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The Campaign for a Bigger Paycheck

By THE EDITORIAL BOARD JAN. 1, 2014

Aided by a vast flow of corporate and right-wing money, Republicans have spent years persuading the public that the deficit is the nation's biggest financial problem and that austerity is the answer to it. Their success in making that argument — keeping taxes and government investment low — has helped increase American income inequality to crisis proportions: 95 percent of the income gains since 2009 have gone to the top 1 percent. The majority of the country has stagnated or lost ground, leaving the economy sluggish.

Democrats have largely been passive or defensive as all the wage increases flowed upward, but they have vowed to take a more aggressive stand this year. Last week, they announced a nationwide campaign in 2014 for a higher minimum wage, showing how it would help the economy and reduce inequality, while highlighting the cost of the adamant Republican opposition to the idea. They also plan to press for wage-increase referendums in states with crucial Congressional races this November.

It's smart politics. More than three-quarters of Americans support a wage higher than the current \$7.25 an hour, and Republicans will be hard-pressed to explain why they oppose it. The issue might bring people to the polls who would otherwise be indifferent to midterm Congressional elections.

But more important, it's good economics, and it would benefit tens of millions of people. Raising the minimum wage to \$10.10 an hour by 2016,

as the current Democratic bill would do, would directly or indirectly increase the take-home pay of 27.8 million workers, according to the Economic Policy Institute, adding \$35 billion in greater wages through 2016. The resulting increase in gross domestic product would create 85,000 new jobs.

The minimum wage would still not go high enough, fast enough. If it had kept pace with inflation, it would now be \$10.77 an hour. But at least the Democratic bill, sponsored by Representative George Miller of California and Senator Tom Harkin of Iowa, would, for the first time, automatically index the wage to inflation each year after 2016.

Republicans have reflexively opposed any mandate that would force their business supporters to reward workers for the increased productivity. Some want to abolish the minimum wage altogether. In March, every Republican in the House voted against a measure to raise the minimum wage. “When you raise the price of employment, guess what happens? You get less of it,” said Speaker John Boehner in February, espousing a party-line theory that most economists agree has been discredited.

This campaign, if Democrats fully pursue it, could help demonstrate to voters how intransigent Republicans have been on the most fundamental and popular elements of a strong recovery. Most do not even acknowledge that the country has an inequality problem, and they have systematically worked to deny those at the bottom and in the middle from access to food stamps, health insurance and unemployment benefits. It’s no surprise that the only thing Republicans want to discuss are the stumbles of health care reform. An aggressive stand on inequality issues could knock them out of that loop.

As important as a minimum-wage increase would be, Democrats shouldn’t stop there. It would be heartening to see the party give the same support to other aspects of Mr. Obama’s inequality agenda, including universal preschool, career and technical education, infrastructure investment and stronger collective-bargaining laws. But working toward a decent paycheck is a good place to start.

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