

The D.C. City Council  
1350 Pennsylvania Avenue, NW  
Washington, DC 20004

September 19, 2013

Dear Councilmembers Alexander, Bonds, Bowser, Catania, Cheh, and Wells:

In opposing the Large Retailer Accountability Act (LRAA) yesterday, each of you declared that you support the goal of higher wages for District workers, but thought the LRAA was a flawed bill. As displayed by the recent Hart Research poll showing 71% support for the LRAA and by the protest in the chamber during the vote, your constituents are wondering whether you still strongly support the goal of higher wages. **I am writing to suggest three initiatives that could dispel such doubts and benefit your constituents.**

**1. Support a strong across-the-board living wage bill.** Many of you claimed that the LRAA unfairly targeted a few companies, insisting on responsibility from some while letting other businesses get away with poverty wages. If this is your reason for finding the bill flawed, will you support an across-the-board living wage bill for the District of Columbia? Here are three guideposts to help set a respectable minimum wage level for the District:

First, prominent economists assert that the minimum wage should be set at about *half of the median wage*, thus ensuring higher wages without major market distortions. Throughout the 1960s and 1970s, the U.S. federal minimum wage was about half of the U.S. median wage; today it is 37 percent of the median wage. Half of the national median wage is about \$10.

Second, the city with *the highest minimum wage in the country* is Santa Fe, New Mexico: \$10.51 per hour, indexed to inflation. Since the District is one of the most expensive American cities to live in, we should aim to at least match Santa Fe's commitment to a minimum wage above \$10.50.

Third, *the peak federal minimum wage*, enacted in 1968, has an inflation-adjusted value of \$10.75. The District can lead the way in catching up to 1968, reclaiming the wage level lost to inflation and inaction by Congress.

Think about these benchmarks as you debate an across-the-board living wage bill. Also, *consider the wages lost to inflation as you phase bills in over multiple years*. Though Councilman Catania's and Councilman Wells' minimum wage proposals would bring the minimum wage in nominal dollars

above \$10, they leave the final minimum wage -- arrived at in 2016 in Catania's bill and in 2015 in Wells' bill -- at a real dollar value of \$9.79 in 2013 dollars.<sup>1</sup> A respectable minimum wage would work as H.R. 1346, The Catching Up to 1968 Act, in Congress does: raising the minimum wage to at least \$10.50 in current, real dollars and phasing it in over only 60 days.

**2. Lobby for a metropolitan area and a federal minimum wage.** Many of you worried that an LRAA bill would drive jobs out of the District and into Maryland and Virginia. One way to address this problem would be to pursue an *interstate compact on a living wage*. A metropolitan area-wide living wage compact bringing Arlington, Alexandria, Falls Church, Montgomery County and Prince George's County together in raising their minimum wages would alleviate this concern.

In addition, you should *lobby Congress to pass a higher federal minimum wage*, such as H.R. 1346, The Catching Up to 1968 Act of 2013, which would raise the minimum wage to \$10.50 and index it to inflation. Consider leading a multi-city coalition to pressure Congress.

**3. Develop alternatives to big-box retailers.** Many of you accepted Walmart's arrogant ultimatum that it was indispensable to certain wards. Walmart is not the only alternative to food deserts and unemployment in the District. We must ensure that there are alternatives to big-box stores that provide good, affordable food and jobs without paying poverty wages. To develop such alternatives, you should engage in discussions with the National Cooperative Bank (NCB), which we pressed through Congress in 1978 and is located in the District at 2001 Pennsylvania Avenue, NW, Suite 625. The NCB's mission is to offer loans and technical assistance to start consumer cooperatives. Indeed the NCB is committed to serving low-income communities and has helped build retail and housing cooperatives in underserved areas.

Over the years, the NCB's supply of loan capacity and technical assistance has not been tapped as fully as is possible -- in part because few city officials around the country have heard of its mission and its unique availability. It is worthwhile for you and your staff to meet with their staff and determine what the NCB could do to help create modern retail cooperatives in the District.

Your LRAA votes have disappointed many District of Columbia residents. If you lead on the initiatives

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<sup>1</sup> If inflation keeps pace with the average inflation rate over the past three years, then \$10.50 in 2016 (Catania's bill) and \$10.25 in 2015 (Wells' bill) will both result in an inflation-adjusted wage of \$9.79 in 2013 dollars. If inflation over the next three years is 1.86%, as predicted by the Cleveland Federal Reserve, then a \$10.50 minimum wage law fully enacted in 2016 will result in an inflation-adjusted wage of \$9.92 in 2013 dollars. A \$10.25 minimum wage law fully enacted in 2015 will result in an inflation-adjusted wage of \$9.87. Even at this higher estimate, workers will still earn **\$1206.40 less a year** (with Catania's bill) and **\$790.40 less a year** (with Wells' bill) than they would have if the bills: (a) went into effect over sixty days instead of multiple years; or (b) went into effect over multiple years but reached a higher nominal minimum wage value than \$10.25 or \$10.50.

outlined in this letter, you would show us that -- even though you voted against the LRAA -- you are still interested in working now on behalf of our community's low-wage workers without further delay.

Sincerely,

Ralph Nader

TimeForARaise.org

CC: Mayor Vincent Gray  
Chairman Phil Mendelson  
Mr. Marion Barry  
Mr. Jack Evans  
Mr. Jim Graham  
Mr. David Grosso  
Mr. Kenyan McDuffie  
Mr. Vincent Orange