



THE ASSEMBLY
STATE OF NEW YORK
ALBANY

KEITH L. T. WRIGHT
Assemblyman 70TH District
New York County

REPLY TO:
Harlem State Office Building
163 West 125th Street, Suite 911
New York, New York 10027
(212) 866-5809
FAX (212) 864-1368

Room 522
Legislative Office Building
Albany, New York 12248
(518) 455-4793
FAX (518) 455-3890

CHAIRMAN
Labor

CHAIRMAN
Subcommittee on Public Housing

CHAIRMAN
Subcommittee on Equal Economic
Opportunity and Human Rights

MEMBER
Black, Puerto Rican and
Hispanic Legislative Caucus
MTA Capital Program Review Board
Puerto Rican/Hispanic Task Force
Task Force on Criminal Justice Reform
High Speed Rail Task Force

COMMITTEES
Ways and Means
Codes
Correction
Housing

**Testimony of Assemblyman Keith Wright
Chairman of the New York State Assembly Labor Committee
to the
New York City Council's Committee on Civil Service and Labor
May 9, 2012**

Thank you Chairman Sanders for allowing me to speak to your committee today about one of the most important issues I've handled during my tenure in the New York State Assembly. As the Chairman of the Labor Committee, I have made it a top priority to raise the New York's minimum wage during the 2012 legislative session. We've been hosting public hearings around the State, in Harlem, Syracuse and Buffalo. Our citizens have spoken: we must raise the wage in New York State.

The current minimum wage is \$7.25, which equates to \$15,080 annually for a full-time, year round worker. In the legislation I have proposed, the minimum wage would be indexed beginning in 2014, with increases made each year to adjust for inflation according to the Consumer Price Index (CPI). The measure will also set wages for food service workers who receive tips at \$5.86 an hour, which also would be indexed annually to the CPI. If inflation was taken into account in the 1960's, today's minimum would be \$10.80 per hour.

New York's minimum wage has increased only ten cents in the last six years. In 2009, it was raised to \$7.25 an hour with the federal minimum wage, and prior to that it was set to \$7.15 in 2007. Massachusetts, Connecticut, Vermont and 16 other states have higher minimum wage rates than New York State, and 10 other states have passed legislation indexing the minimum wage to ensure that the minimum wage will not erode each year as the cost of living rises. New York must rise again as the progressive leader of our nation.

During a time of economic crisis, raising the minimum wage is good business for our state. Contrary to the arguments of critics, this raise would not slow job growth and would not put a state at a disadvantage to neighboring states. Research supports that over the past 15 years, including studies across state lines, higher minimum wages do not result in job losses, even for minimum wage increases during weak economic periods. It is smart policy, and will ultimately benefit both workers and our state's economy, as this money will be put right back into our local communities, letting families afford to pay for clothes, groceries or to put gas in the car.

This legislation will ensure that never again is the buying power of the minimum wage negatively affected by inflation. This raise is long overdue and absolutely crucial for working men and women in their efforts to climb the economic ladder. Corporate profits of low wage employers are soaring in this economy. At the same time, the wages of working families are eroding. We must break this cycle of hopelessness.

Raising the minimum wage and indexing it to inflation is a matter of economic fairness, and our plan progressively rewards hardworking men and women who are trying to make ends meet. According to the US Census, nearly half of all Americans have fallen into poverty or joined the ranks of the working poor. This is not the American Dream. New Yorkers who work full time shouldn't be poor. It's as simple as that.

Thank you!

CATHOLIC COMMUNITY RELATIONS COUNCIL

RESOLUTION 1319-A– *SUPPORTING STATE LEGISLATION TO RAISE THE STATE'S
MINIMUM WAGE (S.6413 /A.9148)*
NEW YORK CITY COUNCIL CIVIL SERVICE & LABOR COMMITTEE
THURSDAY, MAY 10, 2012

MEMORANDUM IN SUPPORT SUBMITTED BY
ROSEMARY GINTY, EXECUTIVE DIRECTOR

Good morning Chairman Sanders and committee members. My name is Rosemary Ginty, Executive Director of the Catholic Community Relations Council, a not-for-profit corporation established by the Archdiocese of New York and the Diocese of Brooklyn to handle public policy and legislative issues on the municipal level of government.

I am here today to speak in favor of Resolution 1319-A supporting the state legislation that would increase the State's minimum wage.

As pastors, the bishops see the tragic human and social consequences on individuals, their families, and society when workers cannot support themselves and their families by their own labor. It is increasingly difficult for the working poor of our state to make ends meet. Without decent wages, families are weakened and the dignity of parents and children is threatened.

The current minimum wage is just \$7.25 an hour, which is \$15,080 a year for a full-time worker, nearly \$4,010 below the federal poverty level for a family of three. The minimum wage needs to be raised not just for the goods and services a person can buy but for the self-esteem and self-worth it affords.

Work has a special place in Catholic social teaching. Work is more than just a job; it is a reflection of human dignity and a way to contribute to the common good. The principle of a just wage is integral to our understanding of human work. Wages must be adequate for workers to provide for themselves and their families in dignity.

Let me finish with a quote from recent testimony of Bishop Hubbard as Co-Chair of the NYS Labor and Religious Coalition:

“When full time workers cannot afford to purchase healthy food, pay rent and access vital health care, their wages are unjust. When workers must labor, day and night, in multiple jobs to piece together a livable income as the fabric of family and community life is torn apart, their wages are unjust. When workers suffer the enduring consequences of poverty such as ill health, impeded educational achievement, and housing instability--even as company executives amass enormous wealth, their wages are unjust.”

It is time to raise NYS's minimum wage. For us, it is a matter of simple justice for a decent society. We support Resolution 1319-A, and urge favorable action on it.

Thank you.

1011 First Avenue, 16th Floor
New York, New York 10022



TESTIMONY
OF
JACK TEMPLE
NATIONAL EMPLOYMENT LAW PROJECT

ON
PROPOSED RESOLUTION NO. 1319-A: IN SUPPORT OF A.9148/S.6413, WHICH RAISE
THE MINIMUM WAGE TO \$8.50, THEN MAKE ANNUAL ADJUSTMENTS BASED ON
CPI INCREASES

BEFORE THE
NEW YORK CITY COUNCIL

MAY 10, 2012

NEW YORK, NEW YORK

National Office
National Employment Law Project
75 Maiden Lane, Suite 601
New York, NY 10038
212.285.3025

Washington, D.C. Office
National Employment Law Project
1620 Eye Street, N.W., Suite 210
Washington, DC 20006
212.533.2585

Introduction

Good morning Chairman Sanders and members of the Civil Service and Labor Committee. Thank you for the opportunity to testify today on Proposed Resolution No. 1319-A, in support of A.9148/S.6413, which would raise the state minimum wage to \$8.50 per hour and index it to inflation so that it annually rises with the cost of living.

My name is Jack Temple, and I am a policy analyst at the National Employment Law Project. The National Employment Law Project is a non-profit, non-partisan research and advocacy organization specializing in employment policy. We are based in New York with offices across the country, and we partner with federal, state, and local lawmakers on a wide range of workforce issues.

Raising New York's minimum wage to \$8.50 and indexing it to inflation will help New York's frontline workers who are being squeezed by flat wages and rising prices. In my testimony I will address some of the key economic and policy questions raised by this proposal, and respond to some of the arguments that opponents of the proposal are likely to make. In an effort to make it as accessible and useful as possible, my written testimony is presented in bullet point format.

I would also like to mention as a resource for the legislature our website on the minimum wage, www.raisetheminimumwage.org, which is a central location on the web for the latest research news and policy developments related to the minimum wage.

New York's Minimum Wage Is Out of Date, and Lags Behind 18 Other States

- At \$7.25 per hour, New York's minimum wage matches the federal minimum wage and is just \$15,080 a year for a full-time, year round worker.¹ If the federal minimum wage had kept up with inflation since the late 1960s, it would be \$10.55 today, and if New York's minimum wage had kept pace with inflation over the last 40 years, it would be \$10.70 today.² Instead, Congress has acted just 3 times in the last thirty years to raise the minimum wage. And New York's minimum wage has increased just 10 cents since 2007.³
- By contrast, 18 states plus Washington D.C. have higher minimum wages than New York, including many low-wage sunbelt states such as Florida, Arizona, and Nevada, and Midwestern states like Illinois and Ohio where the cost of living is much lower than in New York.
- Additionally, 10 states index their minimum wage to inflation so that the real value of the minimum wage does not fall every year. These states include Washington, where the minimum wage is already \$9.04 per hour, and Oregon, where the minimum wage is \$8.80 per hour.
- Raising New York's minimum wage to \$8.50 and indexing it to inflation would provide a modest increase that will help restore the value of the minimum wage to its historic buying power.

- And just to reiterate: Indexing does not alter the “real value” of the minimum wage; it simply ensures that its purchasing power remains steady over time. Because New York does not index its minimum wage, there have been *two* 9-year spells just since 1980 where the minimum wage remained completely flat as low-paid workers in the state waited for the Legislature to act.

More Workers Nationally and in New York Are Spending Their Careers in Low-Wage Jobs, Making the Minimum Wage More Important Than Ever to the State’s Economy

- For decades, the economies of New York and the nation have been reorienting towards low-wage jobs. Current data from the Bureau of Labor Statistics detail this transformation, and show that seven of the top ten growth occupations for the next decade are low-wage occupations.⁴
- The recession and tepid recovery have only accelerated this shift toward low wage jobs. A NELP analysis shows that while the majority of jobs lost during and after the recession were in mid-wage occupations such as manufacturing and construction, roughly three quarters of the jobs added since job growth resumed are in low-wage occupations like cashiers and food preparation.⁵
- To make matters worse: Even as the total share of low-paid jobs continues to rise, the wages for workers in the U.S. are actually declining. Over the past year, real average hourly earnings *fell* 0.6 percent for all private sector workers and declined by an even greater degree – a full 1.0 percent – for nonsupervisory and production workers.⁶
- The overwhelming majority of low-wage workers are adults, not teens, and they contribute a substantial portion of their households’ incomes. Only 15.6% of workers in New York State earning \$8.50 or less are teenagers. The overwhelming majority – 84.4% -- are adults twenty or over.⁷ Indeed, for some of the state’s top growth low-wage occupations like home health aides, the average worker age is close to 40 years old.⁸

The National Chains That Employ Most Low-Wage Workers Are Enjoying High Profits and Can Afford to Pay Higher Wages

- Despite misconceptions, the majority of low-wage workers are, in fact, employed by large chains, not small mom-and-pop businesses. Two-thirds of all employees work in firms of at least 100 workers (and half of all employees work in firms with more than 500 workers).⁹
- Moreover, wage data shows that in retail – New York’s largest low-wage sector – large chains with 500 workers or more pay a stunning 23% less on average than do smaller retailers, according to analysis by the Fiscal Policy Institute.¹⁰
- Corporate profits are now the largest share of GDP since 1950, while wages and salaries are now the lowest share of GDP since 1955.¹¹

- For example, in July 2011, J.P Morgan chase reported to its banking clients that profit margins of the S&P 500 companies are at their highest levels in almost 50 years – due to cuts in pay and benefits. “Reductions in wages and benefits explain the majority of the net improvement in margins,” wrote the J.P. Morgan CIO. “US labor compensation is now at a 50-year low relative to both company sales and US GDP.”¹²
- At the five largest low-wage employers in the nation – Wal-Mart, McDonald’s, Sodexo, Target and Yum Brands (the operator of fast food chains like Pizza Hut, KFC and Taco Bell) – profits, cash holdings and dividends have not only rebounded but are now substantially higher than before the 2007 recession.
- The largest corporations are sitting on \$1.9 trillion in cash, refusing to expand and rehire, because demand for goods and services remains weak.
- Worker productivity has increased since the recession as companies squeeze more work out of a thinned workforce, but companies are not rewarding workers with higher pay.
- What this means is that the major low-wage companies that employ most workers in New York earning less than \$8.50 per hour can afford to pay a modestly higher minimum wage.

There Is Strong, Bi-Partisan Public Support for Raising the Minimum Wage to \$8.50 or Higher

- New York State voters by a 78 - 20% margin support raising the minimum wage, with no specific target offered in the question. Support is 53 - 43% among Republicans, 91 - 7% among Democrats and 76 – 21% among independent voters, according to a poll conducted last month by Quinnipiac University.¹³
- Among those who support raising the minimum wage, 37% of voters support raising it to \$8.50 per hour, and 52% support raising it higher than \$8.50 per hour. Just 8 percent support a raise somewhere between \$7.25 and \$8.50 per hour.
- Polling also shows that voters correctly understand that rather than hurting businesses, boosting the minimum wage will help the recovery. By a 56% to 21% margin, they believe a minimum wage increase will help the economy (another 16% say it would have no impact), according to a national poll conducted in February 2012 by Lake Research Partners.

Growing Numbers of Business and Conservative Voices Are Recognizing the Need to Raise the Minimum Wage

- There have always been business leaders that have recognized the importance of the minimum wage. For example, in 2006, nearly 1,000 business leaders nationally,

including the CEO's of major companies like Costco, supported raising the federal minimum wage.¹⁴

- But the minimum wage is now so out of date that in recent months, we have been seeing new and diverse business and conservative leaders endorse raising the minimum wage in New York and nationally. These include:
 - Scores of businesses and trade associations across New York State, which have endorsed Speaker Sheldon Silver's proposal to raise New York's minimum wage to \$8.50 and index it for inflation.¹⁵ These include:
 - Buffalo First!
 - Syracuse First
 - Business and Labor Coalition of New York - BALCONY
 - American Sustainable Business Council
 - Green America
 - National Latino Farmers & Ranchers Trade Association
 - Business for Shared Prosperity
 - Responsible Wealth
 - Mayor Michael Bloomberg has similarly endorsed Speaker Silver's proposal to raise New York's minimum wage to \$8.50 and index it for inflation.¹⁶
 - Crain's New York Business has done the same.¹⁷
 - Bloomberg News has called for raising and indexing the minimum nationally.¹⁸
 - Even Mitt Romney has reaffirmed his position in favor of indexing the minimum wage to inflation.¹⁹

Research Shows That Raising the Minimum Wage Does Not Slow Job Growth, or Push Businesses Across State Lines to Lower Wage States

- The most rigorous research over the past 15 years, examining dozens of minimum wage increases over the past two decades, find that these increases have raised workers' income without reducing employment of low-wage workers. These studies, which compare job growth trends in neighboring counties across state lines with different minimum wages, find that higher minimum wages do not result in job losses. Significantly these trends are the same for minimum wage increases implemented even during weak economic periods.
- This important body of research was pioneered more than 15 years ago by economists Alan Krueger, now the Chair of President Obama's Council of Economic Advisors, and David Card at Princeton University, when they found increases in New Jersey's minimum wage, when neighboring Pennsylvania did not raise its minimum wage, did not reduce employment among low-wage workers in New Jersey.²⁰

- A 2010 study in the prestigious *Review of Economics and Statistics* carefully analyzed minimum wage impacts across state borders. It compared employment patterns in more than 250 pairs of neighboring counties that straddled a state border and had different minimum wage rates between 1990 and 2006, and found no difference in job growth rates in the neighboring counties despite the different minimum wages, and no evidence that states with higher minimum wages had pushed businesses across the state line.²¹
- And a 2011 study published in the journal *Industrial Relations* examined every minimum wage increase over the past two decades—including increases that took place during protracted periods of high unemployment, such as the Great Recession of 2007 to 2009—and found that higher minimum wages boost incomes without reducing employment or slowing job creation, even for teen workers.²²
- Indeed, as Crain’s *New York Business* recently explained, a higher minimum wage does not put one state at a competitive disadvantage compared with neighboring states, noting that “Businesses employing many minimum-wage workers tend to be in the service sector and must set up shop near their customers.”²³
- Another important contribution of these two recent studies is that they also demonstrate how previous research relied on by corporate interests failed to control for key variables, resulting in faulty conclusions. That erroneous research failed to control for basic differences in population and job growth trends across regions of the country, such as population shifts from the Rust Belt to the Sun Belt. The new research shows that when those trends are controlled for – for example, by focusing on neighboring counties (which by their nature have similar economies) with different minimum wage rates – any correlation between higher minimum wages and slower job growth vanishes. Detailed summaries of this and other new research can be found on our website, www.RaisetheMinimumWage.org.

Thank you so much for the opportunity to testify today in support of raising the minimum wage to help working families and promote economic recovery. I’d be happy to answer any questions that you may have.

¹ See <http://www.raisetheminimumwage.com/facts/entry/amount-with-inflation/for> calculation.

² Fiscal Policy Institute, “A Welcome Boost for New York: The Case for Raising the Minimum Wage,” FPI Report, January 2012, available at:

http://www.fiscalpolicy.org/FPI_BoostTheEconomyBoostTheMinimumWage_20120130.pdf

³ “History of the Hourly Minimum Wage,” New York State Department of Labor, available at:

http://www.labor.ny.gov/stats/minimum_wage.asp

⁴ U.S. Department of Labor, Bureau of Labor Statistics, “Occupational Employment Projections to 2018,” published in the November 2009 Monthly Labor Review, available at http://www.bls.gov/emp/ep_table_104.htm

-
- ⁵ National Employment Law Project, "The Good Jobs Deficit: A Closer Look at Recent Job Loss and Job Growth Trends Using Occupational Data", Data Brief, July 2011, *available at* <http://www.nelp.org/page/-/Final%20occupations%20report%207-25-11.pdf?nocdn=1>
- ⁶ National Employment Law Project, "Economy in Focus: Slower Wage Growth, Declining Real Wages Undermine Recovery," Issue Brief, April 2012, *available at*: http://www.nelp.org/page/-/Job_Creation/NELP_DecliningWageGrowth.pdf?nocdn=1
- ⁷ Analysis of Current Population Survey data by the Fiscal Policy Institute.
- ⁸ Bureau of Labor Statistics, *available at* <http://www.bls.gov/cps/minwage2010tbls.htm#1>
- ⁹ <http://jaredbernsteinblog.com/what-may-be-the-most-commonly-misunderstood-fact-about-the-job-market>
- ¹⁰ http://www.fiscalpolicy.org/FPI_BoostTheEconomyBoostTheMinimumWage_20120130.pdf.
- ¹¹ MarketWatch, July 29, 2011, *available at*: <http://www.marketwatch.com/story/corporate-profits-share-of-pie-most-in-60-years-2011-07-29>
- ¹² Michael Cembalest, "Eye on the Market" July 11, 2011, *available at* http://www.investorvillage.com/uploads/44821/files/07-11-11_-_EOTM_-_Twilight_of_the_Gods_PWM_.pdf
- ¹³ <http://www.quinnipiac.edu/institutes-and-centers/polling-institute/new-york-state/release-detail?ReleaseID=1732>
- ¹⁴ <http://www.businessforafairminimumwage.org/signatories>
- ¹⁵ <http://www.businessforafairminimumwage.org/New-York/Signatories>
- ¹⁶ http://articles.nydailynews.com/2012-02-02/news/31019164_1_minimum-wage-free-market-child-care
- ¹⁷ <http://www.crainsnewyork.com/article/20120205/SUB/302059999#ixzz1nf6bGs5b>
- ¹⁸ <http://www.bloomberg.com/news/2012-04-16/u-s-minimum-wage-lower-than-in-lbj-era-needs-a-raise.html>.
- ¹⁹ <http://management.fortune.cnn.com/2012/01/24/a-new-day-for-the-minimum-wage/>
- ²⁰ David Card and Alan B. Krueger, "Minimum Wages and Employment: A Case Study of the Fast Food Industry in New Jersey and Pennsylvania," NBER Working Paper, October 1993, *Available at* <http://www.nber.org/papers/w4509>
- ²¹ Arindrajit Dube, T. William Lester, and Michael Reich, "Minimum Wage Effects Across State Borders: Estimates Using Contiguous Counties," *The Review of Economics and Statistics*, 92(4): 945–964 (November 2010), *available at* <http://www.irl.berkeley.edu/workingpapers/157-07.pdf>
- ²² Sylvia A. Allegretto, Arindrajit Dube, and Michael Reich, "Do Minimum Wages Really Reduce Teen Employment? Accounting for Heterogeneity and Selectivity in State Panel Data," *Industrial Relations* (April 2011), *available at* <http://www.irl.berkeley.edu/workingpapers/166-08.pdf>.
- ²³ <http://www.crainsnewyork.com/article/20120205/SUB/302059999#ixzz1nf6bGs5b>



Raising New York State's Minimum Wage

Testimony Presented to the New York City Council Committee on Civil Service and Labor

By James A. Parrott, Deputy Director and Chief Economist

May 10, 2012

Raising New York's minimum wage to \$8.50 an hour in January 2013 would directly benefit 880,000 New York workers who earned below \$8.50 an hour as of 2011. This number is much greater than the number of workers now paid right at or below the New York and federal minimum wage of \$7.25 an hour. In addition, two hundred thousand or so workers who earn slightly more than \$8.50 an hour likely would see a wage increase as a result of a spillover effect as employers seek to maintain relative wage patterns among their employees.

Women, blacks and Latinos would be among the main beneficiaries of a higher New York minimum wage since they are disproportionately represented in low-wage jobs. Statewide, women account for over 55 percent of those affected; blacks and Latinos together represent about 40 percent. (See Appendix Figure 1 for the demographic characteristics of New York resident workers earnings less than \$8.50 an hour in 2011.)

In New York City, 352,000 resident workers would directly benefit from an increase to \$8.50 an hour. Two thirds are black and Latino, another 11 percent are Asian and other. Immigrants account for nearly three out of every five city resident workers who would benefit. Contrary to the oft-cited claim that a minimum wage increase mainly benefits teenage workers, the overwhelming majority of workers directly affected are adults age 20 and older. In New York City, more than nine out of every ten workers earning less than \$8.50 an hour are adults, and over two thirds are full-time workers.

These 352,00 directly affected city residents include 105,000 from Brooklyn, 100,000 from Queens, 67,000 from the Bronx, 63,000 from Manhattan, and nearly 17,000 from Staten Island.

There are numerous reasons that increasing New York's minimum wage makes good economic sense. Ten reasons readily come to mind.

Ten reasons an increased minimum wage makes sense for New York State

1. An increase is needed to restore the minimum wage's lost purchasing power.

The New York State minimum wage reached its all time high in purchasing power on July 1, 1970, when it was increased to \$1.85 per hour. This is the equivalent of \$10.70 an hour in today's dollars, a level 48 percent greater than the current \$7.25 minimum. In the 1960s and 1970s, a minimum wage job made it possible for a worker to get his or her feet on the ground, to support a family and to lay the foundation for a better future. For nearly two decades from 1962 to 1979, the earnings of someone working full-time, year-round at the minimum wage

were enough to lift a family of three above the poverty line. That is no longer true. Someone working full-time, year-round at the current minimum wage level of \$7.25 now earns less than 82 percent of the poverty line for a family of three, and has only two thirds of the purchasing power of a similar worker in 1970. (See Appendix Figure 2 for the relationship of New York's minimum wage to the 3-person federal poverty line.)

2. An increase in the minimum is needed to raise New York's wage floor.

Raising New York's wage floor will help address the fact that a growing share of the labor force works in low-wage jobs. From their inception, minimum wage laws have been designed to ensure that all workers receive some minimally acceptable level of compensation without subjecting responsible employers to unfair competition from employers seeking to compete based on keeping wages unreasonably low.

- Continuing the trend that has prevailed for more than a decade in New York, most of the job growth in New York State since the recession began has occurred in industries paying wages in the bottom third of the wage distribution. Since mid-2008 when the recession began in New York, the state had a net loss of 31,000 jobs in high-wage industries, and a net loss of 157,000 jobs in middle-wage industries, but a gain of 134,000 jobs in low-wage industries.¹
- In the years ahead, of the ten occupations expected to gain the most jobs in New York over the 2008-to-2018 period, half are low-wage. These low-wage jobs account for two thirds of the jobs expected to be added by the ten occupations adding the most jobs. These occupations include personal and home health care aides, food preparation and serving workers, child care workers, and waiter/waitresses. Together, these five occupations are forecast by the State labor department to increase employment by 23 percent from 2008 to 2018.²
- Within New York City, real wages for low-wage workers have fallen by eight percent over the past two decades despite the fact that these workers' educational attainment has risen dramatically. In 1990, 23 percent of workers earning less than \$10 an hour in inflation-adjusted 2010 dollars had a minimum of some college attendance, if not a college degree or higher. By 2010, 39 percent of workers paid less than \$10 an hour had at least some college attendance.³
- Recession-related job losses and wage reductions have hit low-income families with children very hard, with incomes falling from 12 to 22 percent between 2008 and 2010, according to the City's Center for Economic Opportunity. For families with children at the 20th percentile for family income, for example, incomes fell by 14.6

¹ Fiscal Policy Institute analysis of seasonally adjusted payroll employment data, July 2008 - February 2012.

² See Figure 5 in Fiscal Policy Institute, "A Welcome Boost for New York: The Case for Raising the Minimum Wage," http://www.fiscalpolicy.org/FPI_BoostTheEconomyBoostTheMinimumWage_20120130.pdf, January 30, 2012.

³ Fiscal Policy Institute analysis of Current Population Survey data.

percent. (See Appendix Figure 3.)

3. A minimum wage increase is well-targeted to help low-income families.

Opponents would like people to believe that raising the minimum wage mainly helps suburban teenagers from high-income families. The facts suggest otherwise:

- First of all, teenagers make up a very small portion of those earning low wages. Eighty-four percent of workers earning less than \$8.50 an hour are adults 20 years of age and older; in New York City, adults are 92 percent of those who would be directly affected by an increase to \$8.50 an hour.
- More than a quarter of all low-wage workers are raising children, and an estimated 375,000 New York children have a parent making low wages. In such families, the low-wage earning parent is responsible for 51 percent of family income, underscoring the importance of raising wages for these families.
- Even if the income of a family with a very low-wage worker is not below the federal poverty line, that hardly means they have an adequate income to meet basic family needs, particularly given the state's high cost of living. For example, in Brooklyn, a single parent with a pre-school child needs an income that is three and a half times the full-time minimum wage (\$51,500) to meet the Self-Sufficiency Standard (SSS) a measure that determines the income for working individuals and families to adequately meet basic needs for shelter, child care, food, clothing, transportation, and health care. In Syracuse, a single parent with a pre-schooler needs an income that is more than two and a half times the full-time minimum wage (\$39,224) to meet the SSS level for Syracuse.

4. Minimum wage increases don't reduce employment.

There is considerable evidence from around the country and in New York to indicate that modest minimum wage increases do not reduce total employment.

- Most minimum wage workers are employed in industries like retail, food service or personal services that primarily serve neighborhood consumer markets not subject to cross-state competition. Nor is it likely that businesses in such industries would relocate in response to minimum wage increases. If they did, it would be relatively easy for other businesses to take their place. Rather, businesses employing many low-wage workers adjust to minimum wage increases through a combination of nominal price increases and savings associated with greater worker retention, higher productivity and lower expenses for recruitment and training.
- Recent research zeroing in on adjacent, cross-state counties with differing minimum wages found that higher minimum wages did not reduce employment. In groundbreaking research that analyzed employment and earnings data for over 500 counties

from around the country, economists Dube, Lester and Reich controlled for local trends and other factors to isolate the possible effect of minimum wage differences between neighboring counties across state lines. Their research looked at every pair of neighboring counties in the U.S. over a 16-year period.⁴

- New York last acted to raise its minimum wage in 2004 with the first of three increases occurring in 2005. In the three years following the first stage of that increase, low-wage industries did not suffer employment losses. In fact, employment in low-wage industries like retail and restaurants in New York State grew just as fast relative to total job growth as at the national level.⁵

5. A minimum wage increase will not adversely affect teenagers.

- Teen employment is declining everywhere, mainly because young people are much more likely to be in school than a decade ago. This is true in New York City, other large cities and in states across the country. The share of NYC young people employed (the “employment-to-population” or EPOP, ratio) has declined significantly since 2000. From a forthcoming FPI report on the young adult New York City labor market in which we look at those 18-20 and 21-24 year-olds, the EPOP for 18-20 year-olds in NYC has fallen from 34 percent in 2000/2001 to 22 percent in 2010/2011.⁶ This difference is more than accounted for by an increase in the share of 18-20 year-olds who are not in the labor force because they’re in school (usually college). The student-to-population ratio increased dramatically over the past decade, from 46 percent to 61 percent. (While the unemployment rate for NYC 18-20 year olds is 25 percent, relative to the overall city unemployment rate it is roughly the same as it was in the early 2000s.)
- Young workers did not lose ground in New York City in retail and food service employment as a result of the last general increase in New York State’s minimum wage. Half of New York City 18-20 year olds work in food services and retail, the two industries employing the greatest number of low-wage workers. Employment has grown in both industries in recent years, and 18-20 year olds accounted for the same 13 percent of New York City employment in retail and food services in 2005 and 2009, a period that included the full phase-in of the last state minimum wage increase.
- Newly-published research by leading academic economists finds no adverse impact on teen employment from minimum wage increases. In an April 2011 article in the journal *Industrial Relations*, University of California and University of Massachusetts

⁴ Arindrajit Dube, T. William Lester, and Michael Reich, “Minimum Wage Effects Across State Borders: Estimates Using Contiguous Counties,” *Review of Economics and Statistics*, November 2010.

⁵ See Table 3, Fiscal Policy Institute, “Restoring the Purchasing Power of New York State’s Minimum Wage,” http://www.fiscalpolicy.org/FPI_NewYorkShouldRaiseTheMinimumWage_July2008.pdf, July 10, 2008.

⁶ We don’t include 16-17 year-olds in our labor market analysis, since 95 percent of them are not in the labor force because they are in school.

economists demonstrate that raising the minimum wage does not hurt teen workers: it does not cause them to lose their jobs, and it does not lead to a reduction in the amount of hours they work. Drawing on 20 years of state-level data, this study shows the critical importance of accounting for differences in economic activity across states when testing for the impact of a minimum wage increase on teens. The researchers explicitly demonstrate how failure to control for state and regional economic trends has biased previous research on the topic and produced misleading results. This study shows that minimum wage increases not only do not harm teen workers, but that this finding holds even during economic downturns.⁷

6. A minimum wage increase will boost consumer demand, helping neighborhood businesses and creating a net positive job impact.

Increasing the minimum wage helps the workers who see their paychecks go up, but it helps the broader economy as well. It's well known that one of the best ways to generate more economic activity is to increase the incomes of those at the lower end of the income scale. This is because low-income people spend a larger share of any new increment of income than do those at higher income levels. And that is why programs such as Food Stamps and the Earned Income Tax Credit (EITC) are not just viewed as policies that improve the well-being of low-income people and their families—they are also known to be smart policy tools that quickly generate new spending and boost demand and jobs. Similarly, an increase in the minimum wage puts money into the pockets of low-wage workers and increases demand for the goods and services they and their families purchase.

With high unemployment and a weak economy, there could not be a better time to raise the incomes of low-wage workers and thereby pump some much-needed demand into the state's economy. For three years running, when the National Federation of Independent Business has polled its members on a monthly basis about the most important problem faced in running their small businesses, respondents have ranked poor sales as their top problem.⁸ Raising the incomes of low-wage workers will help businesses with their own sales and in turn boost their demand for the products of their suppliers, creating a multiplier effect as the impact of the new increment of income works its way through the economy.

As the increased demand ripples through the state's economy, it will stimulate job creation. We estimate that a minimum wage increase to \$8.50 an hour will generate an estimated 7,500 jobs across the state, with the bulk of this occurring in the lower-income communities where minimum wage workers live and shop. Seventy-five hundred jobs is not a huge gain, but those jobs are badly needed in the current economy. The important thing is that increased spending by minimum wage workers will help many small and neighborhood businesses, including those who will need to pay their lowest-paid workers a little more.

⁷ Sylvia A. Allegretto, Arindrajit Dube and Michael Reich, "Do Minimum Wages Really Reduce Teen Employment? Accounting for Heterogeneity and Selectivity in State Panel Data," *Industrial Relations*, April 2011: <http://www.irl.berkeley.edu/workingpapers/166-08.pdf>.

⁸ FPI analysis of National Federation of Independent Business data, <http://www.nfib.com/research-foundation/surveys/small-business-economic-trends>.

7. The minimum wage and the Earned Income Tax Credit are complementary policies; one is not a substitute for the other.

Some opponents argue that an increase in the state minimum wage is not necessary because New York has an Earned Income Tax Credit (EITC) that is 30 percent of the federal EITC. However, the minimum wage and the EITC are not mutually exclusive. In fact, they are complementary policies, and they each help offset weaknesses of the other. The minimum wage is needed to provide an effective wage floor under the labor market, deterring some businesses from trying to compete by paying lower wages. The EITC is valuable because it targets households with low incomes and provides a benefit that is scaled to the number of children in a family.

8. Raising the minimum wage is an important means to address growing income inequality.

New York has the dubious distinction of having the most extreme income inequality in the United States, with the wealthiest one percent receiving 35 percent of the state's income in 2007, a share that dropped in the recession to 31 percent in 2008, but is likely rising again. Wage disparities between high- and low-income households are a major contributor to New York's income polarization.

The failure to raise the state's minimum wage has heightened that disparity. In New York, someone working 40 hours per week at the minimum wage of \$7.25 earns about 25 percent of the state average weekly wage. In no other state is this percentage as low. In 1979, before New York's income polarization began to rise precipitously above the national average, a full-time minimum wage worker earned 42 percent of New York's average weekly wage. If the minimum wage had maintained that 42 percent relationship to the average wage, it would be \$12.88 an hour today, 78 percent higher than the \$7.25 level.

9. Raising the minimum wage would help restore New York's place among progressive states.

New York State used to be a leader in labor protections for vulnerable workers. But we have failed to maintain our progressive orientation. Eighteen states all across the country and the District of Columbia now have state minimum wage levels above the federal minimum wage. And in eight of those states, the minimum wage went up on January 1st as a result of an automatic cost of living adjustment provision. There has not been a meaningful increase in the minimum wage in New York for over five years since January 2007.

10. Raising the minimum wage is particularly important in a high unemployment economy since high unemployment otherwise will depress wages and living standards.

Prolonged high unemployment has pushed down the incomes of thousands of New York families. One indication of this is that there has been a very sharp 65 percent increase in the number of New Yorkers receiving food stamps since the recession began over four years ago. Unemployment in New York has remained at eight percent or higher for nearly three years, and the current 8.5 percent unemployment rate is the highest since the fall of 2010. In New York City, the unemployment rate has risen from 8.8 percent to 9.7 percent over the past year and the number of city residents officially unemployed has increased by 40,000 to 385,000.

High unemployment, however, does not only hurt the unemployed. Even those with jobs can feel its effects, as it depresses their ability to secure the wage gains needed to maintain the purchasing power of their wages. In an environment of job insecurity, when there are several unemployed workers for every job opening, those who still have jobs are less likely to rock the boat and press for improved wages or even resist rollbacks in their compensation and working conditions. With economists projecting that the national unemployment rate will remain high for several more years as the tepid economic recovery continues, we face the prospect of a sluggish labor market in which low-wage and middle-wage workers see their earnings and standard of living further eroded. A legislated minimum wage increase helps serve as a needed corrective to this bleak outlook for improvement on the wage front.

How significant is the spillover effect likely to be from those earning above \$8.50?

Some opponents, particularly large employers, have argued that a minimum wage increase would in effect require them to raise wages for a large share of their workforces. We believe there would certainly be benefits to the broader economy from the upward wage pressure that would result at the lowest end of the wage scale. But the reality is that the spillover effect would likely only amount to, at most, about a fifth of the 17 percent increase that going from \$7.25 to \$8.50 an hour represents. Any spillover effect would taper off such that it would only apply to workers making between \$8.50 and \$9.50 or \$9.75 an hour.⁹

⁹ This is based on analysis by the Economic Policy Institute. Economist Jeannette Wicks-Lim, Assistant Research Professor at the University of Massachusetts-Amherst Political Economy Research Institute recently submitted this statement to the New York State Senate Democratic Conference:

Based on my analysis of wages from the years of 1982 to 2002, it is clear that minimum wage ripple effects do not extend the same size raises from a minimum wage hike up the wage hierarchy. Instead, workers earning just above the minimum wage receive raises, what I call ripple effect raises, that are much smaller than what workers earning the minimum wage receive. For example, if the minimum rises by say, 20 percent—a slightly bigger increase than what New York is considering—you can expect that workers earning just above the new minimum of \$8.50 would experience a raise of less than five percent. That would be a raise of about 30 to 40 cents, not the \$1.25 that a minimum wage worker would receive. In other words, ripple effect raises dissipate quickly as you move up the wage hierarchy. As a result, minimum wage hikes compress the wage distribution at the bottom end, but the average worker does not, in fact, experience any raise at all.

Concluding thoughts

Restoring the purchasing power of the minimum wage to its 1970 level would require a higher minimum wage than the Congress or the State Legislature is going to implement overnight. But even if the minimum wage legislation were increased to that level in several “reasonable” steps, its value would be eroded by inflation by the time that phase-in was completed. An alternative would be:

- to establish a target minimum wage of \$10.70 an hour,
- to adjust that target annually for inflation or for changes in the average hourly wage,
- to increase the actual minimum wage by a reasonable, fixed amount each year, until it reaches that moving target, and thereafter
- to have the actual minimum wage equal the target.

Indexing the target minimum wage to changes in average hourly earnings, rather than to a measure of inflation such as the Consumer Price Index, would have the advantage of ensuring that low-wage workers share in the overall growth in the economy generated by productivity improvements. A minimum wage increase to \$8.50 an hour is an important step in the right direction, but we need to recognize that achieving broadly shared prosperity will require additional catch-up increases to reach a reasonable level, and an effective means to preserve the purchasing power rather than see that eroded in the years ahead.

The Fiscal Policy Institute (www.fiscalpolicy.org) is an independent, nonpartisan, nonprofit research and education organization committed to improving public policies and private practices to better the economic and social conditions of all New Yorkers. Founded in 1991, FPI works to create a strong economy in which prosperity is broadly shared.

Ripple effect raises do increase meaningfully the number of workers who benefit from minimum wage hikes since many more workers earn wages \$1 to \$2 above the minimum. The fact is, however, that even when you combine the costs to businesses of both mandated and ripple effect raises, they are modest. For example, for an average restaurant, a 20 percent minimum hike typically increases costs by between 1 and 2 percent of the restaurant's sales revenue. Again, this figure includes both mandated and ripple effect raises. This restaurant, in other words, could cover the entire cost of a 20 percent minimum wage increase by raising their prices by between 1 and 2 percent, assuming that their level of business activity remains the same. This would be equal to raising the price of a \$20.00 meal to say, \$20.40.

Appendix Figure 1

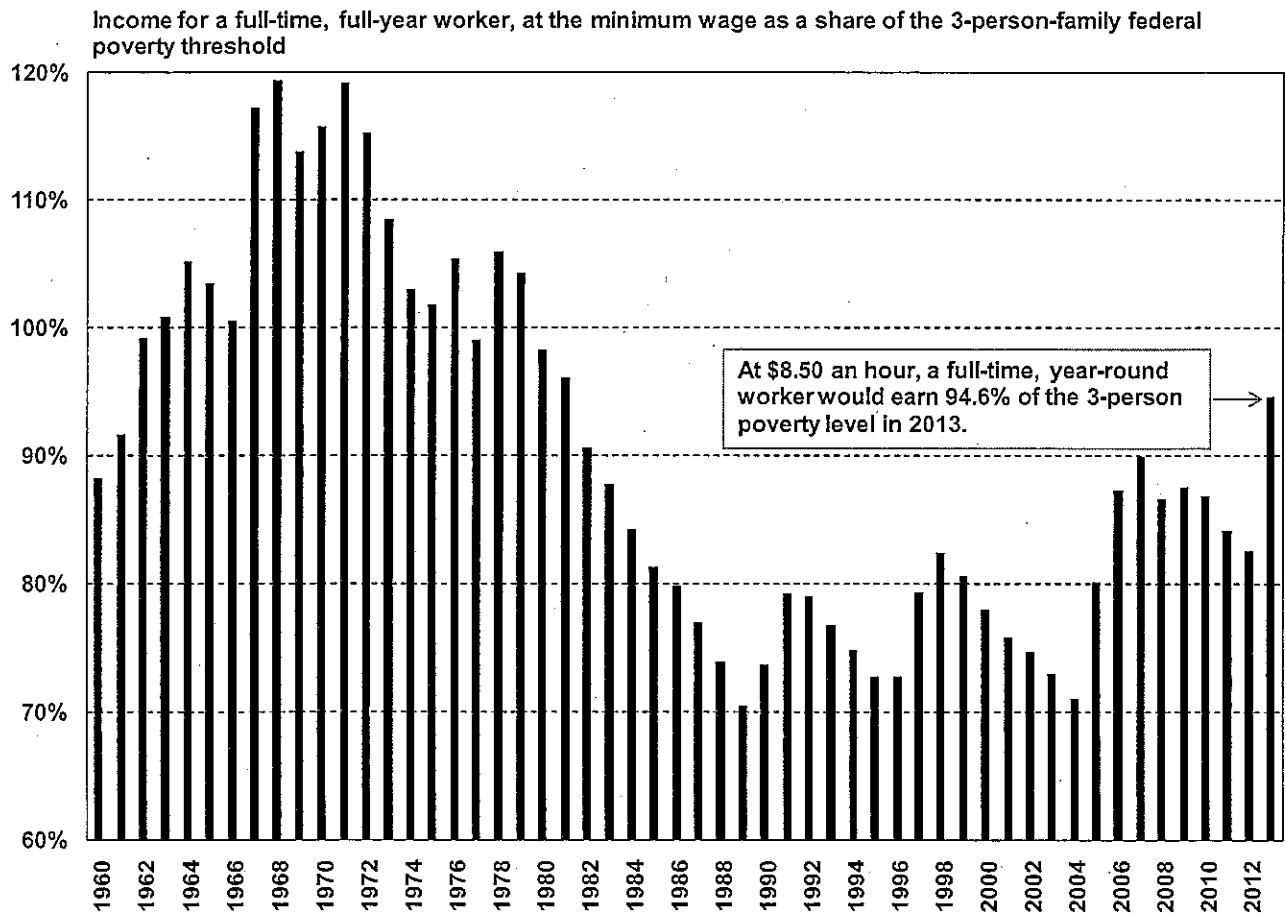
Characteristics of New York residents earning less than \$8.50 an hour in 2011

	New York State residents		New York City residents		Balance of state residents	
All employed	8,740,800		3,656,100		5,084,700	
All workers earning less than \$8.50 an hour	880,100		352,000		528,600	
Percent of all employed that earn less than \$8.50	10.1%		9.6%		10.4%	
	New York State residents		New York City residents		Balance of state residents	
	Number earning less than \$8.50/hour	Percent of all earning less than \$8.50	Number earning less than \$8.50/hour	Percent of all earning less than \$8.50	Number earning less than \$8.50/hour	Percent of all earning less than \$8.50
Gender						
Male	392,900	44.6%	171,300	48.7%	221,400	41.9%
Female	487,200	55.4%	180,600	51.3%	307,200	58.1%
Race/ethnicity						
White non-Hispanic	458,500	52.1%	77,400	22.0%	384,500	72.7%
Black non-Hispanic	125,000	14.2%	78,200	22.2%	46,000	8.7%
Hispanic	224,900	25.6%	157,600	44.8%	65,400	12.4%
Asian and other	71,700	8.1%	38,700	11.0%	32,700	6.2%
Nativity						
Born in the U.S.	599,700	68.1%	143,000	40.6%	459,900	87.0%
Immigrant	280,400	31.9%	209,000	59.4%	68,700	13.0%
Age						
16 - 19	137,400	15.6%	28,400	8.1%	109,900	20.8%
All 20 and older	742,700	84.4%	323,700	92.0%	418,800	79.2%
Work hours						
1 to 19 hours	148,000	16.8%	19,500	5.5%	129,800	24.6%
20 to 34 hours	297,200	33.8%	93,400	26.5%	204,700	38.7%
35 hours and up	435,000	49.4%	239,100	67.9%	194,200	36.7%
Retail & food service inds.	407,000	46.2%	132,500	37.6%	275,600	52.1%
Service & sales occupations	520,100	59.1%	187,900	53.4%	333,100	63.0%

Note: Estimates for NYS, NYC and Balance of State developed separately; thus, combined total of NYC and Source: FPI analysis of Current Population Survey microdata for 2011 provided by the Economic Policy Institute.

Appendix Figure 2

The full-time, full-year income of the New York State minimum wage falls far short of the federal poverty threshold, and is far below its peak 40 years ago. An \$8.50 minimum will bring the income of a full-time minimum wage worker to nearly 95% of the poverty level.



Note: Annual income calculated assuming full time work, 40 hours per week, 52 weeks per year at the minimum wage. 2012 and 2013 thresholds estimated using NYS Division of the Budget forecasts for inflation. Assumes an \$8.50 minimum as of January 1, 2013.

Appendix Figure 3

Earnings for New York City low-income families with children have fallen considerably since the recession began in 2008

Percentile	Family with children			Percentage change 2008-2010
	2008	2009	2010	
15	\$12,727	\$11,578	\$9,889	-22.3%
20	\$17,151	\$16,150	\$14,653	-14.6%
25	\$21,581	\$20,970	\$18,815	-12.8%
30	\$26,211	\$25,333	\$22,896	-12.6%
35	\$31,240	\$29,984	\$27,187	-13.0%
40	\$36,037	\$34,634	\$31,659	-12.1%

Source: NYC Center for Economic Opportunity alternative measure of poverty. See the center's working paper, *The CEO Poverty Measure, 2005-2010*, April 2012.

Employment Policies INSTITUTE

Testimony on Proposed Resolution No. 1319, “Raise the State Minimum Wage”

May 10th 2012

Michael Saltsman

Good afternoon Chairperson Sanders and members of the committee. Thank you for inviting me to offer testimony.

My name is Michael Saltsman, and I’m a research fellow at the Employment Policies Institute, a nonprofit organization based in Washington, D.C. that focuses on policies which impact the entry-level labor market.

I’m here today to express concern about a Council resolution that endorses an increase in New York’s minimum wage. While I share the Council’s concern for the plight of low-income families, the evidence is crystal clear that raising the minimum wage is an ineffective way to reduce poverty, and brings with it unintended consequences for the least-skilled jobseekers.

Twenty-eight states—including New York—raised their minimum wage between 2003 and 2007. Yet subsequent research has found no relationship between those wage increases and a reduction in state poverty rates.¹

Two factors help explain this:

- **First, though it seems counterintuitive, a majority of the people who benefit from an increase in the minimum wage are not living in poverty.**

Here in New York, for instance, Census data show that the average family income of a person that will benefit from the current wage proposal is above \$53,000 a year. Sixty percent are living with family or relatives, or have a spouse that also works; by contrast, just 8.5 percent are single earners supporting children.²

¹ See Burkhauser and Sabia (2010), available here: <http://www.people.vcu.edu/~jrazzolini/GR2010.pdf>

² Full analysis of NY minimum wage impact available here: http://www.minimumwage.com/wp-content/uploads/2012/04/NY_PolicyBrief_Final.pdf

These data are consistent with a recent study from economists at Cornell and American University, which found that more than 60 percent of minimum wage earners are in households with incomes over twice the poverty line.³

In other words, a “raise” in New York is not well-targeted to the low-income families that policymakers are trying to help.

- But targeting isn’t the only problem with a legislated raise. **A rising minimum wage also makes it more expensive to hire and train less-skilled and less-experienced employees, decreasing their hours worked and employment rate.**

It may be stating the obvious, but business owners that employ people at the minimum wage are not making money hand-over-fist like New York’s investment banks. Grocery stores and restaurants keep just a few cents in profit from each dollar in sales after expenses are paid. If their labor costs rise by 17 percent, and they can’t offset it with higher prices, they’re forced to scale back elsewhere.

A team of three economists, in a report released last month in Cornell University’s labor economics journal, reported on the cutbacks that occurred after the last state-legislated increase in New York’s minimum wage. Employment for less-educated 16-to-29 year-olds fell by over 20 percent.⁴

Right now, the unemployment rate for young adults across the five boroughs is averaging thirty-four percent—which means they can scarcely afford additional barriers between themselves and a job.⁵

Some advocates for a higher minimum wage have claimed that the “latest research” overturns past conclusions on job loss. Nothing could be further from the truth—in fact, eighty-five percent of the most credible studies from the last two decades point to job loss for the least-skilled employees following an increase in the minimum wage.⁶ Though proponents tirelessly cite a handful of outlying studies to make their case, the economic consensus says otherwise.

If the Council would like to use this symbolic vote to support the city’s low income workers, I’d point you to a proposal in Albany to expand the state’s Earned Income Tax Credit supplement

³ See Burkhauser and Sabia (2010), available here: <http://www.people.vcu.edu/~lrizzolini/GR2010.pdf>

⁴ See Burkhauser, Sabia, and Hanson (2012), available here: http://www-rohan.sdsu.edu/~jsabia/docs/Sabia_Burkhauser_Hansen_ILLR2012.pdf

⁵ EPI analysis of Current Population Survey data

⁶ See Neumark and Wascher (2007), available here: http://www.socsci.uci.edu/~dneumark/min_wage_review.pdf

from 30 to 35 percent.⁷ Unlike the minimum wage, this tax credit has a proven track record of reducing poverty and boosting employment—an important combination, considering that a majority of people living below the poverty line don't presently have a job.^{8 9}

Though endorsing a minimum wage increase might be good politics, it's bad policy that will do little to help the poor—and might even hurt them.

Thank you for your time today, and I'm happy to take any questions you might have.

⁷ <http://assembly.state.ny.us/leg/?sh=printbill&bn=A09542&term=2011>

⁸ See Sabia and Nielsen, 2012. Available here:

http://epionline.org/studies/120228_EPI_CanRaisingtheMinWageReducePovertyandHardship.pdf

⁹ See "Income, Poverty, and Health Insurance Coverage in the United States: 2010." Available at, <http://www.census.gov/prod/2011pubs/p60-239.pdf>



50 Broadway, 29th Floor
New York, NY 10004

T 212 631 0886
F 888 370 3085

www.ALIGNny.org

Thank you for giving me the opportunity to speak today in support of the City Council's Proposed Resolution No 1319-A in support of raising the state's minimum wage and linking it to inflation. My name is Josh Kellermann and I work at ALIGN: The Alliance for a Greater New York. We are a nonprofit labor-community coalition that works to create good jobs, vibrant communities and an accountable democracy for all New Yorkers.

The current minimum wage is nearly impossible to live on in New York City. A full-time worker earning \$7.25 per hour (the current minimum wage) will earn \$15,080 per year. The poverty line is \$15,130 per year for a family of two. Therefore, a full-time worker earning minimum wage falls below this definition of poverty, and even farther below the Self-Sufficiency Index, which for an adult and child in New York's least expensive borough, the Bronx, is still nearly \$50,000 per year.

Each day, hundreds of thousands of New Yorkers face the reality of working full time and living below the poverty line. ALIGN wrote a report in 2011 titled Poverty in New York City and we regularly collect data on poverty. Some of our key findings are:

- One out of every five NYC residents lives below the federal poverty line for individuals
- One out of every ten NYC residents that has a full- or part-time job still lives below the federal poverty line.
- During the 2010 economic recovery, 93% of the gains were captured by the top 1%.
- The top 1% of NYC controls 43% of the income while the bottom 20% controls just 2.4%.
- Latino and black households earn barely over half the income of white households in NYC.
- Low wage jobs are expected to outgrow nearly all other occupations in NYC over the next decade, particularly in health care, child care, retail, and restaurant work. Median wages for these occupations are only slightly over the federal poverty line.

These statistics clearly point to the need to raise the minimum wage. It will do the most good for the most number of people. There are approximately 200,000 workers in NYC who earn at or below minimum wage. A study by the Economic Policy Institute showed that minimum wage workers who earned \$1.25 more each hour would spend an additional \$3,500 in the following year. Therefore, 200,000 workers earning \$1.25 more in NYC would generate \$700 million in economic activity.

The economic stimulus resulting from an increase in the minimum wage would generate demand in our economy. Businesses would fill this demand by increasing orders and hiring more workers. This stimulus would counteract any negative employment implications that might result from increased wages.

Raising the minimum wage will help those who need it most and generate increased economic activity and job creation in NY.

Thank you.



RESTAURANT OPPORTUNITIES CENTER OF NEW YORK
275 SEVENTH AVE., 17th FLOOR
NEW YORK, N.Y. 10001
TEL: (212) 343-1771
FAX: (212) 343-7217

Testimony by Ai Elo, Restaurant Opportunities Center of New York

**In Support of New York City Council Resolution 1319-A
Committee on Civil Service and Labor**

May 10, 2012

Hello. My name is Ai Elo. I am a restaurant worker and a member of the Restaurant Opportunities Center of New York (ROC-NY). ROC-NY organizes restaurant workers citywide for improved working conditions. We are a membership-led organization of restaurant workers, with approximately 5,000 members from all over the world who reflect the diversity of the restaurant industry, which is filled largely by thousands of new immigrants who arrive in the U.S. each year.

I would like to begin by thanking the City Council and the Committee on Civil Service and Labor for holding this important hearing. I am here today to testify in favor of Resolution 1319-A which calls on the state legislature to pass modest increases in the state's minimum wage. While the legislation is not ideal – it falls far short of providing the state's workers with a living wage – it is nevertheless a significant improvement over the current minimum wage in New York.

By passing this resolution, the City Council will send a clear message, not just to our legislators in Albany, but also to workers across the state that government has a vested interest in protecting its workers, in recognizing the valuable contributions of workers, and in affording workers the respect and dignity we deserve.

With more restaurants per square mile than any other city, New York has been described as the restaurant capital of the world. Restaurants and restaurant workers contribute significantly to New York City and State economies. There are over 40,000 restaurants in New York, and this year, New York State's restaurants are projected to make nearly \$32 billion in sales.¹ Every dollar spent in these restaurants generates an additional 86 cents in sales for the state economy.²

But despite huge sales and the undeniable contributions to the city and state economies, restaurant workers are too often forgotten. According to surveys of restaurant workers in NYC conducted by ROC-NY, 80% earn low wages, 60% earn poverty wages, and 90% lack paid sick days.³ And, as you can guess, the vast majority of low wage workers in the restaurant industry are women and people of color.

¹ National Restaurant Association, "New York: Restaurant Industry at a Glance," *available at*: <http://www.restaurant.org/pdfs/research/state/newyork.pdf>.

² *Id.*

³ Restaurant Opportunities Center of New York, "Behind the Kitchen Door: Pervasive Inequality in New York City's Thriving Restaurant Industry," *available at*: <http://www.urbanjustice.org/pdf/publications/BKDFinalReport.pdf>.

The current minimum wage of \$7.25, which embarrassingly enough is also the federal minimum wage, is not enough for a worker to live on, especially here in New York. What's worse, the minimum wage for restaurant workers who receive tips is a mere \$5.00 per hour in New York (which amounts to \$10,400 per year).

As a young person of color with no familial support, no trust fund, and no savings, I am the sole financial support system for myself and my two younger siblings. Many of the jobs made available to me are those demanding intense physical labor in exchange for a minimum wage salary. While working in the restaurant industry, I immediately found myself desperate to take on extra shifts, begging to cover my coworkers' shifts, working double shifts and holidays. This eventually took a physical toll on me that largely had to be ignored because I could not afford to take days off to treat knee and back injuries sustained on the job – nor did I have time to spend with my siblings. On many occasions I dragged myself into work limping, exhausted, and sore from the previous workdays – forcing myself to smile. Over time, it became hard to maintain pride in my work and have a genuinely positive demeanor around the customers because I was stressed at the irony of my fruitless labor.

At the same time, I was going into debt and fell behind paying my rent. Eventually this led to homelessness in an unforgiving shelter system with few resources that made reentering the restaurant industry even harder. Even as I diligently tried to save my money, with hopes of saving enough to put myself in college, I could barely afford to pay rent let alone save enough to liberate myself from having to work full time in order to attend college. I have been stifled in my pursuit to be both economically and intellectually competitive because 4.65 an hour was not enough to cover my expenses no matter how much I worked and saved. Any job that does not allow me to exercise my skills and knowledge for the benefit of both the company and myself and instead takes away my financial autonomy despite the effort I put forth is what I consider survival work. I deserve to do more than barely survive.

My story is not unique. Restaurant workers, particularly women of color, are struggling to survive. We cook and serve food for a living but use food stamps at double the rate of the general public. Many ROC members can't make ends meet. Many are homeless.

Our work is hard, and we should not be living in poverty. Our work deserves to be respected. We deserve dignity. And while the proposed increase is far short of a living wage, I support any increase in the minimum wage. It is desperately needed in our communities.

The government has a duty to protect workers and to ensure that workers' basic human needs are met. I commend the City Council for recognizing this through Resolution 1319-A. But the power to raise the state minimum wage is in the hands of our elected officials up in Albany, and so I call on them to pass the minimum wage increase legislation.

When it passes this resolution, the City Council will be sending a loud and clear message that it supports working people in New York and their families. And we remind the City Council that in addition to sending its message through symbolic resolutions, it can also do so in real, concrete ways. Passing Paid Sick Days legislation as soon as possible would be a great place to start.

Thank you for your time.

Testimony of Arthur Cheliotas, President
of Communications Workers of America
Local 1180

New York City Council Committee on Civil
Service and Labor
Hearing on Minimum Wage

May 10, 2012

My name is Arthur Cheliotas, President of Communications Workers of America Local 1180. I represent 9,000 workers who live and work in New York City.

The proposal to raise the minimum wage is simply common sense and should not be a subject of controversy or political dispute. This will improve the quality of life for our lowest wage earners. This is about rewarding hard work and promoting dignity. This is about upholding the social contract. It's about how our society compensates its workers for their contributions to it. It's about doing what is right.

I unequivocally support raising the minimum wage from \$7.25 to at least \$8.50 and indexing future increases to the rate of inflation. Ten states in America today raise their minimum wage annually to keep up with inflation. And while New York City has the highest cost of living in the country, nineteen states have higher minimum wages than we do. This includes neighboring Connecticut (\$8.25), Massachusetts (\$8.00) and Vermont (\$8.46). The last time the minimum wage was raised in New York above the federal level was eight years ago. This is unacceptable, disgraceful and unjust.

Increasing the minimum wage is long overdue. Especially since wages have not kept up with the productivity of workers since the 1980's. In the 1950's and 60's, when union density was at its peak of 33.5%, wages increased in tandem with productivity. Over this fruitful period, workers saw their wages double and the middle class began to grow. America was benefiting from an implicit social contract. People saw that by working hard and contributing to productivity and economic growth, they and their families could expect improved quality of living, greater job security, and a dignified retirement. After 1980, as workers lost their collective bargaining power to union busting, this contract fell apart. Since then, productivity has grown more than 70 percent while real compensation of non-managerial workers has remained flat. Wages for the lowest-paid workers have collapsed even more than that of average workers. According to the Fiscal Policy Institute (FPI), at its peak purchasing power in 1970, the minimum wage was \$10.70 in today's dollars. That is 48 percent higher than it is now. Furthermore, FPI concludes that if the minimum wage had kept pace with inflation since the 1960's, it would be more than \$12 an hour today.

When we analyze this brief history, we see that the wages of low income workers have been suppressed for decades. Conversely, while the pay for low income workers was dropping, executive compensation was skyrocketing. In 2007

income inequality in New York City was at disgraceful third world rates with the top 1% capturing 44% of all income while the bottom 20% earned 1% of all income. If New York City were a nation, it would rank in between Chile and Honduras in terms of income inequality.

Nationally, in 1980, CEO pay was 42 times the average worker salary. In 2011 that number had ballooned to 380. The average CEO pay is currently over \$11 million. The average worker salary is currently \$34,053. The salary of someone who makes minimum wage is less than half of that. Wages of low income workers were suppressed while the salaries of high income workers were amplified. We need an increase in the minimum wage, if for nothing else, to minimize the vast income inequality that this blatant redistribution of wealth has produced.

Critics of the raising minimum wage allege that it would hurt the economy. This contention has been disproven repeatedly. There is an abundance of evidence showing that an increase in wages will, in fact, act as a stimulus for the economy. A report released by New York State Senator Klein's office notes that raising the minimum will infuse \$600 million into our economy. This is due to multiplier effects of the minimum wage. People with lower incomes spend a larger share of their paychecks on necessities like food, shelter and clothing. Therefore they inject money directly into our local economy. Also, when the minimum wage grows, productivity increases, meaning more business for New York.

Critics also say that raising the minimum wage would kill jobs. This is fear mongering. As FPI explains, industries that pay the minimum wage tend to serve small markets. There is no competition for these services in other states so it's unlikely that workers or businesses will relocate in response to raising the minimum wage here in New York. As mentioned previously, Senator Klein's study estimates when low income people earn more money, they spend it locally. This increases the economic activity of their communities. This added activity will result in the creation of an estimated 5,200 new full time jobs, adding approximately 4,800 new workers to payrolls across New York. Furthermore, when we look at the past decade we can see that when the minimum was raised back in 2004, there was no appreciable impact on unemployment. So the argument of killing jobs simply has no basis in reality.

It's not surprising that those who oppose a minimum wage increase are not trying to live off of one. The directors of some of the organizations who oppose raising the minimum make hundreds of thousands of dollars per year. They could not fathom trying to survive on the \$15,080 per year that the minimum wage amounts to. Yet they are striving and fighting to deprive over 1 million New Yorkers the modicum of dignity that increasing their incomes by 17% would provide. This is not fair. And it is the responsibility of government to advocate for those without advocates. The response of government on this issue is crucial and long overdue.

This is New York City, the home to three of the top five areas in the country with the highest cost of living. Manhattan is highest, Brooklyn is second, and Queens is fifth. In Manhattan, the cost of living is more than twice the national average. In order for the minimum wage to be a living wage, it must be raised in accordance with the increase of the cost of living in that area. According to the Living Wage Project, the salary that it takes for subsistence living in the city is \$11.86 an hour. The increase that this bill demands misses that mark considerably but it would bring us a little bit closer to where it needs to be in order for people to be able to survive in the city they live and work in.

Dr. Martin Luther King Jr. said "all labor that uplifts humanity has dignity and importance." If we want social order, and if we truly value the dignity of work, people need to have jobs that allow them to live with dignity.

The only people who would benefit from raising the minimum wage are people with jobs. If this bill passes, it is sending the message that New York encourages employment, that we believe in the dignity of work and that we reward our workers for their contributions to society.

Over 70 percent of New Yorkers agree with increasing in the minimum wage. Why are we disputing something with such widespread support? Clearly this is an idea whose time has come. We have had a trickle down economy for three decades. We have all learned the hard way that it doesn't work. We need a bottom up economy. One that puts earned money in the hands of people who truly need it and who spend it on the necessities of life. This is a step in that direction. We can raise the ceiling by raising the floor. This is what's fair, it's prudent, it's overdue. New York needs a raise.

TESTIMONY TO THE NEW YORK CITY COUNCIL

Stephanie Luce
Associate Professor
The Murphy Institute, City University of New York (CUNY)
25 W. 43rd Street
New York, NY 10036

RE: Res. No. _____ - Resolution in support of A9148, sponsored by the Speaker of the New York State Assembly, which would raise the state minimum wage, and calling upon the New York State Legislature to pass and the Governor to sign this legislation.

I urge the City Council to pass a Resolution in Support A9148, which would raise the state minimum wage.

I have been studying low-wage work and wage laws for the past 15 years. When I began this work, there was a dominant view in the economics field that minimum wage laws caused unemployment. This seemed logical, as it seems when the price of a good goes up, demand for that good goes down. However, innovative economists have used so-called “natural experiments” and sophisticated statistics to test the actual impacts of minimum wage laws in states, comparing what happens in businesses on both sides of a state border, or in neighboring counties.

This new body of research has slowly grown to build a solid case that minimum wage laws have not had the negative impacts predicted. Businesses do not fire workers and they do not close when the minimum wage is increased.

At the same time, the minimum wage has a real impact on the lives of low-wage workers. The increase to \$8.50 is not nearly enough to rebuild the ground lost over the past few decades, and ideally, the state will index its minimum wage to increase automatically with inflation. But even a small increase can make a large difference for the workers affected.

We also observe that minimum wage increases have a positive “multiplier effect” on the larger economy. Low-wage workers and their families tend to spend the money they earn in the local economy, which thereby can stimulate further economic activity.

The opponents of minimum wage increases will tell you that only teenagers earn minimum wage, and work just to earn extra money for spending. While it is true that teen workers are likely to earn minimum wages, it is not true that the majority of minimum wage workers are teenagers. Research shows that over three-quarters of minimum wage workers are over 20 years old, and that even many of the teenage workers make a necessary contribution to their family’s income.

Almost 20 states, and four cities, have minimum wage rates higher than the federal level. Washington and Oregon have had higher wage rates, and rates indexed to inflation, for around a decade. Oregon is now at \$8.80 an hour, and Washington at \$9.04. There is no

reason to believe that New York can't do the same. New York should raise its minimum wage and index it to inflation.

The minimum wage makes economic sense. A growing consensus in the economics field understands that the positive benefits of a minimum wage would outweigh any negative impacts. Some economists state that there may be negative impacts at some point, but the current value of the minimum wage is far below what the market can stand, and therefore, there is significant room for increases.

Due to inflation, the minimum wage is more than 20 percent lower today than it was in 1967. If the minimum wage had kept pace with productivity over that period, it would be close to \$23 an hour today. That means, if workers got their share of what they produced, they would have much higher wages today.

Voters understand these facts. Polls going back more than 50 years show consistent support for minimum wage increases. Voters state that they think the minimum wage is necessary and fair.

It is time for New York to raise its minimum wage. It is good for working people, and good for the economy.

For the Record.



BALCONY
Business and Labor Coalition of New York

New York State Minimum Wage Must Be Raised to \$8.50

By Lou Gordon, Director, Business and Labor Coalition of New York

New York needs a minimum wage that helps families struggling to make ends meet. Mayor Michael Bloomberg, Gov. Andrew Cuomo and Assembly Speaker Sheldon Silver unanimously agree on this – and we at the Business and Labor Coalition of New York, BALCONY, heartily agree with them in principle.

However, we believe that simply raising the minimum wage from \$7.25 to \$8.50 is not enough. We, like the Fiscal Policy Institute, believe the state must increase, enact and phase-in a \$10 an hour minimum wage, starting at \$8.50 and gradually increasing to \$10 in 2014.

It is a common sense approach that both business and labor can – and must – support.

More than 1.6 million New Yorkers – about one in every six workers in New York City and other parts of the state – would see their hourly wages increase to \$10 an hour over three years, from approximately \$15,080 a year at \$7.25 an hour; to \$17,680 a year under an \$8.50 wage, and to \$20,800 a year with a \$10 hourly wage.

The reality is that even at \$10 an hour, the base salary is still below the federal poverty line of \$22,040 for a family of four.

It should be noted that 88% of the workers who would be affected by a higher minimum wage are adults – and most are in retail. The increase also would help those that need it most – women, blacks and latinos, who disproportionately make up most of the workers at minimum wage.

Most importantly, and contrary to claims from the groups that always oppose raising the minimum wage who say that it will kill jobs, the Fiscal Policy Institute says a \$10 minimum wage will result in more consumer spending and actually create more than 25,000 jobs.

As Director of BALCONY, which represents more than 1000 businesses, trade associations, labor unions and non profits, I urge lawmakers in Albany to go beyond the proposal of a flat increase to \$8.50 and pass the phased-in \$10 hourly wage.

The time to do this is now: New York's minimum wage has not kept pace with inflation over the last four decades and gone up by just a dime in the last five years.

The lingering recession has made it difficult for low- and middle-wage workers to get a pay raise to properly support themselves and their families.

As James Parrott, Director and Chief Economist of the Fiscal Policy Institute notes: "Our lowest-paid workers need a raise, and a boost will not only promote economic recovery, but ensure that the benefits of the recovery are more broadly shared."

Eighteen states and the District of Columbia already have minimum wage levels above \$7.25. Washington State, which leads the nation with a \$9.04 minimum wage, and seven other states have a system that adjusts the rate to stay apace with consumer price increases.

As for the tired old argument that minimum wage hikes kill jobs, research shows that increases in San Francisco, C.A. and Santa Fe, N.M., not only helped workers, but didn't wipe out jobs. Likewise, Massachusetts, Vermont and Connecticut haven't lost jobs to New York by dint of having a higher minimum wage.

We must finally put aside the cries of "wolf" from Republicans and anti-labor interests and pass a minimum wage that will allow working men and women to better support their families and to enjoy the economic benefits that will come from putting more money into the hands of consumers.

WWW.BALCONYNEWYORK.COM

BALCONY 4 W. 43RD ST. NEW YORK, NY 10036, 212-219-7777, LOUG@BALCONYNEWYORK.COM



Why Increase the Minimum Wage

Written Statement by Heidi Hartmann, Ph.D.
President and Founder, Institute for Women's Policy Research

Delivered to
Committee on Civil Service and Labor
New York City Council

May 10, 2012

STATEMENT OF HEIDI HARTMANN, Ph.D.

Mr. Chairman and Members of the Committee on Civil Service and Labor, I am Heidi Hartmann, President and Director of the Institute for Women's Policy Research, an independent nonprofit scientific research institution that studies issues of particular concern to women, especially economic issues such as welfare reform, equal pay, and child care. I am an economist with a Ph.D. degree from Yale University, as well as a Research Professor at the George Washington University. I am pleased to have the opportunity to submit my views on the case for raising the minimum wage, and especially the impact on women of an increase in the state minimum wage. Please note that my opinions are my own and do not necessarily reflect the opinions of the Board of Directors or funders and supporters of the Institute for Women's Policy Research or the George Washington University.

There are five important factors to consider in deciding about an increase in the state minimum wage. These considerations are both theoretical and empirical.

First, it is important to know why societies commonly set a wage rate floor. While economists generally argue that competition among consumers, workers, and employers operating through a relatively unfettered market place results in an efficient and socially-desirable allocation of resources (through the operation of the “invisible hand”), they also recognize instances of “market failure,” instances when markets left on their own produce undesirable outcomes. For example, history shows that if workers are allowed to compete with each other at the bottom of the labor market for scarce jobs, unskilled workers will bid wages down to very low levels indeed. In an attempt to meet their pressing short-term needs, workers who lack protection and other income will drive wages below the level needed for long-run survival and economic security, leading to the Malthusian result that workers and their families would actually starve to death. In other words, the equilibrium wage set by the unmonitored operation of the market would be below the wage necessary for survival. Thus, throughout history, wage rates have generally been set collectively, indeed virtually since the beginning of waged labor. This is routinely done to increase the standard of living above where the market might set it if left on its own, because the consequences of not intervening in the market would simply be too dire.

Second, in the United States today, while the national wage standard helps to level competition between states by setting a uniform wage rate floor, the stagnation of wages for the majority of workers has for now left the responsibility of keeping wages in step with changes in the cost of living and inflation to the states. Establishing a firm floor within a state prevents unhealthy competition that would lead to a race to the bottom in the state labor market. States with low wages generate weak purchasing power, lack strong markets for the goods and services produced, and have low tax revenues which limit public investment in growth and productivity oriented infrastructure, like education and transportation, restricting economic growth still further.

Third, determining the level at which the state minimum wage should be set is a matter of trial-and-error. Looking at the past track record and current empirical results is important. Historically, the New York state minimum wage has largely traced the federal minimum wage rate, though the relatively higher cost of living in New York with respect to the state average

wage provides justification for the state rate to be higher than that dictated by the federal statute. In fact, between 2005 and 2009, New York's minimum wage rate was higher than the federal minimum wage. However, as the growth in the New York state minimum wage slowed and that at the federal level increased, that gap closed, with both the state and federal rates now at \$7.25. If New York had maintained its peak 31-percent gap in 2006 between the state and federal minimum wage rates, New York would currently have a state minimum wage rate of \$9.50, well above the increase to \$8.50 that has been proposed in the state.¹

The state and federal minima are low relative to our historical experience, and the low minimum is contributing to several social problems, such as the growing gap between the top and the bottom. According to the Economic Policy Institute (Mishel, Bernstein, and Schmitt, 1997), the erosion in the value of the minimum wage accounted for 1/5 of the growth in wage inequality between 1979 and 1992 for men and two-fifths for women (where inequality is measured as the wage difference between the worker at the 10th percentile of the wage distribution and the worker at the 90th percentile). In real terms, the value of the New York state minimum wage peaked in 1970 and the decline in value was particularly steep between 1970 and 1989; even the most recent nominal increase in the minimum wage (for both the federal and New York state rates) to \$7.25 in 2009 leaves the wage 15 percent below its 1962 value in real terms. In order for the minimum wage to be successful in establishing a reasonable hourly earnings level for those in the lowest-paid, and often lowest-quality, jobs, the rate must function as a real wage floor; the declining shares of hourly-paid workers who are paid at or below the federal minimum wage over the last thirty years suggest that this is not the case.²

In 2011, 199,000 workers in New York earned at or below the state minimum wage, comprising 5.1 percent of all workers state-wide (U.S. Bureau of Labor Statistics 2012). According to the U.S. Census Bureau, close to one-fourth (23.4 percent) of the families in New York have household incomes below \$25,000 in 2010.³ A single mother working at the state minimum wage would have to work 49 hours a week year-round to lift her family with two children above the federal poverty line, \$18,310 a year in 2010 dollars. In a recent report, the Fiscal Policy Institute analyzed the impact of lifting the state minimum wage to \$8.50 in 2013. Its findings show that a total of 880,000 or more than 11 percent of New York workers would benefit from the wage increase (Fiscal Policy Institute 2012a). This includes those currently earning below the proposed \$8.50 minimum wage and those earning slightly above \$8.50 who are also likely to receive wage increases from employers. The majority of the affected workers would be employees in retail and food service industries.

Fourth, some demographic groups of workers will benefit more than others from an increase in the minimum wage. By definition, those at the bottom of the labor market will benefit more and those workers are disproportionately female. Women are 48.9 percent of all New York workers but 56.4 percent of workers earning below \$8.00 an hour. Of those whose wages would increase if the minimum wage were raised to \$8.50, 55.4 percent would be women. If the minimum wage

¹ IWPR calculations using published minimum wage data from the U.S. Bureau of Labor Statistics (2011 and 2012).

² The percent of hourly paid workers earning at or below the Federal minimum wage fell from 15.1 percent in 1981 to 5.2 percent in 2011 (Table 10, U.S. Bureau of Labor Statistics 2012).

³ 2006-2010 American Community Survey 5-Year Estimates of Selected Economic Characteristics retrieved on May 7, 2012 using American FactFinder.

were further raised to \$10.00 over three years, 803,300 female workers statewide would be affected directly (Fiscal Policy Institute 2012b). In 1979, a woman working at the minimum wage earned 70 percent of the hourly wage of the median female worker (the woman right in the middle of the female wage scale); in the state of New York, in 2010, that ratio was only 39 percent.⁴ Thus, an increase in the minimum wage would help to increase women's wages substantially and help close the wage gap between women and men. The role of the minimum wage in mitigating the widening of the gender wage gap has been observed in the past; as women's labor force participation increased sharply in the 1960s, the average skill and experience of the new female entrants into the labor market resulted in the slow overall wage growth among working women; however, the effect of regular increases in the federal minimum wage throughout the decade helped hold up the bottom of the labor market and combat any widening of the gender wage gap during this time. While opponents of a minimum wage increase often make much of the fact that a high proportion of minimum wage workers work part-time (nationally, women were more than twice as likely as men to be working part-time in 2011),⁵ it should not be overlooked that the families of these women also depend on their wages and increasingly so in the wake of the Great Recession. Women who prefer or must work part-time to care for family members very often find that minimum wage jobs are all that are available during the hours they can work. Unfortunately, their low wages will follow them into retirement, resulting in lower Social Security and retirement benefits, as well.

Fifth, it is important to remember that the low level of the current minimum wage means that low-wage employers, much like businesses that pollute the air and waters, are imposing costs on society at large. The consumers of the products and services produced by these low-wage workers are also imposing costs on others. These society-wide costs should be weighed against the costs of providing for the increase in unemployment if the minimum wage is set too high. It is important to note, however, that most empirical literature on the effects of raising the minimum wage find little or no increase in unemployment simply because the wage increases are generally modest and not over large (Card and Krueger 1994 and 1995).

When consumers buy cheap goods produced by workers earning less than a survival wage, and those low labor costs are subsidized by public programs such as the Earned Income Tax Credit, food stamps, and Medicaid, then those consumers are being subsidized by taxpayers who fund these 'wage supplement' programs. It's neither fair nor efficient for some employers to pay all of their labor costs--by paying their employees a living wage--and have to compete with other employers whose labor costs are subsidized by public programs because they pay less than a living wage. Consumers think they're getting a bargain by buying cheap goods, when in fact the real cost of those goods is paid for by taxpayers. Economists generally argue that all economic activities should at least pay their own way; failure to properly assign all the costs of an activity distorts the market. Goods that are produced too cheaply, for example, are overused and our economy produces more of them than is optimal. The cost of providing larger unemployment benefits to those low-wage workers who might become unemployed as a result of a minimum wage increase would be more than offset by the savings in reduced benefits given to those

⁴ IWPR calculations using published 2010 data on women's median weekly earnings from the U.S. Bureau of Labor Statistics (2011).

⁵ In 2011, 36 percent of women and 15 percent of men worked full-time (IWPR calculations using published 2011 data from the U.S. Bureau of Labor Statistics (2012b)).

currently earning low wages (who with an increase in the wage need fewer or no public benefits). A one-dollar increase in the minimum wage translates into an increase of more than \$2,000 per year in income for a full-time worker.

Despite the current high unemployment rate, raising the minimum wage will increase household incomes, stimulate spending, boost demand, and create jobs. Researchers estimate that a three-step increase of the minimum wage to \$10.00 would create somewhere between 17,200 and 37,500 jobs on net (Fiscal Policy Institute 2012b). Moreover, research shows that any negative effects of pay equity wage increases can be reduced by phasing in the increases over time. IWPR research on wage increases in state civil services shows that those states that phased in their wage increases had better employment growth than those that implemented one time increases. For this reason, it not only makes sense to phase in increases over more than one year, it also make sense to index the minimum wage to increases in inflation or the average wage, so that future increases will be relatively small and would occur predictably at a given time of year.

References

Bernstein, Jared, Heidi Hartmann and John Schmitt. "The Minimum Wage Increase: A Working Woman's Issue." EPI Issue Brief 4133. Economic Policy Institute, September 16, 1999.

Card, David and Alan B. Krueger. 1994. "Minimum Wages and Employment: A Case Study of the Fast-Food Industry in New Jersey and Pennsylvania." *The American Economic Review* (84: 772-793).

_____. 1995. "Time-Series Minimum-Wage Studies: A Meta-analysis." *The American Economic Review Papers and Proceedings of the Hundredth and Seventh Annual Meeting of the American Economic Association* (85: 238-243).

Fiscal Policy Institute. 2012a. "Which workers will benefit, if the New York minimum wage is raised to \$8.50 an hour?" Numbers that Count, Issue 3.
<http://www.fiscalpolicy.org/FPI_NumbersThatCount_BenefitsOfIncreasingTheMinimumWage.pdf> (accessed May 7, 2012).

_____. 2012b. "A Welcome Boost for New York: The Case for Raising the Minimum Wage" Numbers that Count, Issue 3.
<http://www.fiscalpolicy.org/FPI_BoostTheEconomyBoostTheMinimumWage_20120130.pdf> (accessed May 8, 2012).

Hartmann, Heidi and Stephanie Aaronson. "Pay Equity and Women's Wage Increases: Success in the States, A Model for the Nation." Institute for Women's Policy Research Report, April 1994.

Mishal, Lawrence, Jared Bernstein, and John Schmitt. *The State of Working America, 1996-97*. Economic Policy Institute, 1997

U.S. Bureau of Labor Statistics. 2011. "Women's Earnings in New York - 2010."
<<http://www.bls.gov/ro2/womearnny.htm#table12010>> (accessed May 7, 2012).

_____. 2012. *Characteristics of Minimum Wage Workers: 2011*.
<<http://www.bls.gov/cps/minwage2011tbls.htm#3>> (accessed May 7, 2012).

_____. 2012b. "Household Data Annual Averages – Table 8. Employed and
unemployed full- and part-time workers by age, sex, race, and Hispanic or Latino ethnicity."
<<http://www.bls.gov/cps/cpsaat08.pdf>> (accessed May 7, 2012).

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

Name: Keith Wurd (PLEASE PRINT)

Address: 163 W. 125 St N.Y.C. 10027

I represent: Self - U.S. Assembly

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1319 A Res. No. _____

in favor in opposition

Date: _____

Name: Al El (PLEASE PRINT)

Address: 275 7th Ave 17th Floor

I represent: ROC NY

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: 5-10-12

Name: NADYA STEVENS (PLEASE PRINT)

Address: 6th Avenue St

I represent: CWA 1185 - other Chebor

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: 5-10-12

Name: JAMES PARROTT (PLEASE PRINT)

Address: _____

I represent: FISCAL POLICY INSTITUTE

Address: 11 Park Place #701

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

Name: STEPHANIE LUCE (PLEASE PRINT)

Address: ~~25 W 43rd St~~ 469 13th St, Brooklyn

I represent: THE MURPHY INSTITUTE/CUNY

Address: 25 W. 43rd St, New York

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1319-A Res. No. _____

in favor in opposition

Date: 5-10-12

Name: ROSEMARY GINTY (PLEASE PRINT)

Address: _____

I represent: CATHOLIC COMMUNITY RELATIONS

Address: COUNCIL 1011 1ST AVE

NY NY 10022

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 3 Res. No. 1319-A

in favor in opposition

Date: 5/10/2012

(PLEASE PRINT)

Name: Jack Temple

Address: 335 Flatbush Ave, Apt #3 Brooklyn, NY 11217

I represent: National Employment Law Project

Address: 75 Maiden Ln, Suite 601 New York, NY 10038

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Josh Kellermann

Address: 50 Broadway 29th Fl NY NY 10004

I represent: ALIGN: The Alliance for a Greater NY

Address: Same

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: 5/10

(PLEASE PRINT)

Name: Michael Solomon

Address: 1070 Vermont Ave NW Wash DC

I represent: Employers Policies Institute

Address: _____

Please complete this card and return to the Sergeant-at-Arms