

What McDonald's won't pay, taxpayers will

Marty Trillhaase/Lewiston Tribune

On \$7.25 an hour, no minimum-wage Idaho worker will escape abject poverty unless:

- He's a minor living at home with his parents.
- He relies on Medicaid for his children and gets coverage if lawmakers ever accept the federal offer to expand coverage to able-bodied adults, for himself.
- He receives food stamps.
- He gets an Earned Income Tax Credit.

One world view says that's a lot of taxpayer-provided freebies to the worker.

The other sees billions of taxpayer-provided subsidies to the employers.

Consider what Joan Walsh outlined in [Salon.Com](#) during the weekend.

The fast-food industry accounts for \$7 billion annually in benefits paid to its workers - according to a study from the University of California-Berkeley's Labor Center and the University of Illinois.

The people working for McDonald's pick up about \$1.2 billion in public assistance. Put another way, one-sixth of McDonald's \$7.44 billion in profits and virtually all of the \$52.7 million paid to its top executives would not be possible without the boost taxpayers provide.

About 60 percent of the people working for Walmart are making less than \$25,000.

Says the Committee for Better Banks, one of every three bank tellers makes so little that she qualifies for help from the government.

Without the taxpayers to prop them up, those industries - and others like them - face some stark choices: They could provide their workers with better wages and benefits, which means paying executives less money and shareholders smaller dividends.

Or they could accept the consequences of an even more financially desperate workforce.

Such as greater absenteeism. Parents would spend less time on the job because they're home tending to a child who couldn't get access to a health care provider.

Such as greater turnover. Workers would be jumping from job to job in search of even the most meager benefits and pay.

Such as a diminution in the quality of their product, which just may lead to fewer customers and lower profits.

Part of this can be traced to President Bill Clinton's bargain with the GOP-led Congress to "end welfare as we have come to know it" in the 1990s. The arrangement was government programs would help fill in some of the gaps for people who were moving from welfare to work.

But since then, the rungs on the economic ladder have begun to disappear, leaving fewer opportunities beyond minimum-wage jobs. Idaho now leads the nation in the proportion - 7.7 percent - of its jobs that pay minimum wage. The number of Idaho's minimum wage jobs mushroomed by 63 percent and no other state comes close.

Unlike Washington and other states, Idaho stands by the federal minimum - which hasn't changed in more than four years. If it were adjusted for inflation, Idaho's minimum wage would be closer to \$10.60 an hour. Were the wage high enough to assure a full-time employee a reasonable standard of living, it would be \$14.32 an hour.

Which brings us to a grass-roots initiative campaign aimed at moving Idaho's wage incrementally toward \$9.80 by 2019.

Critics, such as Congressman Raul Labrador, R-Idaho, contend minimum wage laws distort the economy.

But how much more distorted can an economy become when taxpayers are compelled to subsidize well-heeled employers and shareholders who want to pay starvation wages?- M.T.