

The \$15 minimum wage scam

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The COVID-19 relief bill currently being debated in Congress includes a proposal for gradually raising the minimum wage to \$15 an hour over the course of the next four years.

While some states and cities have recently raised their own minimum wages, it has been more than a decade since the federal minimum wage was last raised, in 2009, to its current extreme poverty level of \$7.25 an hour. The 12-year gap between 2009 and now is the longest American workers have ever gone without a minimum wage increase.

The proposal for the wage increase comes amid the greatest social and economic crisis for workers in the US since the Great Depression. In the past year, tens of millions of people have lost their jobs. Many of these jobs will never return. Workers have been forced to take on enormous levels of debt just to make ends meet, while being provided a pittance of aid from the US government. Thousands of families have been evicted from their homes and are struggling every day to put food on the table for their families.

Despite these dire conditions, President Joe Biden has already given numerous indications that the proposed minimum wage increase will likely be stripped from the bill. In a meeting last week with mayors and governors, he made it clear that the provision was “unlikely to happen.”

The very fact that an increase in the minimum wage from the current extreme poverty-level wage is seen as out of the question within the political establishment, under such extraordinarily dire conditions, only underscores the bankruptcy of the entire political system and its contempt for the great majority of the population.

What is \$15 an hour to a worker in the US?

A \$15 hourly pay scale would more than double the current \$7.25 federal minimum wage. For a family with two working adults and two children, the current \$7.25 hourly minimum wage falls far short of a living wage in every state.

For a full-time worker, the current wage amounts to about \$15,000 a year before taxes.

A new report published by CNBC and assembled by researchers at the Massachusetts Institute of Technology analyzes cost-of-living data and compares the data to the current minimum wage and the new \$15-an-hour proposal. The data includes costs such as food, child care, health care, housing, transportation and other necessities.

Remarkably, the report finds that a minimum wage increase to \$15 would bring many states close to what is considered a living wage, but not a single state would meet or exceed it. The report notes that the greatest shortfalls would occur in the West and Northeast—in states like California, Hawaii, Massachusetts and New York—where the cost of living and taxes tend to be higher.

According to projections based on the Economic Policy Institute’s (EPI) “Family Budget Calculator,” in larger metro areas of the South and Southwest a single adult without children will require more than \$15 an hour by 2025. The EPI calculator projects that, in order to get by, a single adult without children would need an hourly wage of \$20.03 in Fort Worth, Texas, \$21.12 in Phoenix, Arizona, and \$20.95 in Miami, Florida.

In more expensive regions of the country, a single adult without children needs far more than \$15 an hour just to cover basic necessities: \$28.70 in New York City, \$24.06 in Los Angeles and \$23.94 in Washington D.C.

Furthermore, to put these figures in perspective, one should consider that if the minimum wage had risen in step with productivity growth since 1968, it would be over \$24 an hour today. A minimum wage of \$24 would mean that a full-time, minimum-wage worker would be earning \$48,000 a year.

The 1968 minimum wage rate, \$1.60 per hour, was actually worth slightly more than the equivalent of \$10 today, taking inflation into account.

The \$15-an-hour minimum wage was first proposed by the organizations around the Democratic Party in 2012. Due to inflation, even if it were actually enacted by 2025, it will have already lost 22 percent of its value compared to when it was first proposed.

The fraud of the “Fight for 15”

The nearly decades-long campaign for a \$15 minimum wage, widely known as the “Fight for 15,” has been conducted within the framework of the Democratic Party and its political operatives in the trade unions and pseudo-left organizations.

The campaign was originally spearheaded in 2012 by the Service Employees International Union (SEIU) and has been the programmatic centerpiece of groups like Socialist Alternative and the Democratic Socialists of America (DSA), both of which are oriented to the Democratic Party. The demand was also picked up by Democratic presidential nominee Bernie Sanders, who made it part of his platform in his campaigns for the Democratic presidential nomination in both 2016 and 2020. It was officially added to the Democratic Party's platform, a largely meaningless document, in 2016.

While workers’ demands for a living wage are entirely legitimate, the organizations claiming to fight for them are, in fact, not on their side. The trade unions are at the forefront of the fight to contain workers struggles and force through the dictates of the political establishment. For its part, the SEIU used the campaign largely to unionize low-wage workers so it could collect dues from these highly exploited layers. The campaign’s original name, which the SEIU still uses today, is “The Fight for 15 and a Union.”

Many unions have sought to implement so-called “escape clauses” or waivers in order to avoid minimum wage requirements. These clauses allow employers who agree to accept the union to pay less than minimum wage. A clause of this kind was written into the famous Proposition 1 that covered SeaTac (Seattle-Tacoma airport) in Washington state, which was backed not only by the SEIU, but also by Socialist Alternative and its spokeswoman Kshama Sawant, a member of the Seattle City Council.

In every instance, the trade union bureaucracies are revealed to be nothing more than tools of the corporations, bargaining on behalf of the companies, not the workers. Just this past December SEIU Local 121RN shut down a strike by Southern California nurses, who were demanding safe staffing levels and protections in the COVID-19 pandemic. Earlier in the year, SEIU blocked a strike of 10,000 nursing home workers across the state of Illinois.

In reality, the efforts to pass a meager minimum wage increase are part of an effort by the ruling class and its functionaries in the Democratic Party and the trade unions to

contain the growth of working class struggles and anti-capitalist sentiment, while standardizing the lowering of wages overall.

The poverty level of \$15 an hour will become, if and when it is ever actually implemented, not just a minimum but a maximum. With the collaboration of the unions, corporations have engaged in a decades-long assault on the wages and benefits of workers who previously earned significantly more than the minimum wage—the byproduct of the massive social struggles of an earlier period.

The fight for a good job, health care, a secure retirement, a living wage and more cannot be achieved by appealing to the very same forces that are responsible for the horrific conditions under which workers now exist.

What has been revealed so decisively throughout the past year of the COVID-19 pandemic is the staggering level of indifference and contempt the ruling class and both of its parties have for the lives of workers. Next to nothing has been done to provide even the most basic necessities for workers whose jobs have been destroyed. Faced with the prospect of destitution and homelessness, workers are being forced back into the factories and workplaces by means of economic blackmail to risk their lives to make a living.

Meanwhile, the ruling class has utilized the crisis to carry out a massive transfer of wealth to the rich, leaving US billionaires with \$1.1 trillion in additional wealth since March 2020.

None of the basic necessities of life can be maintained outside of a political struggle against the capitalist profit system, a struggle that can be successfully waged only on the basis of a complete break with the Democratic and Republican parties and all the organizations that operate in their orbit.

The perspective driving the struggle must not be for mild reforms, which the ruling class will in any case not grant, but for revolution—the expropriation of the corporate oligarchs and the overthrow of capitalist property relations through the establishment of democratic control over the giant banks and corporations.



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