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Pros and cons of a higher minimum wage

By Jane Erikson

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Experts concerned about the nation's income gap offer a variety of solutions, including increasing financial literacy and raising the minimum wage.

The first is politically noncontroversial. The second is a hot potato.

Financial literacy results from teaching people how to control spending, stay out of debt and save for the future, advocates say. It can mean helping people with their tax returns and making sure those who qualify apply for the Earned Income Tax Credit, which can save families up to \$4,400 per year.

Raising the minimum wage is recommended by socially liberal groups such as the Center for Budget and Policy Priorities, which co-authored the recent "Pulling Apart" report on the nation's widening income gap.

The Arizona Minimum Wage Coalition, backed by the AFL-CIO, hopes to get on the November ballot with a proposal to raise the minimum wage in the state from \$5.15 an hour to \$6.75.

Dan Duncan, vice president of the United Way of Tucson and Southern Arizona, said he worries about the number of individuals coming to his agency for assistance — 15,072 in 2004; 16,353 last year.

"Families need to have a livable wage, and one of the ways to do that would be exploring raising the minimum wage," Duncan said last week.

Arizona is one of six states that have no minimum-wage laws, relying instead on the federal government's \$5.15 an hour. Most people working for that wage would be living below the federal poverty definition of \$9,800 for a single person.

Taking into account cost-of-living increases, "it's lower than the minimum wage in 1950," Bob Schwartz, chairman of the local Five Fifteen Isn't Working coalition, told the Star earlier this year.

But former state Sen. Tom Patterson, a Phoenix Republican who now chairs the Goldwater Institute, said raising the minimum wage could hurt high school dropouts, illegal immigrants and others who depend on low-wage jobs.

"Raising the minimum wage kills people like that," Patterson said. "At the end of the day, it's going to reduce the demand for cheap low-end labor, and that will result in increased unemployment. And that's the last thing we need."

Jack Camper, president of the Tucson Metropolitan Chamber of Commerce, said business does not expect a minimum wage to feed a family of four.

"It's supposed to give somebody an entry into the work force, and they can go up from there," Camper said. "As they improve their skills and bring more value to the company, they make more money."

• Contact reporter Jane Erikson at 573-4118 or jerikson@azstarnet.com.

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