

Perspectives on a Living Wage

In July 2006, the Chicago City Council passed an ordinance which required retailers with gross annual sales of \$1 billion to pay their workers \$10 an hour with \$3 in benefits by 2010. How will this affect the citizens of Chicago? Amy Goodman talks to Chicago aldermen and organizers to find out.

PROGRAM 1:

CHICAGO'S BIG-BOX ORDINANCE

The following program was recorded at the studio of Democracy Now! on July 31, 2006.



Amy Goodman: Welcome to P.O.V.'s special series of web conversations on "Waging a Living." I'm Amy Goodman. In late July of 2006, Chicago City Council approved a groundbreaking measure requiring large retailers to pay workers a living wage. Retailers with over one billion dollars in sales would be required to pay workers at least \$10 an hour and \$3 in benefits by the year 2010. The vote makes Chicago the largest city with such a rule. The measure passed 35-14 despite opposition from Chicago Mayor Richard Daley and retail giants like Wal-Mart and Target. They threatened to abandon urban areas for suburban locations if the measure were approved. The passage of the Chicago ordinance comes a week after a federal judge struck down a measure in Maryland that would have forced Wal-Mart to pay more for health care for its workers. It also comes on the heels of Congress's rejection of a proposal to increase the federal minimum wage from the present \$5.15 an hour.

We go now to Chicago for a conversation with Alderman Ed Smith, chair of Chicago's Black Caucus, Chicago resident Toni Foulkes, Shiren Rattigan-Ouni, a field organizer with the community organization ACORN, and Alderman Joe Moore, chief sponsor of the measure.

We begin with Joe Moore. Can you talk about your strategy for victory and why you sponsored this bill?



Alderman Joe Moore: Well this ordinance is incredibly significant, Amy. The ordinance calls for the big-box retailers — retailers like Wal-Mart, Target, Home Depot and the like, any retail store with over 90,000 square feet of retail space — to pay their employees by the year 2010 at least \$10 an hour in wages and to provide the equivalent of \$3 an hour in benefits. This will be phased in over time. It will start out at \$9.25 for wages and \$1.50 for benefits, and it will gradually rise to the \$10 and \$3 figure.

The principle underlying this is that nobody should work a full day's work and not be able to get out of poverty. A job should lift someone out of poverty, not keep someone in it. There's been a very big concern given the fact that Chicago, like just about every other region in the country, has seen the loss of manufacturing jobs that traditionally paid good wages and provided decent benefits, and they've been substituted by these service center jobs, primarily in the retail market. And so the effort of this ordinance is to try to affect that and provide for the 10,000 Chicagoans who work in big-box retailers a wage by which they can support their families and lift themselves out of poverty.



Amy Goodman: We called Wal-Mart and they did send us a statement that read in part, "This vote sends a message that Chicago is closed for business, closed for development and closed for job creation." Alderman Ed Smith, you are a chair of the Chicago City Council Black Caucus. There was a special effort on the part of the big-box stores like Target and Wal-Mart to target the black community, saying that they are going to go to the suburbs and they will not be focusing and bringing jobs to the inner city if this ordinance is passed. Can you talk about what was the response within the black community?



Alderman Ed Smith: The issue divided our community. There were a lot of ministers who were on either side of the issue. But I think the reason why the big-box stores targeted our area is because they felt they could sensitize the elected officials in the City Council and force them into a position where they would not vote for the big-box.

But I'll say to you that this ordinance has been around for a long time. We've been trying to do living wage in the City Council for a long time, and it's very significant because people go out and work in these stores, and as they work they get sick, they still end up at county hospital trying to get health services because they don't have any benefits. It is our responsibility to make sure that we do everything that we possibly can to get people to get paid fair wages for a full day's work and that was not the case with Wal-Mart. Now, we want all of the big companies, do not let them tell you that we don't want Wal-Mart and any other big companies; we want all the stores, all the companies, all the businesses we can get to come into our community. But we want them to come in and pay people fairly for the work that they do in those companies.



Amy Goodman: Your colleague, Alderman Isaac Caruthers said he found it amazing that his colleagues are willing to take the risk that Wal-Mart and Target are bluffing. He said, "When it comes to the West Side, they're willing to gamble, let's gamble with my side of town."



Alderman Ed Smith: He has the right to make the speech that he wants to make, but mind you, I voted for the first Wal-Mart that Alderman Emma Mitts put together when it came to the City Council, I spoke for it. And I supported it. But it's not a matter of gambling. Wal-Mart

can have people pay a penny on every item that is sold in those stores and pay minimum, fair wage all over the country. They make a lot of money. So we're not gambling, we're just saying to the companies, have some integrity, have some character, come in and pay people fairly. That's all we're asking.



Amy Goodman: We're also joined by ACORN, the organization that has been working on living wage campaigns around the country. In Chicago we're joined by Shiren Rattigan-Ouni as well as Toni Foulkes. Toni Foulkes has been leading the charge as a grassroots organizer in Chicago. Toni, if you can talk about the issues that you had to address, that most people were concerned about, this issue of Target and Wal-Mart abandoning the black community.



Toni Foulkes: Basically, Wal-Mart said repeatedly that the company was not going to come to Chicago. That was the biggest fear, that Wal-Mart was going to build in the suburbs. But there's no place else to build. That is why there was so much momentum around the Chicago ordinance. Because every city in the United States was watching Chicago.

Where is Wal-Mart going to build? They had saturated the suburban areas all over the country, so now they're ready to leave Chicago. But it is only a threat that they would close down the store. If Wal-Mart wanted to close down a store — and we've seen it done in Canada — they would close down the store. They would stop construction right now on that West Side project if they were not coming to Chicago. They just closed down all their stores in Germany. Why? Because Germany was an organized country: on the first day of work in Germany, workers get six months of paid vacation, plus they were unionized.

Wal-Mart doesn't want their stores to be unionized, we understand that. They tried to make it a union issue. The union knew that if they tried to organize they would close down shop. We've seen it done in other countries. So they're coming, we want their business and they want our money. And we're looking forward to it, to them coming.



Amy Goodman: Can you talk about what your strategy was? When did you first take on this struggle?



Toni Foulkes: About two years ago, we heard that Wal-Mart was coming to the 21st ward, and we didn't want them to come because of their employment practices. Wal-Mart was a horrible company. We educated our community about it, and that was the main thing. We did the grassroots, we hit the streets, we educated people everywhere.

Personally, I would talk to whoever would talk to me, in grocery stores and everywhere else. These last nine or ten days [before the ordinance passed], I carried materials in a backpack, including a DVD player with the Wal-Mart movie just to let people see.

We educated our community and it has paid off. The people united and we can see what happened as a result. I want to thank all the Aldermen. Alderman Smith, you really blew me away.



Amy Goodman: In what way?



Toni Foulkes: Because I was four years old when Martin Luther King, Jr. passed away. So, those people, including Alderman Smith, are my elders. They marched with Dr. King. So it was hard for me to see the black community split up like that over the issue of the big-box ordinance; we didn't stand together. And so to see Alderman Smith change his mind and change his vote, that just blew me away.

It showed me that we do have hope, we do have some leaders that can show the younger generation that there's still hope in our communities. And I appreciate that, I really do.



Amy Goodman: Alderman Smith, your response?



Alderman Ed Smith: Toni's been very vocal, been very vigilant in trying to get the word out to people. That's what you have to do, especially when you think the issue is an issue that is really good for our community, you go out and promote that. She's done what she's had to do. Joe Moore has also done a great job in promoting this ordinance.

When you read about the history and the record of Wal-Mart, one doesn't have to be Nostradamus to figure out what one needs to do. We are concerned about the people who work in these companies. We want those big-box stores, but we want them to pay their workers fair wages. That's only asking what ought to be, so I supported the issue.



Alderman Joe Moore: This is Joe Moore from Chicago speaking. I want to say that Alderman Ed Smith stood very strong. He had a lot of people on both sides of the issue in his ward and he tried to broker a compromise. The problem was that Wal-Mart had funded most of the campaign against this ordinance. They have a slash and burn kind of approach to this. It is all or nothing with them. And there is no brokering, there is no compromise at Wal-Mart, and Ed and a number of his other West Side colleagues did the right thing and said, Look, we've got to protect our people, make sure that they have a wage when they work that is sufficient to support themselves.



Amy Goodman: Joe Moore, what about this issue of calling these company's bluffs and being willing to risk people losing their jobs, Wal-Mart or Target leaving the neighborhood or not building in the community?



Alderman Joe Moore: Look, no one can predict the future, but you can look at what the experience of other cities has been. Chicago is not the first city to put in a living wage ordinance; there have been a number of cities that have done so: Washington D.C.; Albuquerque, New Mexico; Santa Fe, New Mexico and San Francisco, California. In each and every one of those case, business, as they do whenever you talk about increasing wages and providing more benefits or more worker protections, businesses say, It's going to cost jobs, we're going to leave the area. Each and every time the opposite occurs.

We can look at Santa Fe, New Mexico for an example. Since Santa Fe put a living wage ordinance into place, they have seen an increase in job growth that exceeds the state of New Mexico as a whole. They've also seen a growth in retail sales that exceeds the state of New Mexico as a whole. And a new Super Wal-Mart is opening in the heart of Santa Fe, New Mexico. San Francisco, same deal. Both cities have had academic studies done on the economic effects of their living wage ordinances, and as a matter of fact the study in San Francisco found no negative impact economically in terms of job growth or in terms of retail sales. In San Francisco a Home Depot will be opening up soon where they will be paying their employees \$10.75 an hour.

So the bottom line, and I think Ms. Foulkes brought it up, is that the big-box stores have saturated the suburban markets and the world markets. Wal-Mart and the other big-box retailers have just started looking at Chicago and at other big cities, and they didn't look at us 20 years ago. There was no living wage on the books. They are looking at us now because there's nowhere else left for them to go, and there's a huge untapped market in urban areas. If these companies are to remain profitable, they have to expand, and cities are the last bastion of untapped market potential for these big companies. They're going to come here because there is a buck to be made. And the same threats and the same blackmail that occurred here occurred in other cities, and yet when the dust settled, they still came.



Amy Goodman: Speaking of bucks, how much money was arrayed against you and how national were the forces that were fighting you, and then I want to ask where Mayor Daley fits into this.



Alderman Joe Moore: Unlike us elected officials, Wal-Mart doesn't have to file campaign disclosure reports. But I can tell you that there were full-page newspaper ads financed by Wal-Mart, television ads financed by Wal-Mart. And they made some campaign contributions as well that may or may not have helped them along the way. The bottom line is we were very well

organized, but ours is a grassroots effort, theirs was a "throw money at us" effort.

Every day one of the major daily newspapers had, in the last couple of weeks, a newspaper editorial weighing against this ordinance. I've never seen so many newspaper editorials on one issue in such a short period of time. So it was a concerted effort to try, especially in more economically needy areas, to threaten to pull out, to threaten not to come, to try to divide people. And it was very disturbing to see the divisiveness that occurred in the city, but I think people see through it and will come together.



Amy Goodman: Bringing the issue of economic and racial justice together, I'm wondering, Alderman Ed Smith, as head of the Chicago City Council's Black Caucus, if you can talk about where race does fit into this story and the organizing around the ordinance.



Alderman Ed Smith: I would hope that race would not fit into it, I really hope that was not the case, but I can tell you that in our community we need good jobs and we need people to have the wherewithal to work and we need fairness in the workplace. I don't want anyone to go out and purport the story that we do not want companies to come to Chicago, that we are closed for business. Nothing is further from the truth. We are here, we beat the bushes every single day trying to find people who want to come into the community. That's one of the responsibilities; that we go out beyond the call of duty and try and get companies to come here.

But we want companies to come here and work with our people, try our best to move them up the economic ladder, and that is not the case here. People tried to say that this ordinance is fighting to keep Wal-Mart from coming in. That was a story they tried to promote. That is not the case. How can I tell a Mr. Franklin Williams or Miss Jones in my community: "Okay, you work in a Wal-Mart, I'm going to vote against the big-box ordinance to keep you from making another \$2 on your paycheck"? How could I tell members of my community: "I don't want to support you getting another \$2 on your lousy \$7.50 an hour"?

So this ordinance is about including people in the economic strata that is meaningful. I don't want Miss Jones to get sick on her job at Wal-Mart where she works 40 hours a week, and when she gets sick she's got to go to Cook County hospital to try to get health services. That's unfair. It does not speak well for the company; it does not bode well for people who work at those companies. So we have a responsibility here to do everything we possibly can to make sure that the economics with those companies change for the people who go there and work.



Amy Goodman: I was a reading the *Chicago Defender*, the black paper in your city, and they quoted Bishop Arthur Brazier, pastor of the Apostolic Church of God and Christ in Woodlawn, and he said that people who need jobs are not necessarily interested in the starting salary. He said these jobs are not for heads of households. People would love to have a job for \$7 or \$8 an hour, that it is immoral to deprive people of jobs.



Alderman Ed Smith: I want the Reverend to have his say; he has a right to have his say. But the Reverend also has a responsibility to speak for the people that he serves and for the general community. Those people go to church. It is just common knowledge to me, if people make more money, possibly they can put more into the coffers on a Sunday morning. That's what it appears to me. But for all of these ministers to be out here beating up on us and trying to promote the [idea] that we are bad for the community, we should not be in public office simply because we want people to be paid fairly, I don't understand that.



Alderman Joe Moore: That's what I don't understand. The immorality is having people work for wages that they can't live on, that's the immoral part. And that's what slays me, particularly from a company, we're not talking about small mom and pop here, we're talking about the second largest corporation in the world, Wal-Mart, with profits last year of \$11.4 billion dollars.



Toni Foulkes: Exactly. And I also want to add to that, those who were against the big-box ordinance keep saying these are entry level jobs, and I think they forgot how many people lost their jobs after 9/11. I have a personal friend who lost a \$45,000 job who now works at Target, and she went from \$45,000 a year plus benefits to \$192 a week. These are not dope addicts and felons, these are people who are trying to raise their families. These are mothers, daughters, people who had good incomes that need something just to pay the basic bills.



Alderman Ed Smith: It doesn't make any difference whether you are entry level or not, you need to be paid fairly, that's the point we're trying to make. Now, if you look at the salary of the chief executive officer of Wal-Mart, this gentleman makes \$34,999,999.99 a year. He works 40 hours a week like everybody else. But Mrs. Jones who works 40 hours a week, she makes \$308 a week, and she only makes a bit under \$16,000 a year. The chief executive officer makes \$16,000 an hour. He makes more in one hour than that poor lady who works and makes for the whole year. Now, you talk about immorality. My goodness, how more immoral can you get? It's awful.



Shiren Rattigan-Ouni: This is Shiren Rattigan-Ouni, and I want to say that I'm really embarrassed — I guess that's the term I can think of — of our community, to say that we will take anything. We are people who are hungry for jobs; we are not starving, we will not take breadcrumbs. We are respectable people, we have dignity and we have honor and we expect respect. We expect regular living wages. Again it goes back to just morals — how can you have people working for you a full week and they can't even afford the necessities of life, have to live with lots of people in the house to afford their rent? I just don't understand how you can expect people to come to work and have a good morale at work when you're keeping them in slave

wages. That's basically working for free. What are you supposed to have for yourself? How are you supposed to get up?

They want to use the entry level argument. How are you supposed to get up in life if you can't even make it, period? How are you supposed to be advancing yourself, how are you supposed to be taking the steps — if you want to say Wal-Mart is a stepping stone, if you want to use that argument, then how are we supposed to be advancing if it's not a stepping stone. A stepping stone is supposed to help elevate you, move you to the next level, and it's not doing that. And how dare they come in and say we're not even worth \$10 an hour, what it costs to let us live. I'm embarrassed.



Alderman Joe Moore: There's a lot of myth purveying going on here on their side. Myth number one: that if we require them to pay a decent wage they won't come in the city. Myth number two: the whole idea of this entry level job. Another one of the big-box retailers, Target, has a turnover rate of 90 percent at most of their stores. That means that out of 100 people who start out at Target, by the end of the year, 90 of them are gone. These are not the kind of jobs where you start and you can work your way up, like in the old days you start in the steel industry and you work your way up to foreman. These are jobs people take because they are desperate. That's why we had all these lines outside when the Wal-Mart stores opened up with people looking for jobs. It's not that they want to make \$7.25 an hour. They have no other choice; there's nothing else available.



Amy Goodman: Alderman Joe Moore, you have compared the whole living wage campaign to the New Deal of FDR.



Alderman Joe Moore: That's right. It was almost 70 years ago when FDR helped usher through the Fair Labor Standards Act, which put into place a minimum wage of 40 cents an hour, outlawed child labor, and established a 40-hour work week. We take all these things for granted now, but at the time, FDR was accused of being a Socialist and accused of putting into place something that would kill business and destroy jobs.

What he did was put into place something that would help usher in one of the largest economic expansions in the history of mankind, and helped create the middle class and gave people an opportunity to give their children a life that was better than what they had, to own a home, to purchase an automobile, to do all the things that we take for granted, and things that so many increasing numbers of families are not able to experience anymore. We are in danger of losing the American dream. We are in danger of having two societies, one of the few at the top, the very, very well off, and the many at the bottom, and nobody in the middle. The federal government has failed in its responsibilities, and this ordinance is an effort of the local government, to come in, try to fill the void and do what we can to protect the people we

represent.



Toni Foulkes: I agree, and I think if we don't give companies like Wal-Mart a limit or a standard, we see what they do in other countries of the world. Without setting a standard, they would pay pennies. They would pay a dollar a day. If we don't say, We demand a fair wage, we demand a willing wage, then they would pay us pennies. In other countries, in Asia, for example, because the expectations are so much lower, Wal-Mart will pay lower, not because they think the people deserve a living wage, just because they think, "We might as well as save some money."



Alderman Joe Moore: The free market does have a role to play, but there are instances where the free market simply does not do what is necessary to protect people. And that is where government has to step in. Government steps in to look out for the common good. The role of the free market is to maximize profits; there's nothing wrong with that. But there needs to be a role for government to insure that nobody gets left behind and that the common good is protected, and that's what government did in the past, and at least that's what those of us on a local level are trying to do now.



Amy Goodman: Alderman Ed Smith, right now you've got veto-proof majority, 35 to 14, so whatever the Chicago mayor does, Mayor Daley, if you maintain that majority in September he will not be able to veto this. But he's talked about, well, putting his hopes in the court, a court challenge. What have you done from your side to assure that this will be upheld by the courts?



Alderman Ed Smith: Well, I haven't done anything with the courts, but I do put a lot of faith in the people who voted for this ordinance, and I think they voted their conscience, they voted for their people, and I think they are going to stay together no matter what those others are, whether there is an attempt to veto it or not. But you can never second-guess the courts, we never know what they are going to do. We know that in some instances these things could be overturned in the court. So we've done the right thing, and no matter what happens hereafter, that's what we've done.



Amy Goodman: In what way, where do you think the court could challenge this and how?



Alderman Joe Moore: We took great pains to draft an ordinance that we believe will withstand judicial challenge. However, there are a number of ways they can challenge it. Their strongest argument is probably that this ordinance exceeds the city of Chicago's home rule authority. Each state has different rules as to how much localities can do to pass laws. Illinois has a very generous home rule authority, which means that local governments can cast a lot of laws that look out for the health and welfare of their citizens. We believe that this law does encompass

Chicago's home rule authority. They've got some other arguments about equal protection and risks. In terms of those arguments, even our own law department, which is part of Mayor Daley's administration, acknowledges those are very weak arguments. They probably would not be upheld in court.



Amy Goodman: Shiren Rattigan-Ouni, ACORN has taken up this issue all over the country. Where do you go from here and how significant is Chicago in the national struggle for living wage?



Shiren Rattigan-Ouni: ACORN is one of the largest national organizations on this issue. We're working really hard, and everyone is waiting and holding our breaths, crossing fingers, calling each other, calling the mayor's office. We're waiting to see whether this ordinance will be put into effect. Are the people, the workers going to rule? Or is it going to be the media and the money? Because there's two ways to get power in the United States, I feel. It's with money or people. I have faith in the people, and I think they will rule.



Amy Goodman: Finally, Ed Smith, you're chair of the Chicago Council Black Caucus. Toni Foulkes talked about Dr. Martin Luther King, Jr. and he came to Chicago to talk about issues of economic justice, and actually lived there to work on organizing. How do you relate that campaign decades ago to what's happening today in Chicago?



Alderman Ed Smith: I think that's a very significant point. Fortunately I met Dr. King when I was a young man back down in Mississippi. I was born and reared there. And Dr. King lost his life because he was down in Memphis trying his best to make sure that people got paid for the work that they did, and I don't think we can forget that. I think that should be something that is passed on to posterity; everyone needs to understand that there have been a lot of people out here who have worked hard for the rights of individuals who could not fight for themselves. We should never forget that. And we have been blessed enough to be in a public venue which is the Chicago City Council where we can fight for our people and for the people who are in need. And we can never jettison that responsibility.

We need to do everything we possibly can do and take up the cause, whether it is Martin Luther King, Jr.'s cause or whether it is the Mahatma Gandhi cause or the Thoreau cause; it doesn't make any difference. The right thing to do is to make sure that you have done everything at the end of the day to promote the general welfare of the people that you serve and the general community, that's where I am.



Amy Goodman: Aldermen Ed Smith, Joe Moore, ACORN organizer Shiren Rattigan-Ouni and community member Toni Foulkes, I want to thank you very much for joining us, we certainly

will continue to follow this issue.

Next Program: [Poverty in New York City »](#)

↕ TOP OF PAGE