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# Wal-Mart raises could proliferate

## Other retail, fast-food firms may follow suit

WASHINGTON — The modest raises that Wal-Mart has said it will give its lowest-paid workers provide a glimmer of hope for lower-wage workers in other companies and industries.

Other retailers and some fast-food restaurants may now feel compelled to follow suit to retain their workers and attract others to fill openings, economists said.

Wal-Mart's move follows a sustained campaign for higher wages by some of the company's employees and a nationwide debate over whether to raise the federal minimum wage. Given Wal-Mart's position as the nation's largest private employer, its decision could embolden more employees to seek raises.

"They really set the standard across the retail sector," said Claire McKenna, a policy analyst at the National Employment Law Project, which advocates for low-wage workers. "What they do really matters."

Josh Bivens, research and policy director at the liberal Economic Policy Institute, said Wal-Mart's move also reduces the pressure on other retailers to keep labor costs at rock-bottom levels.

"It at least takes away the excuse from other firms that 'We'd like to raise wages, but we can't because we have to compete with Wal-Mart,'" Bivens said. "It could possibly give some competitive breathing space to other retailers to raise wages."

On Thursday, Wal-Mart said it would increase its minimum pay to \$9 an hour in April and to \$10 by February 2016. The move will mean raises for 500,000 of its 1.3 million employees. The average fulltime wage will tick up to \$13 an hour from \$12.85. For part-timers, the average will go to \$10 from \$9.48.

Wal-Mart's decision follows similar steps by other companies. The Gap has raised its minimum wage to \$10 an hour. Swedish home- furnishings retailer Ikea raised pay for thousands of its U.S. workers this year by an average of 17 percent to \$10.76 an hour. Health insurer Aetna has said it will pay a minimum of \$16 an hour. That's more than double the federal minimum wage of \$7.25.

All of which means that many people who earn less than \$10 an hour will now have more options.

"If you work at a fast-food restaurant" for \$7.25 an hour, "you are going to want to leave that job and work at the WalMart nearby," said Sylvia Allegretto, an economist at the University of California, Berkeley.

Workers at McDonald's and other fastfood companies have agitated for higher pay, coalescing around demands for \$15 an hour.

But unlike Wal-Mart, which owns all its stores, the fast-food industry is largely franchised. Companies like McDonald's, Wendy's and Burger King say they don't make employment and pay decisions on behalf of their franchisees.

The relationship between companies like McDonald's and workers at franchised restaurants has come under intense scrutiny, however. Last year, in a victory for unions, the National Labor Relations Board ruled that McDonald's is a "joint employer" that could be held liable for its franchisees' policies. Hearings on disciplinary steps are set for March. McDonald's has vowed to contest the NLRB's ruling.

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