

September 29, 2008

The Honorable Barack Obama
United States Senate
Hart Building #713
2nd & C Streets, NE
Washington, DC 20510

Dear Senator Obama,

Greetings. We write to you again in earnest about the repressive nature of the Federal Minimum Wage as it exists today. It was passed by both halves of Congress in 1938 under the Fair Labor Standards Act as an appropriate response to hundreds of thousands of men wandering our nation looking for work post the depression. Today however, it has now devolved into a repressive mechanism that ensures that millions of minimum wage workers will remain in poverty even if they work a governmental standard 40 hour week job. We continue to raise the Federal Minimum Wage to a level that fails to provide a living wage (basic food, clothing, and shelter). This is inappropriate, immoral, and detrimental to the general morale of our nation's working poor.

Recent discussions by respected leaders such as John Edwards suggest that we do not fully grasp the economic situation. Any attempt to fix the FMW by simply picking a number out of the air (\$10.00 and then indexing this to some cost of living index, indicates that we fail to realize that this is a nation of thousands of small economies. HUD on the other hand, does acknowledge this as is evidenced in their Fair Market Rent, FMR values as applied in their Section 8 landlord/tenant subsidy program. Here, HUD, uses a fairly sophisticated formula to determine what one could reasonably expect to have to pay to afford an efficiency apartment, a one-bedroom apartment, etc. The Universal Living Wage Formula couples that formula with two other government standards 1) spend no more than 30% of one's income on housing (HUD standard and supposed banking standard) and 2) that of a 40 hour work week to create a localized wage such as that used by the US Military with it's Base Housing Allowance, (BAH). The result is a wage amount that specifically reflects and matches the cost of apartments at each of the described levels. Note that because the section 8 formula includes the cost of utilities so does the ULW wage. The end result is this: under the Federal Minimum Wage, we ensure that if a person produces forty units of work, they will be able to afford basic food, clothing and shelter (including utilities) no matter where that work is done throughout the United States.

Under the Edwards type of adjustment of selecting a single increased wage to say \$10.00 per hour and linking it to the cost of living, we are certain to swamp hundreds of thousands of small businesses in southern and rural American while providing an overly generous income to workers who really only need the basics. On the other hand, to arbitrarily select \$10.00 per hour would be an amount that is wholly inadequate and insufficient to house and sustain any homeless minimum wage worker throughout urban America. Just consider a few cities such as Washington, DC where you live or Austin, Texas where I live and envision paying all the bills on only \$10.00 per hour. Again, we would only be ensuring poverty with this approach.

However, if we embrace the U.S. military pay standard and its incorporation of geographic considerations, we see that the ULW formula makes an infinite amount of sense! The ULW formula is indexed to the local cost of housing using the U.S. Section 8 formula and ensures that anyone working 40 hours in a week will be able to afford basic food, clothing, shelter (utilities included), public transportation and access to health care- emergency room entrance fee. By knowing that if as a worker, I put in my 40 hours I can have the basics of life, I can be drawn back into the general workforce and away from the dole. I know I can reach out and touch a dignified life and don't have to prostitute my sisters and sell drugs to my brothers.

Many false road block arguments have been presented to this concept. One is that while the ULW may be economically sound and morally correct, it can't be achieved given the history of the struggle to raise the minimum wage by even just a few cents. We understand both the argument and the struggle. However, raising the minimum wage by it \$.25 or \$2.25 over time, is unexciting at best and a fool's mission at worst. If our goal sets a mark that only takes us less than the distance to reach the benchmark of poverty we do little more than ensure that poverty for millions of people. But, if we embrace a morale stance, an ethical stance, that embraces the concept of "a fair wage for a fair days work," and we pursue a standard that raises people out of poverty, out of homelessness, that pulls people off the dole and onto the tax base and one that positively works to reduce the billions of wasted dollars in retraining costs suffered by small business and stops the practice of using people like tissue paper and discarding them and if we do all of this over a 10 year ease-in period, than we may well effect true change.

When 3.5 million homeless people can earn living wages they will achieve dignity and feel fairness has returned to their world. When people can earn a living wage, small businesses will stabilize with ready, willing, able and loyal employees just as was evidenced by Henry Ford's experience when he almost doubled the wage to \$5.00 per day and revolutionized the car industry having successfully addressed the daunting problem of retraining costs.

Today, with just volunteers and no governmental resources, we have amassed over 1,000,000 registered voters comprised of businesses, faith based organizations, non-profits, and unions who support the concept of tweaking the existing Federal Minimum Wage and creating a Universal Living Wage. We can only imagine the force of support that we could bring to bare were we to have your support and a bill to rally behind. Thank you.

In Unity There is Strength,

Richard R. Troxell Universal Living Wage Campaign
National Chairman
National Coalition for the Homeless
Livable Incomes Coordinator

rrtroxell@aol.com