

# **RWDSU**

**Retail, Wholesale and Department Store Union**

Testimony of Stuart Appelbaum

President of the Retail, Wholesale and Department Store Union (RWDSU)

Resolution Calling upon New York State Senate to pass legislation to raise  
the minimum wage to \$9 per hour and index future automatic increases to  
inflation

Before the New York City Council's  
Committee on Civil Service and Labor

March 13, 2013

City Council Chambers

New York, NY

Good Morning Chairman Nelson and Members of the Committee. Thank you for inviting me to testify today on this resolution calling upon New York State Senate to pass legislation to raise the minimum wage to \$9.00 per hour and index future automatic increases to inflation.

My name is Stuart Appelbaum and I am the president of the Retail, Wholesale and Department Store Union (RWDSU). The RWDSU represents 100,000 workers in the United States, with 45,000 residing in New York. The RWDSU represents predominantly workers in retail, food processing, and other sectors, including low-wage workers. My union is deeply involved in progressive activism and movements for economic and social justice. The RWDSU is united by a shared commitment to raising job standards across industries and occupations.

Dr. Martin Luther King once asked "What good does being able to sit at a lunch counter do if you can't afford to buy a hamburger and a cup of coffee?" Dr. King – an ardent supporter of fair wages and the labor movement – knew that true progress and civil equality can only be achieved by bringing working families out of poverty. That's why it's so important that we take immediate action in New York State to raise the minimum wage, with indexing that would automatically raise the minimum wage to keep pace with inflation.

Far too many working people in New York are struggling just to survive. They worry how they will afford to house and feed their families. The working poor go to work each day, and still they can't provide the basic necessities of life. When wages don't keep pace with rising costs and prices, survival becomes more and more difficult.

The minimum wage in New York State has increased only ten cents in the last six years. It has remained stagnant at \$7.25 an hour since 2009. At this rate, a full-time worker is earning just over \$15,000 a year. This salary is so low that most full-time employees supporting a family on minimum wage are eligible for taxpayer-funded public assistance programs. New York is one of the most expensive states to live in, and the \$15,000 annually that a minimum-wage earner brings home is outrageously low.

But it doesn't have to be that way.

Last week, I stood with State Assembly Speaker Sheldon Silver and members of the Assembly as their house passed the increase with \$9.00/hour and indexing. Raising New York's minimum wage to \$9.00/hour and indexing it to inflation will help New York's low-wage workers who are being squeezed by flat wages and rising prices. Over one million lives would be changed instantly by increasing the minimum wage \$1.75 per hour. My union, the RWDSU, was proud to join together in Albany with other labor unions, clergy, major community leaders, elected officials, advocacy groups and more than 200 businesses throughout the state in supporting this increase.

Speaker Silver and the Assembly have taken the first step towards making it possible for low-wage workers to live in dignity. However, their actions aren't enough. The need to raise the minimum wage in New York is coming on the heels of growing momentum for this popular legislation. President Obama supports increasing the minimum wage. The Governor supports raising the minimum wage. The Assembly passed a bill increasing the minimum wage to \$9.00 an hour - with indexing. The people of this state - by a margin of more than 80 percent of New York voters - support raising the minimum wage. But where is the State Senate?

Over the past four decades, New York's minimum wage has consistently lagged behind the rising cost of living: If New York's minimum wage had simply kept pace with inflation since 1970; it would equal \$10.70 per hour today. Instead, legislative inaction has left the minimum wage stuck at \$7.25 per hour. Nineteen states have already raised their minimum wage higher than New York's, including our neighbor states of Connecticut and Massachusetts. Ten states currently index their minimum wage to rise automatically with the cost of living:

New Yorkers need a wage-led recovery from the recession. It's time to transform economic vulnerability into economic security. This legislation tells low-wage New Yorkers they are not invisible or forgotten, and that government can improve their lives.

Not only is a higher, indexed minimum wage the right thing to do for the working poor, but it is also good for our state's economy. When a low-wage worker receives an extra dollar, they will have to spend every penny of it for basic necessities- growing our economy in the process and creating more jobs.

The State Senate needs to follow the Assembly's lead and move aggressively to pass a strong minimum wage bill with indexing. Your decision today to pass this resolution will send an important unified message to the State Senate.

It is long past time to raise New York's minimum wage to \$9.00 an hour with indexing. It's not just the right thing to do. It is the smart thing to do. New York's State Senate must act now.

New York's working poor can't afford to wait any longer.

Thank you for your time and consideration.

Testimony of Arthur Cheliotēs  
President of Communications Workers of  
America Local 1180

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

March 13, 2013

## **INTRODUCTION- WHY WE SHOULD RAISE THE MINIMUM WAGE**

My name is Arthur Cheliotas, President of Communications Workers of America Local 1180. I represent 8,500 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 is about improving the quality of life for our lowest wage earners. This is about rewarding hard work, about promoting dignity. This is about upholding the social contract. It's about how our society compensates its workers for their contributions to it. It is about doing what is right.

I unequivocally support raising the minimum wage from \$7.25 to \$11.50 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 standard 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 (\$8.60). The last time the minimum wage was raised in New York was nine years ago. This is unacceptable, disgraceful and unjust.

## **HISTORY OF WAGES**

Raising 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 were increasing in tandem with productivity. During this time, workers saw their wages double and the middle class started to grow. The United States was benefiting from an implicit social contract. Workers saw that by working hard and contributing to productivity and economic growth, they and their families could expect improved standards of living, greater job security, and a secure and dignified retirement. After 1980, as employees lost their collective bargaining power to union busting, this contract broke down. 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 the average worker. According to the Fiscal Policy Institute, the purchasing power of New York's minimum wage peaked in 1970 and has lost a third of its value since that time as the cost of basic goods has continued to rise. If New York's minimum wage had kept pace with inflation since 1970 it would equal \$11.15 per hour today. In addition, it asserts that if the minimum wage had kept pace with inflation since the 1960s, 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 low wage worker pay was dropping,

executive compensation was skyrocketing. In 1980, CEO pay equated to 42 times the average worker salary. In 2010 that number had ballooned to 343 times the median worker's pay. Meanwhile, the average private sector worker salary grew by a paltry 5.7 percent over the same time period. The average CEO pay is currently over \$11 million. Wages of low income workers were suppressed while the salaries of high income workers were amplified. We need a substantial increase in the minimum wage, if for nothing else, to minimize the vast income inequality that this blatant redistribution of wealth has produced. Raising the minimum wage to \$11.50 would simply correct a discriminatory discrepancy that has been ignored for far too long. Other proposals to raise the minimum by anything less than \$11.50 are simply not enough.

### **CRITICS SAY**

Critics of raising the 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 actually help the economy. A report released by New York State Senator Klein's office notes that raising the minimum will infuse over \$600 million into our economy. This is because the minimum wage has important multiplier effects. People with lower incomes spend a larger share of their paychecks on necessities like food, shelter and clothing. If workers receive more money each week, they will use their additional income to purchase more goods and services and inject that money right back into their local economy. This increase will act as a stimulus to local businesses and to our economy in general.

Critics also say that raising the minimum wage would kill jobs. This is fear mongering. When the minimum was raised in 2004, there was no appreciable impact on unemployment. Since raising the minimum would be an across the board increase, there will be a negligible impact on employment level. As the Fiscal Policy Institute explains, industries that pay the minimum wage tend to serve small markets. It is not as if there is competition for these services in other states so it's unlikely that workers or businesses are going to relocate in response to an increase in the minimum. In addition, when the minimum wage grows, productivity increases. In fact, studies show if the rate was raised to \$11.50, the state would stand to gain over 7,500 jobs. 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 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 currently amounts to. Yet they are striving and fighting to deprive over 1 million New Yorkers the modicum of dignity that

increasing their incomes would amount to. 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.

## **COST OF LIVING IN NEW YORK**

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 the highest, Brooklyn is second, and Queens is fifth. In Manhattan, the standard of living is more than twice the national average. In order for the minimum wage to be a living wage, it has to be raised in accordance with the cost of living in that area. According to the Living Wage Project, the salary that it takes to actually live in the city is \$11.86 an hour.

According to the US Census Bureau, New York is the state with the highest level of income inequality in the country. If New York City were a nation, it would rank in between Chile and Honduras in terms of income inequality. This is not a New York that we can be proud of, this is an embarrassment.

The only people who would benefit from raising the minimum wage are people who work. If this bill passes, it is sending the message that New York encourages employment and rewards workers for their efforts.

## **DIGNITY OF WORK**

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.

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 spend it on the necessities of life. This is what will generate greater economic activity.

A Quinnipiac University poll illustrates that, 78 percent of New Yorkers polled supported an increase in the minimum wage, while 20 percent opposed it. Why are we disputing something with such wide spread support? New York needs a raise and it's about time we got one.



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[www.ALIGNny.org](http://www.ALIGNny.org)

Thank you for giving me the opportunity to speak today at the Committee on Civil Service and Labor, in support of the City Council's Proposed Resolution calling on the State Senate to raise the minimum wage to \$9 an hour and link it to inflation. My name is Martiza Silva-Farrell 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.

I first want to thank the Chair of the Committee, Councilmember Nelson, and his colleagues on the Committee, Councilmembers Gennaro, Mark-Viverito, Recchia, Jr. and Ulrich, for bringing this important issue to the attention of the residents of New York City.

The current state-mandated 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 September, 2012 titled *Poverty in New York City: A Borough by Borough Analysis of Data from the U.S. Census Bureau's 2011 American Community Survey*. Some of our key findings are:

- Extreme Poverty
  - One out of every ten NYC residents lives in extreme poverty, which is defined as 50% below the poverty line.
- Working Poverty
  - One out of every ten NYC residents that has a full- or part-time job still lives below the federal poverty line.
- Economic Inequality
  - During the supposed recovery from the Great Recessions, 93% of the gains were captured by the top 1% in NYC.
  - The top 1% of NYC controls 43% of the income while the bottom 20% controls just 2.4%.
- Racial Inequality
  - Latino households earn less than half the income of White households in NYC.
  - Black households earn just 55% of what White households earn
- High Growth in Low Wage Jobs
  - 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. 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. This is the sort of stimulus our economy needs.

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

Thank you.



# CATHOLIC COMMUNITY RELATIONS COUNCIL

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**Testimony of Joseph Rosenberg, Executive Director  
Catholic Community Relations Council  
in Support of Resolution No. 5943  
urging the New York Senate to pass legislation to raise the minimum wage.  
City Council Committee on Civil Service and Labor  
March 13, 2013**

Good morning, Chairman Nelson and members of the New York City Council Committee on Civil Service and Labor. I am Joseph Rosenberg, Executive Director of the Catholic Community Relations Council, a not-for-profit corporation that represents the Archdiocese of New York and the Diocese of Brooklyn and Queens on local legislative and policy matters before the City Council, the Mayor's office and the Mayoral agencies.

I appear before you this morning in strong support of Resolution 5943 calling upon the New York State Senate to pass legislation raising the minimum wage to \$9 per hour and index future automatic increases to inflation. The New York State Assembly passed such a measure, Assembly bill 9148, several days ago by a vote of 102-44 and we applaud the City Council in urging that the New York State Senate follow suit and pass a companion bill immediately.

Everyone in this Chamber today, and everyone throughout our City, knows and has seen the heartbreaking social and economic consequences that occur when a worker is unable to provide food, clothing, medicine and shelter for their family. It is not just a human tragedy but a societal one as well, and one that can help to be ameliorated with exactly the kind of action that the Council is calling for today. Many of our residents, especially the newest immigrants to our City, are often on the doorstep of homelessness and have children who go hungry. Raising the minimum wage is a humane act that can help to alleviate their plight.

The current minimum wage in New York is \$7.25 an hour. This translates to an annual wage for a full time worker of just \$15,080 per year, a shockingly low level. Just imagine trying to support a family's food, shelter, clothing and health care needs at \$1,257 per month.

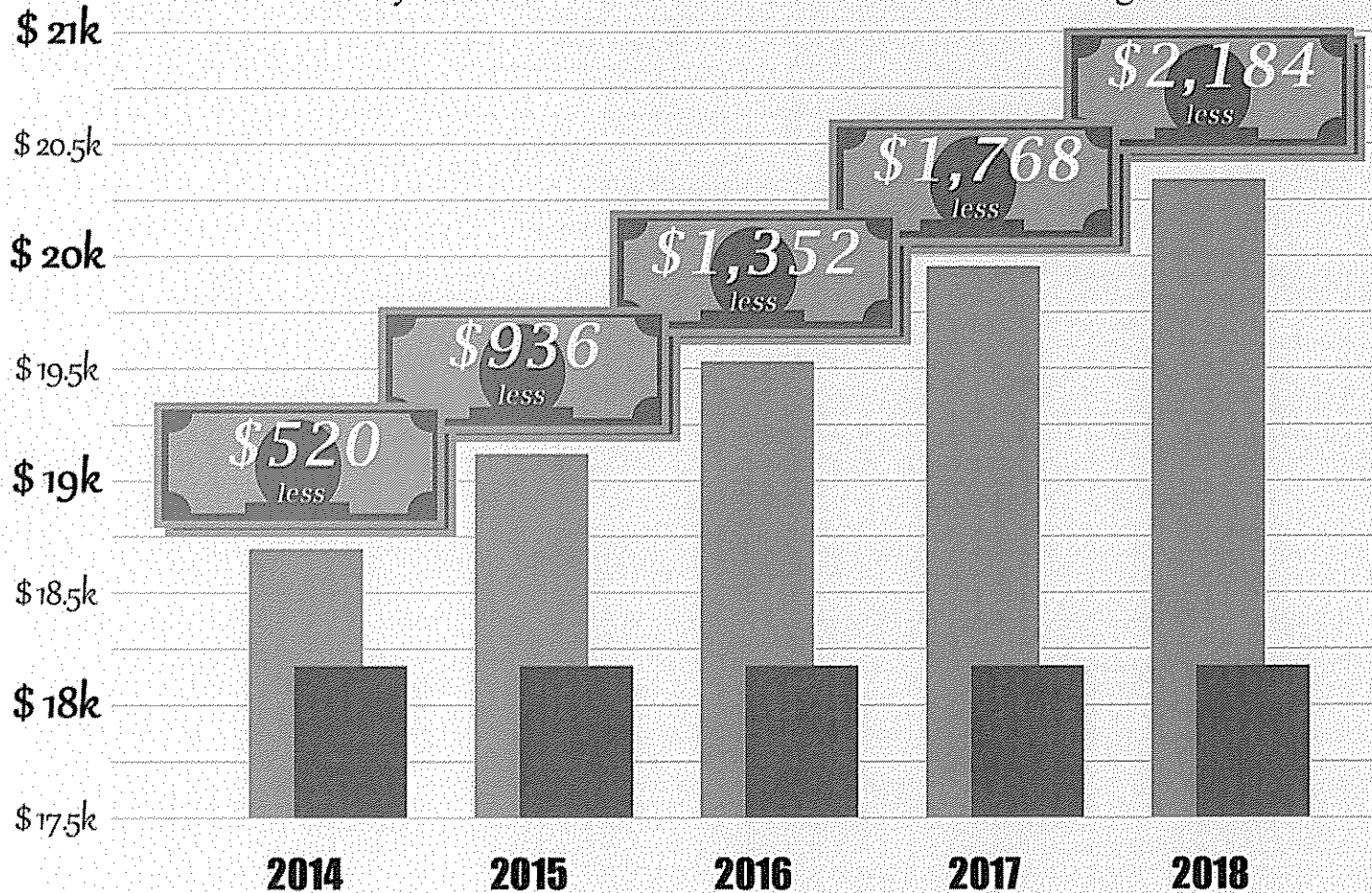
Catholic Social teaching is clear on the subject of work. Work is more than a job; it is a reflection of human dignity. It should be able to provide an individual with the ability to provide sustenance for their family on many levels, not just material, but also societal, cultural and spiritual.



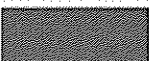
Increasing the minimum wage is a matter of fairness and justice. It is a measure that should be embraced and passed by all legislative branches of our Government without delay. Accordingly, we strongly support the Resolution that is before you today.

Thank you

# How Much NY's Minimum Wage Workers Will LOSE...

*if Albany Cuts a Deal for Less Than \$9.00 Plus Indexing*



-  *How Much Less Workers Will Earn at \$8.75 Without Indexing*
-  *Annual Income of a Full-Time Minimum Wage Earner at \$9.00 With Indexing*
-  *Annual Income of a Full-Time Minimum Wage Earner at \$8.75 Without Indexing*

*Source: National Employment Law Project Analysis*

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. 5943

in favor  in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: Joseph Rosenberg

Address: 1011 1st Ave

I represent: Catholic Community Relations Council

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: \_\_\_\_\_

(PLEASE PRINT)

Name: PAUL SONN

Address: NELP, 75 MAIDEN LANE, SUITE 601,  
NEW YORK, NY 10038

I represent: NAT'L EMPLOYMENT LAW PROJECT

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: March 13th

(PLEASE PRINT)

Name: Stuart Appelbaum

Address: 30 E. 70th St

I represent: RWDSU

Address: \_\_\_\_\_

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. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor  in opposition

Date: 3/13/2013

(PLEASE PRINT)

Name: Rocio Loyola

Address: 3547 91st Jackson Heights 11372

I represent: Make the Road NY

Address: 92-10 Roosevelt Ave, Jackson Heights NY 11372

**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: 3/13/13

(PLEASE PRINT)

Name: Maritza Silva-Farrell

Address: 50 Broadway

I represent: ALIGN: The Alliance for a greater

Address: New York

**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: 3-13-13

(PLEASE PRINT)

Name: NADYA STEVENS

Address: Chambers St

I represent: Arthur Chelioses - CWA Local 1180

Address: Chambers St

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