

INTERNATIONAL Living wages: a US perspective

Living wages

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Abstract

Purpose – The purpose of this paper is to provide background on the US living wage movement, with particular attention to recent victories, and also the ways in which the US movement differs from living wage movements in other countries. It begins with some technical distinctions of terms, then analyzes the campaigns and movement for higher wages, and considers some of the challenges the campaigns have faced. It will conclude with some discussion about the future of the movement.

Design/methodology/approach – This is a general review of living wage campaigns in the USA. This is based on a review of existing literature and the author's own prior research and participant observation.

Findings – The author argues that the initial living wage movement that began in the early 1990s was limited in scope but successful in building coalitions and political power to launch a much more expansive movement to raise wages in 2012.

Originality/value – This paper is a general summary of the last 20 years of living wage campaigns. It does not include new research.

Keywords Labour, Living wage, Minimum wage

Paper type General review

Introduction

The USA has had a federal minimum wage since 1938, but the initial legislation, the Fair Labor Standards Act, contained no formula for setting the wage level; neither did it contain a mechanism for adjusting it in the future. Instead, the wage was increased only with an Act of Congress – something unlikely to happen without strong pressure from social movements or trade unions (US Department of Labor, 1988; Waltman, 2000). The wage was raised at various times in the first 30 years, but peaked in 1968, and was raised infrequently afterwards. By the early 1990s, the federal minimum wage had fallen far below the hourly wage a worker with a family needed to meet the federal poverty line (Bernstein and Schmitt, 2000). Advocates appeared unable to pressure Congress to raise wages at the national level.

In response, labor unions and community organizations began to launch local “living wage” campaigns. These were limited in scope but began to put in place the foundation of a much larger movement that would over the next 20 years form one of the most successful recent social movements in the country (Luce, 2004; Moberg, 2000).

This paper provides background on the US living wage movement, with particular attention to recent victories, and also the ways in which the US movement differs from living wage movements in other countries. It begins with some technical distinctions of terms, then analyzes the campaigns and movement for higher wages, and consider some of the challenges the campaigns have faced. It concludes with some discussion about the future of the movement. The paper is based primarily on a synthesis of existing literature as well as the author's own experience working with and researching living wage campaigns for 20 years.

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Developing minimum wages and the living wage

The first minimum wage in the USA was passed by the state of Massachusetts in 1912, and a few other states passed similar laws in the next few years. It was not until 1938 that Congress passed the Federal Labor Standards Act that set the minimum wage at 25 cents per hour, with no particular rationale or formula behind it. Over the years the law has been amended to cover new categories of workers, change the exemptions, and, periodically, raise the wage level (Waltman, 2000).

In addition to the federal minimum, states can set their own state minimum wage. Some states have greater coverage than the federal. For example, the state of Hawaii covered domestic service workers before the federal law did. And while the federal minimum wage sets a much lower minimum wage for tipped workers, eight states mandate that tipped workers receive the full state minimum wage. Furthermore, some states give cities the authority to establish their own minimum wage regulations (US Department of Labor, 2017; Dalmat, 2005; Sonn, 2006).

While the minimum wage level has varied over time, recently it has been relatively low. The USA has a formula to set a poverty threshold for different family sizes: single adult, adult with child, two adults and one child, two adults and two children, and so on. For most of recent history, a worker working full-time (40 hours per week) and earning the minimum wage would just pass the poverty threshold for a single adult, but would not earn enough to support a family (Waltman, 2000).

Most experts agree that the poverty threshold is outdated and inadequate for measuring the true cost of living, particularly because the formula does not vary by geography, but also for other technical problems (Pollin *et al.*, 2008). Instead, researchers have developed various formulae to measure the true wage needed to cover basic costs. There are variations of these formulas, such as the “self-sufficiency standard” developed by the Wider Opportunities for Women, the Basic Family Budget Calculator created by the Economic Policy Institute, and the Living Wage Calculator developed by Dr Amy Glasmeier and the Massachusetts Institute of Technology (Glasmeier, 2017). Each of these methodologies uses publicly available data, adjusts wages by geography, and constructs an hourly wage needed to cover basic costs for different family sizes (such as one adult/no children; one adult/one small child; two adults/two children). These three methodologies all include the following categories of expenses: housing and utilities, food, transportation, childcare, healthcare, personal and household necessities (such as clothing, toothpaste, soap), and taxes (including tax credits). These methodologies vary depending on some additional costs that could be considered as part of a basic living wage such as savings for higher education, emergencies and retirement.

For much of the 1990s and 2000s, there was a great gap between the minimum wage, poverty threshold, and what the methodologies defined as a wage needed to cover basic needs. For example, when Boston enacted its living wage in 1999, the minimum wage was \$5.25 per hour and the new living wage started at \$8.23 per hour. By 2001, the state had raised its minimum wage to \$6.75 and the city living wage had increased to \$9.11. But according to the Economic Policy Institute Basic Family Budget, a worker in a household with two adults and two children would need to earn \$13.03 per hour just to cover basic needs. A single adult with two children would need to earn \$23.24 per hour (Brenner and Luce, 2005).

It was in this context that the modern living wage movement was born.

The evolution of living wage campaigns in the USA: recent history

The first modern living wage campaign in the USA was launched in Baltimore, Maryland in 1994. Activists from community organizations, the public sector union American Federation of State, County and Municipal Employees (AFSCME), and faith-based groups built a campaign to pressure the city to raise wages. The mayor asserted that the city had no authority to set a citywide wage. A coalition launched a campaign and eventually pressured the City Council and

Mayor to pass a living wage ordinance. That ordinance set a minimum wage of \$7.25 per hour for any firm holding a service contract with the city. This meant the impact was relatively small, covering around 1,500 employees on contracts for services such as school buses, janitorial and security guard work at city buildings (Niedt *et al.*, 1999).

Within a few years, a national living wage movement blossomed. Coalitions formed in cities around the country, demanding their city councils pass ordinances. These primarily took a similar form: activists lobbied their elected representatives and used public education, media, rallies and protests over one to two years in order to get the city to pass a law. The law mandated firms doing business with the city to pay the higher wage, which included holding service contracts but also sometimes included firms receiving economic development assistance from the city (such as low-interest loans). In some cases the ordinances covered direct city employees, and employees on city-owned property such as an airport or sports arena (Luce, 2004).

The living wage campaigns were fairly successful, in that over 125 cities and counties passed variations of living wage ordinances between 1994 and 2010. Most of these set the wage to the federal poverty line for a family of four, and the wage was indexed to increase each year with the cost of living. Some of the ordinances included additional provisions, such as supplemental pay if the employer did not provide health insurance, unpaid and paid days off, and some job protections for workers (Luce, 2004).

However, there were a few concerns raised about the ordinances. First, the wage rate, \$7.25 per hour, was not a “living wage” as defined by a basic needs budget. Instead, it was the hourly rate needed to reach the poverty line for a worker with children. Some critics asserted that setting a poverty wage as a “living wage” was a setback. Others argued that it was a large jump from the current minimum wage and a way to begin a stronger movement for higher wages. For example, Madeline Janis, lead organizer for the Los Angeles living wage campaign, remarked in 1995 that beyond winning a raise for workers, the goals of the campaign included to “develop a tool for union organizing and to promote successful organizing actions” (Pollin and Luce, 1998). Amaha Kassa, an organizer in Oakland noted the way in which the living wage concept was useful for building political alliances, “As important as the policies we pass are the coalitions we build. The coalition will outlast any policy if we do our job right” (Moberg, 2000).

Second, the ordinances covered only a small portion of the low-wage workers in the country. Whereas approximately 25-30 percent of all US workers earned wages below the poverty line (about 35 million workers in 2012), the ordinances covered only a small fraction of those. This was in part due to the wage level but mostly the low coverage was also due to the way the ordinances were structured. They covered workers connected to city contracts or subsidies, and not all low-wage workers. Some cities tried to establish citywide wages in the 1990s and 2000s but faced legal challenges and stiff opposition. Only three cities succeeded in establishing a citywide wage: San Francisco, California; and Albuquerque and Santa Fe, both in New Mexico, all enacted citywide minimum wages in 2004. (Washington, DC, its own legal entity, had its own minimum wage for decades).

For the most part, living wage advocates understood these limitations but persisted with the campaigns for several reasons. First, the movement still hoped to raise and improve the federal minimum wage but lacked the power to do so. The local living wage campaigns were seen not as an alternative to raising the legal minimum wage, but a complementary step. The campaigns helped build new alliances and coalitions and develop political experience pressuring candidates to take wages on as a priority.

Second, the campaigns were a way to build worker power and, in many cases, assist union organizing. One of the main players in the movement was the Hotel Employees and Restaurant Employees union, but other unions, including SEIU, AFSCME, the National Education Association, and others, played a role in different campaigns. For unions, the campaigns were a

way to work with low-wage workers that were not yet organized into unions. By fighting together for a living wage, workers could gain confidence to unionize. Living wage campaigns were also a way to assist already unionized workers in collective bargaining. Particularly in the public sector where it was difficult to win raises, unions could work with community allies to pressure public authorities to grant higher wages in collective bargaining agreements. Organizers were correct on their assessment: the local living wage campaigns did help build momentum to raise state minimum wages. By 2006, 19 states had minimum wage rates above the federal level. Then in 2007, the federal minimum wage was increased, to go up from \$5.15 to \$7.25 over three years (US Department of Labor, 2017).

The movement regains momentum

After 15 years of success with wage campaigns, the 2008 economic crisis hit, and brought wage campaigns to a halt. For several years after 2008 there was little progress, despite promises made by President Obama for an increase. Even some Democrats in Congress stated that raising the minimum wage would be a “job killer.” The Democratic City Council in New York City would not even allow a proposal to expand the city’s living wage ordinance to come to a vote. Then in 2011, Occupy Wall Street emerged, bringing the issue of inequality and low wages to the forefront. The next year, fast food workers went on strike in New York City, demanding \$15 per hour and union recognition. At the time, the New York state minimum wage was the same as the federal: \$7.25 per hour. The city of New York had a living wage ordinance in place that set the living wage at \$10 per hour. The demand for \$15 seemed impossible, as it would mean more than doubling the minimum wage, and even far surpassing the established “living wage” (Rolf, 2016).

Where did the \$15 demand emerge from? There are a few explanations, suggesting that the demand was brewing in difficult locations and happened to coalesce at the same moment. In New York, SEIU had been working through a coalition called Fight for a Fair Economy (FFE). This coalition has been working for several years to create a broad political coalition with community organizations to knock on doors, identify potential voters and talk to them about their issues, and be able to turn out voters for important elections and issues. Through the door knocking efforts, FFE organizers found a lot of low-wage workers disgruntled with their jobs, and a large number of people employed in the fast food sector. FFE decided to pull together some of these workers to see if they could launch a campaign. According to some sources, when it came time to form their wage demand, workers thought the current New York City “living wage” rate of \$10 was far too low to live off. They thought \$20 was likely too hard to win. They settled on \$15. There was no formula or methodology behind the demand, but it seemed like a good one (Luce, 2015).

Low wages were not only a problem in New York, but throughout the country. At the same time New York fast food workers were organizing, unions were working to organize airport workers in Washington State, particularly at the Seattle Airport, located in the town of Sea-Tac, Washington. As part of that campaign, organizers decided to put an initiative on the ballot for voters to approve a minimum wage for Sea-Tac of \$15 per hour. The state of Washington already had one of the highest state minimum wages in the country, at \$9.10, but still, \$15 would be a large jump. Sea-Tac organizers say they picked \$15 per hour because the current living wage ordinance rate covering airport workers on the west coast were around \$13 or \$14 per hour, and so \$15 seemed an appropriate demand (Rolf, 2016; Rosenblum, 2017).

Fight for \$15

The fast food strikes spread quickly around the country. From 2013 to 2016 workers and allies launched one-day strikes in hundreds of cities with the same demands: \$15 per hour wage and union recognition. On December 3, 2014, the national day of action included

strikes in over 190 cities (Gittleston, 2014). An action on November 29, 2016, saw strikes in 340 cities. Other workers joined the actions along the way, including home care, airport, childcare, university adjuncts, Walmart associates and others, all demanding a \$15 hour wage (Berman, 2014a; Greenhouse, 2016). In addition to the US strikes, the campaign garnered international support. Solidarity actions and protests in support of domestic wage increases took place in hundreds of international cities in countries including Japan, Brazil and the UK (Berman, 2014b).

The effort was bold and innovative. First, as mentioned, the wage demand was much higher than prior minimum wage and living wage campaigns. Second, the call was somewhat open-ended: who should pay the \$15? Who was the target? Workers struck at multiple fast food chains, including McDonald's, Burger King and Wendy's. It was unlikely they could win an agreement from each of these large transnational corporations, and each of them was run under a franchise model, making it difficult to see how to win a union campaign or set collective bargaining unless agreed at the corporate level (Rosenblum, 2017). Instead the campaign took shape as a legislative effort, building pressure for cities or states to raise wages. In 2012, only four cities had citywide minimum wage ordinances. Unlike a city living wage ordinance, a citywide minimum wage, higher than the state wage, covered all workers in the city, public and private.

In late 2012, voters in Sea-Tac, Washington approved the \$15 per hour ballot initiative. The following year the Seattle, Washington City Council approved a \$15 minimum wage spreading, passed citywide wages. By 2017, more than 40 cities and counties had set their own local wages, ranging from \$8.50 to \$16 per hour. In most cases the higher wage was phased-in over several years. Many included indexing.

In the same period, dozens of states raised their statewide minimum wage, to rates ranging from \$7.70 to \$15 (while the federal level remained at \$7.25). Others added in indexing; there are now there are 18 states with automatic adjustment to the state minimum wage.

The Fight for \$15 has blurred the line between the "living wage" campaigns and the minimum wage. Now, the standard wage demand is for \$15 per hour, which is higher than the federal poverty line for a worker with a family (about \$11.70 per hour in 2016). While \$15 is still not a "living wage" for workers in many cities, it is a major jump from what it had been.

Impacts of living wage on workers and employers

When the modern living wage movement began in the 1990s the dominant mainstream view within the economics profession was that wage mandates were a destructive policy. When employers were forced to pay wages higher than a worker's marginal productivity they would choose to cut jobs. Policymakers often echoed this sentiment, claiming that living wage ordinances were "job killers." Opponents further argued that living wages could lead to higher prices for consumers, higher taxes in cities, and industries leaving cities for fear of an anti-business climate (Janis, 2011).

By the late 1990s as more living wage ordinances were enacted, it became difficult for opponents to maintain their arguments. While a few studies asserted harmful impacts on employment, an increasing number of "natural experiments" compared cities and counties with higher wage mandates (in the form of living wage ordinances or state minimum wages) to those that did not raise their wage. Increasingly, the studies found little to no impact on employment. Furthermore, surveys of employers found some positive impacts: lower turnover, higher productivity, and in some cases, greater efficiency (Chapman and Thompson, 2006; Schmitt, 2013; D'Arcy and Davies, 2016). Still, a few studies still find evidence of job loss, particularly for teenagers (Neumark *et al.*, 2014; Neumark, 2015).

Some critics argued that the wage increases would have little impact on workers lives because higher incomes would mean that workers lose eligibility for government programs,

such as food stamps and tax credits (Burkhauser and Sabia, 2007). Worker surveys find that there is a range of outcomes, with some workers (particularly single parents with several young children) losing more benefits, but that on average, workers are better off with the pay rise (Chapman and Thompson, 2006; Pollin *et al.*, 2008).

The US experience of living wage campaigns

Living wage and minimum wage issues are now common in many countries, but there are three factors that are relatively unique to the USA. First, compared to the UK and Canada, the living wage campaigns have primarily aimed at passing compulsory regulation on employers, rather than persuading employers to voluntarily adopt higher wage policies. This is perhaps because the USA has a strong reliance on “hard law” vs “soft law,” and it may be because US unions view US corporations with great distrust. There is little or no tradition of social dialogue or much reliance on partnership in the USA. In fact, activists saw one of the benefits of municipal living wage ordinances was that they could provide additional mechanisms to monitor employers, and penalties for employers who violate labor laws. Federal labor law is relatively weak and not always enforced. A local living wage ordinance can provide workers with some additional protections for organizing on the job. For example, the Los Angeles living wage ordinance protects workers who discuss their wages with co-workers. Under federal law, employers can fire workers for discussing their wages at work, but the Los Angeles ordinance includes “non-retaliation” language that has provided some protections for workers who want to organize.

Second, the US case may differ from other countries in that the line between “living wage” and “minimum wage” is blurry. The activists involved in each have not seen the efforts as distinct or in contradiction. Rather, the living wage campaigns were an effort to organize at the local level to raise wages, but also build political power to eventually increase state and federal minimum wages. This distinction has been stronger in other countries, such as Canada, where there have been some tensions in strategies for raising wages (Evans and Fannelli, 2016). (However, the distinction is less clear in the UK now that the government set a national “living wage” for workers age 25 and above in 2015).

Finally, the third aspect that characterizes the US movement is that it has been a vehicle for building coalitions between labor unions, faith-based organizations, community groups and other elements of civil society. While other countries have had some degree of alliance and movement building, it has not usually taken to the same degree as the USA. In other countries the campaigns have tended to be led primarily by unions, such as in Japan, where the public sector union Jichiro has been the main advocate (Suzuki, 2008), community organizations in the UK (Holgate, 2009), or policy organizations in Canada (Evans and Fannelli, 2016).

The living wage movement in the USA was unusual in that while there were a number of national organizations involved, the local campaigns were led by a variety of different forces. Each city and campaign looked different. The main actors included some unions, and some Central Labor Councils, as well as the community organization ACORN, the faith-based group Industrial Areas Foundation, and the labor-community coalition Jobs with Justice. But a long list of local organizations was also heavily involved. In many cities, the living wage campaign was launched in particular as a way to build a coalition of allies – ideally for longer-term political work (Luce, 2004).

The Fight for \$15 campaign has been particularly notable for its linkages to the Black Lives Matter movement and the immigrant rights movement (Jaffe, 2014, 2016). In part because many low-wage workers, and fast food workers in particular, are black, the campaigns seem natural allies but that alliance was not inevitable. Many union campaigns have steered away from addressing race and racism directly – indeed, the union movement has a sordid past in many dimensions of race relations (Roediger, 1994; Korstad and

Lichtenstein, 1988). The alliance took an intentional effort and nurturing on behalf of some activists key to both movements, as well as faith-based movements. Labor organizer and author Jonathan Rosenblum (2017) notes that the Fight for \$15 campaign brought together an “unlikely alliance of Sea-Tac airport workers, union and community activists, and clergy” and united a “diverse, largely immigrant workforce.”

Challenges and questions for the US living wage movement

There is no doubt that the movement for higher wages has been very successful in the last few years in the USA. But some major challenges exist. First, the movement continues to demand \$15 per hour, but there is no methodology or formula to support the rate. There is also major regional variation in cost of living, with \$15 per hour in New York City actually impacts a smaller share of workers than \$12.50 per hour in upstate New York (Milkman and Luce, 2016). While a few scholars have proposed formulas for calculating a regional wage, there is nothing close to consensus – or even a move by policymakers – in that direction. What is the right wage? Some economists who support a higher wage have suggested that the wage should be high enough to improve worker incomes but not so high that it leads to job loss (Krueger, 2015). They have attempted to find the right “tipping point” at which employers can withstand the higher cost without cutting jobs. Indeed, the UK minimum wage was set according to this exact principle from 1999 to 2015, when a national “living wage” was established for workers age 25 and older. Others argue that the wage should be set primarily based on the cost of living – workers’ basic needs – rather than employer needs or job losses. This argument suggests that some job loss may be acceptable if it means a larger number of workers are able to earn a self-sufficient income. The minimum wage could be supplemented with public programs to reduce some of the major expenses workers face – in particular, free or subsidized childcare. This would mean that workers with small children would not need such a high hourly wage to survive (Howell *et al.*, 2016).

Second, higher wages are of limited use if workers do not have access to full-time work hours. In many low-wage industries there has been an increase in involuntary part-time scheduling, and the rise of practices such as on-call and irregular hours. This means that even with a big wage increase, total take-home pay may not go up by much (Prowse and Fells, 2016). As with the “zero-hours” campaigns in the UK and New Zealand, the US activists have worked to address the problem of work hours through legislative campaigns, media attention and workplace organizing. For example, a coalition led by the labor-community group Jobs with Justice got the San Francisco City Council to pass a “Retail Worker Bill of Rights” in 2015. This applies to all businesses with 20 or more employees in San Francisco, and 20 or more locations globally. Before a covered employer can hire new direct or temporary agency employees it must first offer all current part-time employees the right to more hours of work. Employees must receive their schedules two weeks in advance, and employees must be compensated when “on-call” shifts are canceled (DePillis, 2015). In 2017 the New York City Council passed “Fair Workweek” legislation that outlaws on-call scheduling, requires two weeks’ notice for posting schedules, and mandates that employers offer new shifts to existing employees before hiring new ones. If an employer changes a schedule within two weeks they must pay a bonus (City of New York, 2017).

Similarly, in addition to low wages and low and variable hours, workers have little job security, few or no benefits, and no grievance procedure. Some of these jobs, particularly fast food, are dangerous as well. In industries like retail and fast food, workers can be stuck for years with few pay rises or promotion opportunities. The career ladders are weak in these industries. And even a promotion to management might still be a low-wage job. The higher wages movement is only addressing one single issue.

Many of these problems could be improved if workers had a union, which is the second demand made by Fight for \$15. But while the Fight for \$15 campaigns has had major

success on raising wages, it has had almost no success on its other demand: unionization. Union density in the “restaurant and other food services” industry is only 1.7 percent. In other large low-wage sectors, like department stores, it is 2.2 percent (Hirsch and Macpherson, 2003). Unions remain rare in many of the workplaces where we see job growth.

Could it be that employers and policymakers are willing to allow higher wages as a way to keep out unions? (Logan, 2006; Royle, 2010). Indeed, more than a dozen major companies have raised their internal starting wages in the wake of the fast food strikes and labor protests (Carew, 2015). Several of these companies, such as Walmart and Target, are known for their anti-union practices. The effort to unionize large numbers of low-wage workers will be quite challenging – not only due to direct anti-union practices – but also due to the franchise system utilized by many fast food companies. This would mean that workers would have to establish a union restaurant by restaurant, for tens of thousands of workplaces across the country. But if a group of workers at one McDonalds was successful in unionizing, it could mean that store would threaten to close.

Another concern is the threat of mechanization. This is not new, of course: employers have always threatened to replace workers with machines when wages increased. Certainly the technology already exists to establish self-check-out lines in grocery stores and fast food restaurants. To what extent should workers worry that their demand for a higher wage (and union) will lead to displacement? As noted above, the research to date does not find that the higher wages are resulting in job loss. Of course, the \$15 wage is a significant increase that is only now being implemented, so the longer-term impact is not yet clear but there is nothing inevitable about a labor-technology trade-off. In some industries, employers have implemented technology only to find it was not successful: customers preferred human interaction, or the machines were unreliable and costly to maintain. The use of technology instead of human labor is political, and contested, and the outcomes are not certain (Frase, 2016).

Future directions of the US living wage movement

The living wage movement that began in Baltimore in 1994 had considerable success. The campaigns won in most places they were launched, with over 125 cities and counties passing ordinances over 15 years. The ordinances did not cover a large share of low-wage workers but they helped unionized some groups of workers, and more importantly, built coalitions and alliances that were then in place to help expand the movement to the bolder, more expansive efforts to raise wages to \$15 per hour. On November 8, 2016, voters approved four new ballot measures to significantly increase state minimum wages. With those victories, the number of workers receiving minimum wage increases since 2012 reached 20 million – a good portion of the low-wage workforce (National Employment Law Project, 2016; Hirsch, 2016). Not only are more workers now receiving wages, but the wage increases are much higher than they had been in previous eras of state minimum wage rises.

Minimum wage increases remain popular among voters, including among those who voted for Donald Trump for president but what can we expect now that he is in office, along with a Republican majority in Congress that opposes minimum wage increases (and some of whom even oppose any minimum wage legislation at all)? Every move President Trump has made to date suggests a minimum wage increase is unlikely. On the other hand, the last increase to the federal minimum wage came under President George W. Bush, in 2007, after Democrats fared well in the mid-term elections. In some ways, it could be a wise move on Trump’s part to approve a minimum wage increase that is so popular with voters. But if this were to happen, it would likely come along with exemptions or other cuts. For example, some policymakers (republicans and democrats) have approved statewide minimum wage increases along with new restrictions on localities setting their own minimum wage (Ritsche, 2015). Note that this is similar to the UK experience when the Chancellor George

Osborne announced the creation of the new “living wage” in 2015. This came alongside an effort to cut back in-work benefits (Clarke and D’Arcy, 2016).

According to some analyses, many voters who elected Trump did so because they felt the mainstream candidates and parties had ignored working class issues. This suggests the wage issue is still ripe for organizing, and public support will remain high. A current bill to raise the federal minimum to \$15 by 2024 would benefit 41 million workers (Owens, 2017). However, the movements must stay resolute in their demands to make the minimum wage a living wage, and not agree to concessions that divide the movement – such as concessions that might exempt new categories of workers and undermine the ability of unions to organize.

Conclusion

The last few decades have seen a sharp increase in attention to minimum wage and living wages in many countries. As inequality continues to rise, and low-wage work expands even in the context of economic growth, policymakers and activists look for solutions. The US living wage movement attempted to challenge this burgeoning low-wage labor market growth in the 1990s. It had some success in passing local ordinances, but for the most part, these covered a very small fraction of workers and did little to slow the growth of low-wage jobs. The emergence of Occupy Wall Street, and then the “Fight for \$15” movement, created an opportunity to raise wages to much higher levels and for many more workers. The National Employment Law Project estimates that in four years, from the first fast food strike in November 2012 to November 2016, over 19 million workers won raises via local and state increases, for a total of almost \$62 billion (National Employment Law Project, 2016).

Still, the federal minimum wage remains at \$7.25 per hour and it seems unlikely to be raised any time soon. Instead, organizers are focusing heavily on the local and state level where political coalitions are stronger and they have greater opportunities to influence legislators. The USA case provides a few lessons that may be relevant for other countries. First, the success of US campaigns suggests that at this point, workers may have more power in the legislative arena than in the workplace. This does not mean that workplace action is ineffective. Indeed, the huge success of Fight for \$15 may be a result of the rolling strikes and workplace actions. But the wage gains have come via policy, for the most part. Organizing unions and winning demands solely through strikes is still possible, but much harder than winning gains through legislative action. It may be that both components are necessary.

Second, legislators are unlikely to set or raise wages on their own without pressure from movements. However, once a movement has begun and the issue is popular, some legislators may take advantage of the opportunity to increase wages in order to garner political support. Activists must be wary of compromises that cut benefits or rights alongside wage increases.

Third, while there is considerable time and effort put into developing the best formula or methodology to determine minimum wages and living wages, the US movement has for the most part, treated this issue as of secondary importance. The early living wage campaigns chose to use the federal poverty line for a worker with a family of four as a target rate while realizing that that level was not a true living wage based on the cost of living. There are several methodologies available to calculate a more realistic living wage but the campaigns have not utilized them. In fact, the most recent successful movement has adopted a wage demand, \$15 per hour, with no formula behind it at all. On the one hand, this may be a weakness for the movement, and it results in a real wage that varies greatly by region (\$15 per hour is much higher in a low cost of living city than a high cost of living city). On the other hand, a single demand of \$15 per hour is clear, consistent and bold, and this has perhaps fostered more excitement for the movement. This suggests that while finding a

credible formula has been an important component in the Canada and UK living wage campaigns, it might not be necessary for success everywhere (Richards *et al.*, 2008; Living Wage Foundation, 2017).

Fourth, the living wage movement has had some success raising wages but higher wage mandates are only one policy of many, and on their own, they will not be enough to dramatically improve workers lives. Workers also need regular and stable hours of work, job protections, health benefits and pensions. The best mechanism to provide these outcomes is more likely through union representation and a collective bargaining agreement. Some employers and policymakers that may be open to higher minimum wages will be the same to vigorously oppose unionization.

Finally, reversing the extreme inequality found in most countries and altering the shape of the labor market will take major political restructuring. To that extent, the promise of the higher wages movement lies heavily in the ability to continue using the campaigns as a vehicle for building alliances and broader political movements. In the earlier years of the movement, living wage campaigns successfully united labor unions with faith-based and community organizations. In more recent years, the Fight for \$15 movement has been building alliances between labor groups and racial justice groups like Black Lives Matter. Any effort to seriously restructure labor markets will require strong and broad alliances and the popularity of minimum wage and living wage may be the issue on which to build.

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