Ordinances Reduce Urban Poverty?" The Journal of Human Resources, Vol. 38, No. 3 (Summer, 2003), pp. 490-521. [PDI]

First, **the city is a purchaser of goods and services from contractors** (and possibly also Neumark and Adams, p. 6 grantees). Thus, **it is not necessary that its demand curve for particular services slopes downward, or at least not appreciably over some range. This could be the case either because the city finds it possible to raise taxes to cover higher costs** (thus largely allowing contractors to pass through the increased labor costs), **or because some services have to be purchased in quantities that may be largely insensitive to price** (such as snow plowing). On the other hand, a city government has some limits on its ability to raise taxes. In addition, **city contractors or recipients of assistance may pay higher wages to workers who are producing goods and services sold on the private market as well** (**perhaps the same workers who do some covered work and some uncovered work, or different workers working for the same employer**). The responses to wage increases for this work done for the private sector are more likely to be subject to the law of demand.

Increasing income outweighs employment effects

Kuehn 14

Daniel, former research associate at the Urban Institute, doctoral student @ American University in economics, MA from George Washington, "The Importance of Study Design in the Minimum-Wage Debate," Economic Policy Institute 9-4-14 [PDI]

Ultimately, **even skeptics of the matching literature reviewed here need to consider total effects of the minimum wage**, **and not simply whether or not a disemployment effect can be identified. The disemployment effects identified in the weaker empirical strategies are still small, and the earnings gains for minimum-wage workers keeping their jobs are substantial. The net effect of a minimum-wage increase is therefore likely to be quite positive, even if concerns remain about a small population hurt by the minimum wage and in need of other assistance. Studies with the strongest study designs of course suggest that this population is extremely small if it exists at all**.

AT Price Effects

Fast food studies prove no price effects or price decreases in many restaurants
Katz and Krueger 97

Lawrence F., Harvard econ prof, and Alan B., Princeton econ prof and chair of White House Council of Economic Advisors, "The Effect of the Minimum Wage on the Fast Food Industry," NBER Working Paper #3997 [PDI]

The final issue we examine using our survey data is the effect of the April 1991 minimum wage increase on the prices of meals at fast food restaurants. **The conventional model** of the effect of a binding minimum wage **implies the increase in labor costs should translate into an increase in product prices.** To a first order approximation the increase in price should be proportional to minimumwage labor's share of factor costs. **In contrast, some monopsony models predict that a small increase in the minimum wage will increase industry employment and output and reduce industry product prices.** In our survey of July/August 1991, **we asked about the prices of three standard items at each restaurant**: a medium soda, a small order of french fries, and a main course. The main course was a basic hamburger at restaurants in the Burger King and Wendy's chains, and six pieces of chicken in the Kentucky Fried Chicken chain. The survey included questions about both current prices, time since the last price change, and the price in January of 1991. Table 6 presents estimates of the effects of wage changes induced by the April 1991 increase in the minimum wage on the prices of a full meal, soda, french fries, and a main course.2° The dependent variable in each model is the log price change from January to July/August 1991 of the relevant item. Each equation is estimated by two stage least squares with the change in log starting wage treated as endogenous and instrumented for by the log minimum wage gap measured in prior to April 1, 1991. **The table provides little evidence of relative prices increasing in those establishments with larger mandated wage increases.** The results indicate that **the price of a full meal tended to decline in restaurants with large mandated wage increases relative to restaurants not much affected by the minimum wage change.** The price effects are not large and are fairly imprecisely estimated. The reported equations include region dummies to control for local demand shocks. The basic results are not very different (small and insignificant price effects) when the region dummies or the other covariates are omitted from the models.

AT Tolley et al. or Employment Policies Institute (1999)

Their studies are flawed – these estimates aren't specific to living wage

Neumark and Adams 03

David, prof of econ @ UCI, edits several journals, started several institutes. Scott, director of grad studies @ Wisconsin-Milwaukee, co-editor of Journal of Economic Behavior and Organization. "Do Living Wage Ordinances Reduce Urban Poverty?" The Journal of Human Resources, Vol. 38, No. 3 (Summer, 2003), pp. 490-521. [PDI]

Other studies have attempted to predict the loss of jobs that will result from living wages. For instance, **two studies use existing estimates from the minimum wage literature and apply them to living wages. Tolley,** Bernstein, and Lesage (1999) **projected** that over 1,300 **jobs would be lost in Chicago** from the city's living wage ordinance. As noted earlier, **though, empirical estimates from minimum wage studies may not carry over to living wages.** The **Employment Policies Institute** (1999) **estimates** that if all of California adopted a living wage, there would be over 600,000 lost jobs and $8.3 billion in lost income. This calculation **assume**s **that every firm in California would be subject to a living wage law** despite the fact that no such state-level laws exist (or are even in the planning stages, to the best of our knowledge). Also, **no current ordinance covers all workers**. Finally, **this calculation assumes that workers who are laid off will not find jobs elsewhere**, again ignoring the limited coverage of living wage laws, which implies the existence of a substantial uncovered sector. Like PL, **these studies** (and other similar ones) **do not attempt to study what has actually happened in localities where living wages have been adopted**.

AT Small Scope

Yes but they're growing – new ordinances are expanding the scope of living wage to apply to employers who benefit in any way from taxpayer money

Reynolds and Kern 02

David, pf at Wayne State, leader of the Michigan living-wage movement, and Jen, directs ACORN Living Wage Resource Center, author. "Labor and the Living-Wage Movement." Working USA 5:3. 2002. [PDI]

Campaigns have also sought new ways to broaden the reach of living-wage ordinances. While many of the early ordinances limited coverage to those employed by city contractors, now **almost one-third of the livingwage laws on the books cover both city service contractors and companies receiving economic development assistance from the city. A handful of these laws go one step further, extending living-wage requirements to the tenants and contractors of these subsidized companies** (think the Gap in a mall built with public subsidies or a janitorial contractor in a tax-abated office tower). Most recently, **campaigns in Berkeley and Santa Monica have extended the concept of living wage even further, requiring living-wage compliance from large employers located in highly developed waterfront tourist zones.** These zones, which are home to the area's most profitable hotels and restaurants, have benefited from substantial taxpayer investment and intense tourist promotion while harboring thousands of low-wage **housekeepers, busboys, dishwashers, and parking attendants**, many of whom remain **poor enough to qualify for government assistance**. **The Santa Monica living-wage ordinance promises such workers a living wage of at least $10.50 an hour** with health benefits, or otherwise $12.25.

Prefer Neumark on the Aff

Neumark's methods are legit, proven because he's biased against minimum wage but still concludes aff

Bloomberg 02

Warning Sign: Low Dividends April 21, 2002 http://www.businessweek.com/stories/2002-04-21/warning-sign-low-dividends#B3779040 [PDI]

Many economists, however, think such policies are self-defeating because raising pay for some workers above market levels will reduce overall employment of low-wage workers. Now, a new study finds such fears to be overblown. **The study is intriguing because it was done by David Neumark of Michigan State University, long a critic of minimum-wage increases. Neumark analyzed** the actual experience of **36 cities** with living-wage laws, from Boston, Baltimore, and Chicago to Minneapolis, Denver, and San Francisco. **As he expected, Neumark found that the passage of such laws did tend to reduce employment** somewhat among low-wage workers in urban areas. **But he also found that living-wage laws had a wider impact on wages than anticipated--**especially in cities in which the laws applied both to businesses contracting with the city and to employers receiving government aid in the form of reduced taxes or other goodies. **On balance, says Neumark, the higher wages brought about by living-wage laws appear to outweigh the effects of job losses--resulting in a moderate decline in urban poverty.** According to the Tax Foundation, the tax burden of the top 25% of federal income taxpayers grew appreciably in the 1990s, from 77.2% of total taxes collected in 1989 to 83.5% in 1999, while their average tax rate climbed by 2.4 percentage points, to 18.7%. Indeed, the Washington-based research group's analysis of Internal Revenue Service data suggests that the upper 50% of taxpayers paid a bigger share of taxes and a higher average tax rate.

Advantage Areas

AIDS

Poverty is highly correlated with AIDS—living wage is key to solve.

Varela 14, (Alejandro Varela teaches public health advocacy and policy to graduate students at Long Island University, "The Best Way to Beat AIDS Isn't Drug Treatment. It's a Living Wage." December 7, 2014, http://www.newrepublic.com/article/120499/cuomos-truvada-hivaids-plan-should-include-living-wage-too) [PDI]

As it happens, **the maps of poverty in the United States**—where officially 14.5 percent of the population is poor and another 5 percent are nearly poor—**overlay quite seamlessly onto the maps of HIV.** That should come as no surprise to anyone who studies or treats **chronic conditions**, most of which—diabetes, heart disease, kidney disease, etc.—**correlate with poverty**.¶ **Not only does poverty prevent us from accessing the stuff of life that buffers us from poor health, it also creates hospitable environments for disease. People living at or near poverty have greater levels of stress hormones**, like cortisol, running through their bodies. **And stress has a direct effect on each of the ten leading causes of death in the United States.**¶ This isn't the "good" stress that saves us from dangerous situations ("fight or flight") or even the "medium" stress that causes panic before public speaking, as a work deadline looms, or on the way to the birth of your first child. The stress of poverty is a chronic stress that kills by hastening the wear and tear of processes and organs that are necessary for our survival. In fact, chronic stress is akin to untreated HIV: it assaults the immune system and quickens the transition to AIDS.¶ **Poverty doesn't only manifest internally. People struggling to make ends meet are more likely to be perpetrators of violence and to be its victims. They are more likely to drown their sorrows and to inject drugs. They are more likely to fall into homelessness. They are less likely to have healthy nutrition options. And they are also less likely to access and adhere to prevention or treatment regimens for all of their ailments**, not just HIV.¶ The situation may get worse before it gets better. Research recently found that **countries in recession and with growing income inequality experienced jumps in HIV incidence.** It isn't only our elevated poverty levels that put us at risk. A comparison of 141 countries ranks the United States 100th in income equality. Lesotho, which has an adult HIV prevalence of 23 percent, is in last place. The country with the most equal distribution of income is Sweden; its HIV prevalence is 0.2 percent.¶ **Being poor is a more accurate predictor of HIV than being male, female, Black or Hispanic is**. A 2010 study of poor urban areas found that race and gender were not significant predictors of HIV prevalence. Why then are our proposed solutions for a problem with economic roots overwhelmingly clinical?¶ Cuomo and our other **leaders would do well to focus on progressive fiscal policies such as a living wage**, universal health care, and a basic income. **These measures would lift Americans out of poverty, save money on health costs, and, most importantly, save lives.**

Airport Security

Airport security jobs see less turnover and more training after living wage is passed, empirics

Bernstein 05

Jared, senior fellow @ Center on Budget and Policy, former chief economist to VP Biden, "The Living Wage Movement: What Is It, Why Is It, and What's Known about Its Impacts" [PDI]

A final important impact study is Reich, Hall and Jacobs's (2003) analysis of a particularly broad ordinance (in terms of coverage, wages, and other mandates, such as training standards) implemented at the San Francisco International Airport in 2000. While the authors find the expected increase in wages (they not that the wage of affected entry-level workers rose by an average of 33 percent), what's most notable about their findings are the efficiency wage effects. They report that turnover fell by an average of 34 percent among firms covered by the ordinance and that the decline in turnover rates increase with wages. **To cite a particularly relevant occupation in our post-9/11 world, they report that turnover among airport security screeners, whose average wage rose by 55 percent after the living wage went into effect, fell from 94.7 percent per year to 18.7 percent fifteen months later.** While Fairris (2003) finds a negative relation between living wages and training, **Reich, Hall, and Jacobs report increased training as mandated by the ordinance itself**. Finally, while they argue that employed levels were not affected by the ordinance, they do not offer the controls that would enable them to test this assertion relative to unaffected firms.

Crime

Aff significantly reduces crime, data from 1990 to 2010 in 49 cities proves

Fernandez et al 14

Jose, pf U Louisville, Thomas, and John V., pf U Virginia, The Impact of Living-Wage Ordinances on Urban Crime, Industrial Relations, 53(3), July 2014. [PDI]

To summarize our primary findings, we observe that living wages have a modest negative effect on property-related crimes. The Model 5 estimated elasticities on property crimes suggest that **a 1 percentage point increase in living wage** relative to the effective minimum wage **results in a 0.05 to 0.15 percent drop in property-related crime**. Likewise, the results found when using a simple living-wage-indicator variable in our most restrictive Model 5 suggests **that a policy that caused a roughly 50 percent increase in the wages for some fraction of low-wage workers is associated with a 8 percent reduction in burglaries, a 6 percent reduction in car thefts, a 4 percent reduction in robberies, and a 3 percent reduction in larceny.** At the same time, we find that the living wage has no discernable effect on crimes with weak pecuniary motives including murder, rape, and assault. Further perspective on **the estimated elasticities can be found by simulating the overall impact of the observed living wages on crime rates from 1990–2010**. Focusing on cities that adopted a living wage, we use Model 4 (Table 4) to simulate the change in crime rates between 1990–2010 with and without a living wage. With the status quo living-wage rates, we find decreases in the robbery rate of 50 percent, in the burglary rate of 65 percent, and the MVT rate of 81 percent over this time period. Without the living wage, we estimate that robbery rates would have fallen 47 percent, the burglary rate by 60 percent, and the MVT rate by 73 percent. Thus, **the estimates imply that over this decade living wage ordinances reduced the robbery rate by 3 points** (from 47 percent to 50 percent)**, the burglary rate by 5 points, and the MVT rate by 8 points**.

And the results are analytically justified – proves causation not just correlation

Fernandez et al 14

Jose, pf U Louisville, Thomas, and John V., pf U Virginia, The Impact of Living-Wage Ordinances on Urban Crime, Industrial Relations, 53(3), July 2014. [PDI]

These findings are generally consistent with both the literature evaluating the impact of the living wage on the low-skilled labor market and the literature evaluating the impact of the labor market on crime. **The former literature finds that the living wage has a large positive effect on average wages and a small negative effect on employment. Thus, to the extent the living wage serves to increase the expected benefits of participating in the labor market, we would predict an associated drop in crime, especially crimes with pecuniary motives**. The latter literature finds, in fact, that **the labor market for low-skilled persons has a notable impact on crimes** with pecuniary motives but little effect on non-pecuniary crimes such as rape and murder (Gould, Weinberg, and Mustard 2002). **Because we expect the living wage to impact crime via the low-skilled labor market, the lack of a relationship between the living wage and homicide, assault, and rape suggests that our conclusions are not due to a spurious correlation** between these ordinances and general levels of crime

Econ

Studies disprove job loss – living wage increases productivity, consumption and thereby long-term growth of the national economy

Zitzler 07

Jana Zitzler, International Policy Analysis Unit at Friedrich-Ebert-Stiftung, Plea for a European Minimum Wage Policy, April 2007 [PDI]

The assumption that minimum wages have a negative effect on employment (particularly for young people) **has been increasingly criticised**, however, above all against the background of empirical studies. For example, a US study by Card and Krueger (1995) for the first time reached the conclusion that an increase in the minimum wage has no negative effect on employment. More **recent studies in Europe unanimously stress that minimum wages do not lead to higher unemployment but often even to more employment**. These empirical conclusions can be underpinned by various theoretical approaches. **On the basis of imperfect labour market conditions, enterprises have so much market power that wages can be set below the equilibrium wage. In cases where there is only one employer** (a so-called monopsonist) **in a given region, it has no interest in taking on additional employees because then it would have to pay all employees a higher wage.** There is only an incentive for the unemployed to take employment if the wage is above the level of state transfer payments. **The employment level is therefore lower than with perfect competition. Here the minimum wage steps in and simply compensates for this imbalance. A minimum wage also has a positive effect on employment by contributing to the stabilisation of demand.** Since employees in low-wage sectors tend towards a particularly high consumption rate, **a large proportion of increasing incomes due to the minimum wage flows directly into consumption**. In addition, **minimum wages increase the productivity of employees and reduce employee turnover, which in turn positively influences the long-term growth and employment prospects of the national economy** (Swiss Trade Union Confederation, 2002).

Living wage decreases stress on the health care system, creates greater business returns by raising productivity

Levin-Waldman 03

Oren M, pf public affairs and administration @ Metropolitan College of New York, formerly pf @ Bard, "The Living Wage: Realizing the Republican Ideal" Public Affairs Quarterly, Vol. 17, No. 3 (Jul., 2003), pp. 171-196. [PDI]

To what extent, then, does the Living Wage of today bear similarity to the earlier concept of the late nineteenth century and how might it be said to rekindle the republican spirit? Contemporary rhetoric over the living wage echoes many of the same themes contained in the nine-teenth-century rhetoric over the living wage. Writing in the Los Angeles Business Journal, Madeline Janis-Aparicio, the executive director of the city's Tourism Industry Development Council, argued that the **living wage would actually eliminate dependency on the public health care system, cutting back on the burden on that crumbling structure,** and it would address the concerns of many in the business community who are not publicly subsidized and pay their employees fairly. These employers face unfair competition from other companies that are publicly subsidized but underpay their employees. (Janis-Aparicio 1996) And in a letter to the Los Angeles City Council and the Mayor, a group called "Business for a Living Wage" wrote: We believe that **responsible business results in higher returns. Our experiences and research bear out that firms with human resource policies such as those contained in the L.A. Living Wage Ordinance reap a range of benefits that actually reduces costs and enhances product quality. Turn- over is reduced, worker morale and productivity increase, and a larger pool of residents can afford to buy our products. Far from detracting from successful business enterprise in Los Angeles, the**

Living Wage Ordinance, properly implemented and monitored, can be a huge benefit to the business community. (Businesses for a Living Wage 1997) **The living wage, in other words, has largely macroeconomic effects. [and]** This, of course, was the argument that social reformers during the early part of the twentieth century used to justify paying a minimum wage. Sidney Webb (1912), in particular, argued that a minimum wage **would lead to greater efficiency because a better paid workforce would be able to better maintain itself and thus work more productively. Workers' productivity would also rise because higher wages would also improve their morale. Moreover, they would have greater incentive to improve their skills. Employers for their part would similarly have incentive to substitute more machinery for inefficient labor**.

Grassroots Localism

Grassroots living wage organizations can challenge traditional interpretations of the law and open spaces to use the law to help the poor.

Luce 12, (Stephanie Luce, Murphy Institute, City University of New York, "Living wage policies and campaigns: Lessons from the United States," International Journal of Labour Research, 2012, Vol. 4 Issue 1, http://www.eapn.pt/iefp/docs/justica_social_e_crescimento_-_o_papel_do_salario_minimo.pdf#page=11) [PDI]

Legal constraints. Finally, **the campaign for living wages will involve not only** technical **debates about the economics of the living wage, but political debates about rights and laws. When the Baltimore living wage campaign was initiated, city officials told activists that it was not legally possible to affect wages at the municipal level.** They ostensibly agreed with activists that working poverty was a problem in the city but insisted it had to be addressed at the state or federal level. **By pushing, activists were able to come up with an angle that opened the door to living wages, by attaching them to government contracting. Over the next 17 years, living wage activists continued to push the boundaries of what was "possible" under the law.** This has not always resulted in victory, and in some cases the opposition fought back to get new laws in place to restrict the space for wage laws. For example, a number of states passed "pre-emption" laws at the state level after living wage campaigns were underway, or ordinances passed. After voters in New Orleans passed a citywide minimum wage law in 1998, the restaurant and hotel lobbies got a law passed at the state level, overruling the city's right to do so. The law was challenged in court but in the end the State Supreme Court ruled that the new law held.

Civil society organizations are pushing for living wage in the status quo—they can influence legislation and make working conditions better for the poor.

Lester 11, (T. William Lester, Department of City and Regional Planning, University of North Carolina at Chapel Hill, "The Impact of Living Wage Laws on Urban Economic Development Patterns and the Local Business Climate: Evidence From California Cities," Economic Development Quarterly 25(3) 237–254, 2011, http://edq.sagepub.com/content/early/2011/05/19/0891242411409205.abstract) [PDI]

In the 16 years since Baltimore passed the first living wage law, **more than 140 local jurisdictions have mandated that companies that receive some form of local public dollars pay their workers a wage that is approximately equivalent to the federal poverty line. The base of support for living wage laws stems from groups with an interest in fighting working poverty in the United States**: a problem made worse in large cities where stagnating wages for low-skilled workers are combined with rising living costs. Although there are city- specific differences, **living wage coalitions typically consist of public sector labor unions and central labor councils, clergy, and grassroots community organizations—often affiliated with a national progressive organizing network** such as the Association of Community Organizations for Reform Now or the Industrial Areas Foundation. **The coalition- backed organizations that coalesce around a living wage campaign, such as Baltimoreans United in Leadership Development or the Los Angeles Alliance for a New Economy, put direct pressure on elected officials, write ordinances, testify at public hearings, and engage in high-profile public relations efforts to raise the issue of working poverty within local policy discourses. Thus, for such progressive labor coalitions, the campaign for a given living wage ordinance is one part of broader efforts to raise labor standards for low- income workers.** Although some **coalitions** disband after an initial policy success (e.g., passing a living wage ordinance), **others remain intact and engage in the process of monitoring and enforcement** (see Luce, 2005) **and in**

some cases support additional policy interventions and/or provide support for local labor-organizing campaigns.

Individual action and organizing can motivate governments, empirics prove
Reynolds and Kern 02

David, pf at Wayne State, leader of the Michigan living-wage movement, and Jen, directs ACORN Living Wage Resource Center, author. "Labor and the Living-Wage Movement." Working USA 5:3. 2002. [PDI]

Shaking up local politics was almost **an explicit goal of Chicago's feisty living-wage effort**, led by organizers from ACORN and SEIU Local 880 and joined by the Chicago Federation of Labor. **In the home of the last great urban political "machine," the campaign activists knew they faced an uphill battle. However, the living-wage issue also promised to provide a wedge issue for breaking up politics as usual. Mayor Daley's consistent opposition and his tight control** over the board of aldermen **propelled the campaign into escalating grass-roots mobilization. By the end of the two-and-a-half year campaign, the city had witnessed several large living-wage demonstrations and marches, accountability sessions** with members of the board of aldermen, **the picketing of the mayor** as he welcomed delegates to the Democratic National Convention, **a "Tour of Shame"** highlighting low-wage blight, **an effective media campaign, the arrest of six living-wage activists, and countless hours of door-knocking, flyer distributing, and phone-banking.** While Daley won a "no" vote from the board of aldermen in the summer of 1997, **the political pressure eventually proved too strong.** Following the defeat, living-wage activists began organizing in the districts of anti-living- wage aldermen and publicizing the names of aldermen who had retreated from their living-wage commitments when confronted with Daley's arm-twisting. Organizers from ACORN and the Chicago New Party began moving symbolic living-wage ballot resolutions in a ward-by-ward strategy designed to pressure aldermen who had voted against the measure by reminding them where their constituents stood on the issue. **When a decision** by aldermen **to grant themselves hefty raises prompted living-wage demonstrations outside city hall, city officials decided to offer a deal.** While the living-wage ordinance enacted in 1998 was narrower than the original proposal, **the fact and form of its passage demonstrated the power of the living wage as a political wedge issue.** To immediately capitalize on the new political power and momentum afforded by the victory, ACORN, SEIU, and their allies began an all-out grass-roots political campaign to elect Ted Thomas-- Illinois ACORN president, Chicago New Party chair, and living-wage leader. That Thomas won election to the board of aldermen despite never having held elected office was only the most immediate sign of how the campaign had begun to reshape local politics.

Labor Rights Spillover

Passage of living wage laws spills over to additional labor reforms—improves worker healthcare, paid leave, and workers' rights.

Lester 11, (T. William Lester, Department of City and Regional Planning, University of North Carolina at Chapel Hill, "The Impact of Living Wage Laws on Urban Economic Development Patterns and the Local Business Climate: Evidence From California Cities," Economic Development Quarterly 25(3) 237–254, 2011, http://edq.sagepub.com/content/early/2011/05/19/0891242411409205.abstract) [PDI]

On the political side, **the passage of a living wage law sets a precedent within the city for progressive interventions in the local labor market and creates a more hospitable environment for further regulation.** In the case of Los Angeles, once the first contractor-only living wage law was passed in 1997, the Living Wage Coalition led by the Los Angeles Alliance for a New Economy continued to have a strong role in its implementation and subsequently fought for its extension to the airport and to large city-sponsored redevelopment projects. **The living wage had** perhaps the most **profound effects on the political economy of San Francisco** (Lester, 2009). In 1999, the board of supervisors passed a **living wage** that applied only to San Francisco International Airport, which **was** later **extended to the entire city in 2000. Within a few years, the city's voters had passed a citywide minimum wage** by a wide margin (2003), **followed by universal health access** (2006) **and paid family leave** (2006). **Without the passage of the living wage ordinance, the subsequent laws were unlikely to even be debated among the city supervisors.**¶ Although **living wage laws** vary in their coverage and wage guarantees, they nonetheless **represent dramatic and important reform of labor market institutions at the urban scale in that they specifically attempt to raise wage and benefits standards for low-income workers by targeting the practices of low-wage employers.** Furthermore, as described above, **the passage of a living wage law is often indicative of broader institutional changes afoot in some local labor markets.** However, there remains a key question for urban policy makers and progressive activists: Do living wage ordinances result in the loss of jobs and businesses within the city limits? Or do living wage laws shift the balance of employment within metropolitan areas?

<u>Laundry List</u>

Living wage helps businesses and workers alike—laundry list of reasons.
Wills and Linneker 12, (Jane Wills and Brian Linneker, School of Geography, Queen Mary University of London, "The costs and benefits of the London living wage," September 2012, http://www.trustforlondon.org.uk/wp-content/uploads/2012/10/Living-wage-costs-and-benefits-FULL.pdf) [PDI]

<u>This research has explored the costs and benefits of the London living wage via a series of case studies, interviews with clients and employers, a worker survey and analysis of data on the income, tax and benefit systems.</u> Our research has revealed the extent to which the costs and benefits of the London living wage varied by workplace. The findings are also dependent upon the scale of analysis and any evaluation needs to be differentiated in relation¶ to the key actors affected by the changes in pay (clients, employers, workers and taxpayers).¶ **<u>Despite the wage premium associated with the living wage, the research found that employers and clients were able to manage these costs.</u>**¶ In the pre/post case studies, the additional wage costs added an average 6% to contract costs in the pre living wage period. In the comparative case studies, the wage premium would have added an average of 11% to non-living wage contract costs.¶ In addition, **<u>the variation in costs across the case studies highlighted the extent to which the majority of employers and clients were effectively managing down the additional costs associated with paying the living wage.</u>** The research identified a range¶ of measures to do this including: the use of fixed price contracts; the implementation of service audits with and without financial penalties; reductions¶ in head count and/or hours; and alterations in service specification and supplies. In some cases, contractors had a reduced margin from the living wage case.¶ At one private sector firm, for example, the cleaning service was provided at a lower cost per unit area than it was at the non-living wage comparator case despite a 25% wage premium being paid in this case. The procurement manager at this workplace argued that if managed carefully, the move to the living wage could be cost neutral. As he put it: "I honestly believe that **<u>if you're a reasonably sized organisation, you can make the transition from a non-living wage to a living wage providing that you look at it as a road map</u>** ... Give yourself time to assess where you can make efficiencies ... **<u>If you give yourself a period of time to review your cost base and understand how you can take a longer term strategic approach to it</u>**, I honestly think **<u>it's achievable in most organisations."</u>**¶ Our research certainly showed that the connections between wages and costs are less than straight- forward and in practice, the cost impact of the living wage was dependent upon the contracting and management practices deployed by the employer and clients involved.¶ However, the research also showed financial and other benefits associated with the London living wage. In most cases **<u>the move to the living wage</u>**¶ – or the comparison between living wage and non- living workplaces – **<u>showed reduced rates of labour turnover and sickness. The cases where rates were not lower had particular explanations such as employing large numbers of international students and/or undergoing a major period of redundancies following the take-over of a contract.</u>** When we calculated the **<u>savings from reduced rates of labour turnover</u>**, the benefits **<u>varied from 0.1% to 2% of the non-living wage comparison</u>** contract or time **<u>period</u>**. The cost of labour recruitment was relatively low and while companies were saving money, these savings were marginal to overall costs.¶ **<u>The research also highlighted a number of non-quantified benefits from reduced rates of labour turnover such as having the staff continuity to facilitate workplace changes and increases in productivity, and building relationships between in-house and sub-contracted staff. Clients and employers also reported being able to recruit workers with a better attitude towards work once the living wage was brought in</u>**.¶ An unanticipated benefit was also the impact of the living wage on the in-house staff in the case study firms. Some **<u>clients reported that the living wage reinforced their brand and reputation as a good employer and that this then impacted upon their ability to recruit the best possible graduates into professional roles.</u>**¶ **<u>The reputational benefit was also positive for clients and employers that depended upon their interaction with the public and other employers for their core business.</u>** A private sector company suggested that paying the living wage helped them to win business from other service delivery firms.

Living wage not only boosts wages, but increases paid vacation and reduces turnover rate and absenteeism.

Fairris 05, (DAVID FAIRRIS, Department of Economics, University of California, Riverside, "The Impact of Living Wages on Employers: A Control Group Analysis of the Los Angeles Ordinance," Industrial Relations, Vol. 44, No. 1 (January 2005), http://onlinelibrary.wiley.com/doi/10.1111/j.0019-8676.2004.00374.x/full) [PDI]

This paper offers an analysis of the impact of **the Los Angeles living wage ordinance** on employers using a quasi-experimental research design. The results **reveal that the ordinance has forced employers to pay starting workers in the largest low-wage occupations $1.74 more per hour on average, and to offer affected workers roughly two additional paid days off. The ordinance has had no effect on the inclination of employers to offer paid health benefits to workers.** As a result of the increased compensation package, **establishments have witnessed a reduction in turnover among workers in the largest low-wage occupations of roughly 35 percent, and a significant reduction in unsched- uled absenteeism as well.** The wage mandate has led covered firms to reduce their use of overtime and to devote fewer hours to training low-skilled workers than comparable uncovered firms. **The ordinance appears to have had no significant impact on the use of part-time workers, the intensity of supervision, or the propensity to fill vacant jobs from within.**

Minority Oppression

Raising minimum wages has a positive effect on income distribution, decreasing wage differentiation which is a main cause of income discrimination

Zitzler 07

Jana Zitzler, International Policy Analysis Unit at Friedrich-Ebert-Stiftung, Plea for a European Minimum Wage Policy, April 2007 [PDI]

A further major benefit of minimum wages consists in the fact that they have an extremely positive effect on income distribution. Many studies have come to the conclusion that minimum wages have prevented or even reduced a potential extension of wage differentiation. The minimum wage protects particularly those employees who work in low-wage sectors. Women, young men and ethnic minorities are disproportionately employed in those sectors. The minimum wage can be seen as an effective instrument for, if not re-moving, at least reducing income discrimination among these groups (Funk/Lesch, 2006).

Not providing a living wage harms African-Americans the most

Thomas cites Schultz in 14

Bradford Thomas, journalist, Ed Schultz: Opposing Minimum Wage 'Every Bit as Racist' as Sterling's Comments, Prison Planet, Truth Revolt May 2, 2014 [PDI]

Using the recent inflammatory racial remarks of the LA Clippers owner as a launching-off point, **Ed Schultz** of MSNBC attempted to **frame[d] the minimum wage debate in racial terms**, saying that the Republicans' **resistance to raising the national minimum wage "is** every bit as **racist** as comments made by Cliven Bundy and Donald Sterling." Schultz then parlayed that accusation into a critique of all of the Republicans' major policy positions, arguing they are ultimately grounded in racism. **You're either for working families who are struggling or you're not. Let's call it what it is. Minimum wage is a racial issue, look at the numbers. I think not raising the minimum wage is a racist policy. Standing up, making the case that people of color in this country do not deserve a living wage is a racist policy. There's a lot of different ways to prove racism in America. Not providing a livable wage for Americans hurts African-Americans. The numbers are very clear. 17.7 percent of minimum wage workers are African-American, a minimum wage increase to 10.10 an hour, which would happen only in a three-year period from now, would lift three and a half million people of color out of poverty in this country. A study from the Center for American Progress shows minimum wage increase would, combined with wages of people of color, it will total $16.1 billion, combined increase in wages for people of color.** Race is an element when it comes to income and opportunity in this country. You cannot deny that. And not raising the wage, the minimum wage, is every bit as racist as comments made by Cliven Bundy and Donald Sterling. It's just displayed in a different way. It's not just the minimum wage, Republican policies, look at what they do. They hurt all people of color with their policies, from food stamp cuts to repealing Obamacare over 50 times, to the effort to privatize social security and even get rid of it.

Poverty

County-level living wage legislation lifts tens of thousands out of poverty and doesn't increase unemployment.

Clain 07, (Suzanne Heller Clain, Villanova University, "How Living Wage Legislation Affects U.S. Poverty Rates," Journal of Labor Research 29.3 (2008), http://link.springer.com/article/10.1007/s12122-007-9028-8) [PDI]

Statistical significance aside, the absolute magnitude of these effects is modest. **For the average** ACS **county with a population of 720,273** (in 2000), for example, **living wage legislation would lift between 13,115 and 14,155 individuals out of poverty.** By contrast, a statewide minimum wage would reduce the number of individuals living below the poverty line by only 1,880 to 1,975.¶ The remaining results of my analysis are fairly consistent with previous efforts to explain variation in poverty rates. The percent of the population that is white has a positive effect on the poverty rate; it is insignificant in most specifications, however.25 The percent of the population under 18 has a positive and significant effect on poverty rate26 as does the percent of family households headed by females.27 The percent of the population having at least a high school diploma has a negative and significant impact on poverty rates, as expected.28 Also as expected, higher rates of labor force participation reduce poverty rates, whereas higher rates of unemployment have the opposite effect; the effects of both variables are insignificant, however.29 Higher rates of unionization among workers are found to be significantly linked to lower poverty rates, ceteris paribus.30¶ Conclusion¶ I investigated the determinants of poverty rates in a panel study of U.S. counties, with particular attention given to the role of state and local wage policies.¶ **My findings provide statistically significant evidence that living wage ordinances modestly reduce poverty rates where these ordinances have been enacted.** However, there is no statistically significant evidence that state minimum wage laws have these effects.¶ That these wage policies could have different impacts is not surprising. Coverage of minimum wage laws is typically much broader. Moreover, state governments impose a wage floor with the expectation that someone else pays the bill. Faced with increases in their costs of production, employers pass these costs onto their customers via higher prices if they can. Customers, in turn, purchase fewer goods produced by minimum-wage workers. The consequent reduction in demand for those workers has long been a topic of discussion among economists. In their analysis, Neumark and Wascher (2002) concluded that state minimum wage laws primarily cause a redistribution of income among low-wage workers.¶ **In the case of living wage legislation, coverage is much narrower. The employers of the low-wage workers targeted by the legislation are typically selling services to local governments. To the extent that their "customers" (the local governments) willfully and intentionally commit themselves to maintaining their demand and absorbing the higher costs for such services, there could well be no disemployment effects.** The redistribution of income caused by the legislation could well be from taxpayers in general to low-wage workers in particular. I find some evidence that this redistribution does occur.

A mandatory living wage would lift millions out of poverty—outweighs negative effects on employment by 96%.

Riley 13, (Rebecca Riley, National Institute of Economic & Social Research and Centre for Learning and Life Chances in Knowledge Economies, "Modelling Demand for Low Skilled/Low Paid Labour: Exploring the Employment Trade-Offs of a Living Wage," NIESR Discussion Paper No. 404, 20 January 2013, http://www.labourmarketnortheast.co.uk/app/assets/files/news/modellinglowskill_lowdemand_feb13.pdf) [PDI]

This paper considers what might happen to labour demand if all employers signed up to the Living Wage. To this end labour demand models are developed for workers in five different groups, distinguished by age and qualifications. **Because the Living Wage represents a substantial rise in average wages and labour costs for younger employees,** particularly those with intermediate or no qualifications, and because labour demand for younger less skilled workers is relatively elastic we find that **a move to the Living Wage could significantly reduce employers' demand for this group. Aggregate labour demand is reduced by less because employers substitute more experienced**

workers for younger workers. It is important to keep in mind that the labour demand effects calculated in this paper are conditional on both the scale of output, labour force participation and labour efficiency. This means that the labour demand effects discussed here do not necessarily provide estimates of the employment effects of the Living Wage. One way of illustrating this is to consider the evidence on the introduction of the NMW, which led to an increase in wages for the lowest paid and a rise in hourly labour costs. A simple labour demand model would predict that the introduction of the NMW led to a reduction in labour demand. Indeed, the labour demand model presented in this paper would suggest that the introduction of the NMW led to a reduction in conditional labour demand of approximately 22,000 employees in the private sector.16 While this is little more than 0.1% of private sector employees it amounts to just under 2% of low paid employees. In contrast, the majority of empirical research to date, which analyses the impacts of the NMW in an ex-post natural experiment approach, finds little evidence to suggest that the NMW has reduced employment significantly amongst low paid workers (Butcher, 2012). These separate pieces of evidence are not obviously inconsistent; the adverse effects on labour demand calculated here may, for example, be offset to some extent by other changes in the labour market brought about by the NMW. The reduction in labour demand associated with the NMW, implied by the model in this paper, is significantly smaller than the reduction in labour demand associated with a wage floor set at the Living Wage. **This is because a pay floor set at the Living Wage would reach much higher up the wage distribution than the NMW, potentially increasing wages for more than three times the number of workers who benefit from the NMW and for many by a more significant amount than with the NMW.** Indeed, **assuming employment and hours worked were unchanged,** the calculations using the LFS in this paper suggest that **more than 4 million employees in the market sector would see a rise in their earnings with widespread adoption of the Living Wage; on average, earnings would rise by 15% for these employees. The estimated reduction in labour demand is small in comparison, equivalent to less than 4% per cent of the number who might benefit.**

Empirics prove

Neumark and Adams 03

David, prof of econ @ UCI, edits several journals, started several institutes. Scott, director of grad studies @ Wisconsin-Milwaukee, co-editor of Journal of Economic Behavior and Organization. “Do Living Wage Ordinances Reduce Urban Poverty?” The Journal of Human Resources, Vol. 38, No. 3 (Summer, 2003), pp. 490-521. [PDI]

Column (1) presents the estimates of the effects of living wages and minimum wages on poverty based on earnings alone.40 **The estimated living wage effects are consistent with living wages reducing poverty,** as the estimates for the contemporaneous, six-month, and 12-month lag specifications are negative and significant. **The estimates are stronger the longer the lag, consistent with the pattern of estimated wage effects** (although the negative employment effects also strengthened with the lag length). In column (2) we use the larger sample, adding data from 1995 (for which identifying SMSAs in the ADF is not problematic, unlike the ORGs). This results in the estimated coefficients falling in absolute value, while remaining negative and generally significant. Columns (3) and (4) turn to the analysis of living wage legislation and poverty based on total family income. In both columns, **the estimated effects of living wages on the probability that a family is poor are always negative, but statistically significant** (at the 5 percent or 10 percent level) only in the 12-month lag specification.41 **The estimates for the effects of living wages using total income to classify families as poor indicate that a 10 percent increase in the living wage reduces the probability that a family lives in poverty by 0.0033 to 0.0039**. The implied elasticity is about !0.19.

There’s not much research on living wage but minimum wage it helps the poor

Bernstein 05

Jared, senior fellow @ Center on Budget and Policy, former chief economist to VP Biden, "The Living Wage Movement: What Is It, Why Is It, and What's Known about Its Impacts" [PDI]

While **not much empirical work has been done on this question regarding living wages**, a good deal has been done on minimum wages. In my own work with various coauthors, **I've consistently found that most of the**

benefits, about 60 percent, of a minimum wage increase flow to working families in the bottom 40 percent of the income scale, whose average income is about $27,000 in 2002 dollars (Bernstein and Schmitt 1998). **Other authors**, such as Burkhauser, Couch, and Glenn (1996) **get worse targeting results** for the minimum wage, but this is **largely due to measurement choices**, such as including nonworking families and placing greater emphasis on the extent of benefits that flow to families below the poverty line, whereas Bernstein and Schmitt argue that an assessment of targeting need not be limited to the officially poor. At any rate, this research shows some positive correlation between low earnings and low incomes, though one that is not very high.

Plan Areas

<u>China Inherency</u>

Chinese workers make very little while working long hours in unsafe factories
Ross 02
Robert J.S. Ph.D., prof of Sociology @ Clark University, "Reframing the Issue of Globalization and Labor Rights" [PDI]

<u>In China, the setting of a minimum wage is extremely decentralized. Each city or even a district in a city can set its own minimum wage based on a formula provided by the central government. This takes into account the cost of living in the locality, the prevailing wage, the rate of inflation etc., and is adjusted each year</u>. In 2001 Shenzhen City had two standards. Inner Shenzhen, the commercialized sector of the city just north of Hong Kong, has the highest minimum wage level in China, at 574 yuan per month (US$ 72); while the outer industrialized sector's minimum wage was set at 440 yuan (US$ 55). **<u>These</u>**, and the lower **<u>minimum wages</u>** in other localities **<u>are misleading. In reality the wages of the migrant industrial workers are often considerably lower than the official minimum, or their gross wages hide extremely low rates of pay. Payment of the monthly minimum wage may cloak illegally long hours.</u>** According to a survey Anita Chan conducted in China's footwear industry, **<u>the average number of work hours each day came to 11, often with no days off. Nor do the official statistics take into consideration the staggering amount of wages owed but not paid to the migrant workers. Some 40% of</u>** the 20,000 cases of **<u>workers' complaints</u>** lodged by letters and by personal visits to the Shenzhen authorities during the period of nine months in 2001 **<u>were related to owed wages</u>**. As a Shenzhen paper has editorialized, this has become a "normal practice" in southern China. When the illegally long work hours and unpaid wages are taken into account, **<u>a sizeable proportion of the workers are making considerably less than the legal minimum wage</u>**. **<u>The officially set minimum wage levels also do not tell the whole story in other ways. They do not show the violence and physical abuses that have become pervasive in Asian-invested factories</u>** owned and managed by Taiwanese, Koreans and Hong Kong Chinese; **<u>nor the acute and chronic occupational health and safety ailments. A startlingly high incidence of severed limbs and fingers has been recorded.</u>** In Shenzhen City alone, there were over 10,000 certified cases in 1999 among a migrant population of 4 million. **<u>As China develops, the benefits have not trickled down to the assembly line workers from largely rural backgrounds who make the exported goods</u>**.

<u>Europe</u>

Wages falling across Europe require more uniform minimum wage – several plan options

Zitzler 07

Jana Zitzler, International Policy Analysis Unit at Friedrich-Ebert-Stiftung, Plea for a European Minimum Wage Policy, April 2007 [PDI]

In the face of increasing liberalisation of the European economy and labour market, particularly in the service sector, as well as mass unemployment **<u>in many European countries, wages are coming under pressure.</u>** **<u>There is therefore a risk that the trade unions will lose negotiating power and wage policy will no longer constitute an adequate instrument to safeguard the minimum wage.</u>** The pros and cons of introducing a statutory minimum wage are therefore increasingly being discussed in some countries without legal regulation. But also in those EU states where a statutory minimum wage exists, real wage development is characterised by two fundamental trends. On the one hand, **<u>wages have lagged behind productivity growth, which has contributed to a weakening of private consumption and has led to low economic and employment development in many EU countries.</u>** On the other hand, in most EU states an increase in wage differentiation can be detected. This can be explained mainly by the fact that the low wage sector has massively expanded. But eastern enlargement has also increased pay differentials within the EU, as well as pressure on the regions close to the border (Schulten/Bispinck/Schäfer, 2006). Given these developments, it can be established that **<u>current national minimum wage regulations – statutory or agreement-based – are no longer adequate in order to respond appropriately to increasing income differentials in the EU and to prevent longterm falling wages.</u>** **<u>Coordination of national minimum wage policies at European level is therefore becoming pivotal</u>**. **<u>In countries without a statutory minimum wage – particularly Germany – the main issue is to rectify the deficiencies of wage policy. In countries with statutory minimum wage regulations, on the other hand, there must be a commitment so that just and fair remuneration can be guaranteed</u>**. European coordination of national minimum wage regulations is an important instrument for responding to and reducing increasing distributive injustices. The majority of those who would benefit from European minimum wage regulation are women. **<u>What would a European minimum wage policy look like? A proposal</u>** from the left wing of the French "Parti Socialiste", **<u>under which a uniform minimum wage sum should be established Europe-wide</u>**, was judged impracticable by critics because of the significant differences between national economic circumstances. **<u>Other approaches regard the European minimum wage rather as an EU guideline</u>**. It would define a certain national minimum wage level in relation to national economic performance, **<u>to which the different EU member states should orientate themselves.</u>** **<u>A group of German, Swiss and French academics have proposed Europe-wide coordination of national minimum wage policies</u>**. **<u>All EU states would be obliged to gradually increase minimum wages to a level corresponding to at least 50 per cent</u>** – and prospectively 60 per cent – **<u>of national average income</u>** (Schulten et al. 2005). The open method of coordination has been proposed for implementing this policy. **<u>Concrete targets and implementation periods would be established at European level, which ultimately would be implemented at national level with the customary institutions and procedures.</u>** Therefore, statutory minimum wages, generally binding wage agreements or combinations of the two forms of regulation could be applied. The European level would in turn have the task of supervising implementation at national level. For the purpose of implementation the European trade unions have been asked to develop a common concept for a European minimum wage policy (Schulten/Bispinck/ Schäfer 2006; Burmeister 2006).

Global

International minimum wage plan

Nolan 13, (Hamilton, journalist for gawker.com, "We Need an International Minimum Wage," 5/22/13, http://gawker.com/we-need-an-international-minimum-wage-509268324) [PDI]

So let's do the next best thing: **let's put** that **money directly into the pockets of workers.** (Conservatives are always telling us that individuals are better at solving their own problems than government, anyhow.) The world's biggest corporations pocket billions every year by avoiding taxes internationally. Governments aren't able to get that money back. But the workers—**the impoverished garment workers in Bangladesh sewing t-shirts for Wal-Mart, the harried FoxConn workers in China making iPhones, the faceless and forgotten and unseen low-paid factory workers around the world who live in penury so that we can enjoy cheaply manufactured goods—can get that money back themselves, through a wage increase.** Wage increases cannot be avoided with armies of tax lawyers. Give the workers more money, and they will pay more local taxes. Two birds with one stone. **A global minimum wage, set to a level at which humans might be able to actually live a minimally acceptable lifestyle. Yes, it can be pegged to each nation's cost of living; and no, it doesn't have to be extravagant. But it has to be enough to make life worth living.** It has to be more than what we have now: wages that guarantee persistent poverty.¶ This doesn't require the passage of laws in every single country around the world. We can do it ourselves. **We can pass a law saying simply that any multinational corporation of [X] size that wishes to sell goods in America must pay all of its employees and subcontractors a minimally acceptable wage. Companies that don't wish to abandon the American market—virtually all of them—would comply. Once some major European nations signed on as well, the law would be as good as global, because to avoid it would mean forsaking too much of the consumer market.**¶ Prices would rise a bit. That's okay. We would never countenance buying goods produced with slave labor, just because they were cheap. We should not countenance buying goods produced by workers sentenced to a life of poverty and hopelessness, either.

Mexico

American companies in Mexico exploit workers, paying less than $1 an hour

Magliano 12

Tony, writer, "Workers deserve dignity, living wage," National Catholic Reporter, 48.15 (May 11-May 24, 2012): 18. [PDI]

Kernaghan said the **multinational corporations** that have **established** themselves **in Mexico**, **being world-class competitors, will employ Mexican workers for as little as they can get away with, place them in miserable working and living conditions, and push them to the limit to maximize production**. **A typical example**, according to Kernaghan, **is the giant U.S. aluminum company Alcoa**. In the Mexican border cities of Acuña and Piedras Negras where **Alcoa operated 13 factories, more than 15,000 workers earned on average less than $1 an hour assembling automotive electrical systems for U.S. companies like Ford and Harley-Davidson.** Libby Archell, **director of corporate affairs for Alcoa**, recently **called me to explain that** Alcoa now has only three factories operating in Mexico, and that workers there, as in all of their factories worldwide, receive at least the minimum wage mandated by each country. She added that **Alcoa fully respects all worker rights everywhere they operate**. But Kernaghan said the **many** U.S. and Canadian corporations that abuse workers in their foreign **factories all say the same thing. These companies all say they respect human and labor rights when, in fact, they don't.** In Alcoa's case, even if the rights of workers are now respected, **what about all of the well-documented labor abuses in the Mexican factories they previously owned? The more than 15,000 former Alcoa workers suffered tremendously, and Alcoa has not given them the restitution** that **justice demands**. During investigative visits between 2002 and 2007, Kernaghan found many **Alcoa workers** subsisting in desperate poverty. He saw them **liv**ing **in** one room **shacks made of scrap wood, old shipping pallets, cardboard and tar paper, with no running water**. He said **a wage of less than $1 an hour is not nearly enough to live like a human being. To survive, many workers still cross the U.S. border regularly to sell their blood.** Kernaghan added that many Mexican workers lost their jobs when they spoke out against Alcoa injustices. He said that in 2009, Alcoa sold its wire-harnessing plants in Acuña and Piedras Negras. The factories are now owned by PKC Group, which continues to export automotive electrical systems to automakers in the United States. But **according to local worker rights advocates, conditions have not improved. The workers still earn a base rate of about $40 a week,** and they are not allowed to have an independent, democratic union. During his visit, Benedict urged Mexicans "not to yield to a utilitarian mentality, which always leads to the sacrifice of the weakest and most defenseless." But **because the globalized economic system overwhelmingly favors rich individuals and rich corporations, poor workers in Mexico and throughout the world have little choice but to yield to the utilitarian mentality of most American and Canadian corporations, which treat workers with less dignity than the things they make. Catholic social teaching insists that workers deserve a living wage** and the right to form independent unions.

New Zealand

Minimum wage is not enough in New Zealand – the market as is can't deliver people out of poverty

Newman 13

Annabel, Campaign Coordinator, Service and Food Workers Union Nga Ringa Tota, Master of Public Policy (Hons), "Precarious work and a Living Wage in our communities" New Zealand Journal of Employment Relations, 38(2): 64-69. 2013 [PDI]

Decentralised wage setting and weakened unionisation are critical factors in the growing inequality in New Zealand (Rosenberg, 2011). **The market determines wage outcomes and has failed to deliver large numbers of working people in this country out of poverty** (Perry, 2013). It is **the statutory minimum wage** that determines ground zero for many workers (currently $13.75 per hour) and, **at 53 percent of the average wage, it is a far cry from its genesis** in 1946 **when the statutory minimum was 83 percent of the average wage. With 91,500 workers living on the minimum wage** and 573,100 earning less than the living wage rate of $18.40 per hour (Ministry of Business, Innovation and Employment, 2013), **the call for a shift in thinking about wage-setting is understandable. Neither the market nor the statutory minimum wage is grounded in what workers need to live a decent life – the living wage is. Reflecting international models, the living wage movement has defined the living wage as what workers need to survive and participate in society.**

More inherency: one approach or organization won't cut it, but living wage movement brings people together

Newman 13

Annabel, Campaign Coordinator, Service and Food Workers Union Nga Ringa Tota, Master of Public Policy (Hons), "Precarious work and a Living Wage in our communities" New Zealand Journal of Employment Relations, 38(2): 64-69. 2013 [PDI]

If we want to salvage our union movement for the future of a healthy democracy, we have to shift our focus to the communities in which workers live and shift our strategies and tactics accordingly. **A community approach means creating common ground and a shared agenda with our diverse communities, not just calling on these communities to support the agenda of one advocacy group, such as unions. Living Wage** Aotearoa **aspires to have a society with decent living standards that our current labour market mechanisms cannot deliver for the most vulnerable and precarious workers. It aspires to building a collective voice comprising our diverse citizenry that strengthens each of our organisations and our whole community**, and that has the power to shape our lives for the better. For unions, **the campaign for a living wage is a social justice project and one that requires focussed consideration and distinct resourcing** because it is different from industrial advocacy in orientation and outcome. This is about building power through the collaboration of community, faith and union groups, giving vitality to our democracy, and delivering a decent society where workers can survive on the fruits of their labour.

Sweatshops/Apparel Workers

The average apparel worker makes $1.75 an hour – the Chinese government evades quotas, so status quo U.S. import law is failing

Ross 02

Robert J.S. Ph.D., prof of Sociology @ Clark University, "Reframing the Issue of Globalization and Labor Rights" [PDI]

One way to summarize the process of the Race to the Bottom is by asking what the average wage is for imported clothing. In Italy, for example, apparel workers earned about $12.55/hour in total compensation (wages and benefits) in the late 1990's, while the official U.S. rate was $10.97. In the U.S. case, this was surely inflated because of the large number of violations of the minimum wage law. (See Ross 2001) In any case, Italy was the origin of about 2.5% of U.S. imports (by dollar value) in the last year. **If we weigh wages in China and Burma with Italy and Canada, and all the other countries that send clothing, correcting for the size of the flow from each country, we can then estimate the hourly wage, on average, for the average imported garment.** It's a soft estimate, given the varying ways countries report their data and the varying degrees of accuracy and honesty in them. For example, some of the reporting countries combine footwear and apparel (China). The underlying database, from the International Labour Organization, includes some data by month and some by day or week. One must then estimate the number hours in a working month in a given national setting, etc. Using a Department of Labor report inspired by the anti-sweatshop movement**, I estimated the average apparel worker wage used in apparel imports** for 1998. (Schoepfle 2000) It was **between $1.75 and $1.87** – depending on whether I used the Labor Department's official data or supplemented it with the National Labor Committee's reports from workers from the (few) countries the NLC reported. My first attempt at this estimate was about 10% higher. My original calculations, I knew, were based on (at least) one fiction in U.S. import data, a factor that would otherwise cause an overestimate of the average wage of imported clothing. That factor is the transshipment of garments from China to Hong Kong. As a consequence of the Multi Fiber Agreement and its WTO successor, **the Agreement on Textiles and Clothing, imports to the United States from many countries in numerous categories are capped at a certain level** (other major importing countries have similar arrangements). In order **to evade these quotas, exporters from** some places, importantly including the People's Republic of **China, first ship clothing to jurisdictions that are under quota.** There, **some minor or fictitious process is performed, and the clothing is then shipped to the United States.** According to official statistics, China and Hong Kong are each the origin of a bit over 7% of all clothing imported to the U.S. Some fraction of the flow attributed to Hong Kong, however, is really made in the PRC.

Direct Democracy AC

Polls

Wide public support for living wage

Luce 12, (Stephanie Luce, Murphy Institute, City University of New York, "Living wage policies and campaigns: Lessons from the United States," International Journal of Labour Research, 2012, Vol. 4 Issue 1, http://www.eapn.pt/iefp/docs/justica_social_e_crescimento_-_o_papel_do_salario_minimo.pdf#page=11) [PDI]

Despite this, **public polling data show consistent support for both minimum wage and living wage increases over the past several decades.** The polls do not ask questions in a consistent way, making it difficult to show whether support has increased or decreased. However, **a sampling of polls on living wage campaign shows that support remains high. For example, a May 2011 poll shows 78 per cent of New York voters support the living wage proposal** (including 56 per cent of Republicans) **and at least 72 per cent of Baltimore residents were in support of a living wage proposal there in 2010.**

International Law AC

International law requires a living wage—it's fundamental human right.

Anker 11, (Richard Anker, A retired Senior Economist at the ILO, and presently a Visiting Scholar at the Political Economy Research Institute (PERI) of the University of Massachusetts, "Estimating a living wage: A methodological review," International Labour Organization, 2011, http://is.muni.cz/repo/1131138/anker_2011_ilo.pdf) [PDI]

The international community clearly **considers living wage as a human right** (Table 1). The following international conventions and declarations recognize the need for workers to receive a living wage: United Nations Declaration of Human Rights (1948), American Declaration on the Rights and Duties of Man (Organization of American States, 1948), European Charter (Council of Europe, 1961), United Nations International Covenant on Economic and Social Cultural Rights (1966) and American Convention on Human Rights in the Area of Economic, Social and Cultural Rights, Additional Protocol (Organization of American States, 1988). **According to** Article 23 of **the United Nations Universal Declaration of Human Rights** (1948):¶ **"Everyone who works has the right to just and favorable remuneration ensuring for himself and his family an existence worthy of human dignity".**

Republicanism AC

Framework

Recognizing a plurality of values means each person has an obligation to serve the larger public good – governments cannot promote any particular good but rather a system that allows people to achieve their own goods

Levin-Waldman 03

Oren M, pf public affairs and administration @ Metropolitan College of New York, formerly pf @ Bard, "The Living Wage: Realizing the Republican Ideal" Public Affairs Quarterly, Vol. 17, No. 3 (Jul., 2003), pp. 171-196. [PDI]

The republic was conceived as a partnership of all men aimed at the realization of all values. In the republic, **the citizen was by definition one who ruled and was ruled, which essentially meant that each indi- vidual had a responsibility to serve the larger public good, and in so doing each individual was ruled by that larger public good. The public good or common good could not be identical to the good of any particu- lar good, for a government that would equate the two would be no less than a despotic government.** And **it was this tendency towards despotism which formed the basis of corruption**. Rather **the common good would indeed have to transcend individual goods, which in turn would form the basis of virtue. The polity, then, had to be a partnership be- tween of all citizens and of all values.** Moreover, the citizen had to be a perfect citizen, because if he was any less he would prevent the polity from achieving perfection, which would also tempt others who did for him what he should have done for himself towards injustice and corrup- tion. Within the classical republican mind set, **it was a great crime to be dependent on another or to reduce one to dependence**. In other words, **everybody who called themselves citizens were all equally obligated to contribute to the common project of the community.**

Republicanism stresses independence and autonomy to advance the community's collective interests

Levin-Waldman 03

Oren M, pf public affairs and administration @ Metropolitan College of New York, formerly pf @ Bard, "The Living Wage: Realizing the Republican Ideal" Public Affairs Quarterly, Vol. 17, No. 3 (Jul., 2003), pp. 171-196. [PDI]

As a political philosophy, **republicanism stresses personal indepen- dence and autonomy, not solely for the sake of the pursuit of personal self-interest, but for the sake of the community's public interest.** It rests on the belief that free **individuals have a responsibility to participate in serving the public good in order to promote both a better society and a form of individualism that is not conceived of in narrow self-interest terms** (Grabb, Baer, and Curtis 1997). At the root of republican govern- ment is an anti-elitist view, in that it is assumed that **all members of the community are equal and share a stake in promoting the public interest.** In a republican society, the public interest is known and understood by all, largely because the community is small and homogeneous. For classical republicans, the ideal political economy revolved around an agrarian society. **Republican tradition was not defined by opposition to monarchy but by a spirit that sought to resurrect the past,** specifically an older agrarian and non-capitalist order. In terms of political power, **the central goal of the political community was to achieve virtue**

Overcoming government corruption requires a free and moral citizenry
Levin-Waldman 03
Oren M, pf public affairs and administration @ Metropolitan College of New York, formerly pf @ Bard, "The Living Wage: Realizing the Republican Ideal" Public Affairs Quarterly, Vol. 17, No. 3 (Jul., 2003), pp. 171-196. [PDI]

Though classical republicanism dates back to Aristotle, it appears to have found its greatest expression in Machiavelli. **For Machiavelli, the problem was dealing with fortuna, which represented those forces that might symbolize pure and unintended events that nevertheless could result in political leaders behaving in ways that are not virtuous.** And yet, **the republic can dominate fortuna** but **only if the republic is made up of citizens who are moral and participate freely. But once citizen- ship declines, so too does the republic and the result is a rise of fortuna**. Machiavelli also assumed that **the individual could only practice his virtue within the frame of citizenship, which in turn would require the maintenance of a republic. The maintenance of virtue also required that individuals be independent and not be dependent on others, as such dependence would also corrupt the virtue of both the powerful and powerless alike** (Pocock 1975, pp. 156-157).

This framework is consistent with the founding and primary function of America
Levin-Waldman 03
Oren M, pf public affairs and administration @ Metropolitan College of New York, formerly pf @ Bard, "The Living Wage: Realizing the Republican Ideal" Public Affairs Quarterly, Vol. 17, No. 3 (Jul., 2003), pp. 171-196. [PDI]

Republicanism is particularly **important to the American experience, because** for some, **it forms the basis of American political culture and identity** (Wood 1972). In particular, **republicanism in America grew out of the idea that the British people from whom it was separating were corrupt. They were so corrupt**, reports Wood (1972), that **they were un- able to reform and renew the British constitution,** that in the minds of most was still held up as the ideal. The more important point, however, is that **the American revolution was really intended to be a social revo- lution that was to affect the entire character of American society**. And yet, at the same time, Wood suggests that Americans were ultimately driven to rebel not because they were naturally republican, rather it was the fear that they were "not predestined to be a virtuous and egalitarian people" (p. 108). **By rebelling against the British, Americans thought of themselves as rejecting the world as it had traditionally been, and re- publicanism in turn came to be America's ideological response to the great social changes that were occurring** (p. 113).

Contention

Living wage enables people regain some power lost when they enter the labor market – workers are too dependent on employers who have great power over them

Levin-Waldman 03

Oren M, pf public affairs and administration @ Metropolitan College of New York, formerly pf @ Bard, "The Living Wage: Realizing the Republican Ideal" Public Affairs Quarterly, Vol. 17, No. 3 (Jul., 2003), pp. 171-196. [PDI]

Lawrence Glickman (1997) argues that **most workers, especially or- ganized workers, who sold their labor on the market - that is, people who earned wages - lost ownership of themselves to someone else who then had a great amount of power over them.** The economic transforma- tions that were taking place also effectively subverted the gender system within the working class in the sense that men in their employment situ- ations assumed a dependent status analogous to women in the home. **Men forced to work for wages were no longer able to see themselves as independent citizens, but in effect became children** in much the same way as women. Because wages were so low, men who worked for wages saw themselves as no different from prostitutes. The concept of a living wage, however, would enable them to rise above the shameful image of a prostitute. **When first used, the living wage served as a rallying cry among organized labor to make wage labor respectable. Initially con- ceived of in terms of slavery** and a form of prostitution, **wage labor was essentially transformed into a foundation for republican freedom through cries for a living wage. Although undefined, those who espoused a liv- ing wage tended to distinguish it from a mere subsistence wage. Social reformers and labor leaders who advocated living wages during the late part of the nineteenth century viewed the living wage as that which would enable workers to achieve full citizenship. One could only be independent to the extent that one could control one's own labor. Those forced to work for others, to in fact work for wages, lost control of their labor and hence themselves. By this notion, then, wage labor was just another version of slavery.** And yet, the very act of crusading for one had the effect of changing both the way workers viewed themselves and the work they did. **Because there was little distinction between wage labor and slave labor in the minds of most workers, and especially how the courts offered laborers little accommodation, these campaigns for a Liv- ing Wage became a cause intended to raise the status of labor**.

Living wage links to the framework – a person's social standing as a citizen is dependent on earning a respectable wage

Levin-Waldman 03

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In America, then, **citizenship has been a matter of social standing in addition to a matter of agency and empowerment.** Therefore, **the right to earn a living and to be paid a respectable wage has much to do with one's ability to view one's self as a citizen because it affects that person's social standing.** Shklar states it well when she writes: **To be a recognized and active citizen at all he must be an equal member of the polity, a voter, but he must also be independent, which**

has all along meant that he must be an "earner," a free remunerated worker, one who is rewarded for the actual work he has done, neither more nor less. He cannot be a slave or an aristocrat, (p. 64) Consequently, to force people to work is to in effect strip them of their social standing. As she puts it: "To those who want to see workfare made compulsory, the idle poor are no longer citizens. **They have forfeited their claims to civic equality, and are well on their way to behaving like unemployed slaves, kept consumers who do not produce**" (p. 97).

Employment for a decent wage enhances autonomy, gives low-wage workers a voice – turns freedom-based NCs

Levin-Waldman 03

Oren M, pf public affairs and administration @ Metropolitan College of New York, formerly pf @ Bard, "The Living Wage: Realizing the Republican Ideal" Public Affairs Quarterly, Vol. 17, No. 3 (Jul., 2003), pp. 171-196. [PDI]

Living wages, then, become a means of offering low-wage workers voice, which in turn enhances personal autonomy - **a basic ingredient in the meaning of citizenship, which is also a basic principle in republi- can political thought.** It does not give greater voice in that it increases the bargaining power among low-skilled workers in the way that unions do. But **it does give them greater voice in that higher wages improve their morale and thereby enable them to have greater dignity in their work**. In a study on the effects of a living wage in Baltimore, for in- stance, Neidt et al. (1998) found that **based on interviews with those workers who received pay increases as a function of the living wage, most responded that they felt better about themselves because they were earning more** (pp. 27-28). **Individuals who earn more are more likely to participate in the democratic process, even if their participation is re- stricted to the most nominal form of participation: voting. But the fact that they feel better about themselves alone should enable them to be- have more autonomously**. On a more basic level, however, **by providing individuals with greater income, it affords them greater opportunity to pursue their own respec- tive self-interests**. In short, **it enhances autonomy**. To a certain extent, a living wage effectively provides individuals with perhaps what Amy Guttmann and Dennis Thompson (1996) refer to as a fair opportunity. Were this, for instance, a deliberative democracy, they argue, a basic opportunity principle would secure citizens an adequate level of basic opportunity goods. Included in such opportunity goods is that of an ad- equate income level, which they define as that which enables one to live a decent life according to society's current standards. And yet, this is not the same as equality of opportunity, rather they suggest that the operative principle ought to be fair opportunity. Fair opportunity holds that government should ensure that each citizen has a fair chance of securing opportunity goods such as advanced education and skilled employment, i.e., those tools that will enable individuals to secure the types of positions that enable them to live comfortable middle class lives, which clearly has implications for society's income distribution. But by talking about opportunity to join the middle class, they in essence ac- knowledge the importance of the middle class to the maintenance of democracy. When they talk about a basic opportunity principle, they are specifically talking about it within the context of welfare provision. And yet, there is no reason that ordinances mandating that workers be paid a specified wage cannot be viewed in similar terms.

Virtue Ethics AC

Contention

Living wage is key to a virtuous citizenry – poverty prevents people from living fulfilling lives and developing their intelligence and character

Levin-Waldman 03

Oren M, pf public affairs and administration @ Metropolitan College of New York, formerly pf @ Bard, "The Living Wage: Realizing the Republican Ideal" Public Affairs Quarterly, Vol. 17, No. 3 (Jul., 2003), pp. 171-196. [PDI]

The Living Wage was also the measure by which working men could achieve a full life. Philip Wicksteed (1913) argued that **if it were deter- mined for every citizen to have the means to a full life, then society would have to be open to the idea of a Living Wage** (p. 76). Or echoing some Marxist thought, George Sham asserted that if a man only received a wage sufficient to support himself, then industry was getting more than it paid for. Moreover, it was the wage that was going to affect his personal development. "**The wage that a man gets determines in a large measure the material environment in which he lives, and the intellec- tual, social and moral environment through which he realizes his personality**." **The poverty that would result from insufficient wages would affect the health of his children** and then impose an even greater burden on his wife. **Because this generation was impoverished, it would only be more difficult for the second generation to acquire the neces- sary training to become skilled artisans**. **A living wage,** on the other hand, **would enable the individual worker to rise above poverty, avoid for himself and his family the hardships that poverty would impose on his generation and his progeny, and better develop his intelligence and character** (pp. 89, 103-105). And as Henry Holland (1913) noted, if each citizen is to play his part in society, he then must be ensured a certain standard of living. The Living Wage is an elemental and fundamental condition of that Living Standard, and one to which the State has al- ready admitted to be a right that all workers are entitled (pp. 175-176)


UNIVERSITY OF MINNESOTA

AT Kantian NCs

Economic independence is a prerequisite to political independence

Levin-Waldman 03

Oren M, pf public affairs and administration @ Metropolitan College of New York, formerly pf @ Bard, "The Living Wage: Realizing the Republican Ideal" Public Affairs Quarterly, Vol. 17, No. 3 (Jul., 2003), pp. 171-196. [PDI]

Classical republicanism assumed that a citizen achieved his greatest moral fulfillment from participating in a self-governing republic. **When citizens were virtuous, which meant that they were willing to sacrifice their private interests for the sake of the general community, they also achieved liberty.** This was certainly a view expressed by Jean-Jacques Rousseau (1968) when he talked about the general will and how service to it could liberate individuals from their enslavement to their passions. Sacrifice also meant a willingness to serve in public office, for the sake of working for the common good. But as Wood explains, there were clearly economic implications to this. "**This virtue could be found only in a republic of equal, active, and independent citizens.** To be completely virtuous **citizens**, men - never women, because it was assumed they were never independent - **had to be free from dependence and from the petty interests of the marketplace. Any loss of independence and virtue was corruption**" (p. 104). What this meant, then, was that **one could not be an autonomous individual if one was economically dependent on others, which included being paid by masters. Therefore, since liberty and independence were the bases for virtue, one who was not independent would not qualify as a citizen.** Although this would preclude those who worked for wages in the employ of others on the grounds that they lacked independence and were totally absorbed in their narrow occupations, it could also include those engaged in the liberal professions if they too were too dependent on their work for their incomes. They would be no more qualified for positions of virtuous leadership than mechanics and other manual laborers (Wood 1991, pp. 106-107). The overall point was that **economic independence would in turn enable one to be politically independent. The ideal worker achieved independence through the ownership of property. By owning and working his own property, he would not be dependent on others.** The idea that work was respectable and a basis for full-fledged citizenship certainly had its roots in republican political thought. But it was also a gospel of the Protestant bourgeoisie that held that work made men useful in a world in which there was also economic scarcity. **The notion that individuals were free to work also meant that they were also empowered to live lives of independence, and this independence included the potential to acquire their own wealth.** In the republican social outlook, the key figure was the small independent entrepreneur (Foner 1995, pp. 11-31).

Autonomy depends on economic control for the poor – that outweighs non-coercion concerns

Levin-Waldman 03

Oren M, pf public affairs and administration @ Metropolitan College of New York, formerly pf @ Bard, "The Living Wage: Realizing the Republican Ideal" Public Affairs Quarterly, Vol. 17, No. 3 (Jul., 2003), pp. 171-196. [PDI]

Timothy Gaffaney (2000) maintains that **a democratic polity operates on the premise that individuals will be politically autonomous - that they indeed will be citizens. A goal of democracy does not necessarily have to entail economic equality. But a democratic polity does not merely respect and ensure noninterference and non-coercion. It must also ensure that conditions for participation in that democracy are available to all individuals, for by doing so it guarantees a**

universal application of citizenship. In fact, **the state must guarantee conditions for full citizen- ship. Autonomy, then, depends on access to and control over economic resources.** For Gaffaney, **this ideally would mean that government pro- vide the poor with the practical training and skills necessary for conducting democratic government. It might mean providing them the basis upon which they can achieve economic independence**.

Living wage respects the dignity and autonomy of workers

Levin-Waldman 03

Oren M, pf public affairs and administration @ Metropolitan College of New York, formerly pf @ Bard, "The Living Wage: Realizing the Republican Ideal" Public Affairs Quarterly, Vol. 17, No. 3 (Jul., 2003), pp. 171-196. [PDI]

At the heart of republicanism, of course, is the very meaning of citi- zenship. **The living wage movement of the past assumed that one could not rightfully make claims to citizenship - or at least be viewed in those terms by others - unless one had dignity in one's work, which itself could not happen unless one was paid a livable wage. In part, this was**, as Shklar suggests, **a matter of public respect. What the contemporary liv- ing wage, in the form of the campaign, does is give workers voice in very much the same way it did in the past.** As a measure that raises low- wage workers' wages and affords them greater dignity in their work, **a living wage should then be viewed as a measure aimed at preserving the framework that allows individuals to function as autonomous citizens.** Does a higher wage in and of itself not have the effect of giving work- ers greater voice, which in and of itself becomes a basis for empowerment? It does not give greater voice in that it increases the bargaining power among low-skilled workers in the way that unions do. But **it does give them greater voice in that higher wages improve their morale and thereby enable them to have greater dignity in their work.**

Accumulation of wealth is not a value that should be promoted – corporations' greed is not an exercise of autonomy that a free, virtuous society must respect

Levin-Waldman 03

Oren M, pf public affairs and administration @ Metropolitan College of New York, formerly pf @ Bard, "The Living Wage: Realizing the Republican Ideal" Public Affairs Quarterly, Vol. 17, No. 3 (Jul., 2003), pp. 171-196. [PDI]

Wealth, particularly the unfettered acquisition of wealth, **would corrupt** republican conceptions of **virtuous citizens. But to be a virtuous citizen assumed the ownership of property** - that individuals would at the very least enjoy an equal right to acquire it - **for the purpose of as- suring virtue.** According to Steve Pincus (1998), Harrington's great innovation in republican theory was to suggest that a feudal aristocracy was no longer viable in England, because it no longer reflected the bal- ance of property. Harrington even went so far as to suggest that **a more egalitarian distribution of property would be in keeping with the public interest. The public interest rests on the elimination of the old feudalis- tic nobility, and this can effectively be achieved when property is more evenly distributed.** "For when the law commands an equal, or near equal distribution of a man's estate in land among his children, as in those countries, a nobility cannot grow" (p. 105). For Harrington, a govern- ment became corrupt not so much because the citizens ceased to display the appropriate virtue, but because "the distribution of political author- ity was no longer properly related to the distribution of property that should determine it (Pocock 1975, p. 387). American revolutionaries understood this to mean that **even if the society they**

sought to create was not democratic in that the right to vote would be based on a prop- erty qualification, every individual had an equal right to acquire property. More importantly, it seemed to suggest that **acquisition of wealth should not be an individual's ultimate goal.** For classical republicans **one ac- tively participated in civic life not through the pursuit of interests, but through civic virtue.** That meant that in republican government, **indi- viduals were constantly required to sacrifice their individual interests to the greater needs of the whole**. For Harrington, **interests were con- ceived in unitary terms, which meant that there could only be one interest for the people**.

AT EITC CP

Perm

They're not competitive – combining the two makes logical sense

Bernstein 05

Jared, senior fellow @ Center on Budget and Policy, former chief economist to VP Biden, "The Living Wage Movement: What Is It, Why Is It, and What's Known about Its Impacts" [PDI]

Are there other policies which could help low-wage low-income workers more that conflict with the passage of living wage ordinances? Certainly, **many make the case that the EITC is a far more efficient way to raise the incomes of low-income families** (Turner and Barnow 2003). Given that eligibility for the EITC is based on family income and not wages, there can be no argument that the tax credit is more target efficient. However, **living wage advocates argue that the two policies are complementary, not competitors.** In fact, **it is difficult to see why the existence of the EITC would, or should, deter any policymaker from considering the living wage. Clearly, the wage mandate is about adding something extra to the incomes of low-income working families, and the fact that a generous and well-targeted federal tax credit exists is not particularly relevant, if not a non sequitur.** Advocates correctly note that even considering the leakage from means-tested programs such as the EITC noted above, **many living wage families need the extra resources, and combining the two makes sense from their perspective**.

Perm solves empirically

Bernstein 05

Jared, senior fellow @ Center on Budget and Policy, former chief economist to VP Biden, "The Living Wage Movement: What Is It, Why Is It, and What's Known about Its Impacts" [PDI]

Given these dual concerns, **combining the two policies may be a useful innovation with the potential to better meet both the goals of the movement and address concerns regarding targeting and inefficiencies. In fact,** Montgomery County later passed a living wage law and **Denver, Colorado also has both a local EITC and a living wage**. **The local EITC, an innovation favored by some opponents of living wages, adds a smaller amount of income** (relative to the living wage) **to a broad group of low-income working poor families. The living wage adds more income to a much smaller group of beneficiaries, but it addresses the movements goals of rent redistribution, social justice, and a higher pretax or "market" wage for covered workers**.

Solvency Deficits

Several solvency deficits such as cost to taxpayers that living wage avoids
Bernstein 05
Jared, senior fellow @ Center on Budget and Policy, former chief economist to VP Biden, "The Living Wage Movement: What Is It, Why Is It, and What's Known about Its Impacts" [PDI]

Still, there are other considerations to be made when comparing the living wage to the local EITC. Regarding efficiency concerns, along with better targeting, supporters of this alternative point out that it is less likely to have a negative impact on jobs, contracts, or the business climate. On the other hand, **this alternative represents a direct cost to local tax payers, whereas other sources exist through which the cost of the living wage may be absorbed, specifically lower profits, efficiency wage effects, and higher contract prices** (this latter possibility would, like the local EITC, be passed through to tax payers in some form). Bernstein (2002) points out that **while the EITC is a fine way to help low-income workers, it does have the potential to lower market wages in low-wage jobs, thus partially serving a subsidy from taxpayers to low-wage employers.** Also, **the EITC does little for workers without children. Finally, adding a local EITC in place of a living wage does not accomplish the stated goal of advocates noted previously from the ACORN website to ensure that "private businesses that benefit from public money...pay their workers a living wage.**"

AT Voluntary CP

Employers are afraid to commit to living wage because they don’t know what it means - a change in the level could lead to significant and unpredictable losses
Bennett 12
Fran, pf of economics @ Oxford, consultant, author, "Reflections on the living wage," Soundings, Winter 12, 52, p 63. [PDI]

Even leaving aside the differences between the methods of calculating the living wage in and outside London, **the reliance on complex technical formulae may in itself be a factor that limits its spread. It is possible to imagine employers being concerned if their wages strategy depended on small teams of local authority officers and academics as the only experts in the calculations, because this might result in significant and unpredictable increases after they had already committed themselves to the principle of paying the living wage**.

AT Politics DA

Too Tiny to Trigger Link

Small affs don't trigger the link
Bernstein 05
Jared, senior fellow @ Center on Budget and Policy, former chief economist to VP Biden, "The Living Wage Movement: What Is It, Why Is It, and What's Known about Its Impacts" [PDI]

By keeping the coverage of the ordinances quite limited in terms of the number of workers whose wages are lifted by the policy, living wage campaigns are quite effective at quelling officials' concerns regarding economic problems caused by the wage mandate, and, according to the available evidence, limited coverage appears not to generate significant inefficiencies.

Plan Popular

Minimum wage is popular, so living wage should be popular too. Empirics and tons of groups support

Luce 05

Stephanie, pf at CUNY, Lessons From Living-Wage Campaigns, Work and Occupations 2005 32: 423. [PDI]

The living-wage movement has shown that higher wages can also be an overlap issue. Polls consistently show that **support for higher minimum wages is popular** among voters. In the 2004 election, **two statewide ballot initiatives** to establish state minimum wages in Florida and Nevada **won overwhelmingly: 72% in favor in Florida, 68% in Nevada, and both measures won in every single county** in both states. Although politicians from major parties are often lukewarm on wage standards, **the idea has broad appeal not only with voters but with religious leaders, community organizations, social service agencies, women's groups, student activists, and environmentalists**.

AT Rollback

Defeats just lead to new energy to revive living wage bills

Reynolds and Kern 02

David, pf at Wayne State, leader of the Michigan living-wage movement, and Jen, directs ACORN Living Wage Resource Center, author. "Labor and the Living-Wage Movement." Working USA 5:3. 2002. [PDI]

What is surprising, though, is that after years of living-wage organizing, these captains of low-wage industry have presided over very few living-wage setbacks. And, in some cases, **initial setbacks were overcome, as in Chicago where** the Association of Community Organizations for Reform Now (**ACORN) and** the Service Employees International Union (**SEIU**) **forced Mayor Richard Daley and the city council to revive a defeated living-wage ordinance** before raising their own salaries. **Initial ballot defeats were parlayed into local legislative victories in both St. Paul,** MN, **and Missoula**, MT. Legislative council **defeats in Montgomery** County, MD, **Knoxville**, TN, **and Kalamazoo**, MI, **seem only to have inspired and energized campaigns**.

AT Tax DA

Living wage would actually save the state money, so no need to raise taxes
Warrell 12
Helen, journalist, 'Living wage' would save money, says study, FT.com (Dec 28, 2012). [PDI]

Paying UK workers a "living wage" would save the Treasury more than 2bn a year by boosting income tax receipts and reducing welfare spending, according to a study. Joint research by the Resolution Foundation and the Institute for Public Policy Research found gross earnings would rise by 6.5bn if employees were paid a living wage - an estimate, above the statutory minimum hourly rate, of what workers must earn to meet basic needs. **Although public sector salary costs increase by about 1.3bn if using the living wage measure, the think-tanks calculate that the Treasury would collect more than half the initial financial gains from a living wage - about 3.6bn - in the form of higher income tax payments and national insurance contributions, and lower spending on benefits and tax credits**.

Studies show only modest increases in contract prices, which means little added cost to the cities that do living wage
Bernstein 05
Jared, senior fellow @ Center on Budget and Policy, former chief economist to VP Biden, "The Living Wage Movement: What Is It, Why Is It, and What's Known about Its Impacts" [PDI]

The city/county studies are summarized in a review paper by Andrew Elmore (2003), who writes that these reports "**suggest that localities after implementation of a living wage law tend to experience modest contract price increases for a small proportion of contracts**" (7), **leading to overall increases in contract costs to the city that were usually less than 1 percent**. **These values confirm the work cited earlier** from the prospective studies **claiming** that **the increase in city budgets from living wage ordinances are not expected to be large.** Elmore does, however, note a few larger increases in individual contracts due to the ordinances, including a 31 percent increase in a security contract in Hartford (the only contract covered there), a 22 percent increase in a janitorial contract in Warren, Michigan, and increases of 10 percent in about 5 percent of city contracts in Berkeley, California.

AT Union DA

Living wage movements might decrease union participation and organization
Luce 05

Stephanie, pf at CUNY, Lessons From Living-Wage Campaigns, Work and Occupations 2005 32: 423. [PDI]

The link between union organizing and the living wage is complex. Although some living-wage opponents claim that unionization efforts are the main motive behind the movement, **not all union leaders are convinced of the opportunities for translating living-wage campaigns into new organizing.** In fact, **some assert that the campaigns hurt organizing efforts: If workers can get higher wages through legislation, why would they fight for a union?** The reality is somewhere in between. Ken Jacobs, head organizer for the San Francisco living-wage campaign, argues that where unions have been strategic about involvement in campaigns, they have seen positive results. Where unions are neutral or even skeptical of the campaigns and stay out of them, **living-wage ordinances can in fact be a detriment to new organizing.** Unfortunately for unions, Taft-Hartley states that **city governments cannot require employers to have unions or even that employers abide by card-check and neutrality agreements to get a city contract** (Sahu, 2001).

Unions and living wage organizers aren't necessarily aligned
Bernstein 05

Jared, senior fellow @ Center on Budget and Policy, former chief economist to VP Biden, "The Living Wage Movement: What Is It, Why Is It, and What's Known about Its Impacts" [PDI]

Luce (2000) points out that **while central labor councils commonly partner with living wage advocates, their involvement in a living wage campaign is not a guarantee that either they or their affiliated local unions will always support the issue or make political choices favorable to the campaign. She cites a few examples where, for political expediency, unions backed candidates who were on record against the ordinance**. **Second, simply putting labor-friendly language into ordinances is not enough to generate new membership, particularly where those affected by the ordinance are few and far between. Third, living wage campaigns and union organizing drives typically take place on very different time frames. A living wage campaign can take years,** involving much coalition building, community education, frequent meeting with key actors, and so on. **union organizers tend to work on much shorter time frames**.

AT Cap K

Aff can fight free market ideology through broad coalitional movements for economic justice

Bernstein 05

Jared, senior fellow @ Center on Budget and Policy, former chief economist to VP Biden, "The Living Wage Movement: What Is It, Why Is It, and What's Known about Its Impacts" [PDI]

With this in mind, there is still a lot to say for **the living wage movement**. It **has been extremely successful in a climate not particularly conducive to interventions intended to guide the "invisible hand."** again, limited coverage surely plays a role here as **city councils are** surely more **willing to take risks** with small programs than large ones. But it is also the case that **the coalitions are generally very strategic, taking considerable time to build broad movements comprising labor, activists, and religious actors. Given the long-term negative trend that has beset low-wage workers in tandem with more privatization and subsidies, the campaigns' message of economic justice is difficult for elected officials to dismiss**.

AT Race K

Aff Solves

Aff helps solve disparities in social entitlements – because disadvantaged groups have lower reserve wages, increasing the wage rate helps them more than it helps the dominant group

Dasgupta 09

Indraneel Dasgupta, lecturer @ U Nottingham, author of about 30 research papers and referee of about 20 journals, researcher @ Indian Statistical Institute, "'Living' wage, class conflict and ethnic strife" Journal of Economic Behavior & Organization 72 (2009) 750–765 [PDI]

Individuals often acquire a quantum of **resources purely by virtue of their membership in some collectivity. Identity divisions** among workers, in conditions where they acquire political salience, also often largely **overlap with historically generated differences in** such '**social'** (i.e. non-market) **entitlements**. **Social entitlements in turn determine the minimal terms under which an individual is willing to accept employment, i.e. her reservation wage. Workers from communities with lower social entitlements typically have a lower reservation wage. The primary objective of working class organizations** in the economic conflict against employers **is to ensure** a greater surplus for workers, i.e. **a higher premium over the reservation wage. Yet, the same wage rate implies differential premiums for workers across identity divides when such divides overlap** due to historical reasons **with present differences in reservation wage**.

Reductionist

The neg reduces the debate over wages to white-versus-black, but it's more complex than that – many groups in recent memory have been excluded in similar ways

Dasgupta 09

Indraneel Dasgupta, lecturer @ U Nottingham, author of about 30 research papers and referee of about 20 journals, researcher @ Indian Statistical Institute, "'Living' wage, class conflict and ethnic strife" Journal of Economic Behavior & Organization 72 (2009) 750–765 [PDI]

The connection between identity divides and asymmetries in social entitlements (**and thus reservation wage**) among different segments of workers that we highlight **arises in many different contexts. Jewish workers in Europe in the 19th and early 20th centuries, Arab workers in Israel, Black workers in apartheid South Africa, Black workers in Jim Crow US, lower-caste workers in India, all provide obvious examples of segments systematically denied access to residential neighbourhoods and valuable public facilities, including security, that are available to other segments of the working class**.5 In many developing societies, **customary rights to** rural **common property resources** such as forests, rivers, ponds, grazing land, and sometimes even small plots for subsistence agriculture **are contingent on being born into specific ethnic or religious groups.** In most countries, **large sections of immigrant workers face legal restrictions on accessing health, welfare and educational facilities relative to the native-born.** Furthermore, **ethnic and religious communities often develop their own support institutions which largely, or even entirely, exclude other communities.** Thus, workers from communities with weaker internal support institutions find themselves with lower social entitlements.

Neg

Solvency

Generic Defense

Aff doesn't solve—living wage is hard to enforce, too narrow in scope, and doesn't do enough to lift workers out of poverty.

Luce 12, (Stephanie Luce, Murphy Institute, City University of New York, "Living wage policies and campaigns: Lessons from the United States," International Journal of Labour Research, 2012, Vol. 4 Issue 1, http://www.eapn.pt/iefp/docs/justica_social_e_crescimento_-_o_papel_do_salario_minimo.pdf#page=11) [PDI]

The living wage can have a large impact on workers who receive the raise. Opponents claim that low-wage workers are primarily teenagers looking for extra cash on the side, but living wage researchers found that the median workers covered are in their 30s, work full time, and have been working in their jobs for quite some time. These workers are disproportionately female and not white. The workers surveyed in Boston were disproportionately poor before the ordinance was passed. On average, the living wage raised earnings by $6,950 per year for covered workers who stayed with the same employer before and after the ordinance – from $21,770 to $28,720, or a 32 per cent increase (Brenner and Luce, 2005). The ordinances do no lead to the negative outcomes predicted by opponents. **On the other hand, the ordinances are not always enough to raise workers out of poverty, and still do not reach enough workers. They are dif- ficult to enforce and, in fact, have been repealed or blocked in some cities. Where implementation is more successful, it requires constant effort by workers or worker organizations to monitor employers and the city.** Are the campaigns effective? This depends on the goal. **As a solution to low-wage labour markets and working poverty, they may be a help but are incomplete.** The economic impact literature suggests that they have concen- trated benefits with diffuse costs.

A large survey of expert labor economists concludes the aff increases poverty and unemployment

Verespej 2k

Michael, journalist, "Can living wage work?" Industry Week 249.15 (Sep 18, 2000): 11. [PDI]

Despite the passage of a variety of **living-- wage bills** in more than 40 U.S. communities during the last few years, **there's little empirical data** to indicate whether such government mandates for higher-than-minimum-wage starting salaries have improved the economic status of entry-level workers or led to fewer workers being hired, or both. But **a nationwide survey of 336 labor economists released last month predicts that if a national living-wage standard were enacted-one that mandated entry-level salaries of one and a half times to three times the current U.S. minimum wage of $5**.15**/hour**-the results would be mixed. For example, more than three-quarters of the economists surveyed by the University of New Hampshire Survey Center say that a national living wage would cause employers to hire workers with better skills and experience. However, **three-fourths** also **believe employment losses would occur**. Some 31% predict that a national living wage would reduce poverty rates, while **43% suggest it would increase the poverty level.** At the local level, if a living wage 150% to 200% higher than the current minimum were enacted, **71% of economists believe it would decrease the number of hires, and 68% of respondents say it would cause companies to hire workers with better skills or experience**.

Living wage doesn't help support families—only 13% of beneficiaries actually have to support a family.

Horowitz 03, (Carl F. Horowitz, is a Washington, D.C.,–area consultant on labor, welfare reform, immigration, housing, and other domestic policy issues. He was previously a housing and urban affairs policy analyst at the Heritage Foundation and a Washington correspondent for Investor's Business Daily, "Keeping the Poor Poor: The Dark Side of the Living Wage," Policy Analysis No. 493, October 21, 2003, http://object.cato.org/sites/cato.org/files/pubs/pdf/pa493.pdf) [PDI]

Second, **most of the intended beneficiaries of a minimum wage hike do not come from poor households. EPI's analysis showed that at most 13.3 percent of minimum wage employees were the sole breadwinners of a below-poverty-line family.**26 **And all such families** (and many above them in income as well) **are eligible for the Earned Income Tax Credit**. The EITC, **which** began in the mid-1970s as a pilot program, **now adds well over $30 billion a year to the take-home pay of low- and moderate-income families.** The 1997 federal tax reform legislation also created a $500 per child tax credit, which Congress later raised to $600 and most recently to $1,000 in 2003.

Living wage doesn't solve—most who would benefit from living wage are teenagers, single, or already well above the poverty line.

Horowitz 03, (Carl F. Horowitz, is a Washington, D.C.,–area consultant on labor, welfare reform, immigration, housing, and other domestic policy issues. He was previously a housing and urban affairs policy analyst at the Heritage Foundation and a Washington correspondent for Investor's Business Daily, "Keeping the Poor Poor: The Dark Side of the Living Wage," Policy Analysis No. 493, October 21, 2003, http://object.cato.org/sites/cato.org/files/pubs/pdf/pa493.pdf) [PDI]

Finally, **a low-wage family's situation is not likely to be permanent.** Family heads who earn the minimum wage are typically no older than 30 years of age. EPI research with Census data revealed that only 2.8 percent of employees older than 30 worked at or below the mini- mum wage. In fact, **the average income of min- imum wage employees of all ages increased 30 percent within one year of employment.**27¶ **Only 3 percent of** the nation's **workers make the minimum wage** or less, **a propor- tion that drops to only 1.5 percent of full- time workers,** according to Bureau of Labor Statistics data. Some **85 percent of employees whose wages would be increased by a mini- mum wage hike** from $5.15 to $6.15 an hour **live with their parents or another relative, live alone, or have a working spouse.**28 About half of those persons—42 percent—were in the first category. Thus **only 15 percent of mini- mum wage workers had to support a family, whether as a single parent or as a single earn- er in a couple with children.**¶ At the state level, too, an increase in the minimum wage benefits mainly those not liv- ing in poverty. David Macpherson of Florida State University looked at the effects of New Jersey's 1992 minimum wage hike from $4.25 to $5.05 an hour. He found that **the majority of persons who took minimum wage jobs after the increase were young, single, or well above the federal poverty threshold.** The aver- age family with at least one minimum wage worker who benefited had an annual income of nearly $40,000.¶ Finally, the negative employment effects disproportionately hurt the least-skilled work- ers. Michigan State's Neumark and Federal Reserve economist William Wascher conclud- ed that an increase in the minimum wage would reduce employment of low-skilled teens, but raise it for higher-skilled teens.29

Generic Offense

Living wage increases unemployment, costs employers billions, only helps wealthier families, and ensures that the poorest never get jobs.

Horowitz 03, (Carl F. Horowitz, is a Washington, D.C.,–area consultant on labor, welfare reform, immigration, housing, and other domestic policy issues. He was previously a housing and urban affairs policy analyst at the Heritage Foundation and a Washington correspondent for Investor's Business Daily, "Keeping the Poor Poor: The Dark Side of the Living Wage," Policy Analysis No. 493, October 21, 2003, http://object.cato.org/sites/cato.org/files/pubs/pdf/pa493.pdf) [PDI]

At least a half dozen published studies summarized on the Association for Community Organizations for Reform Now's website (www.**acorn**.org) **have con- cluded that a living wage would have a favor- able local impact.**30 ACORN and other activists can be counted on to refer to those studies in public hearings. Local government officials, understandably, are likely to be per- suaded; so much research pointing to high benefits and negligible costs could not be wrong. Or could it?¶ **Those studies demonstrate the viability of the living wage only by removing it from the context of the entire local workforce.** That is, **the authors are not in a position to consider what would happen if the living wage were applied to the entire local workforce rather than the limited world of government con- tracting.**31 Existing living wage ordinances affect roughly only 1 percent of all employers in jurisdictions with such laws. What would happen **if all, or nearly all, employers were covered**?¶ Florida State University economist David Macpherson has conducted three separate studies for the Employment Policies Institute (website: www.epionline.org), each concluding that **a living wage would produce serious neg- ative consequences.** Two of Macpherson's studies examined what would happen if Florida and California, respectively, enacted a statewide minimum wage at a "living" level. **In Florida's case the wage would be raised to $8.81 an hour,** or $10.09 without benefits, lev- els corresponding to Miami–Dade County's law, enacted in 1999.32 He concluded that **the policy would reduce employment by 131,000 to 222,000 jobs statewide and force employers to pay higher wage costs in the range of $4.9 billion to $8.8 billion.** Such a state law would not be equitable, either, because many of the projected wage gains would go to secondary wage earners in above-poverty-level families rather than low-income breadwinners. About a third of the wage gains, in fact, would go to families with incomes above $40,000. A more effective and equitable policy, the author argued, would be to offer employers targeted tax credits for hiring the poor.¶ **Macpherson's analysis of the situation in California yielded a similar set of results. If the state raised its minimum wage to $10.29 an hour—the figure cited in a proposed ini- tiative** that never made it to the ballot—**the result,** Macpherson concluded, **would be a loss of nearly 280,000 jobs statewide.** The youngest and least-educated workers would be the most affected. **California employers would incur wage cost increases of more than $12.5 billion a year.**33 And about **30 percent of the wage gains would go to employees in families with incomes over $40,000.** Finally, less than a fourth of the affected workers would be the sole earners in families sup- porting one or more children.¶ **Macpherson** also **performed a study on the probable impact of a living wage measure passed by** Santa Fe, **New Mexico**, in February 2002 that would apply to most city workers and contractors.34 The ordinance would phase in, from July 2003 to July 2007, a hike in the local minimum wage from $5.15 per hour to $10.50 per hour. The increase would apply to for-profit employers with 10 or more workers and nonprofit employers with more than 25 workers. Of the 2,700 employees cov- ered by the law, Macpherson expected 154, or **more than 5 percent, to lose their jobs. Employers would incur labor cost increases of $6.6 million. More than 20 percent of wage increases would go to low-wage employees in families with incomes of more than $40,000 a year; fewer than a fourth of beneficiaries would be sole supporters of families with children. Of the workers losing their jobs,** some 54 percent would be in fam- ilies with incomes under $25,000, **66 percent would be Hispanic, and 53 percent would lack a high school diploma.**

Cities Won't Enforce

Some cities just ignore living-wage ordinances, Portland proves

Levi et al 02

Margaret, pf @ U Washington, author, David J. Olson, pf @ U Washington, author, and Erich Steinman, phd sociology from U Washington "Living-Wage Campaigns and Laws," WorkingUSA, vol. 6, no. 3, Winter 2002–3, pp. 111–132. [PDI]

Coalitions appear to be critical to living-wage victories and, as well, to long-term success. A vast majority of successful campaigns involved a mix of community, labor, and religious organizations. **Once adopted, rarely are living-wage ordinances implemented without a struggle led by a supportive coalition. Portland, Oregon, for example, effectively ignored the living-wage ordinance. Without organized monitoring groups, the legislation was not enforced** (Reynolds 1999, 76).

City enforcement is just hoping for the best – no guarantees

Reynolds 04

David Reynolds, Ph.D., is a labor educator in the Labor Studies Center at Wayne State University in Detroit. Review of Luce, Stephanie. Fighting for a Living Wage. Ithaca, NY: Cornell University Press, 2004. 270 pp. WorkingUSA: The Journal of Labor and Society [PDI]

The main focus of Luce's work, however, examines what happens after living wage ordinances are passed. As her material makes clear, **passing a law does not guarantee that employers will respect it.** Using a multifaceted rating system, Luce categorizes the implementation experiences of eighty-one cities and counties. Thirty-one have had some kind of moderate to expansive enforcement experiences compared with **[In] forty-two municipalities** with narrow efforts. In the latter cases, **the city** typically **notifies employers of the new law and then hopes for the best.** The core of Fighting for a Living Wage is devoted to explaining what makes the more aggressive cases different from those that are weaker.

Cities won't enforce – Los Angeles proves

Bernstein 05

Jared, senior fellow @ Center on Budget and Policy, former chief economist to VP Biden, "The Living Wage Movement: What Is It, Why Is It, and What's Known about Its Impacts" [PDI]

A final emerging issue relates to implementation. **It is widely believed that in many cities, living wage ordinances are not appropriately implemented such that not all covered workers are received the higher wages mandated by the law**. **Sander and Lokey (1998) attribute the low numbers of covered workers in Los Angeles to lax implementation**. Luce (2000) notes that **in most cases the monitoring of the ordinances has been left up to the city. While this does not necessarily imply lax enforcement, it is certainly worrisome from the perspective of living wage advocates, particularly in cases where the campaign was met with resistance from city officials.** Most organizers thus argue that the groups who campaigned for the ordinance should play some role in its implementation, and some ordinances include language and resources to this effect.

Decreases Non-Wage Compensation

Living wage is offset by reduction in non-wage compensation
Baird 02
Charles, a professor of economics and the director of the Smith Center for Private Enterprise Studies at California State University at Hayward, “The Living Wage Folly,” Ideas on Liberty, June 2002, pp. 16-19. [PDI]

Sometimes profit-seeking entrepreneurs will try to avoid layoffs by cutting nonwage compensation paid to workers. For example, reductions in paid vacation time, employer contributions to retirement funds, employerpaid medical insurance, and rates of sick leave accrual can sometimes offset the effect of a higher legal minimum wage. If so, affected workers will keep their jobs, but they will not be any better off than they were before the minimum-wage increase. In fact, they will probably be worse off because more of their compensation will be taxable than before.

Decreases Productivity and Education

Living wage sends the wrong messages – kids will devalue education and skill-training because they think wage determination is just politics
Baird 02
Charles, a professor of economics and the director of the Smith Center for Private Enterprise Studies at California State University at Hayward, "The Living Wage Folly," Ideas on Liberty, June 2002, pp. 16-19. [PDI]

EPF researchers have pointed out a unique harm done by LWOs. The high school dropout rate of workers who earn between $5.15 **and $8**.15 per hour **is double that of workers earning between $8**.15 **and $10**.15 an hour. **To the extent that an LWO results in increasing the number of high school dropouts receiving more than $8**.15 per hour**, the wrong message is sent to both groups. High school dropouts learn that in wage determination, politics trumps education and training, and the more productive learn that their training and education provide fewer advantages than before. The productivity of both groups will decline, and younger people still in school will have less of an incentive to stay there**.

Deters Businesses

Living wage legislation signals an anti-business climate—causes firms to relocate away from their jurisdiction.

Lester 11, (T. William Lester, Department of City and Regional Planning, University of North Carolina at Chapel Hill, "The Impact of Living Wage Laws on Urban Economic Development Patterns and the Local Business Climate: Evidence From California Cities," Economic Development Quarterly 25(3) 237–254, 2011, http://edq.sagepub.com/content/early/2011/05/19/0891242411409205.abstract) [PDI]

The second way that **a firm's location decision or business strategy may be influenced by the adoption of a living wage law** is **through an indirect signaling process. Firms that may not be "bound" by a city ordinance may choose to locate elsewhere because the law itself indicates the pres- ence of an antibusiness political climate. The political coalition that pushed for the living wage may pass future legislation that directly raises labor costs or taxes or reduces the overall attractiveness of the area for residents or other businesses** (i.e., potential customers). Thus, **given that living wage campaigns are controversial and attract the attention of local or national media, the successful passage of a law may "signal" a broad spectrum of businesses, ranging from small** locally-oriented **proprietors to transnational corporations with "global reach."**¶ In his recent review article on living wage laws, Tim Bartik (2004) argues that¶ **Living wages** may, however, **indirectly affect the labor market by signaling employers about public attitudes toward business, wages, and the disadvantaged. The symbolism of living wages may affect decisions of employers that living wages do not officially cover.** (p. 270)¶ Adams and Neumark (2005) also recognize the possibil- ity of indirect impacts of living wage laws in that the public campaigning process results in an alteration of local labor market institutions. They write that¶ the strongest campaigns often entail some degree of organization and mobilization among low-wage work- ers and their advocates, and heightened public discus- sion of the plight of low-wage workers. . . . Thus, the momentum for change that begins with a living wage movement might ultimately result in changes in wage setting norms and firm behavior, even if no leg- islation ultimately results. Wages might be increased in response to public pressure or the greater organizing of low-skill labor. (pp. 1-2)

Employment/Substitution Effects

Job loss from living wage is even worse than minimum wage increases
Baird 02

Charles, a professor of economics and the director of the Smith Center for Private Enterprise Studies at California State University at Hayward, "The Living Wage Folly," Ideas on Liberty, June 2002, pp. 16-19. [PDI]

It is well documented how **increases in legal minimum wages affect the employment prospects of workers who are least experienced, least well trained, and who have not developed good work habits and attitudes. Each 10 percent increase of a legal minimum wage results in job losses of 1.3 to 2 percent.** Moreover, as noted, **LWOs impose wages that are significantly higher than ordinary legal minimums. Economic theory tells us the negative responsiveness of jobs to increases in wages** (elasticity) **is greater at higher wages than at lower wages. So LWOs are even more destructive to jobs than increases of ordinary legal minimum wages. Profit-seeking employers are willing to continue the employment of a worker only if the cost to the employer of the worker's services is not greater than the amount of money the employer would lose from sales** (net of the cost savings on materials and supplies no longer used) **if he lays off the worker**. **So when increases of legal minimum wages are imposed in any form, including living wages, some workers will be let go. The ones that are always let go first are those who are the least productive**. (The lost output and sales that follow on letting a worker go will not amount to much with a worker who isn't very productive.)

Living wage harms ability to get first jobs
Baird 02

Charles, a professor of economics and the director of the Smith Center for Private Enterprise Studies at California State University at Hayward, "The Living Wage Folly," Ideas on Liberty, June 2002, pp. 16-19. [PDI]

Not only will the least productive workers lose their jobs, every time a legal minimum wage increases, young people just entering the labor force with little experience and training will find it more difficult to get first jobs. The surest route to becoming a productive worker for a person who has little training and education is on-the-job experience. All increases in legal minimum wages make it more difficult for the disadvantaged to follow that route.

Substitution effects will reduce employment of low-skilled labor – employers shift to other inputs, minimum wage empirics prove
Neumark and Adams 03

David, prof of econ @ UCI, edits several journals, started several institutes. Scott, director of grad studies @ Wisconsin-Milwaukee, co-editor of Journal of Economic Behavior and

Organization. "Do Living Wage Ordinances Reduce Urban Poverty?" The Journal of Human Resources, Vol. 38, No. 3 (Summer, 2003), pp. 490-521. [PDI]

The theoretical predictions regarding the employment effects of minimum wages are well known. Substitution effects act to reduce employment of low-skilled labor, as employers switch from now-more-expensive low-skilled labor toward other inputs. In addition, assuming firms were minimizing costs initially, **the changed input mix raises costs and therefore prices, reducing the overall scale of output** as well as input use ("scale effects"), which also acts to reduce employment of low-skilled labor. **The consensus** view **from** earlier **time-series studies was that the elasticity of employment of low-skilled (or young) workers with respect to minimum wages was most likely between –0.1 and –0.2** (Brown, Gilroy, and Kohen 1982). More recent studies have spurred considerable controversy regarding whether or not minimum wages actually reduce employment of low-skilled workers. Although this is not the place to review this evidence (see Neumark and Wascher 1996 for a thorough review**), a leading economics journal recently published a survey of economists' views of the best estimates of various economic parameters. Results of this survey**–which was conducted in 1996, after most of the recent research on minimum wages was well known to economists–**indicated that the median "best estimate" of the minimum wage elasticity for teenagers was –0.10, while the mean was –0.21** (Fuchs, Krueger, and Poterba 1998). **Thus**, although there may be some outlying perspectives, **economists' views of the effects of the minimum wage are centered on the earlier consensus range**. Living wage ordinances are sure to be binding for some employers with grants or contracts with their city, although quantitative measurement of the fraction of the covered workforce is extremely difficult.4 Nonetheless, assuming that some employers will face higher costs for some workers, the predictions of **the effects of minimum wages ought to carry over at least qualitatively to the effects of living wages**. However, there are at least three unique features of living wages that are likely to weaken their effects, relative to standard minimum wages.

Empirical verification of the substitution effect, this study evaluated 36 cities Neumark and Adams 03

David, prof of econ @ UCI, edits several journals, started several institutes. Scott, director of grad studies @ Wisconsin-Milwaukee, co-editor of Journal of Economic Behavior and Organization. "Do Living Wage Ordinances Reduce Urban Poverty?" The Journal of Human Resources, Vol. 38, No. 3 (Summer, 2003), pp. 490-521. [PDI]

Results are reported for employment in Table 6. Turning first to the minimum wage, there is no clear evidence of either positive or negative effects.34 **The employment analysis for living wages points to negative effects in all three specifications for the lowest-wage workers. The effect is statistically significant** in the 12-month lag specification, precisely where the significant positive wage effect showed up. The estimates imply that a **10 percent increase in the living wage lowers the probability of employment by 0.0056**.35 Since 44 percent of those in this imputed wage category are employed (last row of table), this estimated effect represents an elasticity of !0.13 (5.6/44), evaluated at the mean. Thus, **the estimated disemployment effect appears moderate, although account should be taken of the fact that living wage laws do not cover many workers. There is some evidence of positive employment effects for workers in the highest percentiles of the wage distribution, which could be attributable to substitution. The evidence of employment reductions among low-skilled workers stemming from living wages will work against the positive effects on wages reported earlier, when we look at effects on poverty.** In looking at hours, we found no evidence of sizable or statistically significant effects of living wages for those at the lower end of the predicted wage distribution, although the point estimates were negative.36 Thus, only for employment is there evidence of adverse effects of living wages.

CBO report says half a million would lose their job if U.S. minimum wage increased to $10.10

CBO 14

Congressional Budget Office, "The Effects of a Minimum-Wage Increase on Employment and Family Income" 2-18-14 https://www.cbo.gov/publication/44995 [PDI]

Once fully implemented in the second half of 2016, the $10.10 option would reduce total employment by about 500,000 workers, or 0.3 percent, CBO projects (see the table below). As with any such estimates, however, the actual losses could be smaller or larger; in CBO's assessment, **there is about a two-thirds chance that the effect would be in the range between a very slight reduction in employment and a reduction in employment of 1.0 million workers.**

Employment Effects – Minorities

Living wage benefits people who don't have to support a family and increases unemployment, especially for minorities.

Sowell 03, (Thomas Sowell, Rose and Milton Friedman Senior Fellow, The Hoover Institution, Stanford University, "'Living wage' kills jobs," Nov 05, 2003, http://townhall.com/columnists/thomassowell/2003/11/05/living_wage_kills_jobs/page/full) [PDI]

Just what is a **living wage**? It usually **means enough income to support a family of four on one paycheck.** This idea has swept through various communities, churches and academic institutions.¶ Facts have never yet caught up with this idea and analysis is lagging even farther behind.¶ First of all, do most low-wage workers actually have a family of four to support on one paycheck? According to a recent study by the Cato Institute, **fewer than one out of five minimum wage workers has a family to support**. These are usually young people just starting out.¶ So the premise is false from the beginning. But it is still a great phrase, and that is apparently what matters, considering all the politicians, academics and church groups who are stampeding all and sundry toward the living wage concept.¶ **What the so-called living wage really amounts to is simply a local minimum wage policy requiring much higher pay rates than the federal minimum wage law. It's a new minimum wage**.¶ Since there have been minimum wage laws for generations, not only in the United States, but in other countries around the world, you might think that we would want to look at what actually happens when such laws are enacted, as distinguished from what was hoped would happen.¶ Neither the advocates of this new minimum wage policy nor the media -- much less politicians -- show any interest whatsoever in facts about the consequences of minimum wage laws.¶ **Most studies of minimum wage laws in countries around the world show that fewer people are employed at artificially higher wage rates. Moreover, unemployment falls disproportionately on lower skilled workers, younger and inexperienced workers, and workers from minority groups.**¶ The new Cato Institute study cites data showing job losses in places where living wage laws have been imposed. This should not be the least bit surprising. **Making anything more expensive almost invariably leads to fewer purchases. That includes labor.¶ While trying to solve a non-problem -- supporting families that don't exist,** in most cases **-- the living wage crusade creates a very real problem of low-skilled workers having trouble finding a job at all.**¶ People in minimum wage jobs do not stay at the minimum wage permanently. Their pay increases as they accumulate experience and develop skills. It increases an average of 30 percent in just their first year of employment, according to the Cato Institute study. Other studies show that low-income people become average-income people in a few years and high-income people later in life.¶ All of this depends on their having a job in the first place, however. But **the living wage kills jobs.¶ As imposed wage rates rise, so do job qualifications, so that less skilled or less experienced workers become "unemployable."** Think about it. **Every one of us would be "unemployable" if our pay rates were raised high enough.**

Employment Effects + Crime

Living wage hugely increases unemployment amongst teenagers, increasing youth crime rates.

Barnes 09, (Bill Barnes studied economics at the University of Georgia, "The Illusion of Living Wage Laws," October 15, 2009, http://mises.org/library/illusion-living-wage-laws) [PDI]

Clearly, some people are going to be adversely affected by a living wage. One could argue from a standpoint of liberty (formerly an American ideal), that laws adversely affecting some groups should not be enacted, but we will only look at the economic impacts of such legislation here.¶ **The data show that the people most likely to be affected by living-wage legislation are black, teenage males.** This group had a national unemployment rate of 33.8 percent in 2007. When the data are broken down **for black males aged 16 and 17, the unemployment rate is in excess of 40 percent.**¶ **These numbers** are staggering, and they **would only get worse with a living wage. Some teenagers would not even have the option of work because the value of their marginal revenue would not equal their new, higher wage cost.**¶ So, what happens to these people who are left jobless? Well, they still need money and something to do during the day.¶ Not surprisingly, **crime rates are highest among those in their late teens and early twenties.** The Georgia Bureau of Investigation cites young people, aged 17–21, as perpetrating 23.4 percent of the crimes in the state.[3]¶ **It is no coincidence that those who cannot find work tend to find things that get them into trouble to fill their time.** I argue that **enactment of a living wage would only put more young people on the streets rather than in jobs where they can learn skills that will serve them well in the future.**¶ Not only is this lack of work bad for young people and other low-skilled workers, but it also hurts the local economy. **Due to the higher mandated wage, jobs that are not worth this wage will no longer be performed legally in the community. Trash pickup, general cleaning, inexpensive food preparation, farming, and many other tasks would be either neglected or moved to places with lower wage costs.**¶ This general lack of production would not be due to people's lack of desire to do the work, but to government's intervention, which would keep the tasks from being done on the grounds that their monetary value doesn't fit with the social agenda. It may seem desirable to keep people from working for too little money, but **keeping people who want those jobs out of work is both an attack on liberty and a mistake in economics.**

<u>Hours Effects</u>

Employers will lay off part-time workers, reducing hours worked, which results in a net decrease in earned income

Neumark et al 2k

David, at the time a grad studies director @ MSU, Mark Schweitzer of the Federal Reserve Bank of Cleveland, and William Wascher, Board of Governors of the Federal Reserve System. "The Effects of Minimum Wages Throughout the Wage Distribution," NBER Working Paper No. 7519 Feb 2000 [PDI]

However, as suggested by the lagged estimates in column (3'), and as displayed in the lower left hand panel of Figure 1, the disemployment effects are partially offset in the second year, becoming smaller and statistically insignificant, except for those with wages initially between 1.2 and 1.3 times the minimum. **<u>The pattern of stronger employment effects initially but stronger hours effects later is consistent with employers first laying off part-time workers, which reduces fixed costs of labor, and then later adjusting hours of the remaining low-wage workers.</u>** Earned income. Finally, **<u>we turn to earned income, combining the effects of minimum wages on wages, hours conditional on employment, and employment, in an unrestricted fashion.</u>** A priori, expectations are mixed based on the results reported above. **<u>Low-wage workers experience wage gains as a result of minimum wage increases, but hours and employment declines</u>** (although evidence for the latter is weaker). Of course, we cannot simply use the elasticities for hours, employment, and wages to predict income effects, since we did not know the actual joint distributions of changes in these variables. Columsn (4) and (4') of Table 2 report the regression estimates. The contemporaneous effects are positive (and significant for most cells) for those initially earning up to twice the minimum wage. In contrast, **<u>the lagged effects are uniformly negative and quite strong, especially up to about twice the minimum.</u>** The lower right-hand panel of Figure 1 reports the one-year and total effects. The contemporaneous effects, which replicate the regression coefficients, might be interpreted as suggesting that minimum wages increase the earnings of low-wage workers; the elasticities are in the .2 to .4 range for those initially earning up to twice the minimum and are statistically significant. However, adding in the lagged effects reverses this conclusion. As shown by the black bars, **<u>the total effects indicate that those below the minimum, at the minimum, and up to 1.1 times the minimum experience income declines. The estimated effect for minimum wage workers is on the order of a six percent decline</u>**, or a -.6 elasticity, **<u>and is statistically significant</u>** at the five-percent level. The source of the reversal is clear from the other panels of the figure. **<u>Although disemployment effects are tempered, hours reductions after one year are much sharper, and the wage gains considerably weaker</u>**. Overall, this analysis indicates that **<u>the average low-wage worker is not helped, and is perhaps hurt, by a minimum wage increase</u>**. **<u>Although minimum wages bump up wages of these workers, hour reductions, in particular, interact with changes in wages in such a way that earned income declines</u>**.

Living wage doesn't solve—the problem is insufficient hours, not insufficient wages.

Horowitz 03, (Carl F. Horowitz, is a Washington, D.C.,–area consultant on labor, welfare reform, immigration, housing, and other domestic policy issues. He was previously a housing and urban affairs policy analyst at the Heritage Foundation and a Washington correspondent for Investor's Business Daily, "Keeping the Poor Poor: The Dark Side of the Living Wage," Policy Analysis No. 493, October 21, 2003, http://object.cato.org/sites/cato.org/files/pubs/pdf/pa493.pdf) [PDI]

Advocates of the living wage argue that it combats poverty, but the evidence does not support that claim. First, the problem for low-income Americans is really insufficient hours rather than insufficient wages. A Bureau of Labor Statistics report revealed that in 2000 **only 3.5 percent of all household heads who worked full-time 27 weeks or more over the course of the year fell below the poverty line.** By contrast, **this figure was 10.2 percent for household heads who worked less than 27 weeks.**23 The BLS study also revealed that **only a few more than 20 percent of all house- hold heads with below-poverty-line incomes attributed their condition solely to low earn- ings. The remaining 80 percent cited unem- ployment, involuntary part-time employ- ment, or one or both** of those factors in com- bination with low earnings. In addition, the Census Bureau reported that the median income in 1999 for household heads working full-time year-round (50 weeks or more) was $55,619. By contrast, household heads work- ing full-time 27 to 49 weeks had a median income of only $38,868, and for those who worked full-time 26 weeks or less the figure was $26,001.24 **An Employment Policies Institute analysis of 1995 Census Current Population Survey data concluded that only 44 percent of minimum wage employees worked full time**.25

Not Well-Targeted

Living wage is insufficiently tailored to meet the neediest big families
Neumark and Adams 03
David, prof of econ @ UCI, edits several journals, started several institutes. Scott, director of grad studies @ Wisconsin-Milwaukee, co-editor of Journal of Economic Behavior and Organization. "Do Living Wage Ordinances Reduce Urban Poverty?" The Journal of Human Resources, Vol. 38, No. 3 (Summer, 2003), pp. 490-521. [PDI]

Another feature of **living wage ordinances** is that they **are not flexible regarding family size, even though poverty levels vary dramatically depending on the number of children and adults in a household.** Similarly, the **ordinances do not take account of the income of other family members;** for example, **if two adults are working for a covered contractor** or grantee, **both would receive the living wage, placing their incomes well above the poverty level**.2 Both of these considerations suggest that **living wage laws may do a poor job of targeting needy families,** a criticism also leveled at minimum wages. However, living wage laws may affect a substantially different set of workers than do minimum wages, implying that the effects of living wages on poverty require separate study

Real Estate Markets

High living wages hurt real estate development.

Neumark et al. 12, (David Neumark, Department of Economics, University of California at Irvine, Matthew Thompson, Charles Rivers Associates, Francesco Brindisi, New York City, Office of Management and Budget, Leslie Koyle, Charles Rivers Associates, Clayton Reck, Charles Rivers Associates, "ESTIMATING THE ECONOMIC IMPACTS OF LIVING WAGE MANDATES USING EX ANTE SIMULATIONS, LONGITUDINAL ESTIMATES, AND NEW PUBLIC AND ADMINISTRATIVE DATA: EVIDENCE FOR NEW YORK CITY," NBER WORKING PAPER SERIES, Working Paper 18055, May 2012, http://www.nber.org/papers/w18055) [PDI]

Finally, **the larger report** (Charles Rivers Associates, 2011), of which our labor market research was one component, also **studied how the real estate market in New York City was likely to be affected. The real estate analysis suggested potentially quite adverse effects on real estate development in New York City** owing to particular features of the proposal we analyzed. **Because the two markets are closely related, were these adverse effects on real estate development to occur, the labor market impacts could be worse than the relatively modest impacts suggested by our labor market analysis. The effects of living wage laws via effects on real estate markets have been largely unexplored in past research.**

States Will Strike Down

Many states are barring or striking down living wage laws
The Kiplinger Letter 02
"Living wage movement prompts backlash" Kiplinger Letter 79(16) [PDI]
The success of the "living wage" movement has prompted a backlash. More states will try to block local laws that require contractors and others to pay more than state minimum wage. Fla., Va., Kan. and Mich. will likely join Ariz., Colo., Ore., Utah and S.C. in barring such laws. Courts struck down a similar law in Mo. and will review the one in La.

States are preempting implementation, kills the aff
Bernstein 05
Jared, senior fellow @ Center on Budget and Policy, former chief economist to VP Biden, "The Living Wage Movement: What Is It, Why Is It, and What's Known about Its Impacts" [PDI]

Numerous states have, however, responded to the living wage movement by adopting preemption language. In some states, **the language in these laws are broadly preemptive, prohibiting localities from enacting any wage mandates. For example, Utah's preemption prohibits not living wage requirements for contractors or subsidy recipients but also city-wide minimum wage increases.** Others are more narrowly construed to prohibit only city-wide minimum wage increases.

If the aff works at the municipal level, it's unconstitutional according to state law, probably means it'll get struck down
Bernstein 05
Jared, senior fellow @ Center on Budget and Policy, former chief economist to VP Biden, "The Living Wage Movement: What Is It, Why Is It, and What's Known about Its Impacts" [PDI]

As the movement matures, **a few issues are emerging. First, as noted previously, opponents are mounting legal challenges, either arguing that current law prohibits local governments from enacting such mandates or trying to pass such legislation**. Although the validity of these efforts is far from clear at this point, **it does appear that language in some state constitutions could be construed to prohibit localities from implementing living wage policies. That is, these states prohibit localities from assuming powers that they are not expressly granted by the state. In other states, localities have the same regulatory power as the state itself.**

Shift to Higher-Skilled Workers

The aff causes companies to shift to more qualified workers based on the pay rates, which means fewer jobs available for low-education workers

Rubenstein 03

Sarah, journalist, “Is 'living wage' too costly?” Atlanta Business Chronicle 25.50 (May 23, 2003): A3. [PDI]

The panelists called the proposal too broad, unaffordable and likely to have the "unintended consequences" of **putting out of work the very people it is meant to help**. "My impression is that **this is largely an unemployment plan**," said Terrance Harps, the president of **Global Concessions Inc., which runs a number of food outlets** at Hartsfield. Harps said he **anticipates a 30 percent to 40 percent reduction in the size of his work force if the ordinance is passed.** Harps added that **he typically hires employees who have no education beyond high school. With such high starting pay rates, he said he'd be forced to hire more qualified people, making the playing field harder for the others**.

The aff displaces low-skilled workers who need increased wages the most

Bernstein 05

Jared, senior fellow @ Center on Budget and Policy, former chief economist to VP Biden, "The Living Wage Movement: What Is It, Why Is It, and What's Known about Its Impacts" [PDI]

[Note the minimized text of this evidence cites studies that go the other way – the author doesn’t come to a clear conclusion]

Another potential important type of "leakage" that relates to the targeting question asks about the extent to which **higher mandated wages will displace the lowest-skilled workers who will be replaced by those with higher skill levels**. This issue has not been examined directly by the previously mentioned pre/post studies, although anecdotal data in Neidt et al. (1999) reveal that such displacements did not occur in their study of the Baltimore ordinance. Also, the significantly lower turnover levels associated with the Los Angeles ordinance in Fairriss's (2003) study may mitigate against this effect if, in fact, workers in place when the ordinance is implemented stay with the firm longer than would otherwise have been the case. **Pollin and Brenner**'s prospective study (2000) also investigates this issue by looking at the age and education composition of low-wage occupations. They **argue that over time, the Santa Monica ordinance could potentially displace 10-20 percent of high school dropout to be placed by high school graduates and those with some college. They consider this is a modest effect, but others may view this as a problem for the policy**.

<u>Shift to Uncovered Sectors</u>

Turn – companies will simply shift their higher wage labor to the jobs covered by living wage laws so they have to pay less and low wage workers may not benefit
Neumark and Adams 03
David, prof of econ @ UCI, edits several journals, started several institutes. Scott, director of grad studies @ Wisconsin-Milwaukee, co-editor of Journal of Economic Behavior and Organization. "Do Living Wage Ordinances Reduce Urban Poverty?" The Journal of Human Resources, Vol. 38, No. 3 (Summer, 2003), pp. 490-521. [PDI]

Second, **<u>because living wage laws specify wage levels that must be paid without reference to skill levels of workers, employers who do some work covered by these laws and some work that is not covered may reallocate their higher-skill and higher-wage labor to the former and their lower-skill and lower-wage labor to the latter in order to comply. This may still entail some inefficiencies, but could moderate any cost-increasing effects of living wages</u>**.

Shift to uncovered sectors makes wages fall for all low-skilled workers when living wage is applied
Neumark and Adams 03
David, prof of econ @ UCI, edits several journals, started several institutes. Scott, director of grad studies @ Wisconsin-Milwaukee, co-editor of Journal of Economic Behavior and Organization. "Do Living Wage Ordinances Reduce Urban Poverty?" The Journal of Human Resources, Vol. 38, No. 3 (Summer, 2003), pp. 490-521. [PDI]

Third, **<u>even under broad definitions of coverage by living wage ordinances, only a fraction of the workforce is likely to be covered, in contrast to the near-universal coverage of minimum wage laws.</u>** In this situation, some of the **<u>labor disemployed in the covered sector is likely to shift into the uncovered sector.</u>** **<u>Because wages in that sector can adjust downward in response to the outward supply shift,</u>** **<u>wages may fall for all low-skilled workers</u>** **<u>in that sector</u>**, although the state or federal minimum still provides a wage floor that can constrain this response. Neumark and Adams, p. 7 However, **<u>given the wage decline, employment will not expand enough in the uncovered sector to offset fully the employment decline in the covered sector</u>**.5

Empirically proven
Levin-Waldman 03
Oren M, pf public affairs and administration @ Metropolitan College of New York, formerly pf @ Bard, "The Living Wage: Realizing the Republican Ideal" Public Affairs Quarterly, Vol. 17, No. 3 (Jul., 2003), pp. 171-196. [PDI]

Second, **<u>many municipal governments in efforts to reduce their budgets, as well as create favorable business climates conducive to new investment, have outsourced to private</u>**

<u>contractors many of the municipal services once performed by municipal workers, who in many cases were also union- ized. These contractors generally paid their employees less, and often not much more than the federal minimum. The end result was that many public services were being performed by workers left among the ranks of the working urban poor.</u>

Too Small in Scope

Small scope means you can't solve your impacts
Bernstein 05
Jared, senior fellow @ Center on Budget and Policy, former chief economist to VP Biden, "The Living Wage Movement: What Is It, Why Is It, and What's Known about Its Impacts" [PDI]

But **the marginal coverage of the policy limits its effectiveness to raise the living standards of more than a few thousand workers. While no national total of affected workers** (those who have received wage hikes due to the policy) **is knowable** and is a quickly moving target, **a rough count would be unlikely to surpass 100,000 and may well be closer to half that level. In a low-wage labor market of roughly 30 million** (Mishel, Bernstein, and Boushey 2002), **this gives a sense of the limitations of the movement and the nature of the paradox it faces**.

AT Baltimore

Baltimore studies are flawed – no control condition
Neumark and Adams 03
David, prof of econ @ UCI, edits several journals, started several institutes. Scott, director of grad studies @ Wisconsin-Milwaukee, co-editor of Journal of Economic Behavior and Organization. "Do Living Wage Ordinances Reduce Urban Poverty?" The Journal of Human Resources, Vol. 38, No. 3 (Summer, 2003), pp. 490-521. [PDI]

There are two studies that look at living wage effects following the adoption of legislation, although focusing on the costs of city contracts (Weisbrot and Sforza-Roderick 1996; Niedt et al. 1999). **These studies of small numbers of contracts in Baltimore conclude that the real cost of city contracts actually declined** as a result of living wage ordinances, thus apparently debunking a central argument of living wage opponents. **However**, **a critique** by the Employment Policies Institute (1998) **of the study** conducted by Weisbrot and Sforza-Roderick (1996) **questions these results**.9 In addition, **because these studies focus on one city, there is no "control sample" of cities in which living wages did not increase with which to compare the cost changes** Neumark and Adams, p. 11 for Baltimore. **This brief review emphasizes the need for considerably more analysis of the effects of living wage ordinances on workers and families, studying the actual experiences of cities where living wages have been enacted.**10 Proponents of the living wage make strong claims that poverty will be reduced, and opponents make strong claims that some low-wage workers will lose their jobs as a result of living wages, making poverty increases more likely. **Empirical evidence is required to resolve these questions**.

AT Developing Countries

Minimum wages just displace workers into the informal market where they make less

Maloney and Mendez 04

William F, Lead Economist in the World Bank's Development Economics Research Group, former pf of economics @ Illinois, and Jairo Nuñez, pf @ Javeriana University, consultant to UNDP, ECLAC, World Bank, IFC, IDB, CAF, “Measuring the Impact of Minimum Wages: Evidence from Latin America” [PDI]

The debate arguably becomes more relevant in less developed countries (LDCs) where enforcement of labor norms is thought not to extend to the “informal” sector. This group of workers is generally found in the unregulated microfirm (usually under five employees) **sector, where neither employers nor employees are registered with social protection institutions or authorities more generally.** Standard dualistic models ranging from the earliest (Harris and Todaro 1970) to some of the most recent (Agenor and Aizenman 1999) see these unprotected workers as the disadvantaged sector of a labor market segmented by nominal wage rigidities such as the minimum wage. Here, **the worker who loses his job has no access to unemployment insurance and instead takes refuge in the informal sector where the wage adjusts to accommodate supply. In this case, a rise in the minimum wage forces some workers into jobs where they earn below what they did before.** The available empirical evidence for Latin America is ambiguous. Morely (1995) and de Janvry and Sadoulet (1996) find that poverty falls with a rise in the minimum wage, but only for periods of recovery in the former study and only in periods of recession in the latter. Using worldwide LDC data, Lustig and McLeod (1997) confirm a negative effect on employment and poverty.

Empirics prove

Maloney and Mendez 04

William F, Lead Economist in the World Bank's Development Economics Research Group, former pf of economics @ Illinois, and Jairo Nuñez, pf @ Javeriana University, consultant to UNDP, ECLAC, World Bank, IFC, IDB, CAF, “Measuring the Impact of Minimum Wages: Evidence from Latin America” [PDI]

The results are consistent with the wage regressions. **A rise in the minimum wage has a statistically very significant impact on the probability of becoming unemployed that again decreases with a rising position in the wage distribution.** The lags echo this pattern and suggest that, as might be expected, the adjustment does not take place instantaneously. On average, **the contemporaneous effect is roughly twice that found by Neumark, Schweitzer, and Wascher (2000) for the United States and, again, extends far higher in the distribution.** Corresponding to the apparent impact on the wages of the very lowest ranges of the self-employed distribution, there are negative impacts on employment as well as some impacts higher in the distribution. Figure 1.3 graphs both the impact on wages and unemployment probability by position in the distribution.

AT Econ

Any positive effects are minimal, but the downsides to the economy as a whole are huge – prefer professional economists to aff speculation

Coldwell 04

Daniel Coldwell III, veteran, pf @ Memphis, "The Myths of the Living Wage," Business Perpsectives, 16:2, 44-49. [PDI]

The expected net effects of the proposed ordinance mandating a "**living wage**" for certain wage earners in the City of Memphis **are well known by professional economists. They are the same as any other legally enforced wage above a market wage. They are (1) a redistribution of income** from the ultimate buyers of the products or services produced by using the services of the affected wage earners to those certain wage earners; **(2) a loss of income due to distortions and an inefficient use of labor and/or unemployment; and (3), in the case of a small, open economy** such as Memphis where the net effects would be local, **a reduction in the rate of economic growth of the city's economy. Supporters of the ordinance** vehemently **support** its adoption with **theoretical arguments that are demonstrably false and empirical arguments that would be deemed naive by professional economists**. Ultimately, however, **these supporters view the passage of the ordinance as symbolic because its adoption would indeed have very little actual effects**. Therefore, it appears that its supporters have an agenda that is other than purely economic.

Author Debate

AT ACORN / Martin

Reject the ACORN-based studies – methodologically flawed
Levi et al 02
Margaret, pf @ U Washington, author, David J. Olson, pf @ U Washington, author, and Erich Steinman, phd sociology from U Washington "Living-Wage Campaigns and Laws," WorkingUSA, vol. 6, no. 3, Winter 2002–3, pp. 111–132. [PDI]

His analysis suffers from at least two evident weaknesses. **First, the presence of an ACORN chapter is highly correlated with city size, also a positive and significant factor. Thus, the effect of the ACORN variable may be spurious. Second, [Martin 2001] suggests that the operative dynamic in living-wage law adoption reflects the isomorphic processes described by sociological new institutionalist theory, in which actors look to other actors for policy models in times of uncertainty and without knowing the full effects of policy options. This interpretation**, although plausible, **is not supported by any empirical evidence. There are more problems** with the ACORN chapter hypothesis. According to ACORN's Web site, **while there are chapters in "more than 30 cities," ACORN-led coalitions have won living-wage ordinances only in [a few]** "St. Louis, St. Paul, Minneapolis, Boston, Oakland, Denver, Chicago, Cook County, IL and Detroit." **That amounts to nine successes affiliated with ACORN chapters, hardly enough to compellingly support an account casting them as the key medium of diffusion and success for what is now more than eighty livingwage successes**.

AT Adams and Neumark

The Adams-Neumark studies have sample specification problems—their results are overestimated and inaccurate.

Holzer 08, (Harry J. Holzer, Georgetown University, Urban Institute and Institute for the Study of Labor, "Living Wage Laws: How Much Do (Can) They Matter?" Discussion Paper No. 3781, October 2008, http://www.econstor.eu/bitstream/10419/35422/1/58433673X.pdf) [PDI]

One troubling aspect of the Adams-Neumark work is that their results, both positive and negative**, seem too large – especially given the small numbers of workers directly affected by these laws.** For example, **if just 2-3% of workers in the bottom decile are directly impacted by these laws, then a 50% increase in the living wage must generate more than that amount of wage increase for the affected workers to raise their overall wages by 2%,** as specified above. Since four times as many workers are found in the 10th- 50th percentiles as in the bottom deciles, fewer than 1% of workers in the former category should be affected by living wage laws; **and yet 50% increases in the living wage raise wages for this entire category of workers by 1% or more in their estimates.** The employment declines estimated for those in the bottom decile and noted above (as large as 6-9% in some cases) also seem too big, especially relative to the wage increases estimated for this group.¶ Other criticisms of the Adams and Neumark work can be found in Brenner et al. (2002).15 Specifically, they claim that: 1) **Limiting their samples to workers in the bottom decile** (or even the 10th-50th percentiles) **generate sample selection biases, especially since the dependent variable in the wage regressions are being used to define the samples**; 2) **Subminimum-wage workers are very unlikely to be covered by "living wage" ordinances and therefore should not be in the sample;** 3) **Business assistance laws are often enforced very weakly, and cannot really generate the kinds of stronger effects estimated by Adams and Neumark; and** 4) **Coverage of cities in their sample is heavily tilted towards Los Angeles** along with some other very large cities. Indeed, they argue that **the Adams- Neumark results are quite sensitive to these specification issues.**

AT Dube, Allegretto et al.

Their studies are flawed—minimum wage increases cause disemployment

Neumark, Salas, and Wascher 13, (David Neumark, Department of Economics, University of California at Irvine, J.M. Ian Salas, Department of Economics, University of California, Irvine, William Wascher, Federal Reserve Board, "REVISITING THE MINIMUM WAGE-EMPLOYMENT DEBATE: THROWING OUT THE BABY WITH THE BATHWATER?" NBER WORKING PAPER SERIES, Working Paper 18681, January 2013, http://www.nber.org/papers/w18681) [PDI]

Given the ongoing ebb and flow of this debate, it would have been shortsighted to think that the 2008 book that two of us wrote (Neumark and Wascher, 2008), despite surveying a massive amount of evidence, would have settled the issue. And indeed it has not. In particular, echoing long-standing concerns in the minimum wage literature, **Dube** et al. (2010) **and Allegretto** et al. (2011) **attempt to construct better counterfactuals for estimating how minimum wages affect employment.** When they narrow the source of identifying variation – looking either at deviations around state-specific linear trends or at within-region or within-county-pair variation – they find no effects of minimum wages on employment, rather than negative effects. Based on this evidence, they argue that the negative employment effects for low-skilled workers found in the literature are spurious, and generated by other differences across geographic areas that were not adequately controlled for by researchers.¶ The analysis in this paper, however, provides compelling evidence that **their methods are flawed and lead to incorrect conclusions. In particular, the methods advocated in these studies do not isolate more reliable identifying information** (i.e., a better counterfactual). In one case – the issue of state- specific trends – we explicitly demonstrate the problem with their methods and show how **more appropriate ways of controlling for unobserved trends that affect teen employment lead to evidence of disemployment effects similar to that reported in past studies.** In the other case – identifying minimum wage effects from the variation within Census divisions or, even more narrowly, within contiguous cross- border county pairs – we show that **the exclusion of other regions or counties as potential controls is not supported by the data.** We think the central question to ask is whether, out of their concern for avoiding minimum wage variation that is potentially confounded with other sources of employment change, **ADR and DLR have thrown out so much useful and potentially valid identifying information that their estimates are uninformative or invalid. That is, have they thrown out the "baby" along with** – or worse yet, instead of – **the contaminated "bathwater"? Our analysis suggests they have.** Moreover, despite the claims made by ADR and DLR, the evidence that their approaches provide more compelling identifying information than the standard panel data estimates that they criticize is weak or non-existent.¶ In addition, **when the identifying variation they use is supported by the data, the evidence is consistent with past findings of disemployment effects.** Moreover, **when we let the data determine the appropriate control states to use for estimating the effects of state minimum wage increases in the CPS data, we find stronger evidence of disemployment effects, with teen employment elasticities near −0.3.** The findings from similar analyses of restaurant employment in the QCEW data are a bit more mixed, but the weighted estimates again point to negative employment effects (with smaller elasticities of around −0.05). Thus, **our analysis substantially undermines the strong conclusions that ADR and DLR draw – that there are "no detectable employment losses from the kind of minimum wage increases we have seen in the United States"** (DLR, 2010, p. 962), and that "Interpretations of the quality and nature of the evidence in the existing minimum wage literature ..., must be revised substantially" (ADR, 2011, p. 238).

AT Neumark

Reject the study—truncated sample size causes selection bias and inconsistent results.
Brenner, Wicks-Lim, and Pollin 02, (Mark D. Brenner, Political Economy Research Institute, University of Massachusetts-Amherst, Jeannette Wicks-Lim, Department of Economics, University of Massachusetts-Amherst, Robert Pollin, Department of Economics and Political Economy Research Institute, University of Massachusetts-Amherst, "MEASURING THE IMPACT OF LIVING WAGE LAWS: A Critical Appraisal of David Neumark's 'How Living Wage Laws Affect Low Wage Workers and Low-Income Families,'" Political Economy Research Institute, Working Paper No. 43, October 2002, http://scholarworks.umass.edu/cgi/viewcontent.cgi?article=1030&context=peri_workingpapers) [PDI]

Our overall conclusion is that Neumark's findings are neither methodologically sound nor robust either statistically or substantively. To begin with, **Neumark's econometric model relies on a truncated sample of workers that excludes higher-wage workers from the data pool.** While Neumark's approach is correct in focusing its attention on low-wage workers, **the particular manner in which he does so, through truncating the full sample, is vulnerable to sample selection bias. This diminishes the reliability of his results, since they are subject to both bias and inconsistency.** We show that **Neumark's results are not robust when** one takes an alternative approach to truncation, that is, **utilizing quantile regression.**

Reject the study—it treats some workers as covered by living wage who weren't, half of the data comes from only one city, and his results are better explained by simultaneous minimum wage increases, not the living wage.
Brenner, Wicks-Lim, and Pollin 02, (Mark D. Brenner, Political Economy Research Institute, University of Massachusetts-Amherst, Jeannette Wicks-Lim, Department of Economics, University of Massachusetts-Amherst, Robert Pollin, Department of Economics and Political Economy Research Institute, University of Massachusetts-Amherst, "MEASURING THE IMPACT OF LIVING WAGE LAWS: A Critical Appraisal of David Neumark's 'How Living Wage Laws Affect Low Wage Workers and Low-Income Families,'" Political Economy Research Institute, Working Paper No. 43, October 2002, http://scholarworks.umass.edu/cgi/viewcontent.cgi?article=1030&context=peri_workingpapers) [PDI]

For example, **Neumark includes workers who receive wages below the** national or relevant state-wide **minimum wage**—sub-minimum wage workers—**as among those "potentially covered" by living wage laws, despite the fact that these workers aren't being paid at the lower minimum wage standard. Neumark** also **assumes that virtually all workers are "potentially covered" by living wage laws in cities where those laws apply to firms receiving subsidies** or other forms of business assistance **from local governments. However, officials in nearly all the relevant cities report that they have not yet applied the living wage mandates to any businesses in their cities simply on the basis of** their **receiving subsidies** or other forms of assistance from government. In addition, while Neumark's data set is nominally constructed to include a wide range of cities that have passed living wage ordinances, in fact most of the observations from cities with living wage ordinances come from a small number of municipalities. Indeed**, in a**

majority of Neumark's econometric models, over half of all relevant observations from living wage cities come from Los Angeles alone.¶ **Even in the models in which we accept Neumark's sample truncation technique on its own terms, we still show that all of Neumark's statistically significant findings are invalidated when 1) workers in living wage cities are reclassified from Neumark's "potentially covered" category to uncovered** based on the actual extent of coverage in these cities; or 2) **sub-minimum wage workers are reclassified from Neumark's "potentially covered" category to being uncovered by living wage laws.** Consistent with the high concentration of observations coming from Los Angeles alone, we also find that 3) Neumark's statistically significant results on wage effects are invalidated when we reclassify sub-minimum wage workers in Los Angeles alone as being uncovered rather than "potentially covered." In other words, Neumark's results on wage effects throughout all U.S. cities in his sample hinge on his having included sub-minimum wage workers in Los Angeles as covered by that city's living wage laws. We also find that, in fact, **the rise in wages for sub-minimum wage workers in Los Angeles over the time period investigated by Neumark is being driven to a significant extent by a sharply declining unemployment rate in the city and a rise in the California minimum wage, not by the city's living wage ordinance.**

Neumark doesn't consider second-order effects of living wage—disproportionately harm the poor and outweigh any benefits.

Galles 02, (Gary M. Galles is a professor of economics at Pepperdine University, "The Living Wage Myth," March 27, 2002, http://mises.org/library/living-wage-myth) [PDI]

Beyond even these issues, **Neumark's study warns that "many important questions remain to be addressed before** policy analysts should feel confident that they have a well-established set of findings on which to **draw strong conclusions regarding living wages."** These questions remain because **the study only addressed the "first-order," or direct, effects of living wage laws, and ignored indirect effects which** do not show up in income data but **could more than offset the first-order effects in helping the poor.**¶ **Neumark's study ignores the increased municipal budgets from higher wages, which will force them to reduce services, many of which are provided to low-income families. Alternatively, it will require higher taxes, including those borne by the poor.** To the extent living wage laws apply to nonprofits serving the poor, those organizations will also have to cut back on the services they provide the poor. **And to the extent that suppliers' higher costs get passed on in higher prices to users beyond the government, the poor are also harmed (particularly because they spend a larger fraction of their income on consumption purchases than higher-income families).**

AT Pollin and Luce / Reynolds

Reject these studies – they don't take into account potential disadvantages
Neumark and Adams 03
David, prof of econ @ UCI, edits several journals, started several institutes. Scott, director of grad studies @ Wisconsin-Milwaukee, co-editor of Journal of Economic Behavior and Organization. "Do Living Wage Ordinances Reduce Urban Poverty?" The Journal of Human Resources, Vol. 38, No. 3 (Summer, 2003), pp. 490-521. [PDI]

The best-known work on living wages is the book by **Pollin and Luce** (1998, hereafter PL). Although the primary purpose of this book was to advocate living wages as a viable poverty-fighting tool, it is a useful starting point for research on the subject. PL **argue that living wage ordinances will deliver a higher standard of living** for low-income families. They also posit that such legislation will reduce government subsidy/transfer payments to working families.8 **This work is problematic. First, PL's calculations regarding improved living standards and reduced subsidy/transfer payments are based on a family of four with a single wage earner, despite the facts** (given in their book) **that (i) only 42 percent of those earning at or below the Los Angeles living wage are the single wage earner in a family, and (ii) the average family size for these workers is 2.1, indicating that on average people potentially affected by living wages are not supporting a family of four. Second, PL do not attempt to estimate whether there are disemployment effects or hours reductions from living wages, but instead assume no such effects. If either results from a living wage increase, then some families may suffer potentially sizable income declines**. On the other hand, it is no surprise that calculations based on raising wages of low-wage workers while assuming no employment or hours reductions will look beneficial to low-wage workers and to some extent to low-income families. **In short, PL's work cannot be viewed as reliable empirical evidence on the effects of living wages on low-income families. Despite this, calculations paralleling PL's have been used to evaluate proposed ordinances in other cities (for example, Reynolds 1999). Not surprisingly, given the assumptions, these evaluations reach similar conclusions**.

<u>AT Reich et al.</u>

There's no control group in the study—no way of knowing if increases in employment were from living wage or exogenous factors.

Holzer 08, (Harry J. Holzer, Georgetown University, Urban Institute and Institute for the Study of Labor, "Living Wage Laws: How Much Do (Can) They Matter?" Discussion Paper No. 3781, October 2008, http://www.econstor.eu/bitstream/10419/35422/1/58433673X.pdf) [PDI]

For instance, **<u>Reich et al.</u>** (2005) have **<u>analyzed the extension of San Francisco's living wage law</u>** in 1999 **<u>to cover workers at San Francisco International Airport.</u>** They combine data from establishments at the airport, surveys of workers there, and administrative data. The study finds strong positive effects on the lowest-paid workers' wages and reductions in inequality across worker groups. The positive effects at the bottom of the spectrum generate "ripple" effects on wages above those levels. They also find evidence of lower turnover and improved morale among workers. Additional costs to employers are estimated to be less than 1 percent of revenue. Finally, they find no evidence of reduced employment between 1998 and 2001; indeed, employment at the airport rose considerably over this time period. However, it is noteworthy that **<u>this study contained no control group at all. A new international terminal was opened at the airport during this time period, and no doubt the terminal contributed importantly to rising employment. Absent the extension of the living wage law, it is impossible to know what the counterfactual level of employment would be, and whether or how much decline there might have been because of that extension.</u>**

AT Poverty

Minimum wage has harmed poor families based on employment and hours effects Neumark et al 2k

David, at the time a grad studies director @ MSU, Mark Schweitzer of the Federal Reserve Bank of Cleveland, and William Wascher, Board of Governors of the Federal Reserve System. "The Effects of Minimum Wages Throughout the Wage Distribution," NBER Working Paper No. 7519 Feb 2000 [PDI]

Our finding that earned incomes of low-wage workers decline in response to minimum wage increases is consistent with other evidence we have presented indicating that **minimum wages increase the proportion of families that are poor or near-poor** (Neumark et al. 1998; Neumark and Wascher 1997). As motivation for that research, **we suggested that an important component of the overall effect of minimum wages on the distribution of family incomes is the effect on earned incomes among low-wage workers. WE further argued that the conclusion that minimum wages must help low-wage workers on net** - because estimated employment elasticities from minimum wage studies typically are in the -.1 to -.2 range - **is flawed,** because the employment reductions are likely concentrated among the lowest-wage workers, implying that for such workers the income elasticity could plausibly be a much larger negative number. It appears, though, that the employment elasticities we obtain for minimum wage workers are in this range. On the other hand, **the wage increases for low-wage workers that are induced by hikes in the minimum wage are considerably smaller than the minimum wage hikes themselves, and there are hours reductions among employed workers that compound the negative impact of employment losses on earned income**. In our previous research we only presented what amount to reduced-form effects of minimum wages on family incomes. **The findings in this paper, which speak directly to the question of earned incomes of low-wage workers, show that the full range of labor market effects leads to a decline in the earnings of the lowest-wage workers as a consequence of minimum wage increases**.


UNIVERSITY OF MINNESOTA

General Defense

Poverty

Living wage evidence is misleading – determines the living wage based on a family but assumes only one worker

Baird 02

Charles, a professor of economics and the director of the Smith Center for Private Enterprise Studies at California State University at Hayward, "The Living Wage Folly," Ideas on Liberty, June 2002, pp. 16-19. [PDI]

Living-wage proponents paint a purposefully misleading picture of the situation of minimum-wage earners. They strongly imply that **the typical** full-time minimum-wage **earner is the sole earner in a family of four.** Moreover, their peripheral rhetoric suggests that the typical full-time minimum-wage worker is **a single mother struggling to make ends meet against all odds**. EPF research demonstrates this is simply not the case. **A household with two full-time minimumwage workers earns $20,600, well above the 2001 poverty threshold** for a family of four. **When opportunities for overtime are considered such households can easily have earnings that exceed the 2001 poverty threshold for a family of five. Only 7 percent** of people who are paid between $5.15 and $7.15 per hour **are single parents**, and half of workers who earn $7.15 per hour or less live in households with annual incomes over $42,671. Approximately 40 percent are children or other relatives of a family head who earns much more than the legal minimum wage. And **none of these figures take into account employer and government benefits received by low-income households. The crisis to which LWOs are alleged to be the solution simply doesn't exist.** Some poor will always be among us, but **the force that ameliorates poverty better than any other is economic growth. Measures that impede economic growth, such as LWOs, which corrupt the information content of wages and prices and distort incentives to work and acquire marketable skills, ultimately hurt the very people the proponents of LWOs assert they wish to help**.

Alt cause – education

Coldwell 04

Daniel Coldwell III, veteran, pf @ Memphis, "The Myths of the Living Wage," Business Perpsectives, 16:2, 44-49. [PDI]

Some say that [Living Wage] is a matter of making a public statement regarding the City's low paying jobs and poverty. Clearly, there are far better ways of doing so; for example, by rallying political support for improving the City's public schools where not a few students fail to past qualifying examinations in English and math, even though passing such exams is evidence of an ability to perform in higher paid jobs.

Inherency Press

Squo solves the aff – living wage movements already exist all over the world.

Luce 12, (Stephanie Luce, Murphy Institute, City University of New York, "Living wage policies and campaigns: Lessons from the United States," International Journal of Labour Research, 2012, Vol. 4 Issue 1, http://www.eapn.pt/iefp/docs/justica_social_e_crescimento_-_o_papel_do_salario_minimo.pdf#page=11) [PDI]

Despite the limited reach of **the living wage** to cover large numbers of workers or address poverty on a major scale, the **concept remains popular, and continues to spread. In the United States there is a campaign to expand the living wage requirement to large economic development projects in New York, and a number of universities have ongoing campaigns.** Activists are again pushing to raise and index state minimum wages. Restaurant workers are working to address minimum wages for tipped workers, who are only entitled to $2.13 per hour under the federal law.¶ **The "living wage" has spread internationally as well, with variations of living wage campaigns in the United Kingdom, Canada, and Japan.** The London Living Wage Campaign has targeted private sector employers, and according to the campaign, has won living wages at over 100 employers since 2001, resulting in 70 million pounds sterling in higher wages for over 10,000 families.¶ **"Living wages" are up for discussion in global South countries as well, from South Africa to Bangladesh to China, where a team of law professors and students just completed the first living wage study to contribute to the debate about the level of minimum wages.**

[For U.S. affs] Minimum wage hikes are already passing at a state level

Foley 14

Meghan Foley, journalist, "This Is Why Washington Will Keep Ignoring Minimum Wage" http://wallstcheatsheet.com/politics/voting-on-minimum-wage-this-fall-heres-what-you-should-know.html/?a=viewall#ixzz3M3LUOBYL 12-15-14 [PDI]

Minimum Wage Is Rising Despite Congress Thirteen states raised the minimum wage on January 1, 2014. Nine of those — Arizona, Colorado, Florida, Missouri, Montana, Ohio, Oregon, Vermont and Washington — decided to lift the lowest legal hourly pay and index future minimum wage increases to price inflation. **Connecticut passed legislation boosting hourly wages to** $10.10 by 2017 – **the same rate President Obama has asked Congress to implement for the federal minimum wage;** in January 2013, New Jersey Governor Chris Christie vetoed minimum wage legislation, but ten months later, 61 percent of voters approved a ballot measure to raise minimum pay from $7.25 to $8.25; New York has passed a bill hiking minimum wage to $9 in 2015; Rhode Island's Democratic Governor Lincoln Chafee signed a bill in July increasing minimum wage from $8 to $9; Maryland's state legislature approved a plan to raise the wage floor from $7.25 to $10.10 by 2018; and, on July 1, Washington D.C.'s minimum wage workers say hourly pay increase from $8.25 to $9.50. Hawaii, Minnesota, Delaware, and West Virginia also passed legislation lifting the wage floor. Voters in four states — Alaska, Arkansas, Nebraska, and South Dakota — approved minimum wage increases in November's congressional midterm elections, meaning by January 1, 2015, 29 states and Washington D.C. will have a minimum wage about the federal mandate. **More than 120 cities and counties across the United States have implemented what is known as livable wages of between $12 and $15 per hour.** At the beginning of the year, SeaTac, a community around Seattle-Tacoma International Airport, implemented a $15 per hour minimum wage, becoming the first jurisdiction in the country to set a wage that high. **Seattle** followed suit; it **was the first major city to approve a $15-per-hour minimum wage.** Both San Francisco and Santa Fe have moved minimum wage higher independently of state levels as well. As of the beginning of August, 23 states plus Washington D.C. have set their lowest legal wage above the level mandated by the federal government Both worker advocates and labor organizers believe that ballot initiatives are a viable means to enact minimum wage increases, especially in states where elected officials have attempted to stifle the issue. However, Oklahoma has banned local minimum wage increases. That state seems to be the exception in growing popularity of the movement to lift minimum wage; in fact, according to a recent Gallup poll, 76 percent of Americans believe the federal government should lift the wage floor to at least $9 per hour. More than **two-thirds of small business owners support** a **higher minimum wage**, despite politicians claims that minimum wage increases cost jobs and productivity. **<u>Even a number of major U.S. business have set higher wage; Ikea, Gap,</u>** Recreational Equipment, Inc., **<u>Whole Foods, Trader Joe's, Ben & Jerry's, and Costco all pay more</u>** than $7.25 per hour. Costco pays starting employees an hourly wage of $11.50 per hour, and the average employee wage is $21 per hour. The company's Chief Executive Officer and President Craig Jelinek has publicly endorsed raising the federal minimum wage to $10.10 an hour. "I just think people need to make a living wage with health benefits," Jelinek told Bloomberg. "It also puts more money back into the economy and creates a healthier country. It's really that simple."

Autonomy/Kantian NC

Generic Contention

The aff violates free market principles – restricting the autonomy of companies and some low-wage workers who would get laid off or who can't find jobs now

Sennholz 05

Hans F. Sennholz, Professor Emeritus Grove City College is an Adjunct Scholar of the Mises Institute, Repeal the Minimum Wage, 12-25-05 [PDI]

To alleviate minimum-wage unemployment **is to restore freedom in the labor market; it would permit the cost of labor to readjust to labor productivity and offer employment to every young man and woman willing and ready to work. A free labor market would welcome young people, which** not only **would** exhort and restore the spirit of work but also **improve labor skill and know-how**. **The labor productivity of American youth soon would rise and exceed the ominous minimum levels that presently condemn millions to idleness. Freedom has a thousand charms even in the labor market**.

Government control over business is the antithesis of free enterprise and private ownership

Von Mises 05

Ludwig von Mises, famous economist of the Austrian school, "Planning for Freedom" MAY 31, 2005 [PDI]

The term "**planning**" **is** mostly **used as a synonym for** socialism, communism, and authoritarian and **totalitarian economic management**. Sometimes only the German pattern of socialism—Zwangswirtschaft—is called planning, while the term socialism proper is reserved for the Russian pattern of outright socialization and bureaucratic operation of all plants, shops, and farms. At any rate, **planning in this sense means all-around planning by the government and enforcement of these plans by the police power**. Planning in this sense means full **government control of business.** It **is the antithesis of free enterprise, private initiative, private ownership of the means of production, market economy, and the price system. Planning and capitalism are utterly incompatible.** Within a system of planning, producti**on is conducted according to the government's orders, not according to the plans of capitalists and entrepreneurs eager to profit by best filling the wants of the consumers**.

Religious Freedom – Jewish Law

Jewish law shows no living wage is obligatory – ona'ah means a worker who can't get a living wage otherwise doesn't deserve one

Levine 08

Dr. Levine, an Associate Editor of Tradition holds the Samson and Halina Bitensky Chair in Economics at Yeshiva University and is Rabbi of the Young Israel of Avenue J, Brooklyn, NY., "The Living Wage and Jewish Law," Tradition 41(4) 2008. [PDI]

The law of ona'ah as it applies to the labor market **shows that labor law does not require employers to pay their workers a living wage.** This is so because the ona'ah claim, as mentioned earlier, is essentially an opportunity-cost complaint. In the context of the labor market, **a worker's complaint of underpayment is, therefore, valid only if the same**27 **job was reasonably available to him at the time he entered into labor contract**. A po'el does this by showing that the employer himself pays a higher wage to other workers for the same job or that another local28 employer would have hired him for the same job at a higher wage. **A worker who cannot command a living wage in the marketplace cannot claim a living wage based on ona'ah.** Moreover, given that the restitution procedure does not apply to the po'el labor market, **even a worker who commands a living wage in the marketplace will get no judicially mandated wage adjustment because of his ona'ah claim**.

Contention Weighing

Whether our imperfect duties obligate us to affirm cannot be determined theoretically or a priori – it can only be determined empirically whether living wage helps the poor
Neumark and Adams 03
David, prof of econ @ UCI, edits several journals, started several institutes. Scott, director of grad studies @ Wisconsin-Milwaukee, co-editor of Journal of Economic Behavior and Organization. "Do Living Wage Ordinances Reduce Urban Poverty?" The Journal of Human Resources, Vol. 38, No. 3 (Summer, 2003), pp. 490-521. [PDI]

Among the low-skilled workers affected by living wage ordinances, **there are likely to be winners and losers. Gains accrue to those whose wages are forced up by the wage requirement, and who retain their jobs (and hours) with covered employers. Workers whose employment prospects worsen, who perhaps end up working at lower-wage jobs in the uncovered sector or non-employed, lose from living wages.** There are some additional possible winners and losers. First, as low-skilled workers disemployed from the covered sector shift to the uncovered sector, wages there may be bid down somewhat, although we suspect that the magnitudes involved are likely to be small. Second, the changes in employment and in the allocation of low-skilled workers across the covered and uncovered sectors could shift relative demands for higher-skilled workers, with the direction of the effects depending, among other things, on whether low- and high-skilled labor are substitutes or complements in production. In addition, there may be wage increases for higher-skill workers attributable to "ripple" effects stemming from increases in the mandated wage floor (Gramlich 1976; Grossman 1983). **Because we have no a priori basis for predicting the full range of effects on workers**, **or whether the workers that lose or benefit are likely to be in higher-income or lower-income** Neumark and Adams, p. 8 **families, there are no theoretical predictions for the effects of living wages on poverty.** In the minimum wage literature, **earlier research speculated** that minimum wages would do little to reduce poverty (without addressing the question directly). In particular, it noted that while there are few poor or low-income families with high-wage workers, there are many high-income families with low-wage workers (such as teenagers).7 If the job loss tends to be concentrated among low-wage workers in low-income families, and the wage gains occur more among low-wage workers in higher-income families, minimum wage increases could hurt poor families or lead to more poor families. In fact, recent research using past experiences with minimum wage increases in the U.S. finds that a minimum wage does not reduce the proportion of families living in poverty, and if anything instead increases it (Neumark, Schweitzer, and Wascher 1998). **This ambiguity in whether minimum wages help poor or low-income families is also apparent in many living wage ordinances**. As noted above, the wage requirements set by these laws frequently impose a wage floor pegged to the federal poverty level for a family with a given number of children, without regard to the income earned by other family members. Thus, there are likely to be at least some beneficiaries in families whose incomes are well above the poverty line. Nonetheless, **because different workers may work in jobs covered by living wage ordinances compared with jobs affected by minimum wages, the distributional effects of living wage laws could easily differ, and there is no a priori reason to rule out living wages being more beneficial than are minimum wages in reducing poverty.**

U.S. “Function” NC

The purpose of America is for fundamental freedom – individuals need to be able to express their self-interest free of government interference
Levin-Waldman 03
Oren M, pf public affairs and administration @ Metropolitan College of New York, formerly pf @ Bard, “The Living Wage: Realizing the Republican Ideal” Public Affairs Quarterly, Vol. 17, No. 3 (Jul., 2003), pp. 171-196. [PDI]

This view of America as a republican nation, however, has not been shared by all. The most well known exponent of the view that America was born a liberal nation on the philosophy of John Locke was Louis Hartz. Echoing de Tocqueville, Hartz (1955) argued that **Americans were essentially born free.** As a society America was not constrained by the clericalism and absolutism of the church or a feudalistic order which laid out established roles from which there was no escape other than through revolution. Rather **America was settled by individuals fleeing the feudal and clerical oppression of the Old World** - Europe. Instead of a "liberal movement" or "liberal party" America had the nationalist articulation of John Locke as the American way of life. From its incep- tion, then, **America had the liberal idea, which essentially meant the freedom of conscience.** If no clericalism and feudal structure, **individu- als would be free to pursue their own respective self-interests as an expression of their own conceptions of what constitutes the good life - a conception that they are now free to arrive at because there is no conception of the good imposed on them by a centralized authority who can make claim to divine right of kings**.

Locke perhaps best personifies the liberal ideal in his view that **all individuals have an equal right to govern their actions as they see fit.** No person has an intrinsic right to govern another (Grant 1987; Flathman 1992; von Leyden 1982). For Locke, the idea that individuals are born in a state of nature means that they were born with natural and inalien- able rights that preceded any state (Gough 1956). Governmental authority based on the consent of the governed also meant that there would be limits to that consent, and those limits would usually be at the point where government might encroach upon individuals' rights, often defined in terms of property. Locke (1988) states clearly that "**The great and chief end therefore, of Men uniting into a Commonwealth, and put- ting themselves under Government, is the Preservation of their Property"** (pp. 350-351). **This, of course, means that government has a responsi- bility to defend rights, and the government that fails to meet this obligation essentially forfeits its right to legitimately govern.** This, of course, also implies that citizenship too is a matter of right. One be- came a citizen by consenting to live under the authority of the government that will protect their rights on an equal basis.

According to this view, **America was founded as a nation where indi- viduals would be free to pursue happiness** in the language of Jefferson, **but was viewed as pursuing property in the language of Locke. This also meant that there could not be a concept of the larger public interest or common good that was transcendent of the individual interests**. Rather **the public interest would be served by a government that protected in- dividual liberties and rights. A citizen, then, was defined as one who enjoyed the right to pursue his/her self-interest, ostensibly for him/her- self and because in the end it would ultimately benefit the public at large.** It was one who enjoyed the same protections, usually defined in terms of rights. The republican spirit, however, did not stress the pro- tection of rights as entitlements in citizenship as much as the public good to which the individual worked to achieve. And yet, the underly- ing assumption was that individuals would have to be independent and autonomous beings in order to function as citizens in the service of the public interest. As Michael Sandel (1996) notes, republican theory in- terpreted rights in light of a particular conception of the good society - the self-governing republic. And republicanism still affirms the politics of the common good. This, of course, differs from the lib- eral view usually put forth by John Rawls (1993) and others that a just society does not attempt to cultivate virtue or impose on its citizens any particular end. **Rather the liberal state respects each person's right to choose his or her own conception of good and not to have a good cho- sen for them, as that would signal that government was not treating each with equal respect and treatment. Hence government is supposed to be neutral with regards**

to questions concerning the good life and simply protect individual rights (Dworkin 1985; Ackerman 1980). Each pur- sues his own ends, and the liberty to do so is protected on an equal basis on the grounds that they constitute rights.

Competitiveness DA

Globalization means wage increases destroy international competitiveness.

Ofek-Ghendler 09, (Hani Ofek-Ghendler, LLD, The Hebrew University, Jerusalem, "Globalization and Social Justice: The Right to Minimum Wage," Law & Ethics of Human Rights, Volume 3, Issue 2, 2009, http://www.clb.ac.il/uploads/Ofek-Ghendler.pdf) [PDI]

Indeed, **minimum wage was particularly damaged by the forces of globalization**, and what is commonly known **as "the race to the bottom." The growing strength of new players in the economic arena, transnational corporations, explain the increase in economic competition over capital, and weakening of the mechanisms for international cooperation within the context of the right to minimum wage.** These players are not identified with a particular state since their operations are dispersed around different branches throughout the world, largely as the result of technological developments, particularly the development of transport and communications. **The increasing mobility of these players requires states to compete over investors, leading to a race to the bottom of labor standards.** This is not necessarily expressed in the reduction of the nominal rate of the right to minimum wage, but rather in the absence of proper, acceptable updates in the wage in order to protect its realistic value over time and by difficulties to enforce state regulations.2¶ **This race to the bottom, and the constant threat of capital migrating to competing states, resulted in the transformation of the right to minimum wage that meets the interests of commercial corporations, reflecting the need of states to reduce the minimum wage as one of the bargaining chips employed in international competition. The strength of transnational corporations and the weakness of states are evident in this process.**3 **Cooperation among states has also become increasingly difficult**, which requires a broad level of agreement among individual nations. **Such agreement has not been consolidated and many countries are opposed to any increase in minimum wage in their territory due to a variety of reasons, whether because of the significant financial burden this would impose on the government (as an employer) or because of the fear of capital fleeing to a competitor state.** The lack of such agreement is one of the reasons for the neglect of the protection of the right to minimum wage in international law, as I demonstrate below.

Tax DA

City will raise taxes to compensate
Neumark and Adams 03
David, prof of econ @ UCI, edits several journals, started several institutes. Scott, director of grad studies @ Wisconsin-Milwaukee, co-editor of Journal of Economic Behavior and Organization. "Do Living Wage Ordinances Reduce Urban Poverty?" The Journal of Human Resources, Vol. 38, No. 3 (Summer, 2003), pp. 490-521. [PDI]

First, **the city is a purchaser of goods and services from contractors** (and possibly also Neumark and Adams, p. 6 grantees). **Thus**, **it is not necessary that its demand curve for particular services slopes downward**, or at least not appreciably over some range. This could be the case either **because the city finds it possible to raise taxes to cover higher costs** (thus largely allowing contractors to pass through the increased labor costs), or because some services have to be purchased in quantities that may be largely insensitive to price (such as snow plowing). On the other hand, a city government has some limits on its ability to raise taxes. In addition, city contractors or recipients of assistance may pay higher wages to workers who are producing goods and services sold on the private market as well (perhaps the same workers who do some covered work and some uncovered work, or different workers working for the same employer). The responses to wage increases for this work done for the private sector are more likely to be subject to the law of demand.

Firms will increase cost of contracts with the city because they can't raise their price to private consumers due to competition. That means cities raise taxes
Baird 02
Charles, a professor of economics and the director of the Smith Center for Private Enterprise Studies at California State University at Hayward, "The Living Wage Folly," Ideas on Liberty, June 2002, pp. 16-19. [PDI]

Profit-seeking entrepreneurs also try to avoid layoffs by attempting to pass the wage increases on to customers in the form of higher prices. In the private sector this is often difficult to do because of competition. Competition among American firms is not much of a problem in the case of an increase of the federal minimum wage, because it applies to all American firms alike. **Firms affected by state minimum wages**, to the extent they are not less than the federal minimum, **are somewhat constrained from passing on cost increases to customers by interstate competition. It is much easier for governments to pass costs forward to consumers, because the consumers are taxpayers who do not have the option of refusing to pay. Firms affected by municipal LWOs may simply respond by raising the prices they bid for municipal contracts. Municipalities that try to offset those higher costs with higher taxes face jurisdictional competition within their own states as well as others. People can simply vote on the resulting tax burdens with their feet. But this discipline is not always effective. LWOs are often followed by municipal tax increases**.

Politics DA

Living wage creates huge political fights—campaigns are long and drawn out, invoke huge amounts of business lobbying, and lack concentrated support from either political party.

Luce 12, (Stephanie Luce, Murphy Institute, City University of New York, "Living wage policies and campaigns: Lessons from the United States," International Journal of Labour Research, 2012, Vol. 4 Issue 1, http://www.eapn.pt/iefp/docs/justica_social_e_crescimento_-_o_papel_do_salario_minimo.pdf#page=11) [PDI]

Expect a fight. The first two lessons highlight a third, which is that at least **in the US case, workers and unions should not expect to win living wages without a serious fight.** As much as technical debates and academic research can help us advance our understanding of wage levels, **the living wage campaign has been highly contested, particularly on ideological grounds. In the United States, neither political party has embraced the notion of regular increases to the minimum wage, let alone establishing living wages. Local campaigns encounter consistent opposition from the Chamber of Commerce, most Mayors, and most major newspapers. Employer organizations fight against wage laws, and fight harder the more expansive the potential coverage.** Over the past few decades, the mainstream economic research has shifted from a strong critique of minimum wage laws to a mixed, and even positive evaluation. Economists have used "natural experiments" to test the impacts of minimum wage laws and find that, at best, they help low-wage workers at minimal cost and, at worst, have little impact in either direction. Yet in recent years **the prominent Heritage Foundation has argued that the 2007 federal minimum wage increase was a cause of high unemployment in the wake of the 2008 economic crash, and a number of conservative politicians have called for eliminating wage mandates on the grounds that they interfere with the free market, hurt the poor and lead to large job loss.** The state of New Hampshire repealed its state minimum wage law in September 2011, with the House Speaker calling minimum wage laws "job-killing regulation" (International Business Times, 2011).¶ **Despite strong public support for setting and raising wage floors, the campaign to win them in any meaningful sense will likely be difficult. Living wage advocates have won their campaigns, despite the opposition, through a combination of factors**: relying on empirical economic research to show that wage mandates can be helpful and not harmful to the economy; appealing to moral arguments via faith-based organizations and leaders; making argu- ments for responsible use of public money (i.e. requiring firms to meet certain standards in order to receive contracts or subsidies); showing support from a segment of businesses which themselves pay a living wage; and showing con- sistent and solid support from a wide range of voters. **The campaigns usually take several years and repeated rallies, marches, lobby visits, one-on-one meet- ings with City Council members, and other tactics to win. In the end, what is most persuasive to policy-makers is probably not the economic studies but the potential that tens of thousands of voters may not re-elect you if you do not support the living wage.**

Even Democrats don't support living wage movements—pressure from business lobbies and economic advisors create controversy.

Luce 12, (Stephanie Luce, Murphy Institute, City University of New York, "Living wage policies and campaigns: Lessons from the United States," International Journal of Labour Research, 2012, Vol. 4 Issue 1, http://www.eapn.pt/iefp/docs/justica_social_e_crescimento_-_o_papel_do_salario_minimo.pdf#page=11) [PDI]

As mentioned above, **the living wage movement has supported efforts to raise minimum wages** at the city level, but also **at the state and federal level. The majority of "living wage" advocates also support raising the fed- eral and state minimum wages, and indexing them to the cost of living.** However, **it has been very**

difficult for living wage supporters to influence fed- eral policy. Even when Democrats are in office, there is resistance to raising the minimum wage despite the continued and strong public support. It may be that **Democrats who receive large campaign contributions from busi- nesses and industry groups fear repercussions for raising minimum wages. It might also be that they (or their economic advisers) do not ideologically support the concept.** Robert Reich writes about the challenges of serving as Secretary of Labor under President Bill Clinton, who was resistant to raising the minimum wage.

Living wage legislation requires politicians get their hands dirty – opposition is guaranteed

Reynolds and Kern 02

David, pf at Wayne State, leader of the Michigan living-wage movement, and Jen, directs ACORN Living Wage Resource Center, author. "Labor and the Living-Wage Movement." Working USA 5:3. 2002. [PDI]

The living wage offers an issue that has proven an ideal tool for pulling groups into an expanding battle. **On the one hand, the living wage is a cause with popular appeal that ultimately has a good track record of prevailing in the end.** On the other hand, **the campaigns are not cakewalks. Living-wage proposals typically draw enough opposition that some elected officials will show their true colors and even some supporters will get cold feet, often backtracking on pledges to support living-wage laws. Passage of an ordinance is rarely as straightforward as is assumed--testing the accountability of our elected officials and our resolve as organizers.** By the same token, then, the road to victory may be paved with opportunities for progressive organizing beyond what the campaign endorsers originally hoped for or expected.

Political obstacles are huge – big business and anti-tax groups will oppose the aff

Clain 12

Suzanne, pf @ Villanova, "Explaining the Passage of Living Wage Legislation in the U.S.," Atl Econ J (2012) 40:315–327. [PDI]

The political obstacles to the passage of living wage legislation can be gleaned from the news coverage of ongoing or failed living wage campaigns and from some of the evaluations of the prospective impacts of the legislation, written by hired economic consultants.3 It is clear from news reports that **businesses** that could be subject to the legislation **are concerned** about the associated rise in labor costs and the ultimate impact on profitability.4 As a redistributive tool, the legislation does have the potential to impact businesses negatively. **This potential has in the past motivated local opposition from business groups like the Chamber of Commerce** (Martin 2001, Rubenstein 2003). However, if the businesses are fully able to pass the added costs back to the local government, then the impact of the redistribution would ultimately fall on taxpayers as a whole, unless the added costs can be financed by cost savings in other governmental programs. Nevertheless, **taxpayers may not always be unwilling to foot the bill for a new redistributive program, to the extent that it falls on them**. **If taxpayers in general share the values** behind the new program and have the wherewithal to support it financially, **the new program may not have the political fallout** that otherwise could be anticipated. The passage of living wage legislation in jurisdictions where taxpayers agree that there is a social obligation to help the working poor is more likely, provided that taxpayers have income sufficient to support programs designed to satisfy that obligation.

Living wage is extremely controversial – a lot of powerful groups are involved

Dasgupta 09

Indraneel Dasgupta, lecturer @ U Nottingham, author of about 30 research papers and referee of about 20 journals, researcher @ Indian Statistical Institute, "'Living' wage, class conflict and ethnic strife" Journal of Economic Behavior & Organization 72 (2009) 750–765 [PDI]

To fix ideas, we think of the social wage as a legislatively mandated 'minimum' or 'living' wage, along with a package of mandated workers' benefits or 'protection' (e.g. pensions, severance payments, workplace voice and control, health and safety regulations, leave and childcare facilities, limitations on hours, intensity and forms of work, seniority and overtime rules, minimum age of employment, etc.). Typically, in practice, **the social wage comes about as the legislative outcome of a complex and evolving process of society-wide political conflict and negotiation among representatives of workers, capitalists and others, including, historically, the landed gentry**.9 These **conflicts and negotiations may also have trans-national dimensions,** in that **international agreements often impose social wage conditions** on participating countries.10 Once determined, the social wage generates a rent, which is contested by workers and employers. It is this subsequent contestation that we wish to conceptually isolate and analyze. Such **contestation can take both legal and extra-legal forms. Laws leave loopholes, grey areas and interpretative ambiguities that are fought over in courts by representatives of employers and unions. Employers may also resort to illegal violation of labour regulations.**11 **Contestation can involve litigation, lobbying, bribing of judges, regulators and politicians, strike making and strike breaking activities** (including the strategic use of violence), etc.

Minimum wage fights prove – Republicans are ideologically opposed

Jamieson 14

Dave Jamieson, Huffington Post journalist, Senate Republicans Block Minimum Wage Bill, Posted: 04/30/2014 [PDI]

Senate Democrats could not advance their bill to raise the minimum wage on Wednesday, failing by a vote of 54-42 to clear the filibuster threshold. The vote was an early hurdle for legislation that Democrats have put at the top of their economic agenda for the year. Even if the measure eventually garners the 60 votes needed to overcome a Republican filibuster in the Senate, it still faces long odds in the GOP-controlled House, where Republicans have shown no interest in bringing it to the floor. Senate Republicans were expected to block the bill, which would raise the minimum wage from $7.25 to $10.10 per hour and tie it to inflation so that it rises with the cost of living. Democrats are hoping the issue will play well for them in this midterm election year given the overwhelming support among the general public for hiking the minimum wage. "**They don't even want us to have a proper debate on the bill, let alone pass it,"** Sen. Michael Bennet (D-Colo.) said ahead of the vote. "What is so radical about what we're trying to do?" **Discussion on the measure fell along familiar ideological lines on Wednesday.** Democrats pointed out how the wage floor has eroded in recent years, leaving more low-income workers below the poverty line. **Republicans argued that a wage hike would hurt the very workers it was meant to benefit.** "It will actually hurt more people than it helps," Sen. John Cornyn (R-Texas) said. "It would be great if we lived in a world where Washington dictates what wages can be, and peace, love and happiness will break out, the Age of Aquarius, because Washington has somehow distributed free money."

<u>Unions DA</u>

The aff strengthens unions, three warrants

Baird 02

Charles, a professor of economics and the director of the Smith Center for Private Enterprise Studies at California State University at Hayward, "The Living Wage Folly," Ideas on Liberty, June 2002, pp. 16-19. [PDI]

John Sweeney has always identified himself as a proponent of democratic socialism and an opponent of free markets; so he is a natural ally of ACORN. **<u>The payoff to individual unions</u>**, such as the Service Employees International Union, **<u>is threefold. First, living-wage ordinances increase the price of union-free labor relative to unionized labor, thus increasing the demand for unionized labor. This has always been a major reason for the unions' support of legal minimum wages. The unions are impatient with the federal and state governments' slow and</u>**, to them, **<u>meager increases in legal minimum wages and are delighted to endorse the more radical increases</u>** proposed by ACORN. **<u>Second, LWOs often include requirements that covered employers remain neutral in any union-organization campaigns</u>**. Unions have been losing market share in the private sector ever since the mid 1950s, and that decline accelerated during the 1980s and 1990s. **<u>Thus they are eager to prevent employers from being able to explain the downside of unionization to their employees. Third, LWOs involve the creation of committees to oversee their implementation. Unions are always heavily represented on such committees, and they dominate many of them.</u>** In such cases **<u>unions effectively have veto power</u>** over both the level of the living wages imposed and the determination of which firms are eligible to get municipal contracts.

The aff increases union organizing and coalitions with unions

Levin-Waldman 03

Oren M, pf public affairs and administration @ Metropolitan College of New York, formerly pf @ Bard, "The Living Wage: Realizing the Republican Ideal" Public Affairs Quarterly, Vol. 17, No. 3 (Jul., 2003), pp. 171-196. [PDI]

What, then, is the Living Wage really about? On one level, it is about raising the wages of those at the bottom of the income distribution. On another level, however, it is about creating a more just society whereby a campaign serves as a vehicle in the quest for economic justice. For some, the living wage campaign rises to the level of a social movement to the extent that these campaigns attempt to affect broader local devel- opment policy, which extends beyond the wage rates these workers get paid. According to David Reynolds (1999), the growing movement of Living Wage campaigns across the country has brought together broad coalitions to fight for basic economic justice. The basic concept behind living wage campaigns is essentially the simple notion that tax payers' money should go to those communities that support their local commu- nities, rather than those who force their workers to live in poverty. **<u>The process of organizing living wage campaigns has proven to be a major coalition builder and a great opportunity for labor and community mobilization. Serious living wage campaigns deliver key gains for unions and community groups apart from the impact of any ordinance. With living wage campaigns, new opportunities have been opened for unions to organize among low wage workers. Living wage organizations have also helped labor and the community fight privatization and outsourcing by raising the wage floor and uniting coalitions dedicated to blocking low-wage jobs.</u>** In more general terms, **<u>a living wage coalition raises a fundamental debate over the purpose of economic development and in this vein might actually represent a credible antidote to the economic growth coalitions that have largely been responsible for the outsourcing of municipal services.</u>**

Living wage ordinances increase union bargaining power

Levi et al 02

Margaret, pf @ U Washington, author, David J. Olson, pf @ U Washington, author, and Erich Steinman, phd sociology from U Washington "Living-Wage Campaigns and Laws," WorkingUSA, vol. 6, no. 3, Winter 2002–3, pp. 111–132. [PDI]

Living-wage ordinances also help unions by setting norms about prevailing local wage levels. If employers are to compete for workers, they are forced to offer employees higher pay. **The living-wage ordinance also empowers unionized city and county workers. In an era of privatization, where unionized public workforces see their numbers dwindling due to outsourcing of their work, forcing contractors to pay living wages to their private employees levels the cost competition between public and private provision of services. Living-wage laws make it less tempting for cities to privatize service provision, thus increasing union bargaining power**.

Empirics prove

Luce 05

Stephanie, pf at CUNY, Lessons From Living-Wage Campaigns, Work and Occupations 2005 32: 423. [PDI]

Greater success has come in indirect organizing victories, where the campaign has in some way spurred a new drive or assisted an existing one. For example, nonunion city workers in Tucson, Arizona, heard about the city's living-wage law, and contacted the Communication Workers of America to see about getting their ownwages raised. Eventually, **1,500workerswon recognition and a first contract with the city.** Union of Needletrades, Textiles and Industrial Employees (UNITE) has used living-wage ordinances in their campaign to organize workers at the laundry company Cintas. For example, **UNITE discovered that Cintas held contracts for laundry services in Hayward and Los Angeles, California, and Madison, Wisconsin, and that the company had violated the living-wage law. The union helped workers file complaints** to get backwages, and in Hayward and Madison, public pressure resulted in the city's dropping the Cintas contracts. **Other successful efforts to link living-wage campaigns to unionization have occurred in cities such as Berkeley and San Jose, California; Alexandria, Virginia; and Miami-Dade, Florida.** Gains have also been seen overseas in London, where the East London Communities Organization helped the Transport and GeneralWorkers Union (T&G) win union recognition for 150 janitorialworkers. According to T&GGeneral Secretary TonyWoodley, the living-wage campaign has helped spark an important step: "There are millions of unorganized workers in the UK and the T&G is determined to reach them. This recognition agreement represents a significant breakthrough in our campaign for modern fighting back trade unionism" ("Cleaners' Union Wins Canary Wharf Breakthrough," 2004). **University living-wage campaigns have been closely tied to efforts to create or strengthen campus unions.** AtWesleyan University in Connecticut, the University Student Labor Action Coalition first worked on a solidarity campaign to help janitors on campus (working for a private contractor) organize with SEIU Local 531.1 The students then mounted a campus living-wage campaign, requiring the university to pay all its direct and contracted employees a living wage. After students took over the admissions building for 24 hours, the university president gave in and signed off on the ordinance, resulting in a union contract with living wages for the janitors. **Perhaps the most extensive connection between the livingwage and union organizing has occurred in Los Angeles. After the Los Angeles ordinance was passed, the Los Angeles Alliance for a New Economy and the livingwage coalition worked closely with local unions and the County Federation of Labor to turn the passage of the living-wage ordinance into a unionorganizing opportunity.** This was most effective at the Los Angeles International airport (LAX). **The living-**

wage coalition was able to get food concession contracts awarded to employers that agreed to remain neutral in union campaigns. It was also able to rely on the antiretaliation language in the ordinance that protects workers' rights to organize around living-wage issues. According to Larry Frank and KentWong (2004), activity around the living wage at LAX helped HERE and SEIU dramatically increase the number of members at the airport: HERE went from representing "roughly one out of every five airport workers in its bargaining to four out of five" (Frank & Wong, 2004, p. 174). **In the same period, SEIU "has moved from representing one in ten workers within their jurisdiction to representing more than half"** (Frank & Wong, 2004, p. 174-175).

Living wage props up the power of unions.

Galles 02, (Gary M. Galles is a professor of economics at Pepperdine University, "The Living Wage Myth," March 27, 2002, http://mises.org/library/living-wage-myth) [PDI]

How do living wage laws benefit unions? **Living wages directly increase wages for lower-skill union workers** who previously negotiated below living wage contracts. Further, **by forcing producers to pay higher wages even if they are nonunion, they reduce competition from nonunion companies, whose costs are forced up** (the mechanism Neumark emphasizes). Because of the increased costs, however, **such laws also undermine municipalities' attempts to save their taxpayers money by privatizing public services** or by putting welfare recipients to work, either of **which threatens union jobs**.¶ By forcing affected contractors to pay employees more, **living wages allow unions to get pay raises and job security they couldn't get through traditional means.** Because they apply to government contracts, **they use governments' ability to force taxpayers to bear increased costs, which unions couldn't use in direct negotiations with private employers** (much like the Davis-Bacon prevailing wage law for federally funded construction).¶ **Living wage laws also** provide other props for unions. They **substitute for attempts to impose higher local minimum wages, which would intrude on state authority. By dealing only with municipalities where supporters' power is strong, they divide and conquer opposition that would prevent passage at the state level. And living wage laws are intended as wedges for further wage and coverage expansions in the future.** In any event, as local governments expand their reach, involving themselves in ever more aspects of the local economy, these effects will increase over time.

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<u>Education CP</u>

Building worker's education and human capital solves the root cause of low wages—solves better than living wage.

Horowitz 03, (Carl F. Horowitz, is a Washington, D.C.,–area consultant on labor, welfare reform, immigration, housing, and other domestic policy issues. He was previously a housing and urban affairs policy analyst at the Heritage Foundation and a Washington correspondent for Investor's Business Daily, "Keeping the Poor Poor: The Dark Side of the Living Wage," Policy Analysis No. 493, October 21, 2003, http://object.cato.org/sites/cato.org/files/pubs/pdf/pa493.pdf) [PDI]

<u>Advocates of a living wage</u> likewise **<u>over- look the role of education in boosting earn- ings,</u>** and not just for the "richest" Americans. Full-time, year-round workers aged 25–64 earned the following annual amounts (in 1999 dollars) during the period 1997–99: Persons lacking a high school diploma earned on average only $23,400. Earnings for those with high school diplomas rose to $30,400. For those whose highest levels of educational attainment were some college but no degree, an associate's degree, and a bachelor's degree, respectively, the figures were $36,800, $38,200, and $52,200.43 Moreover**<u>, the long- term trend for well over two decades has indi- cated that educational level makes an increas- ing difference.</u>** The most educated persons, concluded the Hudson Institute's Workforce 2020 report, experienced the greatest gains in annual real earnings during 1975–94, where- as the earnings of those who did not complete their high school education declined slightly over that period.44¶ **<u>Companies know the value of hiring edu- cated workers.</u>** A University of Pennsylvania study showed that **<u>a 10 percent increase in the educational level of an employer's work- force increased productivity by 8.6 percent; a 10 percent rise in hours worked and invest- ment in capital equipment hiked productivi- ty, respectively, by only 5.6 percent and 3.4 percent.</u>**45 Data from the Bureau of Labor Statistics show that on average **<u>28-year-old workers who tested in the top quartile of math skills</u>** on the National Assessment of Educational Progress **<u>earned 37 percent more than those in lower quartiles</u>**.46¶ Even some economists in the egalitarian camp understand that. Lester Thurow, an MIT economist on the board of the Eco- nomic Policy Institute, has written: "For indi- viduals here are three words of advice: skills, skills, skills. The economic prospects of those without skills are bleak."47 A Clinton-era Commerce Department monograph also cited the need for skills, adding that global- ization, the end of the Cold War, and the spread of emerging information technologies could further jeopardize the prospects of unskilled workers.48 Robert Shapiro, director of economic studies for the Progressive Policy Institute and a key adviser to Bill Clinton's 1992 presidential campaign, wrote: **<u>"[B]y not building new knowledge and skills, many working people see their economic capacities slowly depreciate over the course of every year, leaving them relatively less productive and efficient—and less well-paid."</u>**49¶ Conclusion¶ **<u>People who push for a living wage insist that the lowest-paid workers are victims of social injustice rectifiable through aggressive political action. They are wrong. The lowest- paid members of the workforce suffer from a lack of skills.</u>** In 1994 the Labor and Com- merce Departments issued a joint report warning of a widening underclass of workers unable to compete in a complex marketplace. The report spoke of "a large, growing popula- tion for whom illegal activity is more attrac- tive than legitimate work."50

EITC CP

EITC solves better than living wage—prefer comparative analysis.

Horowitz 03, (Carl F. Horowitz, is a Washington, D.C.,–area consultant on labor, welfare reform, immigration, housing, and other domestic policy issues. He was previously a housing and urban affairs policy analyst at the Heritage Foundation and a Washington correspondent for Investor's Business Daily, "Keeping the Poor Poor: The Dark Side of the Living Wage," Policy Analysis No. 493, October 21, 2003, http://object.cato.org/sites/cato.org/files/pubs/pdf/pa493.pdf) [PDI]

The main argument in the living wage advocates' arsenal is that one should not have to remain poor while working full-time. But **ACORN and the others overlook the EITC.** In existence since 1978, **the program enables families to participate if their annual income falls below a certain threshold**, currently about $32,000. Recent research by econo- mists Mark Turner and Burt Barnow, respec- tively of Georgetown University and Johns Hopkins University, has found that **tax cred- its are far more effective than either broadly or narrowly based living wage laws at lifting the working poor out of poverty.**40 Turner and Barnow distinguished between low-income families and workers who happen to hold low-income jobs, irrespective of family income. **The living wage, like the minimum wage**, they argued, **may be going to families who don't really need it.** The authors estimat- ed that **only 12 percent of all families affected by a broad living wage are below the poverty level, and 26 percent affected by a narrower law are officially below it. By contrast, 44 per- cent of EITC-eligible families are below the poverty level. Some 92 percent of the poorest working families meet EITC eligibility require- ments, as opposed to 1 percent and 39 per- cent, respectively, of the poorest families affected by narrow and broad living wage laws.**

EITC is more politically feasible and better targets poor low-wage workers

Bernstein 05

Jared, senior fellow @ Center on Budget and Policy, former chief economist to VP Biden, "The Living Wage Movement: What Is It, Why Is It, and What's Known about Its Impacts" [PDI]

[*Note this author defends the perm overall, so he's not a solvency advocate for the CP*]

However, **in at least one case** (Montgomery County, Maryland) **forces that opposed and ultimately defeated a living wage ordinance supported and passed a local EITC, that is, an add-on to the federal credit for county residents worth 16 percent of the family's federal credit**. **This alternative, of course, does yield new and better-targeted benefits to low-income working families. Simulations** by Turner and Barnow (2003) **compare the targeting of an equally costly living wage and local EITC and find that while about 25 percent of poor families reached by the wage mandate are poor, 44 percent of those reached by the local EITC are in poverty. The local tax credit is also almost certain to reach many more workers than the living wage**.

Municipalities CP

Municipal living wage ordinances solve best, avoid politics.

Nadeem 08, (Shehzad Nadeem, ASSISTANT PROFESSOR, SOCIOLOGY. LEHMAN COLLEGE. CITY UNIVERSITY OF NEW YORK, "THE LIVING WAGE MOVEMENT AND THE ECONOMICS OF MORALITY: FRAMES, IDEOLOGY AND THE DISCURSIVE FIELD," Research in Social Movements, Conflicts and Change, Volume 28, 137–167, 2008, http://www.emeraldinsight.com/journals.htm?articleid=1761598&show=abstract) [PDI]

While the objectives of individual campaigns vary, **the professed goal of many coalitions is to populate the American landscape with more and more ''living wage cities.''** Whatever one makes of the movement's progress, the 12 years since the first ordinance was approved – in Baltimore in 1994 – have witnessed a flurry of living wage activism. **To date, 130 ordinances have been passed in different localities suggesting that they are not isolated campaigns. Rather, widely shared ideals embodied by the living wage have been applied to varying circumstances and localities.** We can then refine our understanding of living wage campaigns from a concatenation of multiple local campaigns to that of a larger movement with broader goals.¶ The wage levels set by ordinances vary from one dollar above the federal minimum wage to over twice the minimum. **It is estimated that most ordinances cover less than 1% of the local workforce** (Economic Policy Institute, 2002). Indeed, even supporters understand the campaigns to be a mere but necessary ''first step'' in poverty alleviation. As one organizer remarks, ''We're busy organizing a typical living wage campaign. I think it may be successful, requiring private contractors with the city to pay around $9 per hour. But the campaign won't solve the problems of thousands of women who go to work each day in services and trade for low wages and poor benefits and short time.''¶ **Rather than taking the issue to the state or national level ''where the capacity of business to mobilize money and lobbying clout carries greater weight,'' the campaigns have focused on municipal politics** (Pollin & Luce, 1998, p. 2). **Moreover, campaigns have emerged largely in cities with favorable political climates.** By the end of 2003, one out of every ten large cities in the South had passed a living wage ordinance, compared to three out of ten in the rest of the country (Martin, 2004). **As activists have chosen primarily to place bills in front of city councils rather than on ballots, where the success rate is lower, a Democratic-majority council is extremely important in passing an ordinance.** (One activist, however, confided that the Democratic Party proper has been of little help in the campaigns, with some Democratic mayors openly resisting such efforts). The major exception is Suffolk County, New York, where an initiative was passed by a very slight Republican majority. Asked whether relying on progressive councilpersons is a means of circumventing the public, a living wage organizer strongly demurred: ''Councilmembers are elected officials, supposedly our represen- tatives. There's nothing underhanded in that.'' In effect, it is a matter of holding officials to account, a stance that is in accord with the civil rights master frame.

Voluntary CP

Living wage campaigns that compel companies to voluntarily pay a living wage rather than through legislation can be successful

Bennett 12

Fran, pf of economics @ Oxford, consultant, author, "Reflections on the living wage," Soundings, Winter 12, 52, p 63. [PDI]

There have been some calls on the UK government to raise the national minimum wage to the level of a living wage. But **the campaign itself focuses on calling on employers to pay the living wage voluntarily - and to oblige their subcontractors to follow suit. This means that campaigning can be specific and local, and use tactics of naming and shaming (or calling to accoutn) within communities.** The embracing of the living wage by community organisers means that it can also reach the parts other campaigns fail to reach - though Unison and other unions have been very active in the cause, more recently with Trades Union Congress support. **Although the campaign could be seen as a reproach to governments for failing to ensure that work is a route out of poverty, the focus is not on making more demands on the state - which may be an advantage in the current climate.** No wonder Gavin Kelly, of the Resolution Foudnation, concludes that **the living wage is an idea that chimes with the times, allied to a label that works, rooted in a progressive argument that doesn't rely primarily on more state spending** - adding 'And that puts it in a very small category indeed.

Capitalism K

Links

The struggle for higher wages pits some working class groups against one another due to their different reserve wages – that prevents effective class-organizing

Dasgupta 09

Indraneel Dasgupta, lecturer @ U Nottingham, author of about 30 research papers and referee of about 20 journals, researcher @ Indian Statistical Institute, "'Living' wage, class conflict and ethnic strife" Journal of Economic Behavior & Organization 72 (2009) 750–765 [PDI]

[Note – this evidence summarizes many arguments in the paper that may be at odds with one another. It's incumbent on debaters using this evidence to read the minimized text to ensure you characterize and deploy it accurately]

Our exploration suggests that advanced workers may, indirectly, benefit from improved social entitlements for backward workers. Thus, we provide micro-foundations for an argument of class solidarity between advanced and backward workers, grounded in an 'enlightened' (i.e. general equilibrium) conception of self interest. However, our analysis also suggests that such an argument may be difficult to extend beyond the sphere of social entitlements to that of 'labour rights'. Specifically, our results suggest that **working class (say minority or immigrant) communities with weak entitlements may share an interest, with employers and against workers from privileged communities, in keeping labour regulations (and thus the social wage) relatively low.** Affirmative action programs that seek to open up larger sections of the labour market to workers from **marginalized ethnic, racial or religious communities may [be] pit** such groups **against workers from the dominant community, benefiting employers.** Thus, **when ethnic minority or immigrant workers are initially marginalized both in the labour market and in access to non-wage entitlements, improving job access** (say, through positive discriminatory job quotas) **and expanding 'social enfranchisement'** (say, through improved housing, health, child-support and unemployment benefits) **for such workers may have contradictory effects on class and ethnic conflicts.** Lastly, our analysis suggests that the politics of 'trade unionism', i.e. articulation of shared objective economic interests alone, may prove insufficient to control ethnic conflicts within the working class. A working class politics that also ventures into the provisioning of class-cultural public goods, i.e. of noneconomic forms of shared identity articulation specific to the working class as a whole, may have better prospects.

Wage increases don't solve the problem of underlying class struggle, empirics in India prove

Dasgupta 09

Indraneel Dasgupta, lecturer @ U Nottingham, author of about 30 research papers and referee of about 20 journals, researcher @ Indian Statistical Institute, "'Living' wage, class conflict and ethnic strife" Journal of Economic Behavior & Organization 72 (2009) 750–765 [PDI]

In 2005, **the Indian Parliament passed the National Rural Employment Guarantee Act** (NREGA). The NREGA **offers up to 100 days of employment annually per rural household on public works, at some local, officially determined, minimum unskilled wage rate. It is one of the largest rights-based social protection initiatives in the world, costing about US$ 2.5 bn** in 2006–2007. **This initiative has, quite expectedly, given rise to local contestation over distribution of the rent** it has generated. **Activists seek to organize rural workers around the demand for employment at the official wage, while bureaucrats, politicians and contractors are routinely accused of underpayment.** Simultaneously, **organizations representing different caste, ethnic and religious groups in the village attempt to increase the share of their own community in available employment at the officialwage**. **Conflicts along these two**, conceptually distinct, **dimensions interact and condition one another**. As information regarding the initiative gradually spreads in the rural areas, **such conflicts**

can only be expected to intensify over time. Our framework can be usefully deployed in structuring empirical investigations of the emerging pattern of social conflicts around the NREGA.

The aff is reactionary – it still operates within a capitalist market while pretending to be a socialist policy, only abolishing the wage system can solve

Von Mises 05 summarizes Marx

Ludwig von Mises, famous economist of the Austrian school, "Planning for Freedom" MAY 31, 2005 [PDI]

Karl Marx did not believe that government or trade union interference with the market can attain the **beneficial ends** expected. **Marx and his consistent followers condemned all such measures in their frank language as reformist nonsense, capitalist fraud, and petty-bourgeois idiocy. They called the supporters of such measures reactionaries**. Clemenceau was right when he said: "One is always a reactionary in somebody's opinion." Karl Marx declared that **under capitalism all material goods and likewise labor are commodities, and** that **socialism will abolish the commodity character both of material goods and of labor.** The notion "commodity character" is peculiar to the Marxian doctrine; it was not used before. Its meaning is that **goods and labor are negotiated on markets, are sold and bought on the basis of their value. According to Marx the commodity character of labor is implied in the very existence of the wages system**. **It can disappear only at the "higher stage" of communism as a consequence of the disappearance of the wages system and of payment of wage rates. Marx would have ridiculed the endeavors to abolish the commodity character of labor by** an international **treaty** and the establishment of an International Labor **Office and by national legislation** and the allocation of money to various national bureaus. I mention these things only in order to show that the progressives are utterly mistaken in referring to Marx and the doctrine of the commodity character of labor in their fight against the economists whom they call reactionary.

Race Link

Mobilizing workers in a common economic struggle against employers can reduce ethnic conflicts – dividing lines according to race is self-defeating and harms low-wage workers

Dasgupta 09

Indraneel Dasgupta, lecturer @ U Nottingham, author of about 30 research papers and referee of about 20 journals, researcher @ Indian Statistical Institute, "'Living' wage, class conflict and ethnic strife" Journal of Economic Behavior & Organization 72 (2009) 750–765 [PDI]

Conflict between workers across ethnic or religious **divides is typically perceived as reducing their collective strength as a class in the common distributive conflict against employers**.1 **The key strategic question** frequently facing political formations on the Left **is** thus **how class unity among workers may be achieved in practice**. At the same time, **greater mobilization of workers in their common economic conflict against employers is also often considered an effective barricade against ethnic conflict within the working class**. The idea appears to be that **the very provision of a political platform for articulating common economic interests of workers would serve to reduce conflicts within the working class along identity fault-lines by revealing to them the ultimately self-defeating consequences of such 'fratricidal' warfare.**2 Yet, in practice, attacks on one section of workers by another are often sought to be legitimized by the argument that the former are objectively advancing the interests of employers against those of the working class as a whole. Thus, for example, during the anti-immigrant riots in South Africa in May 2008, Black South Africans involved in the violence were reported as accusing foreigners of undoing years of fighting against white rule and undermining the minimum wage.3 **Differences in reservation wage rates between native and immigrant workers impacted both class conflict between workers and employers and ethnic conflict among workers**: these two dimensions of distributive conflict in turn conditioned one another.

Alt

We must argue for workers' rights not on the basis of wage but on the basis of worker unification – expanding employment access only further divides the working class

Dasgupta 09

Indraneel Dasgupta, lecturer @ U Nottingham, author of about 30 research papers and referee of about 20 journals, researcher @ Indian Statistical Institute, "'Living' wage, class conflict and ethnic strife" Journal of Economic Behavior & Organization 72 (2009) 750–765 [PDI]

Our results also suggest that trade union politics, i.e. **an articulation of common economic interests of workers against employers alone, may prove insufficient** to unify workers across ethnic or religious identity divides. Dasgupta and Kanbur (2007), quoting historical examples, have argued that, instead**, the provision and sharing of cultural public goods common to workers qua workers may hold the key to such unification**. The present analysis further highlights this idea.25 At the same time, as Dasgupta and Kanbur (2005a) have formally shown, successful unification through contribution to common cultural public goods, which are valued independently of their income consequences, is predicated on a relative equalization of earnings across different working class identity factions. **Relative equalization of access to high (social) wage employment would appear to be indispensable for such equalization of earnings. Yet,** as our analysis shows, **expanding employment access for an initially marginalized minority group may lead to greater ethnic conflict within the working class and consequent reduction in the overall enforcement of social wage employment**. **Expanding social entitlements,** especially in terms of subsidized housing, health, education and cash transfers, for the marginalized group is likely to reduce ethnic conflict in the labour market and thereby improve enforcement of the social wage. However, **in the absence of a prior working class identity shared across community divides, such expansions may be resisted in the electoral arena by the advanced majority of working class voters.** Arguably, **these dilemmas, brought into focus by our analysis, lie at the heart of the resurgence of racist and xenophobic politics in many Western countries today.**26

Feminism/Gender K

The discourse of "living wage" legitimates a male breadwinner model of employment that reaffirms patriarchy's drive to relegate women to the home and restrict their rights.

Secombe 86, (Wally Seccombe, Ontario Institute for Studies in Education, "Patriarchy Stabilized: The Construction of the Male Breadwinner Wage Norm in Nineteenth- Century Britain," Social History, Vol. 11, No. 1 (Jan., 1986), pp. 53-76, http://www.jstor.org/stable/4285488) [PDI]

It is important not to conflate **the two dimensions of a changing wage form** mentioned above, although they are closely related. In recent discussions of 'the family wage', this distinction (**between payment form and subsistence norm**) has not been clearly drawn; the contribution of each to changes in working-class family life has thus been impossible to assess.2 I will argue that the individuation of the wage payment **was an inevitable consequence**, indeed an integral facet **of capitalist development.** On the other hand, **the complete triumph of the male breadwinner norm in the working class** was not a foreordained consequence of capitalist growth, but rather **was the outcome of struggle in which an increasingly conservative labour movement**, in the aftermath of the defeat of Chartism and Owenite Socialism, **reacted in a narrow exclusionist fashion to the very real threat which the mass employment of women as cheap labour represented to the job security and wage levels of skilled tradesmen.** Other responses were possible along integrationist lines; in this case counterfactual speculation is not utterly fanciful. There were minority currents in the labour movement, in Britain as elsewhere, that pushed unions to take a more progressive stance in combatting divisive gender-based job competition in the labour market; but these forces were defeated within the labour movement. By 1875, the leader of the Trades Union Congress, Henry Broadhurst,¶ framed the issue in bluntly patriarchal terms:¶ [The goal of the labour movement must be to] bring about a condition ... where wives and daughters would be in their proper sphere at home, instead of being dragged into competition for livelihood with the great and strong men of the world. (Boston, I 980, i 6)¶ **The male breadwinner version of a living wage became a powerful ideological fixture in the labour movement for over a century,** despite the fact that it was never realizable by the labouring poor. **Its persistence and power are hardly surprising.** For was this not a highly effective weapon to wield against employers in the trade union struggle over wages? **Working men could motivate their demands for higher pay in terms which the propertied classes found morally unassailable. They could say**, in effect: **'if we were decently paid, our wives could remain at home and¶ become good homemakers (just like your wives),** and our children could stay at school and get a good education (just like your children)'. **By the values the propertied classes held dear, these were wholly honourable goals;** they were nevertheless jeopardized by the anarchic workings of capitalism. In highlighting the discrepancy, **unions put employers on the defensive and condemned the operation of the free labour market by the criterion of a higher value - the sanctity of the family - shared by all social classes.**¶ **The ideology of a living wage affixed a wage rate benchmark to a division of family labour which was broadly held to be natural, and hence proper, for all classes.** Not only was this a powerful construction in terms of the moral universe of Victorian society, it also appealed cognitively to arguments within the economic discourse of the market, displaying a suitable flexibility in the way the case could be put. On the one hand, it could be argued that only if men were able to win a living wage would their wives and young children be freed from the economic compulsion to go out to work and submit to the terrible exploitation of capital. On the other hand, reversing cause and effect, one could insist that **only if women's and children's employment were legally curtailed, or banned outright, would men's wages ever rise to the level of a living wage, and their families be properly supported. This was the argument which legitimated the drive to restrict women's employment in the second half of the nineteenth century.**

Labor unions and statistical studies deploy "living wage" statistics to perpetuate the male breadwinner model.

Barrett and McIntosh 80, (Michelle Barrett, Professor of Modern Literary & Cultural Theory, Queen Mary University of London, and Mary McIntosh, Senior Lecturer in Sociology, Essex University, "The `Family Wage': Some Problems for Socialists and Feminists," Capital & Class, Summer 1980, vol. 4 no. 2 (51-72) http://cnc.sagepub.com/content/4/2/51.short) [PDI]

The idea of the `family wage' has tended to be identified with that of the `living wage': **a living wage is one on which a man can keep himself, his wife and his children at a decent level.** Although at times some socialists have toyed with the idea of a wage that varied with the scale of a man's family responsibilities (the ILP in 1926, for instance, was in favour of a `family endowment' scheme of this sort and many such schemes existed on an industry-by- industry basis in continental Europe at that time (Vibart 1926)), on the whole **the trade union movement in Britain -has seen this as a way of keeping the general level of wages down and has sought to achieve for all its members a wage adequate to support a family** (see, for instance, Royal Commission on Equal Pay, 1946, para. 363).¶ Today the idea of a family wage is so much taken for granted that **it is standard trade union practice to draw up pay claims for low-paid workers which refer to the need to maintain the level of living of a standard married man with two children .** The **newspapers¶ routinely supply us with calculations of the effects of tax changes or price changes for the same man married with two children .** Even the Association of University Teachers has bewailed the fact that a man on the ninth point of the lecturer scale with three children (and presumably a dependent wife) was eligible for free school meals for his children. **The principle is articulated most clearly in a social security system that differentiates radically between bread-winners and their dependants [1], providing insurance benefits for a man's dependants but not for a wife's and no supplementary benefit to a wife or a `cohabiting' woman at all.**

The concept of "living wage" reinforces the "male breadwinner" model of the family—reinforces gender stereotypes and guarantees that women are excluded from the living wage movement.

Grover 05, (CHRIS GROVER, Lancaster University, "Living wages and the 'making work pay' strategy," Critical Social Policy Vol. 25(1): 5–27, 2005, http://csp.sagepub.com/content/25/1/5.short) [PDI]

Second, **the idea of need is problematic in living wages because of its close association with the concept of the family wage.** This issue is recognized in sections of the living wage movement (Brenner, 2002), but has yet to be overcome. This means that **living wages are premised upon an androcentric view of wage structures: that a male breadwinner should be able to earn the majority of income for his spouse and dependent children. This is the case in living wages, because**, as we have seen, **there is an expectation that there will be a full time worker in households.** While there is care in living wage literature not to assign this role to men, **it is difficult to see how the assumptions of living wages will break from the male breadwinner model. What this means in practice is that living wages can only meet the needs of workers and their families if they conform to the male breadwinner model. Hence, the difficulties** demonstrated in Table 1 **with delivering higher** than the 'making work pay' strategy **incomes to lone-mother-headed households. If wages were related as closely to need as it is sometimes portrayed in arguments for living wages, those people with dependent children**, those working part time **and those in families with only one earner would be paid a higher hourly wage** compared to those families without dependent children, those with full time earners and those with multiple earners. In other words, **those workers who do not conform to the male breadwinner model have potentially the most to gain financially from living wages, but under current proposals they would actually gain the least.**

Living wage laws are premised on the notion of the one male breadwinner family model

Bennett 12

Fran, pf of economics @ Oxford, consultant, author, "Reflections on the living wage," Soundings, Winter 12, 52, p 63. [PDI]

Another issue is the number of people assumed to be supported by an earner. **Previous living wage calculations tended to assume only one wage-earner, working full time - carrying echoes of the 'family wage' that feminists opposed, because of its implication that as long as the (male) breadwinner earned enough, what any other earners in the household received, or whether they had opportunities to earn, did not matter. In the US, some living wage calculators only assume one (full-time) worker,** but attach him/her to various kinds of household and arrive at different figures; the reference point for some, however, appears to be a one-adult-one-child household.

Topicality and Theory

T - Living Wage

Generic

Living wage ordinances require pay for firms doing business with municipal governments a wage that is 50-100 percent higher than the current federal minimum wage

Baird 02

Charles, a professor of economics and the director of the Smith Center for Private Enterprise Studies at California State University at Hayward, "The Living Wage Folly," Ideas on Liberty, June 2002, pp. 16-19. [PDI]

An LWO requires that all enterprises doing business with the municipal authority pay their employees no less than the specified living wage, which differs from jurisdiction to jurisdiction. There are stiff penalties, including back-pay awards, fines, and loss of contracts, **imposed on firms that violate LWOs. Typically an imposed living wage is 50-100 percent higher than the current federal minimum wage of $5.15 per hour**. **An LWO is nothing other than a minimumwage regulation imposed at the local level, rather than the state or federal levels, with the exception that it applies only to firms doing business with the municipal authority that imposes it.** State and federal legal minimum-wage statutes pre-empt local wage ordinances as they apply to other private firms. However, 12 private universities, including Harvard and Stanford, as well as several private enterprises, have been importuned to adopt their own living-wage policies without government mandates.

Generic definition of living wage—study of 60+ definitions.

Anker 11, (Richard Anker, A retired Senior Economist at the ILO, and presently a Visiting Scholar at the Political Economy Research Institute (PERI) of the University of Massachusetts, "Estimating a living wage: A methodological review," International Labour Organization, 2011, http://is.muni.cz/repo/1131138/anker_2011_ilo.pdf) [PDI]

Section 6 included over **60 descriptions of living wage** as well as tables indicating characteristics of 86 recent municipal living wage laws in the United States and 99 national minimum wage laws from around the world. **These descriptions provided** a wide range of views which made it possible to draw **general conclusions** that would not have been possible based on the relatively few methodologies and formulas available. Readers are referred to Section 6k for a summary of conclusions with some of these repeated below.¶ 1. Living wage is considered a right by the international community of nations.¶ 2. **Living wage should be sufficient to support a basic standard of living that is considered decent for a specific time and place.** Several descriptions for developing countries mention basic needs. The acceptable basic standard, however, increases with economic development.¶ 3. Living standard supported by **a living wage should provide for more than just the necessities of life** (**food, shelter and clothing**). **Some** descriptions, for example, **refer to health care, education, transportation and recreation**; others refer to the need **for savings or some discretionary income.¶** 4. Living wage is a family concept. **A worker should be able to support a family on a living wage.**¶ 5. Most descriptions do not mention exact numbers for number of persons a living wage should be able to support or the number of persons who should provide support.¶ 6. **A basic living standard needs to be supported on take-home pay.** Descriptions for high-income countries are generally concerned with taxes, and some descriptions for developing countries are concerned with mandatory deductions from pay.¶ 7. Descriptions for developing countries often mention that **a living wage needs to be earned in normal work hours** because of concern with overtime abuse.¶ 8. Living wage rates are set in municipal living wage laws in the United States in a political environment and so take into consideration possible effects on employment as well as workers' needs. This is similar to how the minimum wage rate is set by governments, although the influence of workers and activists compared to employers is generally greater at the local level than at the state or federal level in the United States. It is important to note for this paper that, while municipal living wage rates are set in a political environment in United States, they are typically based on solid estimates of living costs, such as government poverty line or estimates from reputable research institutions.

Living wage supports workers and their families above poverty level

Anker 11, (Richard Anker, A retired Senior Economist at the ILO, and presently a Visiting Scholar at the Political Economy Research Institute (PERI) of the University of Massachusetts, "Estimating a living wage: A methodological review," International Labour Organization, 2011, http://is.muni.cz/repo/1131138/anker_2011_ilo.pdf) [PDI]

The idea of a living wage is that workers and their families should be able to afford a basic, but decent, life style that is considered acceptable by society at its current level of economic development. Workers and their families should be able to live above the poverty level, and be able to **participate in social and cultural life.**

A living wage supports a family of four.

Clary 11, (Betsy Jane Clary is a Professor of Economics and Director of the Honors Program in the School of Business and Economics at the College of Charleston, "Smith and Living Wages: Arguments in Support of a Mandated Living Wage," American Journal of Economics and Sociology, Vol. 68, No. 5 (November, 2009), http://onlinelibrary.wiley.com/doi/10.1111/j.1536-7150.2009.00653.x/full) [PDI]

A living wage has been defined in most living wage campaigns as a wage equivalent to the poverty line for a family of four, or the amount of income generated by such a wage **that would allow such a family to secure the food, shelter, clothing, health care, transportation, and other necessities of living in modern society. Such a social definition** of wages and income **leads to an evaluation of wages that includes the absolute level of the wage, as well as an evaluation of wages relative to both acceptable standards of living and acceptable standards of distribution.**

<u>Broad Definition</u>

“Living wage” encompasses a number of labor rights campaigns
Reynolds and Kern 02
David, pf at Wayne State, leader of the Michigan living-wage movement, and Jen, directs ACORN Living Wage Resource Center, author. "Labor and the Living-Wage Movement." Working USA 5:3. 2002. [PDI]

Over the years, however, **<u>the phrase "living wage" has been adapted to a range of campaigns around working conditions, workers' right to organize, and corporate accountability</u>**. As such, **<u>the living-wage concept now usefully frames efforts to raise state and even city minimum wages just as well as campaigns to demand that public money not be used for union-busting or that subsidized companies return public money if they fail to meet established standards.</u>**

<u>Includes non-Salary Benefits</u>

Living wage is a minimal return from accepting employment that is usually above what an unregulated market might provide – includes labor rights such as severance payments, pensions, limitations on hours and intensity of work

Dasgupta 09

Indraneel Dasgupta, lecturer @ U Nottingham, author of about 30 research papers and referee of about 20 journals, researcher @ Indian Statistical Institute, "'Living' wage, class conflict and ethnic strife" Journal of Economic Behavior & Organization 72 (2009) 750–765 [PDI]

Individuals typically acquire rights to a quantum of resources merely by virtue of their membership in some collectivity. These social entitlements determine the minimal terms under which individuals are willing to accept employment, i.e. their reservation wage rates. Other rights pertain to the minimal terms under which employers may offer employment. These **<u>'labour rights', in the form of floor regulations on employers regarding wage, pensions, severance payments, workplace health and safety, leave and childcare facilities, limitations on hours and intensity of work, overtime rules, etc., aim to guarantee a composite 'social/living' wage—a minimal return from accepting employment that is usually above what an unregulated market might provide.</u>** Social wage thus typically generates a rent, which is contested by employers and workers. Much of the quotidian conflict between trade unions and employers' organizations can be viewed as the acting out of this contestation.

Just for Government Contractors

Living wage only applies to employers in contract with or receiving assistance from the city

Neumark and Adams 03

David, prof of econ @ UCI, edits several journals, started several institutes. Scott, director of grad studies @ Wisconsin-Milwaukee, co-editor of Journal of Economic Behavior and Organization. "Do Living Wage Ordinances Reduce Urban Poverty?" The Journal of Human Resources, Vol. 38, No. 3 (Summer, 2003), pp. 490-521. [PDI]

Since December 1994, many cities **in the United States** have passed **living wage ordinances**. These ordinances **typically mandate that businesses under contract with the city, or in some cases receiving assistance from the city, must pay their workers a wage sufficient to support a family financially.** Baltimore was the first city to pass such legislation, and nearly 90 cities have followed suit. Given the increasing popularity of this policy innovation, an empirical investigation of the effects of living wages is in order to evaluate the claims of beneficial effects made by advocates of these ordinances, and the claims of adverse effects issued by their opponents.

Best definition – also excludes minimum wage evidence because it's a very different policy

Neumark and Adams 03

David, prof of econ @ UCI, edits several journals, started several institutes. Scott, director of grad studies @ Wisconsin-Milwaukee, co-editor of Journal of Economic Behavior and Organization. "Do Living Wage Ordinances Reduce Urban Poverty?" The Journal of Human Resources, Vol. 38, No. 3 (Summer, 2003), pp. 490-521. [PDI]

Finally, **coverage by living wage ordinances is far from universal**. **Some cities only impose wage floors on companies under contract with the city** (for example, Milwaukee and Boston); **this is the most common specification of coverage**. **Others also impose the wage on companies receiving business assistance from the city** (for example, Detroit and Oakland); in almost every case, this is added to coverage of city contractors. Still, **other cities also impose the requirement on themselves and pay city employees a living wage** (for example, San Jose), although this is less common. **This lack of universal coverage also limits the applicability of what is known about the effects of traditional minimum wages-which have near-universal-coverage- to the effects of living wage laws**.

<u>**Just High Minimum Wage**</u>

Some laws have worked just like a higher minimum wage
Levi et al 02
Margaret, pf @ U Washington, author, David J. Olson, pf @ U Washington, author, and Erich Steinman, phd sociology from U Washington "Living-Wage Campaigns and Laws," WorkingUSA, vol. 6, no. 3, Winter 2002–3, pp. 111–132. [PDI]

<u>**One ordinance, Santa Monica, requires some employers who have no direct financial relationship with the city to pay a living wage**</u> (employers operating within the city's Coastal Zone tourist district with revenues of more than $5 million a year). <u>**Another ordinance, adopted in New Orleans by referendum, extends more broadly in covering all public- and private-sector workers, and thus resembles the more familiar minimum wage.**</u> Twenty ordinances cover some nonprofits.

Living > Minimum

A living wage must be set above existing minimum wage requirements.
Lester 11, (T. William Lester, Department of City and Regional Planning, University of North Carolina at Chapel Hill, “The Impact of Living Wage Laws on Urban Economic Development Patterns and the Local Business Climate: Evidence From California Cities,” Economic Development Quarterly 25(3) 237–254, 2011, http://edq.sagepub.com/content/early/2011/05/19/0891242411409205.abstract) [PDI]

The wage level mandated by each **living wage** law **may be specific to the jurisdiction, but all the ordinances set the minimum compensation** for covered employees **well in excess of the federal or state minimum wage.** Thus, **hourly wages for workers in firms for which a living wage is binding exceed the average wage for similar workers in similar occupations**, potentially raising wage standards because of competition among firms for workers. In the low-wage sectors of the local labor market, therefore, living wage laws not only help those workers who see direct wage increases, but they may also help raise the wage standards across the sector.

<u>AT Living ≠ Minimum</u>

Living wage and minimum wage are distinct, but they would both have the same effects if implemented on the same scale.

Horowitz 03, (Carl F. Horowitz, is a Washington, D.C.,–area consultant on labor, welfare reform, immigration, housing, and other domestic policy issues. He was previously a housing and urban affairs policy analyst at the Heritage Foundation and a Washington correspondent for Investor's Business Daily, "Keeping the Poor Poor: The Dark Side of the Living Wage," Policy Analysis No. 493, October 21, 2003, http://object.cato.org/sites/cato.org/files/pubs/pdf/pa493.pdf) [PDI]

<u>**Most living wage ordinances apply to private- sector government contractors**</u> and, to a lesser extent, recipients of business aid or local government employees, or both. <u>**Supporters insist that the benefits are enormous and the costs minimal.**</u> <u>**But that view is**</u> an illusion, <u>**a product of the insular world of local government contracting. If the living wage were applied to all employees across the United States—the goal of advocates of a living wage—it would greatly magnify the well-documented pitfalls of the minimum wage.**</u>

Living ≠ Minimum

Living wage is not minimum wage—it's higher, is enacted at the local level, and covers fewer employees.

Horowitz 03, (Carl F. Horowitz, is a Washington, D.C.,–area consultant on labor, welfare reform, immigration, housing, and other domestic policy issues. He was previously a housing and urban affairs policy analyst at the Heritage Foundation and a Washington correspondent for Investor's Business Daily, "Keeping the Poor Poor: The Dark Side of the Living Wage," Policy Analysis No. 493, October 21, 2003, http://object.cato.org/sites/cato.org/files/pubs/pdf/pa493.pdf) [PDI]

A living wage differs from a minimum wage in several ways. First, a living wage is a good deal **higher than the** current **federal minimum wage** of $5.15 an hour **and usually** even **the** (**higher**) **state minimum levels. Dozens of ordinances mandate that affected employers offer health benefits or pay a high- er wage in lieu of benefits.** To take one exam- ple, Cincinnati passed a living wage ordi- nance in 2002 requiring affected businesses to pay a living wage of $8.70 with health ben- efits or $10.20 without. New York City's liv- ing wage, passed in 1996, mandates that for- profit contractors involved in security, clean- ing, food, and temporary services pay employees minimum rates set annually by the city comptroller that may reach levels far above the wage in Cincinnati.2¶ **Second, living wage laws apply, and campaigns to enact them take place, at the local rather than state or federal level. Cities, counties, school boards, and, lately, colleges and universities have enacted living wage policies.** Efforts to secure equivalent laws at the state or federal level have not been successful thus far.3¶ **Third, living wage laws cover far fewer employers than minimum wage rules.** Ordinances apply mainly to private-sector government contractors, business recipients of economic development assistance, and local government employees. Only the ordi- nance enacted by the city of Santa Monica, California, covers employers generally, and even in that instance it operates within a restricted geographic area. That is why **living wage laws**, as of 2002, **directly affected only about 1 percent of workers in communities that have such laws.**4

Living wage isn't the same as minimum wage—it only applies to businesses that contract with or receive benefits from municipalities.

Clain 07, (Suzanne Heller Clain, Villanova University, "How Living Wage Legislation Affects U.S. Poverty Rates," Journal of Labor Research 29.3 (2008), http://link.springer.com/article/10.1007/s12122-007-9028-8) [PDI]

This type of concern stems from basic principles of supply and demand, and the discussion of it in this context mirrors discussions of the impacts of minimum wage laws. However, **living wage legislation is** generally **not the same as minimum wage legislation. A key difference** between the two **lies in the coverage of the legislation: Living wage legislation generally applies to a limited number of employers whereas minimum wage legislation applies much more broadly.**1 Estimates of **the numbers of workers covered by living wage legislation are** quite modest, **around 1 to** at most **2% of workers in the lowest quartile of the wage distribution** (Neumark and Adams 2003b). The finding is a double-edged sword: Although the numerical magnitude of displaced workers may therefore be small, so too may be the number of workers who directly benefit.

Living wage isn't minimum wage—living wage ties wage to purchasing power, not changes in unemployment.

Pennycook 12, (Matthew Pennycook is a senior research and policy analyst at the Resolution Foundation, "WHAT PRICE A LIVING WAGE? Understanding the impact of a living wage on firm-level wage bills," Institute for Public Policy Research, May 2012, http://www.ippr.org/assets/media/images/media/files/publication/2012/05/what-price-living-wage_May2012_9096.pdf) [PDI]

Over the last decade, **the clear gap between the legal minimum wage and the wage levels which**, in the absence of support from tax credits and in-work benefits, **would deliver a minimum acceptable quality of life provided the impetus for campaigns centred on demands for a 'living wage'. The notion of a living wage differs from that of a minimum wage in that it is explicitly tied to the purchasing power deemed necessary** (albeit still in conjunction with full take-up of tax credits and other means-tested benefits8) **to provide workers and their families with a basic but acceptable standard of living rather than¶ to estimates of what the market can bear without impacting on employment.** Since May 2011, the Greater London Authority has set the London living wage rate at £8.30 per hour; academics at the Centre for Research in Social Policy¶ at Loughborough University have calculated a separate rate for the rest of the UK, at £7.20 per hour. Both of these rates have gained widespread acceptance.9 Figure 2 shows both living wage rates, alongside other selected pay thresholds, and the proportion of jobs potentially affected.

Living wage is not minimum wage—living wage is tied to the poverty line and specifies two different wages based on additional non-wage benefits from employers.

Luce 12, (Stephanie Luce, Murphy Institute, City University of New York, "Living wage policies and campaigns: Lessons from the United States," International Journal of Labour Research, 2012, Vol. 4 Issue 1, http://www.eapn.pt/iefp/docs/justica_social_e_crescimento_-_o_papel_do_salario_minimo.pdf#page=11) [PDI]

Most **US living wage ordinances have set the living wage to the federal poverty line for a full-time worker with a family of three or four,** although a few are set at 110 per cent or 120 per cent of that level. **Unlike the federal minimum wage, most ordinances require the living wage to be adjusted annually by some cost-of-living measure. And** notably, **most ordinances set two wage levels. Employers can pay the living wage amount and provide health insurance benefits, or, if they do not provide health insurance, they must pay a higher wage**, usually about $1.50 to $2.00 an hour more. Table 1 shows the various wage levels for a few cities.

Living wage is distinct from minimum wage—it must be higher, tie wage to the poverty level, and is narrower in scope.

Neumark 02, (David Neumark is a professor of economics at Michigan State University and a research associate at the National Bureau of Economic Research, "How Living Wage Laws Affect Low-Wage Workers and Low-Income Families," Public Policy Institute of California, 2002, Print, pp. v-vi) [PDI]

The living wage laws in these California cities help to highlight the prominent features of living wage laws nationwide. First, **all living wage ordinances feature a minimum wage floor that is higher—and often much higher—than the traditional minimum wages** set by state and federal legislation. For example, the current minimum wage in California is $5.75, but living wages range from a low of $7.25 in Pasadena and San Fernando, to $7.69 in Los Angeles, to $9.00 in San Francisco, and to a high of $11.00 in Santa Cruz. **Second, living wage laws frequently link the wage floor to a poverty threshold, for example, requiring a wage that would raise a family of four with one full-time worker to the poverty level. Third, coverage by living wage ordinances is far from universal. The most common coverage**—and also the most narrow—**is restricted to companies under contract with the city.** Some living wage laws also impose the wage on companies receiving business assistance from the city. The least common coverage is that imposed by cities on themselves to cover city employees. Regardless, **this narrower coverage contrasts with minimum wage laws, which cover nearly all workers. Thus, living wage laws impose high wage floors, have an antipoverty objective that is often**

reflected in the choice of the wage floor, and often apply to what may constitute a relatively narrow group of workers.

PREMIER DEBATE

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Spec

Specific definitions are key to successful living wage movements

Bennett 12

Fran, pf of economics @ Oxford, consultant, author, "Reflections on the living wage," Soundings, Winter 12, 52, p 63. [PDI]

In practical terms, for many supporters, **campaigning for a 'living wage' probably simply means arguing for higher pay for low-paid workers**, using a phrase with persuasive weight. So **the focus on figures above may seem a distraction from what should be the main emphasis for the living wage - how to achieve it. But to put this into practice, all campaigners to date have found it necessary to devise a formula resulting in a specific amount/amounts to back up their claims. And we know from experience that definitions and measures related to politically contentious issues such as income and wages distribution are of crucial importance**.

AT 'Normal Means' – there is no normal means for living wage. It's too vague

Bennett 12

Fran, pf of economics @ Oxford, consultant, author, "Reflections on the living wage," Soundings, Winter 12, 52, p 63. [PDI]

The discussion in this article is not in any way directed against efforts to improve wage levels for low-paid workers, or to rebalance the relative shares of profits and wages. But it does **questions whether conceptually the living wage, with its confusion** of low pay with in-work poverty, **is the best route** by which to achieve this in the longer term. **The living wage emphasises moral condemnation of employers for paying 'poverty wages', but does not necessarily help to identify either who is low paid and why, or who is in in-work poverty and why**.

Spec k2 effectiveness

Anker 11, (Richard Anker, A retired Senior Economist at the ILO, and presently a Visiting Scholar at the Political Economy Research Institute (PERI) of the University of Massachusetts, "Estimating a living wage: A methodological review," International Labour Organization, 2011, http://is.muni.cz/repo/1131138/anker_2011_ilo.pdf) [PDI]

An important reason why living wage is not more **widely applied is that there is neither a generally accepted definition of what a living wage is, nor** is there **a** generally agreed **methodology on how to measure a living wage.** Partly **because of this, many companies do not attempt to pay their workers a living wage and many governments do not** seriously **consider worker needs when they set** legal **minimum wages.** As two large multinational corporations and one NGO concerned with monitoring CSR put it:¶ "We do not feel that we have all the information we need to be able to responsibly implement and enforce a living wage requirement in our Code of Conduct. As a matter of policy, we will not add provisions to our Terms Of Engagement that we cannot adequately enforce" (Levi- Straus, quoted in Labour Behind the Label, 2009).¶ "**We do not endorse artificial wage** targets or **increases based on arbitrary living wage definitions" (Nike, 2006**).¶ "The main problem is how to define the living wage in a consistent way and making sure that it is auditable" (Fair Labor Association, quoted in Chhabara, 2009).¶ Although many **companies, governments and NGOs use the lack of an agreed**

definition and measurement methodology as an excuse for avoiding action, many other companies and governments interested in paying a living wage are perplexed by the lack of an accepted definition and measurement methodology. This means that **governments, international organizations, NGOs and companies genuinely interested in a living wage are at a distinct disadvantage. So are unions during wage negotiations when they argue the need for higher wages without the benefit of a solid and defendable living wage estimate.**

Different municipalities adopt for different reasons based on their economic makeup, which complicates analysis

Clain 12

Suzanne, pf @ Villanova, "Explaining the Passage of Living Wage Legislation in the U.S.," Atl Econ J (2012) 40:315–327. [PDI]

Given these findings, it must be noted that **economic researchers investigating the impact of living wage legislation on poverty rates and other measures of economic activity must take care to control for the endogeneity of the legislation in their analyses if they are to be successful in separating its economic effects from its economic causes. This recommendation may** very well **apply more generally to studies of the effects of other regional wage policies like state minimum wage laws, where effects on employment continue to be a subject of some controversy**.

Plans Good

Plans are real world
Bernstein 05
Jared, senior fellow @ Center on Budget and Policy, former chief economist to VP Biden, "The Living Wage Movement: What Is It, Why Is It, and What's Known about Its Impacts" [PDI]

Ordinances can be quite specific about who is covered. For example, **in Los Angeles, nonsupervisory workers who work for a service contractor are covered, but if such a worker provides goods under the city contract, they would not be covered.** Thus, **a security guard who works for a firm contracted to provide services to the city** (e.g., cleaning or busing services) who **would be covered, while a guard who worked for a firm providing the city with goods** (e.g. building supplies) **would not be covered. In Portland, occupational coverage is very specific as only janitors, security guards, and parking attendants are covered by the ordinance**. Turning again to Los Angeles, **there is a distinction made between workers employed by those firms who contract with the city, and those working for firms who receive a subsidy.** Any worker meeting the industry or occupational criteria is covered in the former case. But in the latter case, the **ordinance language covers only a worker who "expends at least half of his or her time on the funded [i.e., subsidized] project**."

AT Spec

Aff is most real world and normal means – ordinances are tailored locally, so it makes no sense to talk about a general living wage

Neumark and Adams 03

David, prof of econ @ UCI, edits several journals, started several institutes. Scott, director of grad studies @ Wisconsin-Milwaukee, co-editor of Journal of Economic Behavior and Organization. "Do Living Wage Ordinances Reduce Urban Poverty?" The Journal of Human Resources, Vol. 38, No. 3 (Summer, 2003), pp. 490-521. [PDI]

The feature common to all living wage ordinances is a minimum wage requirement that is higher-and often much higher-than the traditional minimum wages set by state and federal legislation. These **wage requirements are typically linked to definitions of family poverty**. **Many ordinances explicitly peg a wage to the level needed** for a family **to reach the federal poverty line** (for example, Milwaukee, San Jose, and St. Paul). **Thus, when the federal government defines new poverty lines each year, the living wages in these cities increase**. **Other localities set an initial wage** that is **increased annually to take into account increases in the cost of living** (for example, **[in] Los Angeles and Oakland**). Although **these** latter ordinances **may not explicitly state the basis for setting the initial wage, poverty is undoubtedly an underlying factor**.

Debates over the specific components and definitions of living wage are bad—moot effectiveness of the policy and leave workers out of the equation.

Luce 12, (Stephanie Luce, Murphy Institute, City University of New York, "Living wage policies and campaigns: Lessons from the United States," International Journal of Labour Research, 2012, Vol. 4 Issue 1, http://www.eapn.pt/iefp/docs/justica_social_e_crescimento_-_o_papel_do_salario_minimo.pdf#page=11) [PDI]

The methodology for calculating minimum wages, **living wages,** and poverty levels **differs dramatically by country.** Even the form of payment differs, as some countries set minimum wages based on hourly rates whereas others set them by week or month. **The US case suggests that it is a mistake to get pulled into too much technical debate about the methodology or formula. There will never be one correct formula to establish a "living wage" as even the stronger methodologies note strong variation in family size and geography – let alone the physical characteristics of the worker. Debates that get too technical will most likely leave workers out of the decision making and wage setting.** This is relevant for the second lesson.

Subjectivity not bad—requires empirics

Anker 11, (Richard Anker, A retired Senior Economist at the ILO, and presently a Visiting Scholar at the Political Economy Research Institute (PERI) of the University of Massachusetts, "Estimating a living wage: A methodological review," International Labour Organization, 2011, http://is.muni.cz/repo/1131138/anker_2011_ilo.pdf) [PDI]

I think that **it is important for those interested in living wages to recognize** and admit that **it is** somewhat **subjective** and so **there is not one specific number which represents the** ―real‖ **living wage.** Proponents of a living wage should be upfront and unapologetic about this; well-documented and researched methodologies are. The Economic Policy Institute in the United States, for example, is clear in its documentation that its living wage estimates involve subjectivity:¶ "Basic family budgets use a market basket approach. First they identify budget items¶ necessary for a working family to maintain a safe and decent standard of living, then determine how much it costs to provide each item at an adequate level. This straight forward approach may not be as straight forward as it sounds, however. Are transportation costs based on public transit, car travel or both? How many bedrooms does a four-person family need? Does the lowest cost child care meet basic needs? Is television a basic necessity, or savings for emergencies? In other words, the selection and costing of items raises a lot of conceptual and methodological issues which are discussed in this study." (Bernstein, Brocht and Spade-Aguilar, 2000)¶ **By being clear about subjectivity, dialogue becomes easier.** Governments, unions, companies and NGOs need to discuss which assumptions are appropriate for their time and society, based on information on typical costs and living conditions.¶ **The fact that estimating a living wage is partly subjective does not in any way make it impossible to agree on a definition or on how to measure it.** As John Ryan said in 1906 (bold added for emphasis):¶ "The question naturally arises, what precisely does this [living wage] imply in terms of goods and money? Unless an attempt is made to answer it, the whole discussion of wage-rights and obligations remains too abstract, too vague to be of practical value. ... Evidently the question before us cannot be answered with absolute precision. ... There remains the supreme difficulty of translating „reasonable comfort" into more concrete terms. In all probability the individual estimates of no body of men no matter how competent and well-meaning, would be in entire agreement. And no prudent person would assert that a slight deduction from the amount that he regards as certainly sufficient for a decent livelihood would render the remainder certainly insufficient. ...¶ Nevertheless, **the question [what is a living wage] can be answered with sufficient definiteness to safeguard the human dignity of the laborer and his family, and that is all that anyone cares to know. We can distinguish twilight from darkness, although we cannot identify the precise moment when one merges into the other.** Though we cannot say just when artificial light become more effective than that of the waning day, we usually call it into service before the approaching darkness proves inconvenient. Thus it is with the living wage. Some rates of remuneration we know to be certainly adequate and others to be no less certainly inadequate. While we may not be able to put our finger on the precise point of the descending scale at which the rate ceases to be sufficient, we can approximate it in such as way that the resulting inaccuracy will not produce notable inconvenience. We can, at least produce a limit below which it is wrong to go, while not committing ourselves to the conclusion that the limit is sufficiently high."¶ **There are many subjective concepts that are widely accepted and used. This includes poverty, unemployment and national income.** Poverty reduction is arguably the most important objective of most governments and the United Nations Millennium Development Goals. Yet poverty is a subjective concept that is time- and place-specific. Similar to living wage, people can honestly disagree on what living standard constitutes poverty. As Statistics Canada (2009) says, ―Decisions on what defines poverty are subjective and ultimately arbitrary**‖. In the United States, despite general agreement that the official government poverty line is significantly underestimated** (e.g. Citro and Michael, 1995), **it is nonetheless used to set eligibility for government programs and help determine the level of living wages in municipal living wage laws** (see Section 6). Unemployment is another widely accepted and used subjective concept. A person is considered to be unemployed according to the ILO definition only if sh/e is not economically active (according to a United Nations' definition of what constitutes economic activity which is itself subjective) and answers positively survey questions about whether sh/e were ―available for work‖ and were ―actively looked for work‖ in the past week. Someone who would like to work but stopped actively looking for work because the job market was very poor, would not be considered to be unemployed; sh/e would be a so- called discouraged worker who had exited the labour force. Despite this subjectivity, changes in unemployment rates move financial markets and topple governments. In a third example, national living standards are typically measured by Gross Domestic Product (GDP) which is the sum of the value of all goods and services produced by ―economic‖ activity in a country. But deciding which activities to include and which to exclude is subjective. Unpaid work on a family farm is included, but unpaid housework, child care, elder care and voluntary work are excluded. It has been estimated that unpaid household work is worth close to one-half of measured GDP (Goldschmidt-Clermont, 1982 and 1987). It is not obvious why only some types of unpaid work are included in GDP and other types of unpaid work are not included, unless one uses a male-oriented view of work. In addition in a strange twist, GDP is increased by pollution and other ―bads‖, even though they reduce welfare.¶ The above examples demonstrate **that subjectivity is not a definitive obstacle to acceptance and measurement of** a concept such as **living wage.** At the same time, **these examples imply that serious effort needs to be put into measuring living wage so that a consensus in a particular setting can be reached.** After all, although the above examples involved considerable subjectivity, all have accepted rigorous definitions and measurement methodologies. In addition, **discussions and decisions on estimating a living wage are much more fruitful when they are based on solid empirical work and not on declarative statements for or against a living wage. This should include clearly presented and transparent research and reports.** This approach is being followed, for the most part, in high-income countries but not in developing countries (see Sections 7 to 9).

Miscellaneous

Evidence and Weighing

Economic Empirics Key

Informed decision-making on living wage requires analysis of its effects

Neumark and Adams 03

David, prof of econ @ UCI, edits several journals, started several institutes. Scott, director of grad studies @ Wisconsin-Milwaukee, co-editor of Journal of Economic Behavior and Organization. "Do Living Wage Ordinances Reduce Urban Poverty?" The Journal of Human Resources, Vol. 38, No. 3 (Summer, 2003), pp. 490-521. [PDI]

To date, **there has been no analysis of the actual effects of living wages on the expected beneficiaries-low-wage workers and their families.** In this paper, we estimate the effects of city living wage ordinances on wages, hours, and employment in cities that have adopted legislation. Most important, we look at the effects of these ordinances on poverty. **Given that an increasing number of cities have passed living wage laws recently, and that campaigns for such legislation are under way in numerous other cities, it is critical to analyze the effects of these laws on low-wage workers and poor families.**[3] **Only then can policymakers, employer organizations, labor unions, and voters make informed judgments regarding the merits of this policy innovation.**

<u>Minimum Wage Not Applicable</u>

Federal living wage would be a huge increase, much larger than the minimum wage, so past studies don't easily apply. Prefer living wage-specific evidence.
Kuehn 14
Daniel, former research associate at the Urban Institute, doctoral student @ American University in economics, MA from George Washington, "The Importance of Study Design in the Minimum-Wage Debate," Economic Policy Institute 9-4-14 [PDI]

Study design offers a means of arbitrating between studies in the often conflicting minimum-wage literature. The strongest designs seem to consistently find little or no evidence of disemployment effects associated with increases in the minimum wage. However, when applying this research to policymaking, **<u>these findings do come with caveats</u>**. First, **<u>we can only make inferences about the impact of a minimum-wage increase if it is relatively similar to the sorts of minimum-wage increases that have been studied.</u>** Dube, Lester, and Reich (2010, 962) caution that **<u>their "conclusion is limited by the scope of the actual variation in policy; our results cannot be extrapolated to predict the impact of a minimum-wage increase that is much larger than what we have experienced over the period under study</u>**."

Method is Key – Need a Control

Methodological rigor is key to policymaking – studies must have a treatment case and a control case

Kuehn 14

Daniel, former research associate at the Urban Institute, doctoral student @ American University in economics, MA from George Washington, “The Importance of Study Design in the Minimum-Wage Debate,” Economic Policy Institute 9-4-14 [PDI]

Thinking about the designs of the major studies in the minimum-wage literature helps to approach Truman’s ideal of a one-armed economist. **The best evidence we have comes from studies that try to match treatment cases with appropriate control cases**. This research suggests that historically typical minimum-wage increases have no impact on employment, on average. This is valuable information for thinking about policy. It suggests that raising the minimum wage would not have the negative effects attributed to it by critics, but would increase the earnings of low-income families. **Policymakers and the public should demand empirical rigor in research impacting the lives of low-income working families. Minimum-wage research should be conducted with the best feasible study designs, just as federal agencies demand the best designs when they seek out evaluations of other labor market policies**.

Studies Key

Prefer studies to administrative reports

Bernstein 05

Jared, senior fellow @ Center on Budget and Policy, former chief economist to VP Biden, "The Living Wage Movement: What Is It, Why Is It, and What's Known about Its Impacts" [PDI]

These reports have the advantage of reflecting information by some of the people who are "closest to the ground" regarding the implementation and impact of the laws. They **lack**, however, **the academic rigor of the studies cited** previously; **in particular, they do not formally consider counterfactuals** (though administrators do sometimes discuss impacts with reference to earlier periods, and most consider the impact of the business cycle). Still, these are clearly useful data on actual subjects.

Can’t Question Supply and Demand

If a finding contradicts basic economic rules, we should discount the finding, not the fundamental principles of economics

Coldwell 04

Daniel Coldwell III, veteran, pf @ Memphis, "The Myths of the Living Wage," Business Perpsectives, 16:2, 44-49. [PDI]

On the demand side, it is only necessary to quote Nobel Laureate George Stigler: "**if an economist were to demonstrate** its (**the law of demand's**) **failure** in a particular market at a particular time, **he would be assured of immortality, professionally speaking, and rapid promotion while still alive.** Since most economists would not dislike either reward, **we may assume that the total absence of exceptions is not from a lack of trying to find them**" (1987, pp. 22-3). **The lack of proof of exceptions includes the spurious empirical work reported in such Living Wage advocacy papers as** Andrew J. **Elmore's** "Living Wage Laws and Communities" (November 2003). In Figure 3, the areas of triangles A and B together represent the earnings of wage recipients, and the area of triangle C represents the earnings of all the other resources that are used with labor in the production of the products involved.

Interpersonal Economic Comparisons Impossible

So we should focus on poverty reduction as the main argument for living wage
Neumark and Adams 03

David, prof of econ @ UCI, edits several journals, started several institutes. Scott, director of grad studies @ Wisconsin-Milwaukee, co-editor of Journal of Economic Behavior and Organization. "Do Living Wage Ordinances Reduce Urban Poverty?" The Journal of Human Resources, Vol. 38, No. 3 (Summer, 2003), pp. 490-521. [PDI]

Of course **a finding that living wage laws reduce poverty would not imply that these laws increase economic welfare overall** (or vice versa)**. Surely someone pays for the higher wages induced by living wage laws, and interpersonal comparisons leading to overall welfare calculations are problematic if not insoluble.** I n addition, **living wage laws, like all** tax and **transfer schemes generally entail some inefficiencies that may reduce welfare relative to the most efficient such scheme. However, it seems rather clear that policymakers and the public regard the poverty rate as an important metric,** and living wages as a viable means of attempting to reduce it. Thus, the effect of living wage laws on urban poverty is an important policy issue. **If living wage laws fail to reduce urban poverty, the principal argument of living wage advocates would be undermined.** But **if they achieve this goal, then considerations of potential costs of living wages and comparisons with other possible alternatives would become quite important**.

Methods/Appendices

Full Neumark Qualifications

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Neumark and Adams 03 Methodology

Given that there are about 20 pieces of evidence from this study (although not all the cards concern the study's results), we thought it important to include the methodology. We've picked what we think is most important – the whole study, its results and its methods, can be found at http://www.jstor.org/stable/1558766. There may also be non-database versions for free elsewhere online.

IV. Data on Living Wage Laws and Labor Market Outcomes
A. Living Wage Laws
We used multiple sources including personal communications with municipalities to assemble information on living wage ordinances. Although a few laws were passed prior to 1996, most came into effect in 1996 or after. For this reason, and because cities cannot be identified in our data set for a period in 1995, we restrict much of the analysis to 1996 and after.11 Table 1 lists information on living wage laws in all cities, including the wage floors and their effective dates, information on who is covered by these laws, and other details.12 Not all of these are used in our empirical analysis, as some of the smaller municipalities cannot be identified in our data.13 Because the analysis focuses on larger metropolitan areas, the failure to identify these municipalities does not contaminate the control group.14

B. Labor Market Data
The data on labor market outcomes and other worker-related characteristics come from the CPS Outgoing Rotation Group (ORG) files extending from January 1996 through December 2000 and the CPS Annual Demographic Files (ADFs) from 1996 through 2000. The ORG files provide data on wages, employment, hours, etc., for individuals. In these files, residents of all SMSAs, encompassing all large- and medium-sized cities in the U.S., can be identified. We extract data on these residents for our empirical analysis. In some respects, we would like to know where people work rather than where they live, but such information is not available, and employees of firms covered by living wage laws need not work in the SMSA. Also, the correspondence between cities and SMSAs is imperfect, but because many suburban residents may work in the city, this is not necessarily inappropriate.15 Since January 1996, the design of the CPS has resulted in the large- and medium-sized metropolitan areas in the sample being selfrepresenting (Bureau of the Census 1997).16 This is yet another reason for using only information from this month on. For several reasons, most of our analysis uses the ORGs, rather than the ADFs. First, as Table 1 shows, there is variation in the months in which living wage ordinances pass. If we primarily used the ADFs, we would restrict ourselves to a single "reading" per year and would lose some variation in living wages across observations. Second, the ADFs would give us fewer observations overall. The ORGs have information on wages only for one-fourth of the sample, but because we get these data in each month, the ORGs provide a sample three times as large. Third, the ADFs are released slowly, while the monthly ORG files are released quickly. For example, the March 2000 ADF was not released until the fall of 2000. In addition, the March files cover the previous year, so not until the March 2001 data were released would we have been able to study the living wage ordinances put into place in 2000.

However, the ADFs provide the data set of choice when analyzing the effects of living wages on poverty, because the measures of income in the ADFs correspond to those used in defining poor families, by including non-earned family income and transfer payments, and by using an annual basis to measure income.17 We therefore use the ADFs for the estimates of the effects of living wages on poverty. The variables constructed from the ORGs and the ADFs, as well as policy variables and other variables used in the regression analysis, are listed and described in Table 2. Their uses in the empirical analysis are described below.

V. Research Design

To infer the wage, hours, employment, and poverty effects of living wage ordinances, changes in outcomes for workers and families in cities passing these ordinances are studied, and compared with changes in outcomes in similar periods for workers and families in a control group of cities not passing such ordinances. By looking at changes in outcomes, spurious correlations of living wage laws with unmeasured city-specific factors are avoided. By using cities that do not pass living wage laws as a control group, spurious correlations with changes in outcomes that are common to all cities are avoided. That is, because living wage ordinances are not randomly assigned across either space or time, the research design accounts for the possible correlation of living wage laws with unmeasured influences on labor market outcomes that vary across the cities or years in the sample. We begin the analysis by asking whether there is evidence that living wage laws succeed in boosting wages of low-wage workers. If they do not, of course, then it is unlikely that any positive (or negative) effects will flow from them. This may seem like a trivial question, with the answer certain to be in the affirmative, but indeed there is no research documenting the extent of compliance with these laws.18 In contrast, compliance with standard minimum wage laws has been studied and documented (Ashenfelter and Smith 1979), as have the effects of minimum wages on the wage distribution. A detailed discussion of the specification used to analyze the effects of living wage laws on wages, and of issues that arise in drawing causal inferences from estimates of this specification, is used to provide a more in-depth discussion of the research design that we apply to all of the outcomes that we study. We estimate a wage equation for various ranges of the wage distribution in SMSAs.19 Specifically, we look at workers that fall below the 10th percentile, between the 10th and 25th percentiles, between the 25th and 50th percentiles, and between the 50th and 75th percentiles of their city's wage distribution in a particular month. Pooling data across months, we estimate the following regression for each percentile range where wp is the hourly wage for individuals in the specified range (p) of the wage distribution, X is a vector of individual characteristics,20 wmin is the higher of the federal or state minimum wage, and wliv is the living wage.21 The subscripts i, j, s, and t denote individual, city, month, and year. Y, M, and C are vectors of year, month, and city (SMSA) dummy variables.22 , is a random error term.23 When cities have very few observations for a given month, determining whether a worker falls in a particular range of the wage distribution is impossible or unreliable. We therefore restrict our sample to workers in city-month cells with at least 25 observations. All SMSAs identified in the CPS and meeting the sample size restrictions are included in the analysis, and hence all of those without living wages but meeting these criteria are used as controls. Each table reports the number of cities used in the analysis. It is essential to control for minimum wages, because many cities with living wages are in states with high minimum wages, and we want to estimate the independent effects of living wages. In addition, we have strong expectations that we should see positive wage effects for the lowest-wage workers stemming from minimum wages, so this serves as a check on the validity of the data. The living wage variable that multiplies (is specified as the maximum of the (logs of the) living wage and the minimum wage. This imposes the minimum as the wage floor in the absence of a living wage.24 As such, there is no "qualitative" difference associated with the existence of living wages, aside from imposing a higher wage floor. However, because living wages may have different effects from minimum wages, the coefficient is allowed to differ from that of the standard minimum wage floor. If living wages boost the wages of low-wage workers, we would expect to find positive estimates of (when we are looking at workers in relatively low ranges of the wage distribution.25 Finally, we also estimate specifications in which we lag wmin and wliv by six or 12 months, to allow for slower, adaptive responses to changes in minimum wages and living wages.26 Equation (1) uses a difference-in-differences strategy to identify the effects of living wages. In this framework, the effect of living wages–the treatment–is identified from how changes over time in cities implementing (or raising) living wages differ from changes over the same time period in cities without (or not raising) living wages. This same strategy is used in analyzing the other outcomes (hours, employment, and poverty) considered in this paper. The difference-in-differences strategy is predicated on the assumption that absent the living wage, and aside from differences captured in the other control variables (including city dummy variables), the treatment and control groups are comparable. While fixed differences between the treatment and control groups are captured in the city dummy variables, potentially more troublesome is a difference in the time pattern of changes stemming, for example, from a different prior trend in a dependent variable in the treatment and control groups. As the specification only includes year and month dummy variables assumed to have the same effects across all observations, such a difference in the time pattern would tend to be incorrectly attributed to the effects of living wages. To test for different time trends, the sample was restricted to include only the control group and pre-living wage observations on the treatment group. Specifications for each dependent variable were then estimated adding–in addition to the control variables each one includes–a time trend and an interaction between this time trend and a dummy variable for cities later implementing living wages; the living wage variable was dropped because all observations are taken prior to the introduction of a living wage. The estimated coefficient of the time trend interaction provides a test of differential time trends in the treatment and control groups for the dependent variable in question.27 In all cases, this estimated coefficient was small and not significantly different from zero, which bolsters the validity of the research design.28

Table 1:

Table 1
Summary of Living Wage Information

City	Date Enacted (Wage Requirement)	Coverage
Baltimore	Passed in December 1994 but wage requirements were as follows: July 1995 (6.10) July 1996 (6.60) July 1997 (7.10) July 1998 (7.70) July 1999 (7.90)	Contractors > $5,000
Berkeley (CA)	June 2000 (9.75 with benefits; 11.37 without)	Companies conducting business with the city and lessees
Boston	September 1998 (100% of poverty level)	Contractors > $100,000; subcontractors > $25,000 (> 25 employees)
Buffalo	Passed in July 1999 but wage requirement is 6.22 starting in 2000 with health benefits; 7.22 without.	Contractors and subcontractors > $50,000 (> 10 employees)
Cambridge	May 1999 (10.00)	City employees, contractors and subcontractors > $10,000; recipients of business assistance > $10,000
Chicago	July 1998 (7.60)	Contractors and subcontractors > 25 employees
Corvallis (OR)	November 1999 (9.00)	Contractors > $5,000
Dayton	April 1998 (7.00 with health benefits; 8.50 without)	City employees
Denver	March 2000 (100% of poverty level; assumes 2,080 annual hours)	Contractors and subcontractors > $2,000
Detroit	November 1998 (100% of poverty level with health benefits; 125% without)	Contractors, subcontractors, and financial assistance recipients > $50,000
Duluth	July 1997 (6.50 with health benefits; 7.25 without)	Recipients of grants, low interest loans, or direct aid > $25,000; 10% of employees exempted
Durham	January 1998 (7.55)	Contractors and city employees

Table 1 *(continued)*

City	Date Enacted (Wage Requirement)	Coverage
Hartford	October 1999 (110% of poverty level with health benefits)	Contractors > \$50,000; commercial development projects receiving subsidies > \$100,000
Hayward (CA)	April 1999 (8.00 with health benefits; 9.25 without; adjusted annually on April 1 for cost of living in Bay Area)	City employees; contractors and subcontractors > \$25,000—maintenance, custodial, landscaping, laundry, temporary, pest, security, and social service
Jersey City	June 1996 (7.50 with health benefits)	Contractors
Los Angeles	April 1997 (7.25 with health benefits; 8.64 without; indexed annually for inflation)	Contractors > \$25,000; assistance > \$100,000 or \$1 million lump sum
Madison	March 1999 (100% of poverty level for family of four in 1999; 105% in 2000; 110% in 2001)	Contractors and subcontractors > \$5,000; Assistance > \$100,000; non-union city employees
Milwaukee	November 1995 (set to poverty level for family of three on March 1 of each year; assumes 2,080 annual hours)	Contractors and subcontractors > \$5,000
Minneapolis	March 1997 (100% of poverty level for family of four with health benefits; 110% without benefits)	Assistance > \$25,000, as of December 1998; > \$100,000 initially
New Haven	April 1997 (100% of poverty level for a family of four initially; 120% of poverty level phased in over 5 years)	Contractors
Oakland	April 1998 (initially set to 8.00 with health benefits and 9.25 without; upwardly adjusted by prior December 31 to December 31 change in the Bay Area CPI)	Contractors > \$25,000; assistance > \$100,000

Table 1 *(continued)*

City	Date Enacted (Wage Requirement)	Coverage
Omaha	May 2000 (8.19 with health benefits; 9.01 without)	City employees, contractors > \$75,000; assistance > \$75,000
Pasadena	September 1998 (7.25 with health benefits; 8.50 without)	Contractors > \$25,000; city employees
Portland	July 1996 (7.00)	Custodial, security, and parking attendant contracts
	July 1998 (7.50)	
	July 1999 (8.00; starting in this year, the living wage is 9.00 if health benefits are not included)	
St. Louis	August 2000 (with benefits, 130% of poverty level for a family of three; assumes 2,080 annual hours; without benefits, an amount that is annually adjusted—initially 1.39—must be added to the wage)	Contractors and business receiving tax breaks
St. Paul	January 1997 (100% of poverty level for family of four with health benefits; 110% without)	Recipients of assistance > \$100,000
San Antonio	July 1998 (9.27 to 70% of service employees in new jobs; 10.13 to 70% of durable workers)	Business receiving tax breaks
San Fernando	April 2000 (7.25 with health benefits; 8.50 without)	Contractors > \$25,000
San Francisco	November 2000 (9.00)	Contractors
San Jose	November 1998 (9.50 with health benefits; 10.75 without; reset each February to the new poverty level for a family of three and adjusted upward for a higher San Jose cost of living—currently a 45.2% premium)	Contractors > \$20,000; assistance > \$100,000 (excludes trainees and workers under 18); city employees

Table 1 (*continued*)

City	Date Enacted (Wage Requirement)	Coverage
Santa Cruz	October 2000 (11.00 with health benefits; 12.00 without)	City employees and contractors
Somerville (MA)	May 1999 (8.35 with health benefits)	City employees, contractors, and subcontractors
Tucson	September 1999 (8.00 with health benefits; 9.00 without)	Contractors; recipients of economic development assistance > \$100,000 annually
Warren (MI)	January 2000 (100% of poverty level for family of four with health benefits; 125% without)	Contractors; businesses receiving subsidies > \$50,000
West Hollywood	October 1997 (initially, 7.25 with health benefits; 8.50 without; adjusted annually as the City Employees Retirement System benefits are adjusted)	Contractors > \$25,000 and entering into a contract of at least 3 months
Ypsilanti (MI)	May 1999 (8.50 with health benefits; 10.00 without)	Contractors > \$5,000 (> 10 employees); nonprofits receiving > \$10,000 in assistance

Note: Some cities are listed in some sources as having living wage ordinances, but instead have prevailing wage laws (for example, New York, Gary, and Memphis). Other cities, like Des Moines, have an average wage goal policy, rather than a living wage law. In addition to the cities in the table, numerous counties and some school districts have adopted similar living wage ordinances. Much of the information for this table was obtained through correspondence with city governments. Some data, however, was obtained through information made publicly available by the Employment Policies Institute (www.epionline.org) and the Association of Community Organizations for Reform Now (www.acorn.org). The consistency of information provided by these two organizations and the city governments gives us confidence in the accuracy and completeness of the above table.

suburban residents may work in the city, this is not necessarily inappropriate.[15] Since January 1996, the design of the CPS has resulted in the large- and medium-sized metropolitan areas in the sample being self-representing (Bureau of the Census 1997).[16] This is yet another reason for using only information from this month on.

For several reasons, most of our analysis uses the ORGs, rather than the ADFs.

15. For expositional ease, from this point on we often refer to cities rather than SMSAs.

16. In a small number of cases, though, outlying counties are excluded from the CPS sampling frame for an SMSA, in which case the data are representative of the remainder of the SMSA.

Table 6

Contemporaneous and Lagged Effects on the Probability of Employment in Various Ranges of the Imputed Wage Distributions of SMSAs

Percentile Range of SMSA's Imputed Wage Distribution	Below 10th	10th–25th	25th–50th	50th–75th
Specification 1				
Minimum wage	−1.25	7.19	3.21	−1.79
	(5.94)	(5.12)	(3.69)	(3.17)
Living wage	−1.77	0.02	2.58	1.79
	(2.14)	(1.81)	(1.18)	(1.04)
Specification 2				
Minimum wage six months	2.33	6.86	0.65	−0.09
ago	(6.05)	(5.08)	(3.66)	(3.18)
Living wage six months ago	−3.22	1.16	2.31	1.32
	(2.26)	(1.88)	(1.24)	(1.08)
Specification 3				
Minimum wage twelve	8.05	−0.24	6.96	−3.17
months ago	(6.29)	(5.20)	(3.74)	(3.23)
Living wage twelve months	−5.62	1.62	1.55	2.44
ago	(2.45)	(2.02)	(1.31)	(1.16)
Sample size	83,326	118,541	197,477	199,703
Mean percentage employed	43.98	58.70	68.80	79.12

Note: Reported are the estimated effects of the minimum wage and living wage effective in an SMSA on the employment of individuals in the ranges of the imputed wage distribution in SMSA-month cells specified at the top of each column, using linear probability models. All estimates are multiplied by 100. Because the living wage is expressed in logs, elasticities are given by the coefficient divided by the mean percentage reported in the last row of the corresponding column. The wage distribution is imputed using basic respondent characteristics described in the text. Observations for which allocated information is required to construct the employment variable in the CPS are dropped. A total of 223 cities are used in the analysis. See Table 3 notes for further details.

for the lowest-wage workers. The effect is statistically significant in the 12-month lag specification, precisely where the significant positive wage effect showed up. The estimates imply that a 10 percent increase in the living wage lowers the probability of employment by 0.0056.[35] Since 44 percent of those in this imputed wage category are employed (last row of table), this estimated effect represents an elasticity of −0.13 (5.6/44), evaluated at the mean. Thus, the estimated disemployment effect appears moderate, although account should be taken of the fact that living wage laws do not cover many workers. There is some evidence of positive employment

35. The coefficients in the table are multiplied by 100, so the coefficient estimate of −5.62 implies that a one-unit change in the living wage variable reduces the probability of employment by 0.0562. Since the living wage variable is expressed in natural logs, a one-unit change represents a 100 percent increase; we therefore divide by ten to approximate the effect of a 10 percent increase in the living wage. The same calculation is used in describing the poverty results below.