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WORKING FOR DIGNITY

Living Wages in the Gulf South

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Catholic social thought (CST) gives us two fundamental principles with regards to wages: first, a just wage must provide "a dignified livelihood" for the worker and his/her family[1]; and, second, government is responsible for protecting the rights of workers.[2] The just wage is thus a living wage and governments have an obligation to promote living wages through minimum wage laws and other labor protections.

Despite this moral imperative for employers and obligation on governments, wages in the Gulf South are among the lowest in the country. More than 1 in 5 workers in the region earn wages at or below $10 an hour (see *Table 1*). In 2016, the median/typical wage of $15 per hour in Mississippi was the lowest in the country. Even the highest median wage in the Gulf South of $16.47 per hour in Texas was well below the national median wage of $17.42 per hour.

Low wages contribute to deep and pervasive poverty across the Gulf South. In 2016, more than a quarter of residents in the region (over 15.7 million people) had incomes below 150% of the poverty line (see *Table 2*). Without sufficient incomes, "a dignified livelihood" is not within the reach of many working Americans and their families.

The response from state governments in the Gulf South to the injustice of worker poverty has been woefully lacking. State

Table 1: Wages in the U.S. and the Gulf South: 2016

State	Median Wage	Share of workers earning $10/hour or less
Alabama	$15.75	21.8%
Florida	$16.03	20.1%
Louisiana	$16.00	21.8%
Mississippi	$15.00	26.5%
Texas	$16.47	20.7%
U.S.	**$17.42**	**17.8%**

Source: U.S. Bureau of Labor Statistics Current Population Survey 2016

legislators across the South ought to support minimum wage laws and union membership while also strengthening labor protections. In actuality, many state legislatures have made the lives of workers more difficult by passing laws that preempt cities and counties from passing their own local minimum wage laws. As of July 6, 2017, 25 states, including all in the Gulf South, had passed minimum wage preemption laws.[3]

For example, in August 2015, the city council of Birmingham, AL, passed a local minimum wage of $8.50 per hour to be implemented in July 2016 and increasing to $10.10 per hour

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Table 2: Poverty in the U.S. and the Gulf South: 2016

	Incomes Below Poverty Line		Incomes Below 150% of Poverty Line	
State	**Total**	**Rate**	**Total**	**Rate**
Alabama	810,231	17.1%	1,299,603	27.4%
Florida	2,973,512	14.7%	5,118,205	25.3%
Louisiana	918,187	20.2%	1,375,335	30.3%
Mississippi	602,768	20.8%	926,662	32.0%
Texas	4,261,337	15.6%	7,032,974	25.8%
U.S.	**44,268,996**	**14.0%**	**72,375,908**	**23.0%**

Source: U.S. Census American Community Survey 1-year Estimates 2016

starting in July 2017. However, in February 2016, the Alabama state legislature invalidated the Birmingham minimum wage before it could take effect and preempted future local minimum wage laws. In essence, the Alabama legislature voided the will of the people of Birmingham. The latter was devastating to the estimated 40,000 low-wage workers and their families in Birmingham that were expecting raises.[4]

Minimum wage advocacy is necessary, but in a political climate in which state minimum wage laws are unlikely to pass anytime soon, or are actively preempted, local living wage ordinances are a good policy alternative.

Living wage ordinances are essential laws passed at the municipal or county level that require a just wage to be paid to local government employees and/or workers at firms that benefit from a local government contract. Currently in the U.S., over 150 counties or municipalities have living wage ordinances, with wage levels set up to $20 per hour for workers without health benefits. Most ordinances also tie the living wage to a price index to ensure cost-of-living increases.

Miami-Dade County, FL has the most generous living wage ordinance in the Gulf South. The ordinance provides a living wage rate of $12.63 per hour with health benefits or $15.52 per hour if no qualifying health benefit plan is provided. Furthermore, as of 2016, Miami-Dade County's living wage is annually adjusted for inflation and the employer's minimum health benefit contribution rises with the inflation rate of medical care.

Since the inception of the Miami-Dade living wage ordinance in 1999, the ordinance clearly states the rationale behind the legislation:

> Sub-poverty level wages do not serve the public purpose. Such wages instead place an undue burden on taxpayers and the community to subsidize employers paying inadequate wages by providing their employees social services such as health care, housing, nutrition, and energy assistance. The County has a responsibility when spending public funds to set a community standard that permits full-time workers to live above the poverty line.[5]

In addition to upholding the dignity of workers, living wage ordinances are also effective economic policy. Local governments spend billions of tax dollars every year with private businesses on service contracts, lease and concession agreements, and economic development incentives and subsidies. Increasingly, local policymakers are asking businesses to deliver tangible economic benefits to their communities in exchange for government spending. By targeting low-wage workers, living wage ordinances increase the incomes of those in or near poverty despite working. The increased incomes result in additional consumer spending at the community level, which benefits local businesses, and in lower poverty rates, which benefit the community as a whole.

Evidence shows that living wage ordinances raise wages for low-income workers, boost local economies, and decrease poverty with few if any measurable negative effects on either employment or taxes.[6] Additionally, increased wages and benefits are associated with lower worker turnover.[7] Lower turnover translates into more experienced workers, with more opportunities for training and learning on the job, which can lead to better work performance.[8] Therefore, living wage ordinances, while targeted to benefit low-wage workers, may also benefit their employers.

Yet, across the Gulf South living wage ordinances are modest in depth and quantity. Living wage ordinances are found in some municipalities across Florida and Texas. However, New Orleans is the only municipality in Louisiana to have a living wage ordinance and no localities in Mississippi or Alabama have enacted living wage ordinances.[9]

Social justice advocates in the Gulf South should consider lobbying for the implementation of living wage ordinances in their municipalities and counties. Additionally, where

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living wage ordinances exist, advocates should push local policymakers to bring ordinances closer to national best practices. While the benefits may be limited compared to minimum wage laws at the national or state level, the barriers to passage are lower on the local level. Furthermore, the CST principle of subsidiarity teaches that the common good ought to be pursued at the lowest effective level. Living wage ordinances are thus at the intersection of two important tenets of CST -- just wages and subsidiarity.

ENDNOTES

1 Catholic Church. (1994). *Catechism of the Catholic Church,* 2434.

2 Kammer, F. (2014). Catholic Social Thought and Wages. *JustSouth Quarterly,* Summer, 3.

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9 As of July 2017, based on legal research conducted by JSRI.

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