

WORKFORCE DEVELOPMENT

Thinking Bigger in Local Minimum Wage Campaigns: The Fight for \$15 in Seattle

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Seattle recently passed the highest minimum wage in the country, \$15 an hour phased in over 3-7 years, with temporary credits for health care spending and tips. While Seattle's \$15 agreement is complex, the principles it reflects are straightforward: Workers get a substantial pay boost to \$15 an hour, smaller businesses get time to adapt, and our local economy sees a \$3 billion boost to the paychecks of 100,000 low-wage workers over the next decade.[\[i\]](#)

This victory for low-income workers was the product of multiple intersecting forces including: The national economic and political climate; local political shifts; and smart, strategic organizing that seized this moment of opportunity.



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Why raise the minimum wage?

At a moment when the labor movement is losing ground – including basic collective bargaining rights following recent U.S. Supreme Court decisions^[ii] – some workers and labor institutions have decided to take a new approach to building power and supporting struggling families. Raising the minimum wage is the most potent poverty reduction tool in our current economic and policy arsenal. Even for low-income Americans receiving public assistance, 70% of their income is tied to their wage and employment status^[iii].

Workers at the bottom of the income ladder have also been hit particularly hard by widening income inequality and increasing long-term unemployment in the recession and post-recession economy^[iv]. Wage income is more important than ever to raising the fortunes of low-income families^[v].

Yet rising inequality has broken the link between economic growth and broadly shared prosperity that characterized post-WWII American history^[vi]. Without strong pressure on companies to share the wealth with workers, gains have increasingly accrued to the top earners.

So how do we reverse wage stagnation?

Historically, major advances for workers have been won through politics at the federal level, or through campaigns to organize workers at major employers. But political gridlock means Congress is unlikely to yield any progress. And the current state of collective bargaining law presents few viable opportunities to take on corporate recalcitrance and bargain new worker victories on any significant scale.

This situation has left an opportunity at the local level to find real solutions to these challenges. And as public opinion consolidates — minimum wage increases tend to poll well — state and local minimum wage initiatives are sprouting up across the country^[vii].

Setting the stage for change: Shifts in the economic and political climate

The overall picture of the deterioration of our economy and increasing concentration of wealth is by now well-known:

- The gap between the top 1% and the rest of us has grown to crisis levels not seen since the Great Depression^[viii].
- Real hourly wages have been stagnant for several decades^[ix].
- Low-wage jobs are growing much faster than the rest of the economy^[x].



- Labor unions represent an ever-decreasing share of workers[xi]. The share of income going to the top 10% has a consistent inverse relationship with union membership over the past 100 years[xii], and as membership has fallen, the top 10% have grown wealthier.

While income inequality, depressed wages, and declining unions represent long-term trends, the magnitude and permanence of the economic change we've undergone has only become widely recognized since the Great Recession, the bank bailouts, and their aftermath.

During the bleak times of recessionary free-fall in 2011, the Occupy movement emerged. In a moment when the people had little real economic power, activists created a new term – the 99% – that summarized many Americans' frustration and emphasized our shared economic pain not to mention our political divisions. Occupy focused public attention on the issue of income inequality and helped create a sense of moral and economic crisis about the gap between the top 1% and the 99%.

Since Occupy, worker unrest has continued to grow and amplify the public narrative about inequality. In late 2012, the Walmart Black Friday strikes and national fast food strikes set the stage for climate in which workers' demands for a better life could be taken seriously.[xiii] When fast food workers launched the first strike in their industry with a bold and even somewhat implausible-sounding demand for \$15 an hour, it sparked a level of attention surprisingly strong support. Suddenly — or rather, at last — we had a movement exciting enough and a demand transformative enough to measure up to the crisis at hand, launched by a radically disempowered and disrespected workforce in one of the least-paid and lowest-status occupations.

Many would have called organizing in the rapidly growing fast food industry impossible. It was common for critics to dismiss a much-stereotyped workforce of “teens and dropouts” paid minimum wage for serving customers of large profitable corporations, while trying to survive in some of the most expensive cities in the world. Against those odds, it was these workers, instead of the frustrated narrative of Occupy, who were fighting back to change the economy — and winning broad public support for their efforts.

Testing the waters: Airport workers win \$15 at the ballot box in SeaTac WA



In November 2013, the first \$15 minimum wage in the nation was passed in SeaTac, Washington (a suburb of Seattle). SeaTac Proposition 1 established an inflation-adjusted \$15 minimum wage for workers at large transportation and hospitality employers in and around Sea-Tac International Airport. The first time the \$15 minimum wage was tested at the ballot box, workers won, demonstrating that \$15 was not a dream or a negotiable demand, but the spark of a new movement for economic justice.

The \$15 minimum wage went to the ballot in SeaTac only after a long period of workplace-based mobilization by airport workers. Baggage handlers, cabin cleaners and other service workers had once been direct employees of airlines or the airport, but over the past decades their jobs have been contracted out and their wages eroded. As a result, a publicly owned airport was staffed by thousands of invisible poverty-wage workers, employed by an alphabet soup of little-known contractors to serve the customers of national-brand airlines.^[xiv] After a high-profile campaign failed to win concessions from the dominant local airline or the public agency that runs the airport, workers and community supporters were left with only one option: take it to voters with a local initiative. Though the victory in the November election was a narrow one, it remains a signal success for the \$15 movement, showing the scale of change that is possible in the current climate.

Although court challenges have meant that Proposition 1 remains unrealized for many workers, the political momentum for higher wages continues to build. Alaska Airlines — the dominant economic player at the airport and a key corporate target of the worker campaign — has recently paid for its subcontractors to raise wages to \$12/hour, and announced this move to the media.^[xv] And the governmental body that controls the airport, the Port of Seattle, is touting a process to establish new wage guidelines for airport workers.^[xvi] While neither of these moves is sufficient, they do reflect the intense level of public support for lifting up poverty-wage workers, and the ongoing political pressure to find a way forward.

Seizing the moment: Fighting for \$15 in Seattle

The national and regional stage was set for a big move in Seattle. Within just a few months of the first Seattle fast food strike in May 2013, both candidates in the race for Seattle mayor had publicly endorsed a \$15 minimum wage, and were even engaging in one-upmanship about who was a better champion of the issue.^[xvii]

At the same time, the only seriously contested race for City Council focused almost entirely on the \$15 minimum wage. Kshama Sawant — political outsider,

academic, and socialist — emerged as a towering political figure in the city after successfully challenging a long-term incumbent on a pro-worker, \$15 wage platform. Between the Mayoral and City Council races and the SeaTac ballot measure on the ballot, the political debate in Seattle was shifting with extraordinary speed.

The momentum continued after Election Day. Even before his swearing in, incoming Seattle Mayor Ed Murray announced plans to convene an Income Inequality Advisory Committee (IIAC) to quickly produce recommendations on how best to raise the minimum wage. Co-chaired by myself and local hotel investor Howard S. Wright III, the IIAC brought together representatives of workers, business, nonprofits, and community groups to hash out a plan to raise the minimum wage. Working under a deadline set in part by the mayor and in part by the looming possibility of ballot initiative, the IIAC was, after a few fits and starts, able to reach overwhelming agreement on a compromise plan the mayor forwarded to city council. (Only two members of the IIAC voted no — a business owner who demanded less, and Councilmember Sawant, who demanded more. The head of the local Chamber of Commerce abstained.^[xviii])

Though it does include some compromises, the IIAC agreement ratifies every key demand of the worker movement for \$15/hour. It ensures that:

- Every low-wage worker gets a significant raise every year on the way to \$15/hour and beyond.
- Every workers benefits from a robust system of community based enforcement of labor standards.
- After the phase-in period, everyone gets to a true \$15 minimum wage with no deductions for tips or benefits, adjusted annually for inflation.

Policy research helped to bring it home: Economic impacts of raising the wage

While worker voices changed what was possible, strategic data gathering and policy research helped win the debate on this new terrain. As part of its process, the city commissioned two reports that played a key role.

University of Washington researchers investigated which workers would be affected by a \$15 minimum wage, breaking down the numbers by industry as well as along demographic lines. This work established some powerful data points and lent them official bearing including, crucially, that there are approximately 100,000 workers paid less \$15 an hour in the City of Seattle (whose total population is

about 600,000); and that these workers overwhelmingly are employed in larger worksites, not smaller ones.^[xix]

University of California, Berkeley researchers took a close look at the economic impacts in other cities that had raised their minimum wages over the past decade. Their careful survey convincingly demonstrated to decision makers, journalists, and other influencers that higher wages do *not* result in job loss. Moving this key issue from a contentious question to a matter of settled fact has contributed greatly to the success of the campaign so far. Business claims about job losses have been greeted with an air of skepticism in many quarters quite unlike other recent debates on labor standards.^[xx]

Locally, the community empowerment organization Puget Sound Sage generated a series of reports that responded quickly to key questions around impacts on different groups such as tipped workers; women, immigrants, and people of color. They also reported on the overall economic impact of higher wages. Puget Sound Sage's local credibility and ability to produce convincing and strategic analysis of emerging questions was a critical part of the effort for \$15^[xxi]

A summary of the data collected by researchers:

- Decreasing poverty: If there were no changes in the labor market, an increase in the minimum wage to \$15 per hour would reduce the share of Seattle residents whose family income was below the poverty line from 13.6% to 9.4% (University of Washington)
- Dispelling the myth that this hasn't been done before: A raise in the minimum wage of \$9.32 to \$15 would be a 61% increase. In 2003-2004, Santa Fe raised its minimum wage from \$5.15 to \$8.50, a 65% increase with no net impact on employment or store closures—IIR Policy Brief, "*Do Businesses Flee Citywide Minimum Wage*," (Sept. 2006). When Washington State raised the minimum wage in 1989, the tip credit was also eliminated. The result was an 85% increase in the minimum wage for tipped workers over those two years. Restaurant employment continued to grow. (Source: *The Stranger*, 2/2/2014)
- Cost increases: a Political Economy Research Institute study (Sept. 2013) estimated that a minimum wage increase from \$7.25 to \$10.50 (45%) would increase fast food restaurants' cost of doing business by 2.7%^[xxii]. The *Seattle Times* recently estimated that raise in the minimum wage to \$15 would at most raise consumers' cost of dining out by 7% –*Seattle Times*, citing UC Berkeley research (March 12, 2014)
- On store closures and layoffs:
 - Other cities which have raised minimum wage showed no significant impact on employment or retail store closures. *Seattle Times* (relying on a UC Berkeley report studying San Francisco + 8 cities and 21 states with higher base pay than the federal minimum wage) showed almost no effect on employment

rates because of higher productivity, less turnover and modest increase in prices at the restaurants – *Seattle Times* (March 12, 2014)

- Studies of the Washington/Idaho border showed that rather than business flight to lower-wage Idaho, wages rose in Idaho to remain competitive with WA. And Big Macs cost the same. *Washington Post* (Jan. 8, 2014)

For the next wave: Lessons from the \$15 campaigns in SeaTac and Seattle

The public mood on the economy has shifted, offering us the possibility to seize new political opportunities to win gains for workers on a historic scale. In fact, the 100,000 Seattle workers whose wages would be substantially lifted by the mayor's \$15 minimum wage plan is greater than the number of workers organized in any single National Labor Relations Board election in U.S. history.^[xxiii]

Seattle has shown that public and political opinion can be moved dramatically in a very short time. It was less than a year from the first time fast food workers strike demanding \$15 an hour on May 30, 2013 to the mayor's announcement of a concrete plan to reach a \$15 wage on May 1, 2014. This extraordinary speed wasn't borne of a longstanding plan; it happened because advocates had the flexibility to seize the new political opportunities before us.

Public debate in Seattle has been transformed through the relentless appearance of workers articulating their aspirations, and solidified by the new data-driven consensus that higher wages lift the economy. Supporters of the \$15 minimum wage of all stripes have been extremely disciplined in reiterating the commonsense "middle out" argument about how economics works: more people with more money means more customers for more businesses.

Notably, working people have presented as people, not just workers. They're seen as our neighbors first, not activists. Instead of talking about their jobs, they've talked about their lives, their families, their struggles, and their aspirations. This is a rare workplace struggle where the debate has not focused on the workplace itself, but rather on our communities and our economic future. The result has been new perceptions of who low-wage workers are, what they deserve, and whether they matter.

And perhaps because Seattle's \$15 movement began in fast food — an industry not generally considered to have much intrinsic value — the focus has remained sharp on the universal human needs of working people rather than the "worth" of the particular type of labor they engage in. Universalizing this sense of who is

“deserving” has compounded the middle-out storyline, underlining the sense that higher wages are also a near universal economic benefit.

While polling has shown overwhelming support for the case workers have articulated, low-wage workers could not have won this struggle alone. It has been critical throughout the process to allow space for grassroots organizations and community business to come along. Their endorsements have been valuable ratifications of worker voices, helping move perceptions of worker demands from quixotic hopes to serious plans.

Another critical lesson is that high minimum wage numbers can rapidly become normalized. Initially, the demand for \$15 sounded quite high to many observers — including some staffers and even some low-wage workers — but with repetition and endorsement it became normalized.

Overall, the success of the \$15 effort in Seattle has demonstrated that worker voices can shape and move opinion about the economy — even more than business owners, elected officials, and journalists. In a recent poll, fast food workers registered as the group considered “most trusted” on the minimum wage. They came in significantly ahead of our new mayor, and far outpaced the Restaurant Association, the Chamber of Commerce, and the *Seattle Times*.^[xxiv]

The same poll also showed that public can be quite sophisticated and engaged in understanding these issues. An astonishing 74% of Seattle voters offered support for the idea of a \$15 minimum wage, up slightly from 68% earlier in the year. And the support appears to be firm: 87% of Seattle voters said they’re paying attention to the debate. Perhaps this close attention explains why many have been able to sympathize with some business concerns while maintaining a sharp commitment to the clear call offered by workers that bold action is necessary to take on the central moral and economic crisis of our era.

Most importantly, Seattle shows that by positioning the debate as a question of corporate profits or workers’ lives, ongoing mobilization by workers can keep the political debate focused on friendly terrain, offering new opportunities for bold policy moves that take on income inequality and lift up workers.



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organization which represents more than 2.1 million workers in the United States, Canada and Puerto Rico.

[i] Vallesterio Keenan, Nicole. "Implications of the Mayor's Proposal for a \$15 Minimum Wage," Sound Progress, 5/12/2014. Accessed at: <http://soundprogress.wordpress.com/2014/05/12/implications-of-mayors-proposal/>

[ii] <http://www.epi.org/blog/courts-harris-quinn-decision-undermines/>

[iii] <http://talkpoverty.org/2014/06/18/gould/>

[iv] <http://www.motherjones.com/politics/2013/09/charts-income-inequality-middle-class-census>; <http://www.epi.org/publication/raising-americas-pay/#figure-S>

[v] <http://www.epi.org/publication/raising-wages-key-improving-incomes-income/>

[vi] <http://www.nasdaq.com/article/productivity-gains-not-being-shared-with-the-workforce-cm345539>

[vii] A Wall Street Journal/NBC News poll found 63% support nationwide for a \$10.10 Federal minimum wage, including 47% of Republicans. And a Washington State poll on a proposal to increase the statewide minimum to \$12/hour shows 65% support. See Morath, Eric. "Support for \$10.10 Minimum Wage," Wall Street Journal, 12/11/2013. Accessed at <http://online.wsj.com/news/articles/SB1000142405270230333020457925047300549288C> and Minard, Anna, "New Poll Finds Strong Statewide Support for Raising the Minimum Wage," The Stranger 2/4/2014. Accessed at <http://slog.thestranger.com/slog/archives/2014/02/04/new-poll-finds-strong-statewide-support-for-raising-the-minimum-wage/?oid=18821539&show=comments&sort=desc&display=>

[viii] DeSilver, Drew. "U.S. income inequality, on rise for decades, is now highest since 1928," Pew Research Center, 12/5/2013. Accessed at: <http://www.pewresearch.org/fact-tank/2013/12/05/u-s-income-inequality-on-rise-for-decades-is-now-highest-since-1928/>

[ix] Mishel, Lawrence and Colin Gordon, "Real hourly wage growth: The last generation," Working Economics: Economic Policy Institute, 10/10/2012. Accessed at: <http://www.epi.org/blog/real-hourly-wage-growth-last->

generation/. Real hourly wages of the median worker are up less than 4% since 1973, while productivity has risen 80%.

[x] Bureau of Labor Statistics, “Occupations with the most job growth,” 12/19/2013. Accessed at: http://www.bls.gov/emp/ep_table_104.htm. A ninth occupation, “Secretaries and administrative assistants, except legal, medical, and executive,” has a median annual wage just above the full-time equivalent of \$15/hour.

[xi] Bureau of Labor Statistics, “Union Membership (Annual) News Release,” 1/24/2014. Accessed at: <http://www.bls.gov/news.release/union2.htm>. Just 6.7% of private sector workers were members of unions in 2013.

[xii] <http://www.epi.org/blog/union-decline-rising-inequality-charts/>

[xiii] <http://thinkprogress.org/economy/2013/11/29/3005101/walmart-workers-risking-arrest-strike/>

[xiv] For more background on the SeaTac Airport economy, see Medoza, David, et al. “First-class airport, Poverty-wage jobs,” Puget Sound Sage, May 2012. Accessed at <http://www.pugetsoundsage.org/downloads/First-class%20Airport,%20Poverty-class%20Jobs.pdf>

[xv] Gross, Ashley. “Amid Minimum Wage Debate, Alaska Air Gives Contractors A Raise To \$12 An Hour,” KPLU, 5/20/2014. Accessed at <http://www.kplu.org/post/amid-minimum-wage-debate-alaska-air-gives-contractors-raise-12-hour>

[xvi] Heffter, Emily. “Port of Seattle says it will act by June on airport-wages issue,” Seattle Times, 1/7/2014. Accessed at http://seattletimes.com/html/localnews/2022616972_portcommissionxml.html

[xvii] “Seattle Mayor would support minimum wage above \$15,” Associated Press, 10/9/2013. Accessed at <http://www.usatoday.com/story/news/nation/2013/10/09/seattle-mayor-would-support-minimum-wage-above-15/2955019/>

[xviii] Barnett, Erica. “With Labor and Business Support, Murray Announces Minimum Wage Plan,” Publicola, 5/1/2014. Accessed at: <http://www.seattlemet.com/news-and-profiles/publicola/articles/murray-announces-minimum-wage-plan-may-2014>

[xix] “Local Minimum Wage Laws: Impacts on Workers, Families and Businesses,” the city-commissioned study by University of Washington

Evans School of Public Affairs researchers, is available at:
http://murray.seattle.gov/wp-content/uploads/2014/03/Evans-report-3_21_14-+-appdx.pdf

[xx] “Who Would be Affected by an Increase in Seattle’s Minimum Wage?” the city-commissioned study by University of California, Berkeley researchers, is available at: <http://murray.seattle.gov/wp-content/uploads/2014/03/UC-Berkeley-IIAC-Report-3-20-2014.pdf>

[xxi] Numerous policy briefs and other research produced by Puget Sound Sage are available at their Sound Progress blog:
<http://soundprogress.wordpress.com/>

[xxii] The Costs to Fast-Food Restaurants of a Minimum Wage Increase to \$10.50 per Hour. Jeannette Wicks-Lim and Robert Pollin, Political Economy Research Institute, University of Massachusetts, Amherst, September 2013

[xxiii] Harold Meyerson argues that the Seattle minimum wage proposal is akin to a form of collective bargaining in “Collective Bargaining Reborn?” The American Prospect, 5/27/2014. Available at:
<http://prospect.org/article/seattles-15-minimum-wage-agreement-collective-bargaining-reborn>. The largest NLRB election, at the Ford River Rouge plant, covered about 85,000 workers in a single vote.

[xxiv] Minard, Anna, “New Poll on the \$15 Minimum Wage Shows Support in Seattle is Higher Than Ever: 74 Percent,” The Stranger, 5/14/2014. Accessed at <http://slog.thestranger.com/slog/archives/2014/05/14/new-poll-on-the-15-minimum-wage-shows-support-in-seattle-is-higher-than-ever-at-74-percent>