

# Beyond the Mountaintop: King's Prescription for Poverty

## Black Economists Mark the 40th Anniversary of the Assassination

"In the Promised Land that Dr. King envisioned, not only would legal discrimination be ended but so would economic oppression. Significant strides would have been made to ensure that all workers earned a living wage. Racial bias, in all its many subtle forms, would have been eliminated in the workplace, and workers of all colors would have a voice on the job. Their right to organize would not be impeded, and labor unions would operate as an effective counterweight to corporate power. Dr. King argued that poverty is not a natural condition but a consequence of conscious decisions concerning economic policy, government investment, and workers' lack of bargaining power. This understanding led to the development of his Poor People's Campaign and his participation in the fight for humane working conditions for sanitation workers in Memphis."

"While the new civil right protections and social programs established in the 1960s did not dismantle the hidden machinery of racism or economic oppression, they did result in a first wave of measurable progress. By 1969, the poverty rate for black children had fallen to 39.6 percent, close to half its level of four years earlier. This was truly an amazing achievement, and more so when we consider that for the next 27 years that poverty rate would drop no further, only improving again in 1996."

On the anniversary of the assassination of Dr. King, the importance of his views on addressing poverty was the subject of a new report by two Black economists.

*Beyond the Mountaintop: King's Prescription for Poverty* by Steven C. Pitts (UC-Berkeley Center for Labor Research and Education) and William E. Spriggs (Howard University Department of Economics) reveals that dra-

matic progress in addressing poverty occurred during a four-year period, 1965–1969.

They attribute the gains made to a combination of factors, including new emphasis on full employment and income security, increases in the minimum wage, strong support for labor's right to organize, and a deeper commitment to combating discrimination in the workplace.

To take the example of the federal minimum wage, in 1964 it allowed a person working full-time, all year to earn \$2,600, 84% of the poverty threshold for a family of four. By 1969, this had increased to \$3,328, 90% of that threshold. The authors go on to comment: "Given these changes, it is fairly clear why poverty rates fell between 1964 and 1969."

During this time, unemployment rates dropped and segregation in the work force decreased.

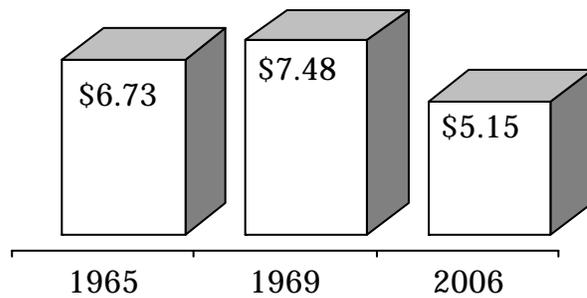
"In the 1960s, the three large-scale structural solutions – stronger civil rights laws, higher federal minimum wages, and increased unionization – were implemented as the economy was expanding, in ways that enabled people at all income strata to benefit."

Recognizing that, despite many advances, the circumstances of to-

### The Platform of the Poor People's Campaign (1968)

1. A meaningful job at a living wage for every employable citizen.
2. A secure and adequate income for all who cannot find jobs or for whom employment is inappropriate.
3. Access to land as a means to income and livelihood.
4. Access to capital as a means of full participation in the economic life of America.
5. Recognition by law of the right of people affected by government programs to play a truly significant role in determining how they are designed and carried out.

Real Value of the Federal Minimum Wage (2006 dollars)



Economic Policy Institute

day's economy pose challenges for all the poor, Pitts and Spriggs offer an agenda based on Dr. King's proven prescription: full employment, equal opportunity, worker freedom to associate and organize, and a real minimum wage. ☞

### AN ACTION AGENDA

Attempts to improve the fortunes of black workers must combine the fight against racial discrimination with the battle to counter the negative impacts of this economy on all low-wage workers. To address the two-dimensional job crisis facing the black community will require public policies that:

**\*Generate full employment.**

As was shown during the 1960s and the 1990s, black workers fare best when unemployment falls dramatically. Even the supposedly "unemployable" find jobs when the economy is running at full employment.

**\*Fight discrimination.**

The remedy of full employment works best when there are opportunities for men, women, and youth who are traditionally blocked from good jobs due to racial bias.

**\*Protect workers' freedom of association and right to join a union.**

Manufacturing and construction jobs pay largely because workers have fought to form unions and their organizing has provided them increased bargaining leverage with their employer. Wages and benefits would rise dramatically in many of the low-wage service-sector jobs where many black are currently employed if unionization occurred.

**\*Raise the minimum wage.**

Increasing the minimum wage so that it regains the value that it had in the late 1960s and then indexing the minimum wage so that it rises as prices rise would provide a safety net for those workers who do not have bargaining power with their employers.

