September 9, 2015

The Honorable Francis G. Slay, Mayor

City of St. Louis, City Hall

1200 Market Street, Room 200
St. Louis, MO 63103

St. Louis Board of Aldermen

City of St. Louis, City Hall

1200 Market Street, Room 230
St. Louis, MO 63103

Dear Mayor Slay and the City of St. Louis Board of Aldermen:

I was very encouraged to read that the proposal to raise the minimum wage in St. Louis, Missouri, did not contain a provision robbing blind people and those with other physical disabilities of the benefits intended from such legislation. I am guessing that you are receiving some mail and phone calls from what are often called sheltered workshops suggesting that the people they employ are so unproductive that to pay the minimum wage would result in the loss of jobs if not the sheltered workshop facilities themselves. These are arguments we have heard for a long time. There are, as you would suppose, counterarguments to all of this, and I reflect on them briefly for your consideration.

By their very nature sheltered workshops are given some advantages to compensate for the perceived disadvantages suffered by their workers. Many of them receive subsidies on the grounds that they are providing training that will lead to other work. Seldom does this other work ever materialize, but the subsidy is accepted by the workshops nonetheless. These entities are incorporated as not-for-profit organizations, meaning that they have no investors to satisfy, and any money that they make in excess of expenses is by law to go back into the corporation. These sheltered workshops are tax-exempt, a significant savings for any business. They also receive preferential treatment when it comes to bidding on contracts for the federal government. In addition, many workshops also have a philanthropic arm to supplement sales from the products manufactured by disabled workers.

Many people are surprised when they learn that the revenues generated by sheltered workshops are often used to sponsor other programs; but while there is no question that there is a need for other programs, one wonders how a sheltered workshop could manage to subsidize a children’s program, a program for the elderly, or a community picnic for the disabled on the backs of the disabled themselves who are making less than the current minimum wage. It seems an unfair burden to impose on people who are already presumably working at a disadvantage.

The National Federation of the Blind of Missouri would urge that you leave the law you have passed as is. If, however, you feel that this represents too drastic a change for the sheltered workshops that operate in your city, you might consider as a compromise the language used in federal legislation to do away with the exemption and the subminimum wage it allows. The proposal is that the practice of paying subminimum wages be phased out over a three-year period, allowing sheltered workshops to be more innovative in the way they assign people to work, form contracts, and solicit outside funding.

As a final point, please take note of the fact that two states in the union have outlawed the payment of subminimum wages for people with disabilities. The states are New Hampshire and Vermont, and despite the gloomy predictions that this would result in job losses and the closure of workshops, such has not been the case.

I am glad to entertain any questions you may have. Thank you for reading.

Cordially,



Gary Wunder, President

National Federation of the Blind of Missouri