

Will Bill Richardson Lead on Wages?

THE HUFFINGTON POST

March 1, 2007

By Paul Sonn

The most important fight in the national movement to restore our minimum wage is playing out this week. But it's not taking place in Washington. Instead, the showdown is in New Mexico and the outcome depends on Governor Bill Richardson, a recently declared Democratic Presidential candidate.

While Congress is poised to approve the first federal minimum wage increase since 1997, the real battle for a meaningful minimum wage is being fought in the states.

And right now New Mexico is ground zero. The New Mexico legislature is considering two starkly different minimum wage bills: one would increase the minimum wage each year to protect working families from falling behind again; the other would effectively freeze wages. Governor Richardson thus has an important opportunity to be a national leader in responding to the real security challenge facing our nation: the fight to protect working families. If he backs the increase and rejects the freeze, Governor Richardson can make the lives of New Mexico's workers substantially more secure, and pave the way for more meaningful federal wage reform after 2008.

For ten years, the Republican-controlled Congress froze the minimum wage at just \$5.15 an hour, causing its real dollar value to sink to its lowest point in 50 years. But last fall the need to restore the minimum wage burst back onto the national agenda when six states voted resoundingly to raise their minimum wages, including three of New

Mexico's neighbors, Arizona, Colorado, and Nevada. And the Democrats made addressing the federal minimum wage a centerpiece of the reform platform that carried them back into power in Congress.

While the election results are finally spurring Washington to act, entrenched Republican opposition and the fact that minimum wage supporters need sixty votes to overcome a filibuster in the U.S. Senate mean that Congress can only take baby steps. The bill about to be approved will increase the federal wage to just \$5.85 this year, eventually reaching \$7.25 but not until mid-2009. Many states are already well above that level. And unlike many states - currently ten and counting - the federal hike does not include annual cost-of-living increases after that, the key progressive reform needed to stop the cyclical erosion of our wage floor.

So while the federal increase will help workers in the relatively few states that have not yet raised their minimum wages above \$5.15, it is still the states that for the foreseeable future will continue to lead the way in restoring our minimum wage to an adequate level. For the past five years, New Mexico has been at the forefront of that movement. Although the New Mexico legislature has not yet raised the state wage, the state's major counties and cities - Albuquerque, Bernalillo County, and Santa Fe - which contain more than one third of the state's total work force, all raised the minimum wage through local ordinances. As a result, the minimum wage in the state's metro areas is now at least \$6.75, increasing to \$7.50 in 2009.

And Santa Fe, the first city in New Mexico to raise its minimum wage, went even further. Faced with a sky-high cost of living that left the city's low-income workers unable to feed and care for their families, Santa Fe raised its minimum wage to \$8.50 and then \$9.50 - approximately what the federal minimum wage used to be worth in real terms before it began its steep slide in the early 1970's. Championed by the Catholic Church and a broad community coalition, Santa Fe's wage

law over time even won the support of many local business owners. Because studies by the University of New Mexico found that it has not harmed the local economy, Santa Fe's wage law is helping make the case that our national minimum wage can be restored to a much more meaningful level.

Enter the New Mexico legislature. The leaders of both houses agree that the state minimum wage should be increased to \$6.50 and then within a year or two to \$7.50. While that would not raise wages in the major cities and counties - by local ordinance they are already at or above that level - it would bring rural parts of the state in line with them. But the real fight is over what to do then. The State House of Representatives is calling for New Mexico to follow the example of ten states - including its neighbors Arizona, Colorado and Nevada - and adopt annual cost-of-living increases to make sure that the minimum wage does not immediately begin to erode again. This is the most badly needed reform in national wage policy and having a relatively poor state like New Mexico champion it would help pave the way for Congress eventually doing the same.

By contrast, the State Senate bill rejects cost-of-living increases. This means that the bill does nothing at all for wages in the major cities and counties, since they have already been raised under the local ordinances. But even worse, the Senate bill actually freezes minimum wages in New Mexico. It does that by banning the state's cities and counties - the driving force for decent minimum wages in the state - from raising their minimum wages again until 2014. As a result, what appears on paper to be a minimum wage boost is actually a wage freeze. And the freeze on local wages would stop Santa Fe in particular from continuing its nationally historic role in showing us all that a substantially higher minimum wage is not just badly needed, but economically realistic.

These developments give Governor Richardson an important

opportunity for national leadership. By throwing his clout behind the strong House bill he would become one of the first governors to deliver what is, after national health care, probably the most urgently needed reform to provide economic security for working families: a minimum wage that is adjusted each year for the cost of living, and that does not preempt local governments from going further to tailor their wage protections to local conditions. (Most other states that have annual wage adjustments enacted them through voter ballot initiatives, so Richardson would be just the second governor to win such protections.) The 2006 elections highlighted how strengthening the minimum wage is not only good policy, but good politics, as working families in red, blue and purple states all voiced their economic insecurity and called out for action to help them make ends meet. After the Iraq war, few issues are more important for Democratic primary voters and activists.

If, however, Governor Richardson endorses what is effectively a freeze on minimum wages in his state, he would be following the example of what the Republican-controlled Congress did for ten years. And he would be setting a terrible precedent for stifling the crucial role that cities and counties in his state and nationally are playing in tackling tough policy problems when Congress or states fail to act.

Things are moving quickly in New Mexico, so Governor Richardson's decision should be known soon. Working families and Democratic primary voters across the country will be watching.