

MEET THE PRESS—At a press conference at the African American Chamber of Commerce offices, leaders from the Black community urged county council to vote down the living wage bill.

African American Chamber of Commerce says proposed 'living wage' bill would kill Black businesses

PHOTOS BY DERRICK MCCLINTON

# Deep Impact



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Representatives from several nonprofit agencies say if "living wage" legislation is passed, it will disproportionately hurt African-Americans businesses, nonprofit agencies and those they cater to.

During a Dec. 3 press conference at the African American Chamber of Commerce offices, Downtown, leaders from the Black community joined Allegheny County Chief Executive Jim Roddey to urge county council to vote down the living wage bill.

Chamber President Doris Carson Williams said although the legislation's sponsors are well-intentioned, they overlooked consequences that would "hinder economic development and reduce human services to the African-American community."

"African-American businesses are in the caboose right now," she said. "If the living wage is enacted, they'll fall off the train altogether."

The living wage bill requires the county to pay employees \$9.12 per hour, or \$10.62 per hour without benefits. However, it also mandates companies receiving county contracts or economic development tax incentives to do the same.

Williams said the requirements would effectively stop small Black-owned businesses from accessing county contracts, and force those already doing business with the county to either cut staff or curtail services.

"The legislation also requires yearly pay increases based on the (federal) consumer price index," she said. "Meaning it would be virtually impossible for small businesses to predict their costs from one year to the next."

Manchester Bidwell Corp. President and CEO Bill Strickland said the legislation will hurt the very people it purports to help—the poor.

His urban greenhouse project, designed to train inner-city residents for careers in horticulture, will not be able to pay for itself if the living wage bill is passed, he said. Strickland said the project was designed as a demonstrator, partially county-funded, to hire (about 30) residents. We're in conversations with the county about a 50-acre commercial site which would employ even more trainees," said Strickland. "The living wage would exclude this from being an economically viable entity."

The net result, Strickland said, would be the elimination of a "major initiative in the economic revitalization of the region."

"And the people most directly affected are poor people," he added. "If this (project) doesn't happen, no jobs will be created."

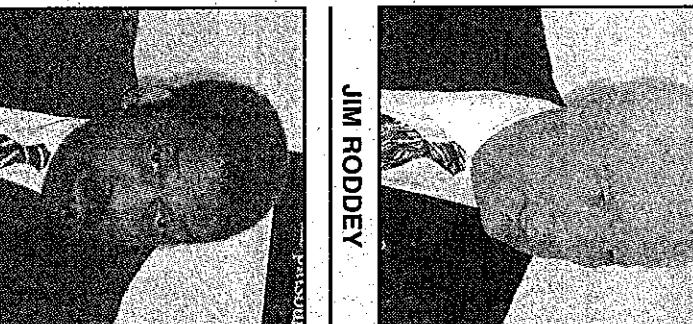
Operation Nehemiah President Constance Balthrop said her agency's Eastgate development, which would bring hundreds of jobs to the old East Hills shopping center, would come to an abrupt halt.

The county provided direct funding for the project and is offering tax incentives to retailers who would locate there.

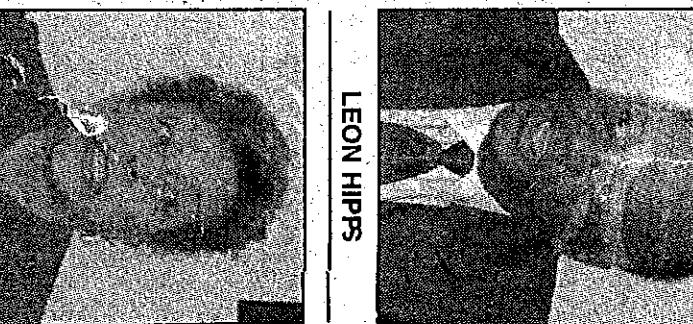
"We are at a critical juncture in negotiations with two major national retailers to be tenants at the site," she said. "If this is passed, all that would disappear."

Tony Bell, assistant operations director at the Hill

House Association said the agency's direct care to elder-



**JIM RODDEY**



**LEON HIGGS**

#### **BILL STRICKLAND**

#### **CONSTANCE BALTHROP**

ly African-Americans would suffer if the living wage requirements go forward.

"If this thing is passed, I hate to think how many of our workers will be unemployed, and what that means to our elderly," he said.

Roddey said there are 400 human service agencies that rely 100 percent on a fixed amount of state funding administered by the county. Since these funds will not increase, the living wage would cost \$15 million the first year, and would go up every year.

"The state could not just increase allocations to Allegheny County, they'd have to do it statewide which would cost an estimated \$80 million," he said. "Facing a \$400 million budget deficit, they are not likely to change the allocation."

The living wage, Roddey said, would force the county and its service providers to either lay-off workers or cut services. The only alternative would be to raise taxes.

"I am not about to raise taxes in the middle of an economic downturn," he said. "This is the worst possible time to do this."

Roddey also noted the legislation requires companies contracting with the county to sign a "neutrality agreement," meaning they could not resist union efforts to organize their workers.

"Small African-American companies can't afford that," he said. "They would go out of business."

Leon Higgs, executive vice president of the Urban League of Pittsburgh, said the legislation would force the organization to cut either staff or services.

"We need an impact study of this legislation," he said. "The League."

"We already know what it would do to the Urban League."

A vote on the bill was scheduled for 5 p.m. Dec. 4. The result was unknown as of New Pittsburgh Courier press deadline.