

New Jersey Needs a Raise

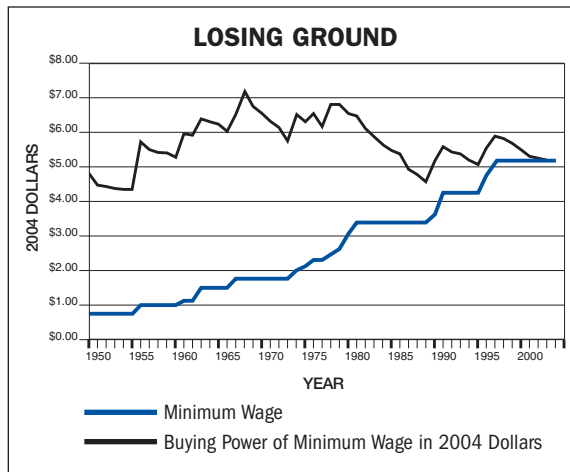
How would you get by on \$5.15 an hour?

For too many people that's not an abstract question. It's something they face every day. And many have been doing it for a long time because New Jersey's minimum wage hasn't gone up since 1999.

New Jersey's minimum wage used to be the highest in the country. But a state law passed the same year says it can't go above the federal minimum wage. That's impossible to defend—not with the cost of living in New Jersey a third higher than the national average. Consider:

- Working 40 hours a week at minimum wage grosses just \$10,712 a year.
- If the federal minimum wage had just kept pace with inflation since 1997 it would be \$6.09 today.
- If the minimum wage rose at the same rate as CEO pay since 1990 it would be over \$14 an hour.
- Our \$5.15 an hour wage is the same as the five states with the nation's lowest cost of living—Arkansas, Tennessee, Oklahoma, Texas and North Dakota.

These facts and others, as laid out in the NJPP report, *Slip Slidin' Away: \$5.15 an Hour is Not Enough*, make a compelling case for giving New Jersey a raise. Rather than lagging behind, New Jersey should set the national standard. Raising the minimum wage to at least \$7.50 an hour would bring a pay increase to more than 300,000 working



people—of whom 59 percent are women and 78 percent are over the age of 20.

That's too many people—making too little money—to ignore.

One argument often used against paying people enough to live is that giving them a

raise would force companies to increase prices. But it's not so. According to research by the Brennan Center for Justice, if Wal-Mart gave each of its employees a \$1 an hour hike, and the company wanted to maintain its profit level, it would have to raise the cost of each item it sells by just half a cent.

The truth is that the buying power of the minimum wage is shamefully low, especially compared to the amount of money that is required to be self-sufficient—with no reliance on government assistance—in New Jersey. What it takes to support a one-parent, one-child family with no frills in this state ranges from around \$13 an hour in Camden County to more than \$19 in Hunterdon. In Mercer County it would take 129 hours a week at minimum wage to afford the average one-bedroom apartment.

New Jersey's neighbors have gotten the message. Connecticut, Delaware, Rhode Island and Massachusetts all have a minimum wage higher than the federal wage. And as this is written the New York legislature has passed an increase and is contemplating an override of the Governor's veto.

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PRESIDENT'S MESSAGE

Getting it Done

Many of you probably worked hard in support of progressive candidates for office in the 2004 primaries and general election, hoping their ideas would prevail against the anti-government policies that have been so disappointingly dominant in recent years.

At New Jersey Policy Perspective, we think it's crucial to create a political climate in this state and this country that both promotes progressive policies *and* puts pressure on people in office to enact them. So while, as a nonpartisan, nonprofit organization, we don't get involved in campaigns and elections, we certainly are not neutral in the fight over ideas and values.

We're trying hard to do for the liberal or progressive (call it what you will) side what right-wing think tanks do so successfully for their point of view: shaping the terms of debate; crunching numbers; aggressively pursuing strategic communications techniques to get the word out; building coalitions. In the seven years of NJPP's existence we've been in the thick of things, and lately we've seen some notable successes.

It was highly gratifying when Gov. McGreevey signed into law the new top bracket of the state income tax—a measure that grew out of the NJPP report calling for such an increase that we issued in 2002. The report led to creation of the Fairness Alliance, a coalition of more than 100 organizations representing hundreds of thousands of New Jersey citizens. Starting early in 2003 the Alliance rallied, canvassed and mobilized. Editorial support grew. The common sense appeal of recapturing some of the windfall from federal income tax cuts that fell disproportionately to the wealthiest residents became clear in a state beset by budget woes and sharply rising property taxes that place a severe burden on middle- and low-income households.

Our work on business incentives has also brought action. After NJPP released *Taking Care of Business: Does it Cost Too Much?*, the State Treasurer asked Rutgers University to evaluate the Business Employment Incentive Program in light of our critique. The Rutgers study declared that NJPP's report was "well argued" and endorsed some of its key recommendations.

We've grown in influence, scope and impact because of people like you. And we want to keep growing, to do a better and better job on important issues, to work even more with other organizations across the spectrum of issues to build a coalition for change in New Jersey. For progressive candidates to be successful, progressive ideas must lead the way.

—Jon Shure

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NJPP is a nonprofit, nonpartisan organization founded in 1997 to conduct research on state policy issues in New Jersey.

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Friends of NJPP Gather

A reception and silent auction of progressive-oriented political memorabilia in Florham Park attracted a nice crowd of NJPP trustees, friends and supporters. Popular items in the bidding included a signed book by Norman Thomas and an original editorial cartoon by Jimmy Marguiles of *The Record* newspaper. We were pleased by the money raised and the good cheer shared by the group. We'll do this again sometime, so sharpen your pencil.

1. June Fischer; Fred Hillmann
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Offshoring Study Makes Waves

The 21st century is here and there is no going back. But that shouldn't mean American workers lose the security and benefits that used to come with a job. There is nothing new about the US economy simultaneously creating and destroying jobs—few people work as blacksmiths today. What's changing, though, is that increasingly the new job isn't as good as the old one. The pay is less. The health coverage is weaker if it is there at all. There's no pension to speak of.

In *Perspective on Offshoring* by Policy Analyst Susan J. Bottino, NJPP laid out facts, figures and ideas aimed at sparking debate over what kind of economy New Jersey will have in the future. The report received wide media attention for its finding that one in eight New Jersey jobs—492,000 altogether—have the potential to be outsourced over-

seas. The number came from research conducted for NJPP by Prof. Cynthia A. Kroll of the University California-Berkeley, based on what kinds of work is most often being sent offshore. As the report pointed out, New Jersey's heavy reliance on service, communications and technology jobs—thought to be safe from offshoring because of the skills and education they require—actually makes the state a bit more vulnerable than the nation as a whole.

Reactionary responses are not the answer, the report made clear. But a higher level of government involvement to ease the impact on workers and their families is needed. The worker-employer playing field is simply not level enough to provide a solution without an active role by state and federal government.

WAGES *Continued from page 1*

There's a disturbing irony here. New Jersey spends millions of dollars a year competing with those states on business incentives to get firms to come here. But we do very little to make sure working people can make enough to live here.

There is talk of raising the federal minimum wage to \$7 an hour. But New Jersey can—and should—do better. We should raise the minimum wage to at least \$7.50 and that's not all. The new wage should be indexed so it rises automatically every year to reflect the cost of living or some similar standard. Then, people working hard to support their families and build a future wouldn't have to wait until politicians happen to get around to helping them.



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Opening Up the Budget Process

New Jersey needs to do more to provide accurate, timely, meaningful information on tax and budget issues, and a new NJPP report tells how.

Let the Sunshine In: Making New Jersey's Budget More Transparent, by Research Director Mary E. Forsberg, offers a range of recommendations aimed at helping citizens better understand, and influence, public policy on how tax dollars are spent. NJPP produced the report for the Association for Children of New Jersey.

Making the process more accountable and meaningful is not an end in itself, but a means for delivering dollars to where they are needed most and insuring there is vocal, informed debate on state priorities. Ideas evolved from discussions with current and former legislative and executive branch officials from both parties and an analysis of best budget practices in other states.

Let the Sunshine In calls for New Jersey to pass legislation requiring regular studies on how much the state foregoes from tax breaks and who gets them; how the burden of each state tax falls on households at various income levels; and other reports providing the public with access to more information than is available or easily obtainable now. For example, the state budget should be able to be obtained not just online but also in print, from a central location that any citizen can call or visit. And the state should set up a central distribution office for all governmental reports.

In addition, the report says that citizens must be able to provide input into the budget process at crucial times. Making things more open and accessible will not only allow the budget process to live up to its full potential, but also allow New Jersey's citizens to live up to theirs.

No Reply

As mentioned elsewhere on these pages, NJPP's report on business incentives received a lot of positive attention. In an editorial, the *Star-Ledger* called it "an important reality check."

But, alas, not everyone agreed. The executive director of the New Jersey Business and Industry Association was quoted in *The Record* saying the report was "garbage masquerading as research."

We're confident he changed his mind after actually reading ***Taking Care of Business: Does it Cost Too Much?*** In any case, we threw a challenge to him: let's debate the issues raised by the report—any time, any place. That was several months ago. We haven't heard back.

Let's Go Surfing

NJPP's website is growing in popularity. Between January and August of 2004 there were almost 22,000 hits to the home page, up from just under 15,000 over the same period in 2003.

We're glad people find helpful information and sound policy ideas on our site; now we're making it easier.

A redesign that improves navigation on the site will mean less scrolling, more clicking to get where you need to go. We're also dividing all our work into six categories by topic. If you're a regular, stop by and see the difference. And if you've never been, please visit us at <http://www.njpp.org>. You'll find all NJPP reports, commentaries and press releases, as well as links to policy, government and media sites. You might never want to leave.

Need a Speaker?

Recent and upcoming speaking appearances by NJPP staff members include: Association of Municipal Tax Assessors, AmeriCorps, Governor's School of Public Issues, New Jersey Human Resources Advisory Board, Community Relations Committee of MetroWest Jewish Communities, Guarini Center for Governmental Affairs lecture at Saint Peter's College, Trenton Area Soup Kitchen Hunger Forum, Appraisal Institute of New Jersey, Kean University anti-poverty conference, Franklin Coalition for Quality Schools & Tax Stabilization, UN Association and Sussex County Anti-poverty Forum. If you'd like to hear our take on major issues facing New Jersey and the nation, get in touch with NJPP. Spreading the word is part of our job.

Report, Panel Boost Voting

Ideas for increasing both voter eligibility and turnout were featured in an NJPP report by a noted law professor and a panel discussion that marked its release. Prof. Frank Askin of the Rutgers-Newark Law School, a longtime activist for expanding voter rights, wrote for NJPP *Let 'Em In and Get 'Em In: How to Give More People the Right—and the Reason—to Vote*. “The question now,” Askin said, “is how we expand both eligibility and turnout to make the process more credible and appealing to the public.”

The report called on New Jersey to join the seven states that let people register to vote right up to Election Day instead of banning those from voting who didn't sign up a month in advance. In those states, turnout is nearly 10 percent above the national average. Another key recommendation was for New Jersey to allow those on probation or parole to vote—a way to bring people back into the community and also end the disenfranchisement of a large portion of the African American male population. The report also said New Jersey should ease restrictions against third parties gaining equal status to the Democrats and Republicans, noting that no other state has anything so onerous as New Jersey's test of attracting 10 percent of the vote statewide in Assembly elections.

Four activists on the front lines of the voting reform fight reacted to the report at a panel discussion held by NJPP at Thomas Edison State College in Trenton. Deborah Jacobs



Askin



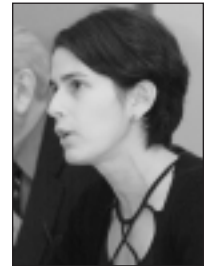
Cantor



Leach



Rapoport



Jacobs

of ACLU-NJ, Lionel Leach of Voter Empowerment New Jersey; Dan Cantor of the Working Families Party of New York and Miles Rapoport, president of Demos and former Connecticut Secretary of State all provided perspective on what needs to be done and how to do it.

It was an uplifting presentation, making us look forward to a day when everyone who wants to vote can, and everyone who can wants to.

**New Jersey Policy Perspective
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Union Bug

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