Covering the demands of low-wage workers

Since last November, low-paid McDonald's, Wendy's and Burger King employees periodically have walked picket lines carrying signs that read "Supersize Our Wages" and "Living Wages – Not Endless War" to bring national attention to the plight of the country's low-wage earners.

By the end of July, a series of rolling strikes hit the fast-food chains in the Midwest, with workers in St. Louis, Kansas City, Chicago, Detroit, Milwaukee and Flint, Mich., demanding an increase in the minimum wage.

Even though big national and international stories involving Syria and Egypt dominated the news, the mainstream media provided substantial coverage of the fast-food workers' strikes. The coverage touched the bases but often did not probe deeply into what life is like without a livable wage.

Most news agencies reported that fast-food workers at chain restaurants such as McDonalds, Burger King and Wendy's usually earn minimum wage ($7.25 an hour nationally) or just slightly higher. Working 40 hours a week, these low-wage earners can expect to make about $15,000 a year with no vacation time or sick leave, no retirement fund and no health care, since many low-wage earners can't afford the insurance offered by their employers.

Journalists reported that critics of the strikes claim fast-food employment is designed for entry-level employees such as students, and that those who remain at minimum-wage jobs lack the drive to compete for higher-paying jobs.

Critics say raising the minimum wage to meet the food workers' demands of $15 per hour would hurt the nation's job creators and ultimately result in the loss of thousands of low-paid jobs, because companies would either downsize or seek ways to automate.

Reporters have covered the story from different angles and pointed out each side’s shortcomings.

In an Aug. 29 online story, the Wall Street Journal downplayed the impact of the strikes. It reported that “McDonald’s Corp. and Wendy’s Co. said the protests had minimal effects on operations and that they were unaware of any shutdowns,” and discussed in detail union involvement, even mentioning the six-figure salary of one of the union organizers.

In contrast, a New Republic story Aug. 2 covered the impact in an entirely different light: “Striking workers can number as few as 10, protesting outside while most of their colleagues carry on inside. But the one-day strikes have shined a national spotlight on the low wages paid by companies like McDonald’s, Burger King and Wendy’s.”

The Huffington Post commented on My Fox Atlanta’s insensitivity when it ran a McDonald’s ad for a free Big Mac deal when readers clicked on the Aug. 29 story about the strikes. The online news organization reported that the ad was later removed.

The media’s scope has been broad, but reporters are skirting underlying issues such as a growing unease about income disparity, the slow pace of an economic recovery that promised to restore middle-class jobs (but isn’t) and Washington’s inability to focus on the country’s economic problems.

What follows is a brief analysis of how three news agencies – online, print and broadcast – used their reporting to raise questions about the country’s economic infrastructure and the fundamental changes needed to create a society in which all workers could earn a sustainable wage.

Mary Delach Leonard of the online St. Louis Beacon examined three differing viewpoints in her Aug. 26 article titled "Beaconomics: Should minimum wage be a living wage?"

She wrote that Martin Rafanan, organizer of STL735, a St. Louis group that advocates for a minimum-wage increase, said one reason the minimum wage has remained low is because workers haven't organized.

"Rafanan believes it is reasonable for the nation's 4 million fast-food workers to be paid $15 an hour, because the industry is highly profitable and successful," Delach Leonard wrote.

In the story, Rafanan said that, as a community, St. Louis is subsidizing those workers because adult workers — many of them women with children — must rely on the government for financial support.

In the article, she presented an opposing view from Michael Saltsman, research director of the Employment Policies Institute, who "believes that a $15 minimum wage would backfire, resulting in fewer job opportunities."

Saltsman's reasoning is that fast-food businesses operate on a small profit margin, and boosting labor costs will cause the industry to automate since it would be more cost-effective.

Delach Leonard also interviewed Benjamin Akande, dean of Webster University's School of Business and Technology, who said he "believes the minimum wage will eventually be increased, though he cautions that it will require a careful balancing act in light of the nation's still-struggling economy."

She wrote that Akande said finding middle ground is important — an increase that helps the nation's 4 million fast-food workers but doesn't hurt the struggling economy.

A New York Times editorial dated Aug. 31 criticized President Barack Obama's handling of the problem: "President Obama has noted, correctly, that increases in labor productivity have long failed to translate into higher wages for most Americans, even while income for the richest households has skyrocketed. His proposed remedies, however, leave much to be desired — a pathetic increase in the minimum wage, to $9 an hour by 2016, plus hopeful assertions that revolutions in energy, technology, manufacturing and health care will create good-paying jobs."

The editorial pointed out that growth alone would not translate to higher wages.

"What's missing are policies to ensure that a large and growing share of rising labor productivity flows to workers in the form of wages and salaries, rather than to executives and shareholders," the editorial stated. It also outlined proposals that included:

• Establishing an adequate minimum wage.

• Protection for workers who unionize and for undocumented workers who are exploited.

• Adopting regulations to prevent financial bubbles.

• Stronger regulation of existing labor laws.

• A progressive tax structure.

"They need, in brief, pro-labor policies that have been overlooked for decades, with devastating results: from 1979 to 2012, typical workers saw wage increases of just 5 percent, despite productivity growth of nearly 75 percent, while wage gains for low-wage workers were flat or declined," the editorial said. "Recent experience has been even worse. In the decade from 2002 to 2012, wages have stagnated or declined for the entire bottom 70 percent of the wage ladder."

Cinnamon Tigner, an employee at a St. Louis Wendy's restaurant, was among the guests on NPR's Diane Rehm show on

July 31. Rehm’s program focused on the fact that, even as the fast-food industry is making record profits and the top executives are earning millions annually, employees are making below-poverty-level wages – and the taxpayer is paying for the food stamps, subsidized housing and government-funded medical programs for these workers.

Rehm’s other guests included Saltsman, Lawrence Mishel of the Economic Policy Institute and Damian Paletta of the Wall Street Journal.

Paletta described the mood of the strikers and their reaction to the economic recovery this way: “I think it’s what sort of struck a chord with a lot of workers is that they see the stock market going up so much, they see a lot of people are really benefiting from this economic recovery. And a lot of Americans both working at restaurants, you know, fast-food restaurants and other places, feel like they’re not, you know, getting the benefits. And that’s the people that have jobs. There’s still, you know, millions of Americans that don’t have jobs at all. So I think there’s a lot of people that feel like they’re getting left behind by the recovery – and by, quite frankly, Washington – and they want something to be done about it.”

Tigner, who said she went on strike to try and make a difference for her child, said she’s been unable to find a higher-paying job and can’t save money for college.

Saltsman’s response was that if her minimum wage doubled, her employee then would have an incentive to buy expensive equipment that could replace her, because he would recoup his investment in a relatively short time. Then Tigner would be unemployed and worse off than she is now.

Saltsman also addressed the taxpayer-subsidized assistance available to low-income workers, saying, “We’ve already put in place policies like the earned income tax credit that represent a 30 percent to 40 percent wage supplement. Depending on the state you’re in, that’s an additional $5,000 to $7,000 a year.”

Because of the high unemployment rate, Mishel said, there is no incentive for companies to pay their workers better wages.

“We have a systemic problem of employers having the upper hand with high unemployment, with weak unions, lower minimum wage, with — without workers having ability to improve their wages,” he said.

Washington has spent little time, effort or political capital on the minimum-wage issue. The Fair Minimum Wage Act of 2013, which would raise the federal minimum wage to $10.10 incrementally over a three year period, was introduced by Rep. George Miller (D-Calif.) and Sen. Tom Harkin (D-Iowa) in March. Less than two weeks later it was rejected by the House, with all Republicans and six Democrats voting against it. The Senate has yet to schedule a hearing for the bill.

It is uncertain if the fast-food workers will be able to put enough pressure on elected officials to raise the minimum wage. But even if they succeed, questions will remain about income equality in the United States. And with their strained budgets and increased focus on national security interests, will news organizations be able to allocate resources necessary to cover the growing debate about income disparity and livable wages?