

ECONOMIC JUSTICE: Affording the American Dream

Introduction: Bridging the Economic Divide

Over the past 30 years, as unrestricted corporate power has come to dominate this country's economic landscape, the quality of life for wage earners has suffered in every way imaginable — lower pay, longer work hours, less health care, no pensions, and a lack of job security. State and local budget crises along with consistent shrinking of federal funding for social services — or 'federal devolution' policies — also contribute to this historic squeeze on our workforce, both immigrant and U.S.-born.

States are recording the highest fiscal shortfalls since World War II. Federal tax cuts benefiting corporations and the wealthy, restrictions on state sales taxes, and shifting of costs from Medicare to Medicaid all contribute to this problem. Adding to this harsh equation is the collapse of the minimum wage, growth of the temporary work force, decline of unions, globalization and off shoring, and "Wal-Mart-ization" of the retail industry. And bearing the brunt of all this are the poorest states, many of which are located in the South, such as Arkansas, Florida, Louisiana, Mississippi, and Texas.

It has been nine long years since Congress raised the minimum wage. At the current rate of \$5.15/hr, a full-time, year-round minimum wage worker earns just \$10,712 per year — more than \$5,000 below the official poverty line for a family of three. In fact, 40 percent of minimum wage workers are the sole breadwinners in their families and the majority of these workers are women; 43 percent of the workers who benefited from the last minimum wage increase were women.

Living Wage Movement

One response to this has been the movement for living wage laws¹. Since the first ordinance passed in 1994, living wage organizing has emerged as a key wage-based strategy that empowers low-wage workers and builds momentum for a broader economic justice agenda. Diverse coalitions of community, labor, and faith-based organizations in communities all over the U.S. have won passage of over 130 living wage laws, including many in major metropolitan areas. As a direct outgrowth of the living wage successes, 18 states have also passed legislation or initiatives to raise statewide minimum wages higher than the federal level.

At its core, these campaigns are about raising wages for working people. But just as important is the effect these campaigns have on civic participation and expanding democracy. A recent Pew Research Center poll shows that Americans overwhelmingly support an increase in the minimum wage: 82 percent said it was an important priority and only 6 percent opposed an increase. Other polling has also shown that wage initiatives effectively motivate historically difficult-to-engage voters — younger voters, infrequent voters, and low income voters. Not coincidentally these are among the key demographics for strengthening the progressive movement. At a time when progressives are uncertain how to respond to "wedge" issues as framed by conservatives, economic justice issues offer progressives the opportunity to frame the debate as being about the value of fairness and the opportunities that fair wages should provide working people.

¹ While each community coalition has set its own definition of "living wage", the most common benchmark has been the poverty rate for a family of four.

Evolution of the Movement: Looking Back at Successes and Challenges

The expansion of the living wage movement is arguably the most successful achievement of the progressive movement during the past ten years. On no other issue have we won as many victories on the local and state level: raising the floor for working families and framing the narrative on what kind of society we want to live in.

The first living wage ordinance was passed in Baltimore in 1994 after a \$1 billion-plus taxpayer renovation of the Baltimore Inner Harbor had resulted in little but low-wage, dead-end jobs. Two appealing and enduring principles were central to the Baltimore ordinance and continue to effectively frame the overall debate: working people deserve a fair wage and private development financed by public funding should benefit the local community. Since then, the living wage movement has changed the landscape of the current fight to bridge the economic divide between the rich and the poor.

The last several years have also seen some pivotal changes in the living wage and broader economic justice movements. Many of the coalitions that achieved living wage victories have expanded their scope to include campaigns to increase minimum wages at the city and state levels and efforts to gain control over how their neighborhoods are being built and developed. However, there are now fewer new, active living wage campaigns than in each of the past 10 years. This is because organizations strengthened and born out of living wage campaigns have assessed their work and accomplishments and, in ongoing dialogue with members and allies, have seen that much of the gain from wage increases is being lost due to soaring housing, healthcare and childcare costs. Using the momentum from their success, these organizations are now leading the movement by addressing a host of other factors that disproportionately impact low-income people, and are campaigning for affordable housing, retirement, healthcare benefits, childcare and public transportation, among others.

Current Opportunities to 'Build Opportunity'

Decisive economic justice victories in Nevada and Florida in 2004 have led to continued groundwork and base-building by economic justice activists in order to replicate those successes in more states. 2006 mid-term elections will see statewide minimum wage initiatives on ballots in key electoral states: Arizona, Colorado, Missouri and Ohio. Montana and Oklahoma are already targeted for next year. On March 29th, Michigan's governor signed legislation to raise the state minimum wage from \$5.15 to \$6.95 this year, reaching \$7.40 by 2008. This will affect over 500,000 low-wage workers and was a direct result of the effective organizing and coalition building by activists who were ready to put a minimum wage initiative on the state ballot in November. Recognizing the broad-based support for such an initiative, the Republican-controlled legislature did an about-face and backed the legislation. Even more recently, the Arkansas legislature passed a minimum wage increase in response to similar pressure from an effective grassroots campaign for a constitutional amendment to raise the state minimum wage. Effective October 1st, the Arkansas minimum wage will be \$6.25/hr.

If questions remained about what the long-term impacts of the federal government's regressive economic policies and continued gutting of the social safety net would be, then here, spelled out in bold capital letters was the answer: a "natural" catastrophe unparalleled in American history. As if to add insult to injury, a week after Hurricane Katrina hit, President Bush suspended the obligation of businesses to pay prevailing wages during the reconstruction. The rebuilding of the Gulf Coast is the opportunity for progressives to put into action our belief that the intersections of economics, race and environment are but different ways to talk about building a safe, sustainable and fair community for all.

Looking Forward

Bridging the deep economic divide in this country will demand that we work at every level of government, using strategies as varied as there are different communities to work in. Here are some guiding principles to help prioritize and inform funding strategies for economic justice:

- **Do Not Ignore Race.** Last year Hurricane Katrina illustrated in stark relief a fact that the left has recognized for years: race and class still matter. The issue of race continues to define the experiences of many people in this country. People of color and low income communities disproportionately bear the burdens of Katrina, and disproportionately stand to lose out on the benefits of recovery and relief. Throughout the U.S., racial income disparity remains wide, African Americans earning 57 cents for every dollar earned by white people. The wealth divide is an even wider gap. White families have eleven times more wealth; the median wealth for an African American household is \$19,000, including home equity, retirement savings, and car ownership, compared to \$121,000 for whites. Race and class are not issues that can ever be dealt with as an afterthought — but must be at the forefront of every funding strategy.
- **Prioritize Base-building and Organizing for the Long-term.** Achieving victories that change the immediate context for working families trying to make ends meet is critical. However, building the long-term capacity and infrastructure of the economic justice movement is just as essential if we are to build permanent power to make change. Oftentimes fighting the good fight and “losing well” is as valuable to the movement as a specific win. Community groups in the South have been working to pass local living wage ordinances over five years — given the challenging context in which they work, a victory may take another five years or more. It is crucial to share this long-term view and invest in the leadership development of historically under-resourced and under-developed community leaders, particularly in this region.
- **Support Local and State-level Work.** Given the gridlock at the federal level, state and local efforts have yielded the most opportunities for making change in the last five years. Supporting national think tanks and advocacy organizations is vital — but never without a solid connection to community-based organizations doing work on the ground.
- **Improve Infrastructure and Capacity.** Effective organizations constantly need technical assistance and dedicated resources for leadership development and institution-building. The basic need of keeping good groups viable cannot be forgotten.
- **Strengthen the South.** Precedents need to be set with key economic justice victories and strengthening the long-term capacity of key groups. This region, with its increasing numbers of low-wage immigrant workers and persistent race and class divides, should be a priority. Because of the difficulty of the political territory, wage campaigns and other economic justice strategies may be the best way to bolster the region, and strengthen the broader progressive movement as well.

In the following pages, we present funding strategies that attempt to address some of these priorities.

Funding Strategy One: WAGE CAMPAIGNS

FAIR PAY FOR A FAIR DAY'S WORK

Introduction

The majority of the 130 living wage laws that have passed have resulted from “traditional” living wage campaigns — i.e. campaigns that seek to attach conditions only to jobs created by public funds. This makes for a highly palatable argument to most voters and legislators — particularly in conservative southern cities — and so has functioned especially well as a ground-floor strategy to build coalitions that go on to pursue broader economic justice measures. The downside, though, is the low number of workers these ordinances cover — sometimes a few hundred or even fewer. In Los Angeles, for example, a city of 3.7 million people, the living wage law covers roughly 7,000 workers, all at businesses that receive city funds. Employees stocking shelves at Target or flipping burgers for McDonald’s are generally left out.

For many coalitions, the next step after a living wage victory has been to establish city minimum wage ordinances. These in turn, can spur broader change. The minimum wage win in San Francisco, for example, could be a jumping-off point for adjacent cities to pass similar measures and set a higher regional wage floor in the Bay Area. It is notable that campaigns for a raise covering all minimum wage workers have been successful in cities — including San Francisco, Santa Fe and Madison — where there was a well-developed organizing infrastructure, often developed through the living wage campaign. Wage activists, of course, want to see raises for as many workers as possible, and some organizations — in states where they feel they can generate the necessary political might — are pressing for statewide minimum wage initiatives, either through legislative change or through the initiative process.

Suggested Strategy:

- **Traditional living wage campaigns** have built a strong and successful movement and have the potential to organize a base, develop leaders and launch more far-reaching campaigns. In particular, there are two circumstances when it makes particularly good solid sense to continue to support living wage campaigns:
 - ▲ **Southern States:** In the conservative south a traditional living wage effort is the most winnable ground-floor economic justice issue;
 - ▲ **Building Blocks:** Living wage campaigns can be a highly effective first step in a longer-term power building strategy to change the political structure, like the city council in a municipality.
- **City minimum wage campaigns** are a significant new direction for the living wage movement; activists call them “the next wave.” They cover a far greater number of workers and, if successful, can be the springboard for regional or statewide initiatives.
- **State minimum wage campaigns** represent another important new front in the fight for economic justice in the US. They have the potential to raise living standards for millions of workers as

Possible Organizations to Fund

COMMUNITY-BASED ORGANIZATIONS

- Atlanta Living Wage Coalition
- Los Angeles Alliance for a New Economy
- Florida ACORN
- Santa Fe Living Wage Network
- Progressive Maryland Education Fund
- Idaho Community Action Network

NATIONAL TECHNICAL ASSISTANCE INTERMEDIARIES:

- Brennan Center for Justice
- SPIN Project
- ACORN Living Wage Resource Center
- Political Economy Research Institute

the federal government refuses to budge. Their strategic electoral importance in mobilizing progressive voters, especially new and infrequent voters, has excited much interest since November 2004.

What to Look For:

- Strong and lasting coalitions between community organizations, faith groups, labor and business.
- Organizations that intentionally and effectively incorporate a deeper racial justice analysis within broader economic justice work.
- Commitment to work in coalition with other progressive organizations to develop well-coordinated strategies for rebuilding.
- Organized efforts to protect and ensure the right to vote for displaced residents of the Gulf Region.

Funding Strategy Two: ACCOUNTABLE ECONOMIC DEVELOPMENT

PUTTING POWER IN THE HANDS OF THE COMMUNITY

Introduction

Historically, economic development decisions have often been made behind closed doors and without any input from communities directly affected. The resulting initiatives, rather than improve the quality of life for local residents, have often generated dead-end, low-paying jobs without healthcare. There is a growing movement to hold governments and corporations more accountable to the public for how tax dollars are spent in our neighborhoods. The community benefits agreement (CBA) strategy represents another vital way forward for the economic justice movement. CBAs expand on the principles represented by living wage campaigns: jobs created by public investments should be quality jobs that do not pay poverty wages. In addition, CBAs take on housing, healthcare, childcare, parks and other environmental issues, and thus provide potential for broad coalitions to shape local development. The CBA strategy has been adopted by activists in Los Angeles, San Diego, San Jose, Palm Springs, Ventura, Santa Barbara and Fresno in California, and several cities across the country, including Denver, Atlanta, Boston and Miami.

Living and minimum wage campaigns have been effective in many ways, but they do not address another force in the economic landscape: Wal-Martization. Wal-Mart's business model suppresses organizing by its own workforce, and pressures suppliers to cut costs through work speed-ups and wage suppression. Wal-Mart has developed and championed it, but employers such as Home Depot (500,000 workers), Lowe's and Kmart/Sears are following suit. Because of Wal-Mart's size, the economic ripple effects of wage suppression are substantial. As other companies are taking the same steps to fatten their bottom line, the overall effect is one of lowering wage and workplace standards. In 2004, Good Jobs First produced the first national study of Wal-Mart, which revealed that this corporate giant's U.S. and global expansion has frequently been financed in part by taxpayers, through more than \$1 billion in subsidies from state and local governments.

Suggested Strategy:

- **Community Benefit Agreements** provide a key opportunity for grassroots participation in the economic development process that in most places is still dominated by backroom deals between local government and developers. These campaigns can actually deliver essential quality-of-life improvements and result in true economic development instead of a public windfall for private companies. CBA campaigns further the argument that public funds need to be invested judiciously and with a plan, and they provide a vehicle for coalition building and strengthening that builds much-needed progressive infrastructure at the state and local levels.
- **Organizing efforts to force Wal-Mart**, or other big box employers, to meet wage, healthcare and other workplace standards is critical. One in 10 American workers is a Wal-Mart employee. Given the pervasive negative impact Wal-Mart has on the economy, changing its policies directly changes the entire industry.

Possible Organizations to Fund

COMMUNITY-BASED ORGANIZATIONS

- East Bay Alliance for a Sustainable Economy
- Miami Workers' Center
- Center for Policy Initiatives
- Tenants' and Workers' Support Committee
- Working Partnerships

NATIONAL TECHNICAL ASSISTANCE INTERMEDIARIES:

- Brennan Center for Justice
- SPIN Project
- Political Economy Research Institute
- Economic Policy Institute
- The Partnership for Working Families
- Good Jobs First

What to Look For:

- How are national, regional and local organizations working collaboratively and coordinating their roles to ensure that efforts are not duplicated?
- How are organizations building the base, even if losing specific battles?
- How are organizations balancing the need to build and increase internal capacity while partnering with regional and national technical assistance groups?
- Strong and lasting coalitions between community organizations, faith groups, labor and business.

Funding Strategy Three: IMMIGRANT WORKER ORGANIZING

PUTTING POWER IN THE HANDS OF THE COMMUNITY

Introduction

The face of the low-wage worker is likely to be indigenous/Latin American, Asian or Afro-Caribbean; the face of low-wage labor is likely to be that of an immigrant. When European and Irish immigrants arrived in the late 19th and early 20th centuries, they met with a rapacious Gilded Age economic environment, but also with institutions such as unions and the “settlement house” movement that offered some protection against market forces. Today’s immigrants are plunged into an environment with no such protections. They are “unstuck” from the organized economy, and many, like day laborers or domestic workers, move from job to job and employer to employer. Such workers remain untouched by any of the wage strategies described here.

Their situation is emblematic of the common condition of worker dislocation in the 21st century. How do you organize workers who don’t show up to the same workplace all the time, whose employers change constantly? What goals make the most sense in that context? How do you build leadership, institutions? Organizers have attempted to address these conditions by two principle means: immigrant workers centers, and day laborer organizing, whether at a local day laborer center or on the street corners where the men congregate looking for work.

Suggested Strategy:

- **Immigrant worker centers** are the often the most active entities pushing to enforce wage and labor standards, and pressuring employers to comply with the law. Most government agencies are too overwhelmed and understaffed to investigate working conditions or even follow up on complaints. In an exciting new development, workers centers have begun to team up with fair-wage advocates to enforce wage and hour laws, increasing the influence and impact of both organizations. Oftentimes, the centers function as possibly the only nexus point for workers and so become the place to organize them. This is vital given that the traditional model of workplace union organizing is irrelevant to workers who switch workplace and industries.
- **Day laborer organizing** functions at both a national and local level. The “jornaleros,” as the day laborers call themselves, are hired by the day by different employers and are frequently underpaid or stiffed completely. They are also impacted by ordinances that limit their ability to seek work. Local day labor organizing takes on these issues, often in partnership with worker centers that offer the base for organizing. Day laborers in California have marched on the homes and businesses of those notorious for cheating workers to force them to pay up, and have joined with other community groups and institutions to challenge ordinances that limit their speech and assembly.

Possible Organizations to Fund

WORKER CENTERS/DAY LABORER ORGANIZATIONS

- Coalition of Immokalee Workers
- Interfaith Worker Justice
- Latin American Workers Project
- La Mujer Obrera
- Koreatown Immigrant Worker Advocates

NATIONAL AND REGIONAL LEGAL, POLICY AND ADVOCACY ORGANIZATIONS

- Brennan Center for Justice
- National Day Laborer Organizing Network
- Coalition of Immigrant Worker Advocates
- National Immigration Law Center
- Mexican American Legal Defense and Educational Fund

What to Look For:

- What is the balance between providing much-needed direct services versus organizing and advocacy?
- Is there a commitment to leadership development?
- How are organizations dealing with the reality that for immigrant workers, wage and job issues are intertwined with immigration issues, and how are they developing clear, strategic goals that address both.