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Low-Wage Workers Deserve Fair Living Standard

By **Gerry Bradley**

New Mexico Voices For Children

Economists are entitled to their personal perceptions, just like everyone else. Like the one expressed in Peter Gregory's recent opinion piece in the Journal about the proposed increase in the minimum wage.

Gregory characterizes a "significant fraction" of low-wage workers in New Mexico this way: "These workers are often burdened with disabilities or poor education. Their productivity is likely to be deemed low and irremediable. ..."

Meaning: people stuck in low-wage jobs are there due to personal deficiencies, which can't be fixed. And, besides, there's only a "fraction" of these people in New Mexico anyway.

But economists must be held to a higher standard of evidence-based truth than other people expressing their opinions in the media. And Gregory fails this standard repeatedly in his opinion piece.

How would you characterize the significance of at least 35 percent and as much as 43 percent of the state's population working and still struggling to get by? Considering those numbers, are the state's persistent low wages more likely due to personal problems or a massive failure of economic opportunity?

Over 17 percent of New Mexico's workforce— that's about 123,000 people— would benefit from a minimum-wage increase to \$7.50. Now that's significant.

Gregory's characterization of the New Mexicans working for the minimum wage is unfair in yet another way. They are not "new entrants to the labor force who lack work skills," as he claims. The vast majority— more than 80 percent— are adults, working full-time, many supporting families, according to the Current Population Survey.

Which brings us to the second point. Is it fair to blame working

families for the fact that New Mexico's economy is producing an overabundance of low-wage jobs? Here's what the future holds: one in three jobs predicted to be created in New Mexico will pay wages that don't provide a basic standard of living, jobs such as food preparation, sales (Wal-Mart anyone?) and office administrative support. Lots of options out there— if you are willing to work one— or two or three— low-wage jobs.

Gregory's rosy statement that New Mexico had the "highest rate of employment growth in the country by a wide margin during 2000-04" is, alas, also wrong. Nevada, Alaska and Wyoming had far higher growth rates over that period. The latest job growth figures rank New Mexico eighth, not first. The good news is that job growth in Santa Fe has accelerated since passage of an increased minimum wage there.

Finally, he claims to have examined 17 other states that have increased their minimum wage, and concludes that the highest minimum wage out there is \$7.35. He must have missed Washington state at \$7.69.

California's Republican governor has proposed a wage increase in that state to \$7.75. And a number of states have indexed their increased minimum wage to inflation so that the value of the increased minimum wage is not eroded by inflation over time.

New Mexico's hard-working families deserve better than to be disparaged and dismissed. They deserve our respect. They are the backbone of our economy.

Increasing the minimum wage to \$7.50 does not even bring earnings for many of these families above the federal poverty level. But it is a meaningful step toward economic stability, particularly if it is indexed to inflation so that \$7.50 this year is still worth \$7.50 three or four years from now.

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