

The \$15 Minimum Wage: How Seattle workers seized the moment and made history

In June, Seattle passed the nation's highest minimum wage: \$15 an hour. The landmark legislation will directly lift the wages of more than 100,000 workers — about a quarter of the people who work in the city — providing a \$3 billion boost to workers' paychecks over the next decadeⁱ. But only a year before the Seattle City Council voted \$15 into law, no one in Seattle (or anywhere else) was seriously considering a wage hike this ambitious. How did Seattle pass a wage more than 60% higher than the current state minimum, and can workers reproduce this success in other American municipalities?

This is a story about fed up workers and a rising tide of populist resistance against income inequality. A story about the slow death of collective bargaining as a means of maintaining a viable middle class in America, and a union that took a chance on a new direction. A story about effective organizing that reengineered the public opinion climate, smart political bets, and a fortuitous confluence of events. And a story about a shot in the dark that became a ray of hope for a nation that desperately needs a raise.

Collective unrest, and labor's big bet

Over the past several decades, real hourly wages have been stagnant, labor union density has plummeted, low-wage occupations have grown faster than the rest of the job market, and the gap between the richest and the rest of us has grown to levels not seen since the Gilded Age.

Though considered a prosperous and progressive city, Seattle still tracks with national trends when it comes to inequality: 1 in 4 workers are paid poverty wages of less than \$15 an hour. The top 5% have an average annual income of \$423,000, while the bottom 20% average just \$13,000. Most groups of people of color do even worse, with *median* annual pay of \$31,200, the full-time equivalent of \$15 an hour. Meanwhile, both population growth and rent increases in Seattle are among the highest in the nation, consigning lower-income workers to long commutes from the suburbs. Seattle is at the same time a fast-growing city, a wealthy city, and an increasingly unaffordable city beset by many of the same problems as the rest of America.

While income inequality, depressed wages, and declining unions are long-term trends, the magnitude and permanence of the changes to the American only became widely recognized during the Great Recession and its aftermath, including the 'too big to fail' bank bailouts and a resurgence of record corporate profits.

During the bleak times of recessionary free-fall in 2011, the Occupy movement emerged. In a moment when the people had little movement or economic power, activists created a new term — the 99% — that summarized many Americans' frustration, and emphasized our broadly shared economic pain rather than our internal political divisions. Occupy crystallized

public attention around the moral and economic issue of income inequality, creating a sense of crisis about the huge and ever-growing gulf between the top 1% and the 99%.

In Seattle, the efforts of Occupy Seattle also galvanized a broadly-shared public sense that income inequality has become the crisis of our time. Suddenly the conversation about our economy shifted, and the sense of unrest was growing.



After Occupy, aggressive worker mobilizations continued nationally and in the Seattle area. Seattle saw, strikes and mobilizations by Wal-Mart workers, local berry pickers, grocery store workers, and the Boeing Machinists union. These very different fights shared a fundamental similarity: Workers were on the offensive, fighting back to change the economy — and winning broad public attention and support for their efforts.

Then came the demand for \$15. In late 2012, New York workers launched the first strike in the fast food industry with a bold, even somewhat implausible-sounding demand for \$15 an hour, sparking a level of attention and support that could not have been predicted. Suddenly — or rather, at last — we had a movement exciting enough and a demand transformative enough to measure up to the crisis at hand, launched by a radically disempowered and disrespected workforce in one of the least-paid and lowest-status occupations.

The stage was set in Seattle for change, and it was labor that seized the moment of opportunity with a bold experiment to win broad gains for workers.

A contract with the people: \$15 at SeaTac Airport

Working Washington, a Seattle-based workers' group backed by the Service Employees International Union (SEIU), had been organizing poverty-wage workers at Sea-Tac Airport since 2011. Baggage handlers, cabin cleaners, and other service workers had once been direct

employees of airlines or the airport, but over the past decades their jobs have been contracted out and their wages eroded. The result: Thousands of invisible poverty-wage workers at a publicly owned airport, employed by an alphabet soup of little-known contractors to serve the customers of national-brand airlines.ⁱⁱ Working Washington set a clear goal: Make every airport job a good job by organizing unions, raising wages, and improving labor standards for all workers at Sea-Tac.



Workers were not asking the airlines to end contracting out, to re-hire positions that had been outsourced, or otherwise turn back the clock to the middle class golden age of the 1960s. But the Port of Seattle and Alaska Air Group, the dominant airline at Sea-Tac, were not budging. Even in the changing political environment, and with a high level of worker mobilization, sustained public attention, and broad community support, there was no breakthrough for workers.

By 2013, workers and Working Washington decided to take a new tack to improve wages for workers: Take the New York fast food workers' demand for \$15, and bring it to the ballot box in the small city of SeaTac, the jurisdiction in which the entire Sea-Tac airport is located. The ballot measure — SeaTac Proposition 1 — established a \$15 minimum wage along with sick leave and other job protections for airport workers, and others who work in the transportation and tourism industry in SeaTac.

The initiative was initially only intended as a threat to induce the Port of Seattle and Alaska Airlines to play ball and allow workers to organize. To SEIU's surprise, Alaska and its contractors refused to budge. The goal of organizing workers into a union was set aside for

the moment, and proponents focused directly on lifting the lowest-paid workers out of poverty. This was a new type of union organizing, responding to a new economic moment: Broadening and universalizing the demand for higher wages to include not just union members, but all low-wage workers.

Proposition 1 was drafted to apply only to businesses which, because of their relationship to the airport, could not plausibly threaten to move out of town. It also exempted smaller businesses in general, aiming to focus the debate and limit the impact of the standard business arguments against higher wages. Nonetheless, the primary faces of opposition to Proposition 1 were smaller businesses — some of which were not even covered by the initiative. While SeaTac generally votes solidly (if not overwhelmingly) Democratic, it is far less progressive than Seattle itself, and is experiencing growing fractures between an older white working class voter base and a recent wave of new immigrants.

It was not an easy terrain for a \$15-an-hour ballot fight. In order to set the stage for victory, a broad-based community/labor coalition launched a voter registration drive, which in the months before the election added a thousand immigrants and low-wage workers to a voter base of just over 12,000. The coalition included labor organizations (UFCW, Unite-HERE, SEIU, Teamsters, King County Labor Council, and Working Washington) as well as local civic organization Puget Sound SAGE, faith leaders, Seattle venture capitalist Nick Hanauer, and small businesses.

Substantially expanding the electorate in this way was critical to the ultimate victory of Proposition 1 against a well-funded campaign by business interests. The initiative passed by fewer than 100 votes, after a recount. In November 2013, the first \$15 minimum wage in the nation was passed in SeaTac, Washington.



The victory for \$15 in SeaTac in what became a nationalized election was a signal moment for the minimum wage movement. Suddenly, \$15 an hour was not just a demand on a picket sign — it had drawn majority support and become a reality for thousands of workers. Instead of winning a union contract with the bosses, Working Washington and its allies won a contract with the people of SeaTac to raise wages to a livable level for the workers at the airport.

Fast food strikes go national, and an unlikely candidate

The SeaTac election was waged just a year after New York City fast food workers first went on strike in November 2012, calling for \$15 and a union. Over the course of that year, fast food strikes spread across the country from New York to Chicago, Milwaukee, Detroit, St. Louis, and beyond.

The movement landed in Seattle in late May 2013. Hundreds of fast food workers with Working Washington launched strikelines across the city. Two months afterwards, workers engaged in civil disobedience outside a downtown McDonald's. A month later, workers in Seattle joined the first-ever nationwide fast food strike, and immediately following, pickets sprouted up across the city when a fast food worker experienced retaliation by an employer.



At the same time, another opportunity arose. Election season was ramping up for City of Seattle mayoral and City Council candidates.

In June 2013, fast food workers joined grocery workers, childcare workers, and others to host a Seattle first: A mayoral candidates forum focused on low-wage worker issues. Every major candidate for mayor attended the event, which began with an exercise where each had to build a “poverty wage budget,” based on a minimum wage income and Seattle living expenses. Notably, when directly asked what they thought about a \$15 minimum wage, all the candidates hedged, except for one candidate who articulated a clear “no”.

This defensive stance was set to change radically in the coming months. Before the summer was out, candidate Ed Murray became the first mainstream politician in the nation to tread into unknown waters and announce his support for a \$15 minimum wage. Even leftwing stalwarts like Bernie Sanders and Dennis Kucinich hadn’t gone this far. But soon afterwards, incumbent Mike McGinn matched Murray’s courageous stance, and said he too supported \$15, even suggesting he might go higher. At the rally culminating the August 29th fast food strike, both Murray and McGinn gave speeches reiterating strong support for the fast food movement and the \$15 minimum wage. No matter who won the mayoral race, it seemed there would be a strong supporter of \$15 in office — an incredible sign of how much the political winds had shifted.

Meanwhile, the only seriously contested race for City Council focused almost entirely on the \$15 minimum wage, with Socialist Alternative candidate Kshama Sawant emerging to challenge a popular Democratic incumbent with a campaign centerpiece of \$15-an-hour. Even in progressive Seattle, it seemed like a stretch that a capital-S socialist could defeat a long-term, liberal incumbent and win a citywide election. But thanks to fast food and airport

workers, raising the wage was becoming the issue of the moment, and Sawant put it on every campaign sign.

In September 2013, the ballot initiative campaign was now in full swing in Sea-Tac, and the media began to take serious notice. The surge of worker unrest hit the front page of the *Seattle Times* on Labor Day 2013, when a key political journalist wrote that:

Between the fast food strikes, union boycotts of downtown hotels and a nationally-watched battle over an initiative to set a \$15-an-hour minimum wage in SeaTac, the Seattle area's summer of labor discontent has elevated the plight of low-wage workers to a major concern in local politics.

November's elections brought victory in SeaTac and a stunning 51% of the vote for Sawant, as well as a win for pro-\$15 Mayor Ed Murray. SEIU and Sawant had turned the November election into a referendum on \$15. And the message from voters was clear: By the end of December, all but one Seattle City Council members had publicly endorsed a \$15 minimum wage.

A poll conducted in early 2014 showed 68% support among Seattle voters for a \$15 minimum wage. This consensus, shaped by the fast food strikes and the 2013 elections, helped drive a sense that the political and business establishment needed to act on the issue.

Taking it to the streets – and conference rooms – in Seattle

A few days after the victory of SeaTac Proposition 1 was certified, fast food workers and Working Washington led a day-long, nearly-15-mile march from SeaTac to Seattle City Hall, symbolically carrying the \$15 movement from the site of its first victory to its next destination. The dramatic march on a bitter-cold morning commanded media attention all day long. When marchers arrived at City Hall live on the 5:00 news, several members of City Council welcomed them with coffee and hot chocolate. The movement had arrived in Seattle.



Mayor-elect Murray moved quickly to seize on that consensus, announcing even before his swearing-in that he was creating an Income Inequality Advisory Committee (IIAC). Co-chaired by myself and Seattle hotel investor Howard S. Wright, III, the IIAC brought union, business, and civic leaders together to hammer out a plan to raise the minimum wage. Instead of business and labor attacking one another with dueling initiatives – which was the likely alternative to an IIAC-style process – we had to sit down and work it out amongst ourselves. Murray’s deft move in creating the IIAC probably forestalled months or years of fighting at the ballot and in the courts... in favor of a few months of fighting inside the committee.

Major issues included whether or not to include:

- A phase-in period for the \$15 wage. Discussions mostly centered on not if there should be a phase-in, but how long it should be and who it should apply to.

Committee Roster:

David Rolf (co-chair), SEIU 775NW
 Howard Wright (co-chair), Seattle Hospitality Group
 Seattle City Councilmember Nick Licata
 Seattle City Councilmember Bruce Harrell
 Seattle City Councilmember Kshama Sawant
 Janet Ali, Nucor Steel
 Sarah Cherin, UFCW 21
 Maud Daudon, Seattle Metropolitan Chamber of Commerce
 Craig Dawson, Retail Lockbox
 Bob Donegan, Ivar’s Restaurant
 David Freiboth, Dr. Martin Luther King County Labor Council
 Joe Fugere, Tutta Bella
 Audrey Haberman, Philanthropy Northwest
 Nick Hanauer, Second Avenue Partners
 Pramila Jayapal, Center for Community Change
 Eric Liu, Citizen University
 Gordon McHenry, Solid Ground
 Dave Meinart, Onto Entertainment
 Craig Schafer, Hotel Andra
 Diane Sosne, SEIU Healthcare 1199NW
 Nicole Vallesterio Keenan, Puget Sound Sage
 David Watkins, Seattle Hotel Association
 Michael Wells, Capitol Hill Chamber of Commerce
 Ronald Wilkowski, Financial Services

- Tip credits, which would subtract tip income from a worker's \$15. Washington is one of the few states in the nation without a tip credit.
- "Total compensation", which would require employers to pay \$15 in *combined* wages and other compensation, with compensation including healthcare benefits, bonuses, and commissions.
- A sub-minimum "training wage" for young and entry-level workers, backed by business group OneSeattle.
- An exception to the \$15 wage for unionized workplaces. A few unions claimed that a lower minimum would help convince employers to recognize a new bargaining unit.

While the IIAC was hashing out its agreement, relentless public mobilization continued, maintaining intense public attention on the core issues at stake: the call that everyone should be able to support themselves, afford the basics, and contribute to the economy.

A coalition of progressive organizations helped keep up the heat, working together to maintain a center of gravity balanced against the factions in business as well as on the far left. These groups included those who had participated in the Sea-Tac campaign, as well as 15Now, El Centro de la Raza, OneAmerica, the Community Action Network, The True Patriot Network, and small businesses like Molly Moon's ice cream shop.

Fast food workers also remained highly engaged, speaking out at public hearings, lobbying city council members, organizing a one-day citywide boycott of the big burger chains, and leading other public efforts. Workplace mobilization also continued, building towards a May 15th strike timed to coincide with a global day of fast food strikes and direct actions, and which reached Target and IHOP workers in addition to the big fast food chains.

The 15Now group, organized primarily by supporters of Councilmember Sawant, held several marches, mass meetings, and other demonstrations throughout the first months of the year, pushing a ballot measure which would quickly raise wages to \$15 an hour. This ballot threat put pressure on the IIAC timeline.

As the debate moved towards its climax, business owners were increasingly speaking out against the \$15 minimum wage and receiving sympathetic treatment from journalists. The pushback was especially strong from smaller high-end restaurants, some independent retailers, and immigrant chambers of commerce. Big business almost entirely sat out the public debate, likely realizing that they were the worst messengers for their cause.

Support held firm despite this strong pushback. Most had expected that the 68% support measured in January was a high mark reached before opposition had coalesced, but a June poll found that support for the \$15 minimum wage had actually increased from the beginning of the year, now claiming support from a remarkable 74% of Seattle voters. The idea of counting tips and healthcare benefits toward total compensation — the central demand of business owners throughout the year — received weak support, while the consensus IIAC plan got strong backing. Perhaps most remarkable, "fast food workers" polled as the most highly credible messengers on the issue — above the mayor and labor unions, and far outranking the restaurant association and the Seattle Times.

Mayor Murray had set the tone at the beginning of the process by stating that \$15 wasn't a matter of if, but when and how. Yet after 4 months of studies, symposiums, and endless meetings, the committee itself was at an impasse. Labor was unwilling to accept a deal that gave businesses credit for tips and healthcare benefits, because of concerns it would undermine the state's definition of the minimum wage that counts salary and nothing else. Business was equally adamant that tipped wages and healthcare benefits should be treated as compensation. Deliberations on the task force threatened to break down, but the Mayor kept the pressure on committee members to reach a deal.

A breakthrough came when one committee member drew two parallel, ascending lines on a whiteboard: The lower line was the minimum wage rising toward \$15 an hour, phased in over a number of years. The upper line was the higher amount employees would receive in addition to the minimum wage if they worked for a business that provided benefits such as healthcare. These businesses would get even more time to meet the new minimum wage, but the plan wouldn't subtract employees' benefits from their base salaries, a key principle of labor.

Finally, the Mayor was able to announce in May 2014 that the IIAC had won the support of 21 of 24 members for a compromise plan to phase in a \$15 minimum wage over several years, giving more time to smaller businesses to see the benefits of increased consumer demand, and allowing some temporary consideration for businesses which provide health benefits and smaller businesses whose employees receive tips. (This consideration of "minimum compensation" phases in and then phases out over the course of the next several years.) The IIAC recommendation is almost entirely the same as the plan, which was unanimously passed into law by the City Council a month later:



L-R: Howard Wright, Mayor Murray, and David Rolf

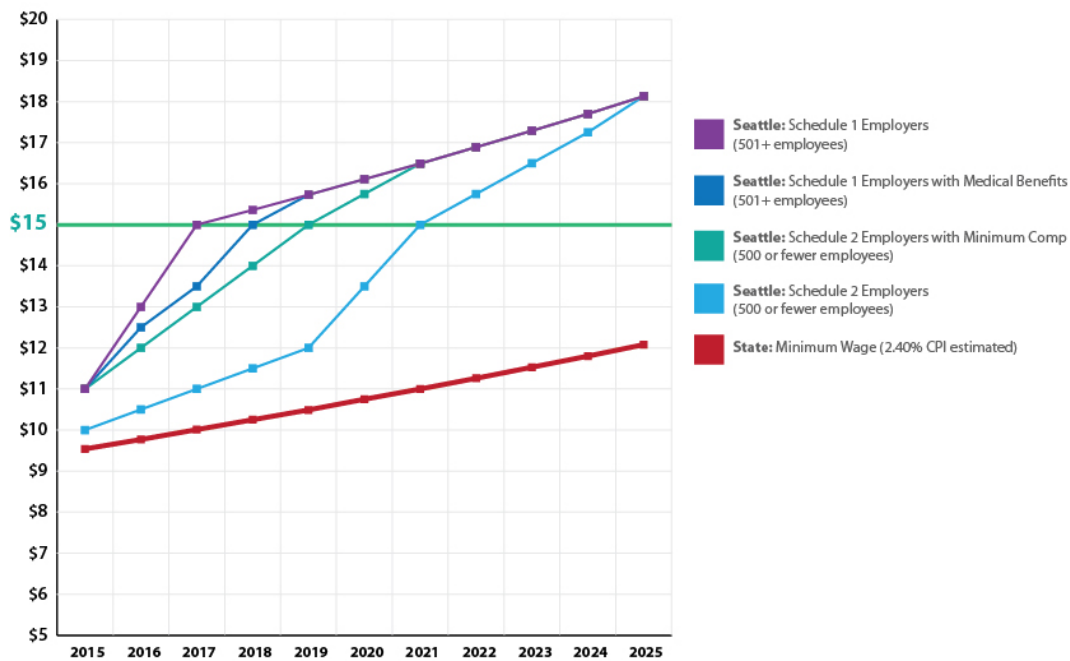
Though it does include some compromises, the IIAC agreement ratified every key demand of the worker movement for \$15. It ensured that--

- Every low-wage worker gets a significant raise every year on the way to \$15 an hour and beyond.
- Everyone who works for a large employer gets to \$15 by 2017 or 2018.
- Everyone who works for a smaller employer gets to a \$15 base wage by 2019 or 2021, and then to parity with larger employers.
- Everyone benefits from a robust system of community-based enforcement of labor standards.
- In the end, everyone gets to the same place — a true \$15 minimum wage, with no deductions for tips or benefits, adjusted for inflation beginning when the largest employers get to \$15 on Jan 1, 2017.

MAYOR ED MURRAY					
SCHEDULE OF WAGE INCREASES UNDER IIAC PROPOSAL					
WASHINGTON STATE MINIMUM WAGE: 2.40% CPI ESTIMATED		PROPOSED SEATTLE MINIMUM WAGE (2.40% CPI ESTIMATED ONCE 15 PER HOUR IS REACHED)			
		EMPLOYERS > 500 EMPLOYEES		EMPLOYERS ≤ 500 EMPLOYEES	
		MINIMUM WAGE (SCHEDULE A)	MINIMUM WAGE W/ HEALTH CARE (SCHEDULE B)	GUARANTEED MINIMUM COMPENSATION (SCHEDULE C)	MINIMUM WAGE (SCHEDULE D)
YEAR	STATE WAGE	-	-	-	-
2015	\$9.54	11.00	11.00	11.00	10.00
2016	\$9.77	13.00	12.50	12.00	10.50
2017	\$10.01	15.00	13.50	13.00	11.00
2018	\$10.25	15.36	15.00	14.00	11.50
2019	\$10.49	15.73	15.73	15.00	12.00
2020	\$10.75	16.11	16.11	15.75	13.50
2021	\$11.00	16.49	16.49	16.49	15.00
2022	\$11.26	16.89	16.89	16.89	15.75
2023	\$11.53	17.29	17.29	17.29	16.50
2024	\$11.80	17.70	17.70	17.70	17.25
2025	\$12.08	18.13	18.13	18.13	18.13
—	—				
2034	14.97				
2035	15.33				

\$15 Minimum Wage in Seattle

SCHEDULE OF INCREASES



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While the agreement itself is complicated, the principles it reflects are straightforward. Workers get a substantial pay boost to \$15 an hour, smaller businesses get more time to adapt, and our local economy sees a \$3 billion boost to the paychecks of 100,000 low-wage workers over the next decade.

In a nod to the fast-food strikers who sparked this movement, franchises with more than 500 employees nationwide are counted as big businesses, which means that most of Seattle's 33,000 fast-food workers will be phased in to \$15 an hour by Jan. 1, 2017 when the law takes effect.

Ultimately, the City Council's unanimous vote in support of the \$15 minimum wage reflected the broad consensus workers had sparked: that it was time for bold action to take on income inequality. By the time of the vote, even stalwart opponents of higher wages understood that they had to at least state their abstract support for raising pay. Many opponents of \$15 even proposed substantial wage hikes of their own.



Other cities and states are already having success seizing the moment and pushing for higher wages. Even amidst a bruising midterm election for Democrats, the deep red states of Alaska, Arkansas, Nebraska, and South Dakota passed wage increases. While none of the ballot initiatives in those states will lift their minimum wages to the \$10.10 per hour level that has been proposed in Congress, San Francisco and Oakland voted to set their wages even higher. San Francisco voted to raise its wage from \$10.74 per hour to \$15 by 2018 with no tip or benefit credit. In the wake of the election, other cities including Chicago and Los Angeles are also expected to move forward quickly with similar substantial increases.

Lessons from the Northwest

Is the success story of Seattle unique to its place and time, or is it reproducible and scalable to other localities around the nation?

Seattle has shown that public and political opinion can be moved dramatically in a very short time. It was less than a year from the first time fast food workers articulated the demand for \$15 an hour on May 30, 2013 to the mayor's announcement of a concrete plan to reach a \$15 on May 1, 2014. The extraordinary speed of this came not as the result of implementing a preconceived 1-year strategic plan, but because advocates had the flexibility to seize the new political opportunities before us.

However, there are a number of elements of the Seattle campaign that may be helpful for other wage advocates:

Public debate in Seattle has been transformed through the relentless appearance of workers articulating their aspirations, and solidified by the new data-driven consensus that higher wages lift the economy. Supporters of the \$15 minimum wage of all stripes have been extremely disciplined in reiterating the commonsense “middle out” argument about how economics works: more people with more money means more customers for more businesses.

Notably, working people have presented as people, not just workers. Instead of talking about their jobs, they’ve talked about their lives, their families, their struggles, and their aspirations. This is a rare workplace struggle where the debate has not focused on the workplace itself, but rather on communities and our economic future. The result has been new perceptions of who low-wage workers are, what they deserve, and whether they matter.

And perhaps because Seattle’s \$15 movement began in fast food — an industry not generally considered to have much intrinsic value — the focus has remained sharp on the universal human needs of working people rather than the “worth” of the particular type of labor they engage in. Universalizing this sense of who is “deserving” has compounded the middle-out storyline, underlining the sense that higher wages are also a near-universal economic benefit.

While polling has shown overwhelming support for the case workers have articulated, low-wage workers could not have won this struggle alone. It has been critical throughout the process to allow space for grassroots organizations and community business to come along. Their endorsements have been valuable ratifications of worker voices, helping move perceptions of worker demands from quixotic hopes to serious plans.

Another critical lesson is that high minimum wage numbers can rapidly become normalized. Initially, the demand for \$15 sounded quite high to many observers — including some staffers and even some low-wage workers — but with repetition and endorsement it became normalized.

Overall, the success of the \$15 effort in Seattle has demonstrated that worker voices can shape and move opinion about the economy — even more than business owners, elected officials, and journalists. In a recent poll, fast food workers registered as the group considered “most trusted” on the minimum wage. They came in significantly above our new mayor, and far outpaced the Restaurant Association, the Chamber of Commerce, and the Seattle Times.ⁱⁱⁱ

The same poll also showed that public can be quite sophisticated and engaged in understanding these issues. An astonishing 74% of Seattle voters offered support for the idea of a \$15 minimum wage, up slightly from 68% earlier in the year. And the support appears to be firm: 87% of Seattle voters said they’re paying attention to the debate. Perhaps this close attention explains why many have been able to sympathize with some business concerns while maintaining a sharp commitment to the clear call offered by workers that bold action is necessary to take on the central moral and economic crisis of our era.

Most importantly, Seattle shows that by positioning the debate as a question of corporate profits or workers’ lives, ongoing mobilization by workers can keep the political debate focused on friendly terrain, offering new opportunities for bold policy moves that take on

income inequality and lift up workers.
