

The vast majority of union workers make more than minimum wage. Why should Teamsters care what the minimum wage is?

The minimum wage is the lowest hourly dollar amount an employer is allowed to pay an employee as established by law. So how does that affect a workers' union like Teamsters? In actuality, how can it not? The minimum wage sets the pay-scale of all wage-paying jobs. It determines what is high and low for a certain occupation. Through collective negotiation, unions fight for the rights of workers whether that is a safer work environment, healthcare and pension benefits, or a higher pay. Advocating for a higher minimum wage would help not only Teamsters members, but also improve the lives of all workers.

The purpose of the minimum wage is to guarantee a fair pay to workers, enough for the basic costs of living – food, clothing, and shelter. However, according to Marty Wolfson, Director of the Higgins Labor Studies Program at the University of Notre Dame, the minimum wage today should be \$10.74/hour to account for inflation since 1968. Arguments against raising the minimum wage have stemmed primarily from the fear of destroying the job market. It seems like a simple causation that raising the cost of labor will force companies to either reduce hours, perform layoffs, or send jobs overseas. However, research proves this is a misconception. A 1994 study by David Card and Alan Krueger that compared fast-food restaurants in New Jersey after a rise in the minimum wage to those in Pennsylvania with no change to the minimum wage discovered that Pennsylvanian businesses were in fact losing jobs while those in New Jersey retained employees and even expanded. They found that higher wages caused higher productivity and lower turnover because there was more incentive to work. In addition, the higher labor costs were absorbed partially by consumer prices that were projected to increase by only 2.2%. Though you might have to pay a little more at the drive-thru, knowing that the extra change went towards supporting a livable wage makes it much more justified. Finally, paying employees more means that they can spend more on goods and services, boosting the economy. Clearly, the benefits of a higher minimum wage outweigh the potential risks.

Yet who will take the initiative to improve the national standard? Bottom-line corporations will not incur more costs than required. The long and often unsuccessful process for a bill to become a law makes it unrealistic to expect change through the government without significant pressure. Thus, the burden to bring justice to the working class falls on the unions, especially those with considerable influence like Teamsters. Although union members may already make more than the minimum wage, it benefits all workers to increase the minimum wage because the struggle for fair labor practices is shared by all workers, union or non-union. In keeping with its reputation as one of the first unions to accept members across sectors, it is fitting for the Teamsters Union to not merely care, but to take charge of the conversation on increasing the minimum wage.

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