

San Jose State University

From the Selected Works of Gil J. Villagran

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Current Minimum Wages are Unacceptable [Sic]

Gil J. Villagran

Current minimum wage rates are unacceptable

Today, at 7 p.m., 3,000 petitions will be delivered to the San Jose City Council for a city ordinance mandating businesses who receive a city subsidy or contract to pay their workers a living wage.

Employees paid below the cost of basic necessities suffer deprivation, including lack of adequate nutrition and health care, and the ability to afford increasing rents, which result in evictions, doubling, families living in garages or automobiles or eventually becoming homeless.

Opponents of the living wage ordinance argue that it is another example of government interference with the market, driving up the costs of government, leading to increased taxation, which in turn shackles the natural flow of our free market economy.

I would like to offer some data and thoughts for the council and the public to consider in thinking about what is best for working families, the city and our nation.

In Santa Clara County, thousands of working parents live on the edge of desperation by cleaning buildings, landscaping offices and freeways, cooking, busing, washing dishes in restaurants, doing laundry and maid services in hotels, manufacturing products, or growing

the food that we eat.

Parents who can't make the paycheck stretch far enough to provide food, shelter and health care for their families must rely on food stamps, Medi-Cal, Calworks (welfare assistance), subsidized child care and subsidized housing to keep their families above the indignity of begging for food, or living in the street.

- Five thousand working families live in subsidized rental units because their earned income cannot pay market rate rents.

- At least 20,000 working-families eat a supper purchased with food stamps or provided by a soup kitchen or a surplus food bank program.

- Medi-Cal pays for the doctor, the medicine, and the hospitalization for 50,000 working families.

What we all must realize is that our societal bookkeeping needs a dose of reality. Workers who are not paid a living wage are subsidized by the rest of us with public welfare. The effect is that the low-wage-paying employer is the indirect beneficiary of the welfare subsidy. If this is what we want as a society, fine, but let us be clear that this is what is happening.

Now, even subsidies are not keeping up with the inflating costs of food, housing and

health care. We are in a state of economic crisis for millions of working poor in our nation.

Higher wages at the bottom end of the wage scale are but one part of the remedy. Higher education for high tech employment is another worthy remedy, but it is not a panacea. We can't all be high tech engineers.

There will always be a need for someone to clean the offices, wash the dishes, and grow food. What is an ethical wage for the people who do not have the high-paying jobs? What are acceptable living conditions for the children of these workers?

What are the consequences for our community and our nation of a class division that lets one class live in the cruelty of severe poverty amid the wealth that glares with each passing luxury automobile, billboard, ad, TV show, movie, and visit to a shopping mall?

These are vital questions that we must ask ourselves and each other in confronting the real costs of a minimum wage of \$5.75 an hour.

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