

LORNA THOMAS OPENING STATEMENT

LOCAL 153, OFFICE & PROFESSIONAL EMPLOYEES INTERNATIONAL UNION

November 19<sup>th</sup>, 2015

Good morning, my name is Lorna Thomas and I'm a proud member of Local 153, OPEIU. I am a resident of New York City and I've been employed by Riverbay Corporation as a Sales Support Representative since on or about 1984. I am considered a non-exempt employee under the Fair Labor Standards Act and the New York Wage Theft Protection Act.

Riverbay Corporation manages Co-op City, a housing cooperative in the Bronx that includes 35 buildings and seven townhouse clusters. Riverbay Corporation has approximately one thousand employees.

Nevertheless, for several years Riverbay Corporation and Marion Scott Real Estate Inc., an outside Company brought in to manage Riverbay, has engaged in widespread and systemic wage theft against its employees.

However, it was our Local 153 Business Representative, Seth Goldstein, who met with the Local 153 bargaining unit members and informed us that our Employer was violating the law and he advised that we stand up together and file a class action lawsuit against Riverbay and Marion Scott Real Estate Inc. We unanimously agreed to go forward and hired Lee Shalov of McLaughlin & Stern and Louis Ginsberg Law offices who are both prominent New York City Class Action law firms to bring a wage and hour lawsuit in federal court.

The class action lawsuit, filed as Ramirez, et. al v. Riverbay Corp., et. al, 13-CV-2367 (JGK)(GWG), alleged wage and hour violations under the Fair Labor Standards Act and New York State Labor Law. The lawsuit was filed on April 9, 2013 in the Southern Federal New York District Court before Honorable John Koeltl to represent 1,750 workers who alleged numerous violations of labor laws, including being offered compensation time, which is illegal, earned

nighttime premium pay that was not properly calculated into overtime payments and that the workers were subjected to a schedule based pay system.

Subsequently, in 2015 the Federal Court approved the class action and the case was ultimately settled for \$6.25 million dollars. The settlement is one of the largest public housing settlements in recent years it was a great victory for Riverbay Corporation employees.

Yet, regrettably, as of this current date most white collar employees do not have strong Union representation nor access to legal representation. Wage and hour violations occur regularly and often employees are either too scared or not adequately educated about their rights to receive the overtime that they've earned. I do believe that New York City must take a proactive role in ensuring that New York City employees are paid fairly in accordance with federal and state labor laws.

I am prepared to answer questions. Thank you for allowing me to testify this morning.

# A \$15 Minimum Wage for Bank Workers

In the past two years, a nationwide movement has emerged, calling for a raise to \$15 per hour for the 42 percent of the U.S. workforce that earns less.<sup>1</sup> In response, a growing number of cities around the country (including Seattle, San Francisco, and Los Angeles) and private-sector employers (such as the insurance company Aetna) are establishing minimum wage rates of at least \$15.

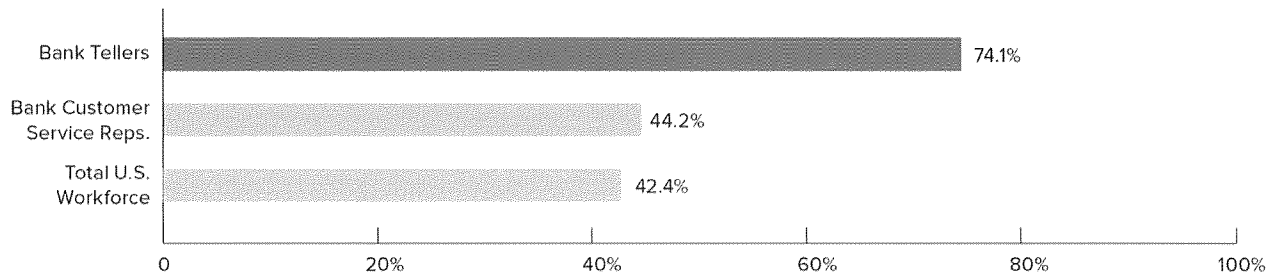
The Fight for \$15 campaign has focused considerable attention on the plight of low-paid workers in fast food, home care, retail, and food service. Yet, another significant sector—banking—that the public often associates with high wages is, in fact, a major contributor to the low-wage economy. Indeed, the banking industry is marked by two extremes. At the top, high-profile executives often receive millions in compensation. But at the bottom, hundreds of thousands of bank workers make less than living wages.

This data brief examines presents wage and demographic estimates for bank tellers in the United States, the occupation representing the most workers in the banking industry.

## Many Bank Workers in the U.S. Earn Less Than a Living Wage

- Of the nearly 1.7 million people working within retail banking, almost one in three (30.4 percent)—more than half a million—are in occupations with median hourly wages below \$15.<sup>2</sup>
- The largest banking-related occupation is bank teller, representing almost half a million workers in the United States and more than a quarter of all retail banking employees.<sup>3</sup> **Table 1** shows employment levels and median hourly wages for the largest low-wage occupations in the retail banking industry.
- The median hourly wage for bank tellers is \$12.44.<sup>4</sup>
- Almost three-quarters (74.1 percent) of bank tellers in the United States earn less than \$15 per hour. Almost half of bank customer service representatives (44.2 percent) earn less than \$15 per hour.<sup>5</sup> See **Figure 1**.

**Figure 1: Percentage of Bank Tellers and Customer Service Representatives Earning Less than \$15 per Hour**



Source: NELP calculations using a pooled sample of the Current Population Survey Merged Outgoing Rotation Group files 2012-2014.

- A quarter of bank workers in protective service; installation, maintenance and repair; and production occupations earn \$15 or less.<sup>6</sup>
- Bank tellers have seen the real value of their paychecks diminish. As the cost of living has increased, their wages have stagnated. Real wages for bank tellers declined 3.4 percent between 2009 and 2014.<sup>7</sup>

**Table 1: Largest Occupations in Retail Banking Industry with Median Wages of Less than \$20 per Hour**

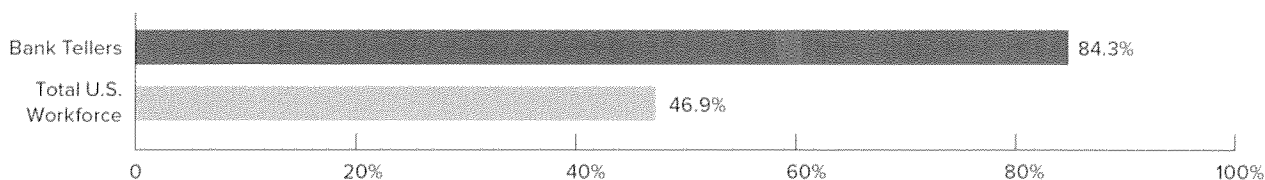
| Occupation Title  | Employment | Median Hourly Wage |
|---|------------|--------------------|
| Tellers   | 467,900    | \$12.44            |
| Customer Service Representatives                                      | 123,280    | \$15.94            |
| Loan Interviewers and Clerks  | 71,850     | \$17.34            |
| New Accounts Clerks   | 48,190     | \$16.33            |
| Bookkeeping, Accounting, and Auditing Clerks                          | 39,610     | \$17.04            |
| Bill and Account Collectors   | 20,700     | \$17.20            |
| Secretaries and Administrative Assistants, Except Legal and Executive | 20,330     | \$18.22            |
| Office Clerks, General  | 18,100     | \$14.64            |
| Financial Clerks, All Other   | 9,820      | \$18.52            |
| Credit Authorizers, Checkers, and Clerks                              | 7,710      | \$17.65            |
| Receptionists and Information Clerks                                  | 5,830      | \$12.93            |
| Janitors and Cleaners, Except Maids and Housekeeping Cleaners         | 4,070      | \$10.65            |

Source: Bureau of Labor Statistics May 2014 Occupational Employment Statistics (NAICS 522100—"Depository Credit Intermediation")

## Who Works as a Bank Teller in the U.S.?

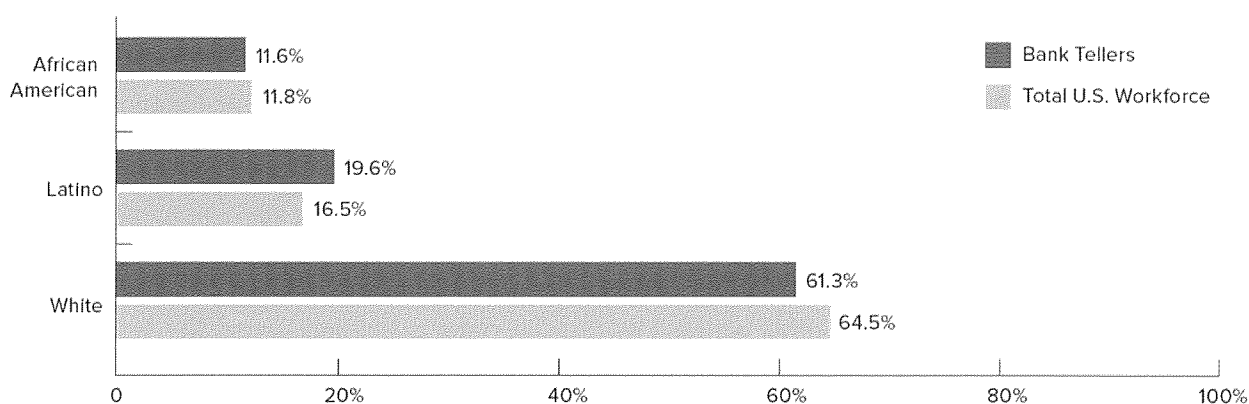
- The workforce is overwhelmingly female; more than five in six bank tellers (84.3 percent) are women.<sup>8</sup> See **Figure 2**.
- Latinos account for almost 20 percent of bank tellers, while they constitute 16.5 percent of the total U.S. workforce. White workers account for about 61 percent of bank tellers, and they account for 64.5 percent of the total U.S. workforce. African Americans make up slightly more than 11 percent of bank tellers, which is roughly equivalent to their share of the overall workforce.<sup>9</sup> See **Figure 3**.

**Figure 2: Women Constitute a Disproportionate Share of Bank Tellers**



Source: NELP calculations using a pooled sample of the Current Population Survey Merged Outgoing Rotation Group files 2012-2014.

**Figure 3: Bank Tellers Are Mostly White; Latinos Are Overrepresented**



Source: NELP calculations using a pooled sample of the Current Population Survey Merged Outgoing Rotation Group files 2012-2014.

## Facts about New York State's Bank Workers

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In New York State, banking is a sector that is often associated with Wall Street and high wages. However, it is also major contributor to the low-wage economy.

- In the State of New York, there are 30,250 bank tellers.<sup>10</sup>
- More than half make less than \$15 per hour. The median wage for bank tellers in New York State is \$13.31 per hour.<sup>11</sup>
- A significant portion of bank workers rely on public assistance because their earnings are not enough to make ends meet. According to a recent University of California Berkeley study, nearly 4 in 10 families of bank tellers in New York State (39 percent) are enrolled in one or more public programs such as Medicaid, food stamps, and housing and heating assistance. This compares to 31 percent of the bank teller workforce nationwide and 25 percent of the workforce as a whole.<sup>12</sup>
- The cost of public programs to families of bank tellers in the State of New York exceeds \$100 million per year, accounting for more than a tenth of the \$900 million dollars spent on public assistance for bank workers nationwide each year.<sup>13</sup>

## A \$15 Minimum Wage for Bank Workers

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A \$15 minimum wage for bank workers would be a first step in raising wages broadly within this sector and easing the disparities between frontline workers' earnings and bank executives' compensation. While a full-time bank teller earns on average about \$25,800 per year, full compensation packages for executives can run in the tens of millions of dollars. For example, in 2014, Capital One Financial, Wells Fargo, and Bank of America awarded their CEOs compensation valued at \$19.6 million, \$19.3 million, and \$13 million, respectively.<sup>14</sup> These amounts are each equivalent to more than 500 times the annual earnings of an average bank teller.

A \$15-an-hour wage for bank workers would help improve living standards for a large share of the retail banking workforce, reduce earnings inequality, lessen reliance on public assistance, and help convert an important frontline occupation to a good middle-class job.

## Endnotes

<sup>1</sup> National Employment Law Project, “The Growing Movement for \$15” (April 2015),

<http://www.nelp.org/publication/growing-movement-15/>

<sup>2</sup> U.S. Bureau of Labor Statistics May 2014 Occupational Employment Statistics (NAICS 522100 – “Depository Credit Intermediation”)

<sup>3</sup> Ibid.

<sup>4</sup> Ibid.

<sup>5</sup> NELP calculations using a pooled sample of the Current Population Survey Merged Outgoing Rotation Group (CPS ORG) files 2012-2014 (industry codes 6870 and 6880; occupation codes 5260 and 5240). We use CPS ORG files made public by the Center for Economic and Policy Research. The analytic sample includes private- and public-sector, hourly and salaried workers between the ages of 16 and 64. We exclude non-incorporated, self-employed workers. For non-hourly workers, hourly wages are calculated using reported hours worked. Unless otherwise noted, the figures we report are calculated from hourly earnings that do not include tips, overtime, and commission. Note that there is a tendency for workers to report hourly earnings in round numbers, which causes percentiles of the distribution to “clump” at whole-dollar values. Our analysis does not “smooth” wages to correct for this source of measurement error. For calculations involving wages, we only include respondents for whom wage data are available. For calculations involving occupations and industries, we only include respondents for whom occupation and industry data are available.

<sup>6</sup> Ibid.

<sup>7</sup> NELP calculations using U.S. Bureau of Labor Statistics Occupational Employment Statistics May 2009 and May 2014, with adjustments made using the CPI-U.

<sup>8</sup> NELP calculations using a pooled sample of the Current Population Survey Merged Outgoing Rotation Group files 2012-2014.

<sup>9</sup> Ibid.

<sup>10</sup> U.S. Bureau of Labor Statistics May 2014 Occupational Employment Statistics

<sup>11</sup> Ibid.

<sup>12</sup> Sylvia Allegretto, Ken Jacobs, Dave Graham-Squire and Megan Emiko Scott, “The Public Cost of Low-Wage Jobs in the Banking Industry,” *Policy Brief*. UC Berkeley Center for Labor Research and Education, Berkeley, CA (October 2014) <http://laborcenter.berkeley.edu/pdf/2014/banking-industry.pdf> ). Analysis included bank tellers employed at least 10 hours per week and 27 weeks per year.

<sup>13</sup> Ibid.

<sup>14</sup> Gary Strauss, “What’s in his wallet? Capital One discloses CEO Fairbank’s compensation,” *USA TODAY*, (February 27, 2015), <http://www.usatoday.com/story/money/2015/02/27/whats-in-his-wallet-capital-one-discloses-ceo-compensation/24146163/>; Christina Rexrode, “Bank of America CEO Brian Moynihan Gets Pay Cut,” *Wall Street Journal*, (February 17, 2015), <http://www.wsj.com/articles/bank-of-america-ceo-brian-moynihan-gets-pay-cut-1424212676> and Emily Glazer, “Wells Fargo CEO John Stumpf’s Compensation Flat at \$19.3 Million,” *Wall Street Journal*, (March 17, 2015), <http://www.wsj.com/articles/wells-fargo-ceo-john-stumpfs-compensation-flat-at-19-3-million-1426628933>.



Good Morning Chair Miller and members of the Labor Committee.

Thank you for having this important hearing today.

My name is Maura Keaney, and I am First Vice President for Strategic Development at Amalgamated Bank.

Amalgamated Bank is a unique financial institution – we are both unionized and owned by a union.

Amalgamated was founded by a union of immigrants nearly a century ago, at a time when workers were not welcome at commercial banks. The union that formed us, the Amalgamated Clothing Workers, had the foresight to create not just worker protections and strong contracts for their members; they also built housing, provided childcare and created a bank. In fact, Fiorello LaGuardia was a bank director

Amalgamated was not the only union-owned bank at the time, but we were the only one to survive the great depression. We continue to be majority union owned, although after many mergers our union is now known as Workers United, and is an affiliate of SEIU. We offer all the products and services of a big commercial bank, for individuals, businesses and non-profits, while proudly supporting a progressive vision for America where economic opportunity is available to all.

We have clients in 46 states, but are headquartered right here in NYC. Our staff is proudly affiliated with OPEIU Local 153 and our building services team is 32BJ. We offer a generous pension plan, overtime pay, paid vacation and sick days and of course health coverage.

In our most recent contract we made the decision to raise all employee wages to a minimum of \$15. That includes tellers, back office support, administrative assistants, and mailroom staff – a company-wide minimum wage of \$15.

Amalgamated is the first financial institution in the country to not just join the Fight for \$15, but to bring it home. We have called on our colleagues in the financial industry to follow suit.

When most people think about someone working in a bank, they think of the CEOs earning big bonuses and living lavish lifestyles. But just like the image of minimum wage workers being high schoolers earning a little spending money, the image of bank workers is also a myth: A large portion of banking employees makes up a surprisingly low wage.

A recent report by the National Employment Law Project found a significant share of bank workers don't earn a living wage and rely on public assistance.

Let me share some startling statistics with you:

- 30.4% of retail banking employees, or more than half a million people, are in jobs with a median wage of less than \$15 an hour. In New York City, that number is almost 40%.
- Tellers, who constitute more than a quarter of retail banking employees, make a median wage of \$12.44 an hour.
- 74.1% of bank tellers make less than \$15 an hour
- While wages for bank tellers have stagnated, the cost of living has increased, leading to a 3.4% drop in real wages for tellers between 2009 and 2014.

We know higher minimum wage in the banking sector would benefit historically disadvantaged groups. The workforce is overwhelmingly female; more than five in six bank tellers are women and disproportionately of color.

We also know that a higher minimum wage would benefit our economy. In New York, banking employees account for a large part of New York's public assistance programs.

- 4 in 10 families of bank tellers in New York State rely on public programs to supplement their incomes, including Medicaid, food stamps and housing and heating assistance
- 31% of bank tellers use this assistance, compared to 25% of the workforce as a whole
- Families of bank tellers account for \$100 million of the cost of these public programs, more than 10% of New York State's total.

It is not as if anyone could argue with a straight face that this industry can't afford a \$15/hour minimum wage. CEOs of many banks earn multi-millions. The average worker to CEO salary in the United States is 303 to 1. In the financial industry, that number is even higher. But here at Amalgamated Bank, the highest to lowest paid ratio is 17:1.

Again, these numbers are from a recent report by the National Employment Law Project, of which I have provided copies to the committee. They speak volumes about the need for white collar workers to be offered the same benefits their blue collar brothers and sisters have by being in a union.

Thank you for your time today, and happy to take any questions.



# Supporting working families and progressive causes since 1923

Amalgamated Bank was founded in 1923 by the Amalgamated Clothing Workers of America with one primary goal — to provide working-class people the banking services they were refused by other banks. For nearly a century, we have advocated on behalf of working people and progressive values. Today, we remain committed to helping the communities we serve grow and prosper.

## **Affordable and accessible banking for all**

We offer banking products and services that aim to increase and preserve affordable housing, grow small businesses and help immigrants and working-class people save, reduce debt and participate fully in the American dream:

- **Affordable Checking:** simple, no-fee checking accounts for everyday banking needs with no minimum deposit to open or monthly maintenance fee
- **Second-Chance Checking and Savings Accounts:** give customers the opportunity to open an account, even if they've had financial challenges in the past
- **First-Time Homebuyer Program<sup>1</sup>:** a special mortgage program designed for first-time homebuyers, featuring a low down payment, an adjustable rate and no additional costs for mortgage insurance; plus, up to 100% of the down payment can come entirely from a gift or grant
- **Small Business Advisory Program:** established with Next Street, a New York City-based economic development consultancy, to help increase the capacity of small businesses in low- and moderate-income communities through strategic growth planning and organization support
- **MoneySense Financial Literacy:** we offer a wide variety of free financial education classes in our branches, focusing on basic banking, debt reduction and understanding credit, savings and investments

**Amalgamated Bank serves our communities and core principles with the belief that the real currency of banking isn't dollars — it's trust.**

## **Choose the bank that makes a difference**

Not only are we helping to expand banking access to underserved communities, but we also offer products that allow our customers to make a difference with their everyday banking.

- 30% of our branches are located in neighborhoods in need of access to banking
- We proudly advocate for and serve immigrant populations, and are one of the only banks to accept New York City's municipal ID as part of our account opening verification process
- We provide grants and loans to non-profits, community-based organizations and unions that benefit low- and moderate-income individuals
- Our Affordable Housing Construction Loan program will help fund the construction and rehabilitation of thousands of affordable housing units in New York
- With our Donate the Change<sup>®</sup> program, we make a donation to a worthy cause with each Donate the Change<sup>®</sup> Enhanced Debit MasterCard<sup>®</sup> purchase of \$10.00 or more<sup>2</sup>

**“We are a non-profit and we believe in social justice. At Amalgamated, we finally found a bank that shares our values.”**

- Lauren Burke, Executive Director of Atlas DIY, a non-profit focused on helping immigrant youth

We are leaders in shareholder advocacy, working to hold major corporations accountable.

- We publicly endorsed legislation in Washington, D.C. and New York City requiring companies to provide their workers with paid sick days
- We invest assets for a number of pension funds and use our power as investors to encourage corporate boards to pursue sound governance policies, hold portfolio companies to high standards of social and environmental practices and enhance shareholder value

**For more information, please contact:**

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1 Our First-Time Homebuyer Program is a 10/1 Adjustable Rate Mortgage. All loan applications are subject to credit and property approval. There is no additional cost for Mortgage Insurance with the 10/1 ARM First-Time Homebuyer Program. Rates, program terms and conditions are subject to change without notice. Not all products are available in all states or for all amounts. Other restrictions and limitations may apply.

2 The non-profit organization that will receive a donation under the Donate the Change® program will be selected by Amalgamated Bank (within its sole discretion) from time to time. We reserve the right to change the non-profit organization that will receive donations under the Donate the Change® program at any time without notice. Only debit card purchases of ten dollars (\$10) or more using a Donate the Change® debit card (“qualifying debit card purchase”) will be counted. We will donate up to \$200 to a non-profit organization per year, per customer based on each participating customer’s qualifying debit card purchases. Additional terms and restrictions may apply.

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# NEW YORK CITY CENTRAL LABOR COUNCIL AFL-CIO

President  
**VINCENT ALVAREZ**

Secretary-Treasurer  
**JANELLA T. HINDS**



## **Testimony of Anthony Thomas, Political/Legislative Director New York City Central Labor Council, AFL-CIO**

### **New York City Council Committee on Civil Service and Labor**

**November 19, 2015**

Good morning, my name is Anthony Thomas, and I am the Political Director of the New York City Central Labor Council, AFL-CIO. Representing 1.3 million workers across three hundred affiliated unions, the Central Labor Council exists to advocate for all workers, and grow our economy from the ‘bottom-up, middle-out.’ The Central Labor Council encourages the New York City Council to take any appropriate action to expand collective bargaining rights for any and all workers as one of the many tools to close the gap in income and wealth inequality.

Over the last forty years, the structural collapse of collective bargaining rights have left many workers voiceless on-the-job. Left to acquiesce or quit, many workers labor without dignity or respect; this is not just in the ‘blue collar,’ or service industries, but also true for ‘white collar,’ educated professionals. Whether we discuss the length of the day or workweek, the cost of healthcare, or a contribution for sound retirement, employees have consistently been on the losing end of the equation<sup>1</sup>.

One indisputable fact is the stagnation of median (middle) real wages. Since 1972, the median real wage has been stagnant, while both productivity and profits have skyrocketed<sup>2</sup>. Stagnating wages have occurred in tandem to both the decline in union density, and the institutional ability for workers to advocate for themselves.

The City Council should take steps to incentivize organizing. Whether the City advocates/promotes neutrality on subsidized projects or businesses, creates fair labor standards, or discourages employer retaliation during organizing drives, worker voice needs to be elevated<sup>3</sup>. The City will not have an economy that works for all until workers have a say. Ensuring workers have access to healthcare, a set schedule, time off, and retirement security will create a more equitable, productive, and economically sound city. Thank you for your time and consideration.

<sup>1</sup> Joseph Stiglitz, “Re-Writing the Rules of the American Economy”, The Roosevelt Institute. Report. May 12, 2015. <http://rooseveltinstitute.org/rewriting-rules-report/>

<sup>2</sup> Lawrence Mishel, “The wedges between productivity and median compensation growth”, The Economic Policy Institute. Report. April 26, 2012. <http://www.epi.org/publication/ib330-productivity-vs-compensation/>

<sup>3</sup> Hirschman, Albert O. *Exit, Voice, and Loyalty; Responses to Decline in Firms, Organizations, and States*. Cambridge, MA: Harvard UP, 1970. Print.

**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: Seth Goldstein

Address: 265 West 17th Street

I represent: Local 153, UPEIU

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: 11-19-15

(PLEASE PRINT)

Name: LORNA THOMAS

Address: 4160 HRPE Bx A910475

I represent: \_\_\_\_\_

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: Maura Keane

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

I represent: Amalgamated Bank

Address: 275 7th Ave NYC 10001

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