Howard R. Levine
Chairman and CEO, Family Dollar
2544 Morrocroft Lane
Charlotte, NC 28211

December 8, 2013

Dear Mr. Levine,

I am writing you today to urge Family Dollar to support raising the minimum wage – something that will not only aid the economy, but could also improve Family Dollar's revenues.

Family Dollar's treatment of low-wage workers is shameful. A survey of workers through GlassDoor.com has shown that most store associates receive, on average, significantly less per hour than the living wage in most cities where Family Dollar operates. For example, a living wage for single, childless workers in the Charlotte stores near your headquarters is estimated to be $10.02, but most sales associates and cashiers receive below $8 an hour. Associate store managers are not doing much better, receiving -- according to the survey -- only $9.33 per hour, which is must lower than the living wage for families in most areas across the country. This is especially shocking compared to your CEO wage of $889 per hour, which ensures that you earn more in two days than many of your "associates" do in a year of work.

Low wages not only hurt workers: they hurt all taxpayers, too. When large, profitable corporations like Family Dollar employ workers at shamefully low wages, employees are forced to resort to public assistance programs to provide their families with necessities. Thus taxpayers end up footing the bill for your company's poverty wages. For example, low wages at the ten largest fast food chains cost taxpayers $3.8 billion per year, as 52% of families of front-line fast food workers rely on government assistance. A single Walmart superstore in Wisconsin was estimated to cost taxpayers $1 million each year. Do you want Family Dollar to continue to be counted among this group of corporate welfare recipients?

For these reasons, I hope you can dedicate yourself to ensuring that workers are paid a living wage and taxpayers are not subsidizing your profits. One important first step is for you to **support an increase in the federal minimum wage**. Costco's CEO and President, Craig Jelinek, came out this summer in support of a minimum wage above $10 per hour. Costco's starting wage is $11.50 per hour plus benefits. Surely you can do the same.

The inflation-adjusted value of the minimum wage has been in decline since the 1960's, leaving hard-working Americans across the country with less and less disposable income. As a result, thirty million workers make less today than workers made in 1968, inflation adjusted. Meanwhile the cost of living has continued its steady increase over that time, eroding consumer purchasing power. Low wage workers, many of whom support families with children, cannot live on $7.25 an hour, which adds up to a measly $15,080 a year. A wage that catches up to the inflation-adjusted 1968 wage would boost a full-time salary to $21,840 a year and lift a family of three just barely above the poverty line.

In the throes of an ailing economy, consumer spending has declined. Raising the minimum wage to $10.50 per hour could benefit as many as 30 million workers throughout the country. A 2011 study by the Chicago Federal Reserve Bank found that for every dollar increase to the wage of a minimum wage worker, the result is $2,800 in new consumer spending from that worker's household over the year. An issue brief from the Economic Policy Institute estimated that raising the minimum wage to $10.50 per hour would add at least $30 billion in additional spending to the economy each year for a two-year period. This would not only help our economy continue to recover, but could have a significant impact on the spending and purchasing power of Family Dollar customers in particular.

Higher wages have also been shown to decrease employee turnover and improve productivity. A 2006 article in the Harvard Business Review, "The High Cost of Low Wages," shows the positive impact that greater wages and benefits can have by comparing Costco's compensation practices to those of retail outlets like Family Dollar. Costco provides its employees with higher average wages and provides better healthcare benefits. Consequently, Costco has a much lower employee turnover rate and some of the lowest employee theft figures in the industry.

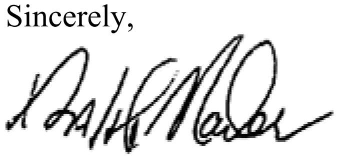
Plus, a minimum wage raise is popular: 80 percent of the American public, including 62 percent of Republicans, support increasing the minimum wage. If you as Family Dollar CEO support raising the federal minimum wage, the goodwill generated could attract more customers.

Indeed, the marginal extra cost of a minimum wage increase is outweighed by the potential for significant benefits. This is especially true with stores like Family Dollar, for much of the cost of increased wages would be recouped in the purchasing power that these employees, and consumers, gain. Where will minimum wage earners spend some of the extra money they make? For many of them, the answer is most certainly Family Dollar.

A prominent businessman had a similar idea in 1914. In the midst of a deep recession, Henry Ford announced his plan to double the daily wages of his employees. The increased wages solved a few problems for Henry Ford: it decreased worker turnover, increased productivity, and provided his workers with enough pay that it allowed them to buy the same product that they were manufacturing. In fact, his famous "$5-a-day" pledge to his workers would, adjusted for inflation, be equivalent to a wage of $14.62 per hour today. I'll leave you with a quote from Mr. Ford:

> "If you cut wages, you just cut the number of your own customers. If an employer does not share prosperity with those who make him prosperous, then pretty soon there will be no prosperity to share. That is why we think it is good business always to raise wages and never to lower them. We like to have plenty of customers."

Sincerely,



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