

May 15, 2016

Open letter to The Presidential Candidates

I wish to suggest:

- A Thinking Man's Minimum Wage. Rather than simply pulling a number out of the air like \$12 or \$15 an hour, which will only *hurt* small business in rural America, how about-
- **Indexing the minimum wage to the local cost of housing across America. (Section 8 FMR,s)**

In this way:

- Anyone working 40 hours of work (be it from one job or more) can afford basic food, clothing, shelter, and public transportation.
- With 3.5 million people experiencing homelessness each year, at least 1 million minimum wage workers will come off the dole, saving tax payers millions of dollars.
- Business in the construction industry will have a whole new pool of renters for whom to create housing. This is true economic stimulus.
- By *indexing* to the local cost of housing, as the cost of rent rises, the people will still be able to afford the housing. They will remain off the dole and become part of the tax base. Landlords will prosper.
- By ensuring that minimum wage workers can afford basic rental housing (efficiency/studio apartments) the worker gets exactly what they need...no more, no less to keep from becoming homeless, and they are given *opportunity* to improve themselves and chase the American Dream.
- The \$12 or \$15 per hour wage falls short of getting minimum wage workers off the streets in our more prosperous cities and it will cause small businesses to *fail* in small town America where the cost of housing is much less and where such a high wage is not needed to prevent their homelessness. Note- Half the homeless population can work, but the current minimum wage prevents that.
- The *United States Military* has embraced our core tenet of indexing to the local cost of housing, reflecting that it is more expensive to live in New York City than it is to live in Harlingen, TX. They have changed from Variable Housing Allowance (VAH) to Base Housing Allowance (BAH). Similarly, *the federal government* has embraced this common sense concept of adopting *geographical considerations*, and they call it "*locality pay*." They adjust the pay relative to the more expensive region when a person is transferred there.
- Studies show that when minimum wage increases go into effect, *97% of the increase is spent right back into the economy* thus stimulating it with American dollars for American workers & American businesses.

See www.UniversalLivingWage.org to see the Universal Living Wage Formula and the HUD section 8 **mechanism** on how the wage will be indexed to the local cost of housing.

Finally, by indexing the wage to the local economy by population areas, often counties, (that make housing affordable again), **local workers** will again be able to fill low wage jobs. I remain available to discuss this concept in further detail.

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