

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON CIVIL SERVICE AND LABOR

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May 10, 2012

Start: 10:12 a.m.

Recess: 12:10 p.m.

HELD AT: 250 Broadway
Committee Room, 16th Floor

B E F O R E:

JAMES SANDERS JR.
Chairperson

COUNCIL MEMBERS:

Jumaane D. Williams
Charles Barron
Larry B. Seabrook
Gale A. Brewer
Michael C. Nelson
Robert Jackson
Domenic M. Recchia Jr.

A P P E A R A N C E S (CONTINUED)

Keith Wright
Assembly Member
New York State Assembly

James Parrott
Deputy Director and Chief Economist
Fiscal Policy Institute

Rosemary Ginty
Executive Director
Catholic Community Relations Council

Jack Temple
Policy Analyst
National Employment Law Project

Michael Saltsman
Research fellow
Employment Policies Institute

Josh Kellermann
ALIGN: the Alliance for a Greater New York

Ai Elo
Member
Restaurant Opportunities Center of New York

Stephanie Luce
Associate Professor
Murphy Institute
CUNY

Nadya Stevens
Arthur Cheliotas
CWA Local 1180

2 CHAIRPERSON SANDERS: Good morning,
3 this Committee will now come to order. Good
4 morning and thank you for coming. My name is
5 Council Member James Sanders Jr. and I am the
6 Chair of the Committee on Civil Service and Labor.

7 First, I need to announce that the
8 Council recently started webcasting hearings live
9 on our website, so no one could say live from New
10 York or anything of that nature, it will go out
11 there. Nothing else has changed, but I wanted to
12 make sure everyone is mindful that people may be
13 watching this as I speak and an archive of this
14 hearing will be available on the website forever,
15 forever, so don't let that make you nervous by any
16 means.

17 This morning, we will be hearing
18 testimony on Proposed Resolution 1319-A, which
19 calls upon the legislature to pass and Governor
20 Cuomo to sign into law A9148 and S6.413, which
21 would raise the state's minimum wage from \$7.25 to
22 \$8.50 an hour, and, unlike the current law, the
23 rate would be increased automatically due to
24 inflation.

25 New York's minimum wage was late

1 increased in 2009 from \$5.15 to \$7.25 an hour.
2 Today, \$7.56 would be required to buy what \$7.25
3 worth of goods would have gone for in 2009. I
4 think that an increase to \$8.50 is hopelessly
5 modest and reasonable and, frankly, it should be a
6 no-brainer. Seven dollars and twenty-five cents
7 an hour is currently the federal minimum wage, but
8 that law allows states to set a higher rate. The
9 idea that the same wage applies to every state,
10 which really it is far more expensive to live in
11 some places like New York, is already problematic,
12 so the fact that it is also controversial to
13 require employers to pay \$8.50 an hour in New York
14 in 2012 is way beyond me. But here we are,
15 calling upon the State to do the right thing for
16 our city's most vulnerable workers, many of whom
17 work in some of the city's most difficult and
18 dangerous jobs.

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20 We have two more members, including
21 our Speaker, who may testify, and we will have a
22 lot of witnesses to hear from, so I will leave
23 that point there. However, I would like to thank
24 all of the staff that worked on this issue behind
25 the scenes, including Faith Corbett, our policy

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2 analyst to the Committee, and Alexander Gevorkian,
3 our senior economist.

4 Again, thank you for coming. I'm
5 very happy as the Chair to do this hearing, I
6 would have been happier to do it a couple of years
7 ago, but any day for justice, I would argue, is a
8 good day. And one of our prime witnesses will be
9 a incredible voice of justice that we will hear.
10 But I believe that we also have the sponsor--are
11 you the sponsor of this one?

12 COUNCIL MEMBER WILLIAMS: Yes, sir.

13 CHAIRPERSON SANDERS: Oh, wow, you
14 come up on all of this good stuff. Yeah, you must
15 be on the side of the angels on this one. The
16 sponsor of this resolution is a Council Member
17 known for his position on being with the position
18 of working people and the middle class. And I
19 speak of, of course, Brooklyn's finest Council
20 Member, Jumaane Williams.

21 [Off mic]

22 COUNCIL MEMBER WILLIAMS: Thank
23 you, Mr. Chair, it's my pleasure to be here. I do
24 want to apologize that you may see me have to head
25 out soon, I'm actually waiting to hear word of

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2 another committee that I'm on to start, but I am
3 proud to be the lead sponsor of Proposed
4 Resolution 1319-A, which calls upon the state
5 legislature to pass and Governor Cuomo to sign
6 into law Assembly bill 9148 and the Senate's bill
7 6413, which would raise the state's minimum wage
8 from 7.25 to 8.50 an hour and, unlike the current
9 law, the rate would be increased automatically due
10 to inflation.

11 I'd like to acknowledge Speaker
12 Quinn for her leadership on this issue, and Chair
13 Sanders for his stewardship of this resolution. I
14 would also like to recognize the 23 additional
15 sponsors this resolution has amassed representing
16 all five boroughs and both sides of the political
17 aisle, I think is important to point out. It is
18 testimony to the necessity of this common sense
19 measure.

20 Finally, I would also like to thank
21 Assembly Speaker Sheldon Silver, Assemblyman Keith
22 Wright, who's here with us, and State Senator Jeff
23 Klein for championing these bills in the state
24 legislature.

25 As most of you know, I have been

1
2 and continue to be a supporter of the Occupy Wall
3 Street movement. I believe in its message of
4 combating economic equality because I believe it
5 tackles the biggest problem facing our city, our
6 station--our state, and our nation today. The gap
7 between the richest and the poorest among us have
8 never been wider in America and in this state, the
9 problem is magnified. According to data from the
10 2010 American Community Survey, New York ranks 50
11 out of all 50 states in the [off mic] coefficient--
12 --a widely used indicator of income equality.
13 That's 50th as in dead last of all the states in
14 the union. That is a disgrace, particularly
15 considering the impact that our cost of living is
16 having on historically disenfranchised
17 communities.

18 By passing Assembly bill 9148 and
19 the Senate bill 6413 into law, New York State can
20 join 17 states and the District of Columbia which
21 have minimum wage rates higher than that mandated
22 by the federal government. We can also join the
23 states that have index future increases to the
24 cost of living, which is a crucial component [off
25 mic] that New Yorkers can't afford to live in the

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2 great city they have built.

3 Economists have shown that raising
4 the minimum wage is a job creator, not a job
5 killer. According to the economic Policy
6 Institute, the increase in spending that will
7 result from the minimum wage increases passed in
8 eight states in 2012 will lead to an additional
9 \$366 million in economic output and create 3,000
10 jobs.

11 I also join with my chair in saying
12 that we should be here arguing for a larger
13 minimum wage increase but due to the political
14 natures, I understand this is a reasonable one to
15 ask for and, hopefully, we'll pass through.

16 For these and many other reasons, I
17 am pleased to be a part of today' hearings and to
18 help push our state forward towards greater
19 economic equality.

20 Thank you.

21 CHAIRPERSON SANDERS: Well put,
22 sire, and I'm very happy that you at the city
23 level have been taking the positions that you have
24 done. I, too, am a supporter of the 99%.

25 Having said that, why don't we call

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our first witness? Well I'll let you have the honor.

FEMALE VOICE: Assemblyman Keith Wright.

CHAIRPERSON SANDERS: All right.

ASSEMBLYMAN KEITH WRIGHT: Where do I sit, right here?

CHAIRPERSON SANDERS: Right there, sir, that's the hot seat over there.

ASSEMBLYMAN KEITH WRIGHT: That's fine. Have a--

[Pause]

CHAIRPERSON SANDERS: Good to see you, thank you for joining us this morning, sir.

[Pause]

ASSEMBLYMAN KEITH WRIGHT: Good morning.

CHAIRPERSON SANDERS: Good morning.

ASSEMBLYMAN KEITH WRIGHT: I want to thank Chairman Sanders for allowing me to speak today before your committee on this probably the most important issue that I have worked on in my 20 years in New York State Assembly. I want to thank Council Member Williams for his leadership

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2 on putting forth the resolution here in the city
3 level of government, and I certainly want to thank
4 Speaker Quinn for her leadership on this issue as
5 well.

6 As Chairman of the New York State
7 Assembly's Standing Committee on Labor, I have
8 made it a top priority to raise New York's minimum
9 wage during this, the 2012 legislative session. I
10 have hosted public hearings around the state of
11 New York, starting in Harlem, last week going to
12 Syracuse, and tomorrow going up to Buffalo. Our
13 citizens have spoken and what they say loudly and
14 plainly is that we must raise the minimum wage.

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

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2 would be \$10.80 an hour. New York's minimum wage
3 has increased only ten cents in the last six
4 years. In 2009, it was raised to \$7.25 an hour
5 with the federal minimum wage, and prior to that
6 was set to \$7.15 in 2007.

7 Massachusetts, Connecticut,
8 Vermont, and 16 other states have higher minimum
9 wages than we do in the state of New York, and ten
10 other states have passed legislation indexing the
11 minimum wage to ensure that the minimum wage will
12 not erode each year as the cost of living rises.
13 New York must rise again as the progressive leader
14 of our nation.

15 During a time of economic crisis,
16 raising the minimum wage is good for business and
17 it's good for our state. Contrary to the
18 arguments of critics, this raise would not, would
19 not slow job growth and would not put a state at a
20 disadvantage to neighboring states. Research
21 supports that over the past 15 years, including
22 studies across state lines, higher minimum wages
23 do not result in job losses, even for minimum wage
24 increases during weak economic periods. It is
25 smart policy, and will ultimately benefit both

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2 workers and our state's economy, as this money
3 will be put right back into our local economies
4 and communities, letting families afford to pay
5 for clothes, groceries, or to put gas in the car.

6 This legislation will ensure that
7 never again is the buying power of the minimum
8 wage negatively affected by inflation. This raise
9 is long overdue and absolutely crucial for working
10 men and women in their efforts to climb the
11 economic ladder. Corporate profits of low wage
12 employers are soaring in this economy. At the
13 same time, the wages of working families are
14 eroding. We must break this cycle of
15 hopelessness. Raising the minimum wage and
16 indexing it to inflation is a matter of economic
17 fairness, and our plan progressively rewards
18 hardworking men and women who are trying to make
19 ends meet.

20 According to the United States
21 Census, nearly half of all Americans have fallen
22 into poverty or joined the ranks of the working
23 poor. This is by no means the American Dream.
24 New Yorkers who work full time should not be poor,
25 it's as simple as that.

2 Thank you, Mr. Chairman, for
3 allowing me to testify.

4 CHAIRPERSON SANDERS: Thank you.
5 We have been joined by the Chair of Finance for
6 the City Council of New York, Domenic Recchia.
7 Good to see you.

8 So I'll take the first question and
9 I guess it's just my heart responding. Why--not
10 to take away from you, of course, but why has New
11 York responded so slowly in raising the minimum
12 wage?

13 ASSEMBLYMAN KEITH WRIGHT: I wish I
14 could answer that, I wish I could answer that.
15 Certainly, this is why I'm the prime sponsor of
16 the bill--

17 CHAIRPERSON SANDERS: Yes, yes.

18 ASSEMBLYMAN KEITH WRIGHT: --as
19 Chair of the Labor Committee. I became Chair of
20 Labor Committee about a year ago and, once I got
21 my feet wet, I wanted to make sure that this was
22 one of the first things that I was able to do and
23 push forward. In fact, we will be voting in the
24 New York State Assembly on this bill on Tuesday,
25 so hopefully justice delayed will not be justice

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denied.

CHAIRPERSON SANDERS: Well you certainly came out the gate running hard and strong on this one and--

ASSEMBLYMAN KEITH WRIGHT: Thank you.

CHAIRPERSON SANDERS: --God willing that your colleagues up there, our colleagues up there, will not be that hard to win over to the justice on this. New York, the nation as a whole, but New York is suffering and the people on the bottom are crying out and we, as leaders, certainly have an obligation to step up to the plate.

Are there any questions from my colleagues?

COUNCIL MEMBER RECCHIA: Yep.

CHAIRPERSON SANDERS: Sir, I'll go with him first.

COUNCIL MEMBER RECCHIA: Thank you, Mr. Chairman, and thank you for having this hearing today. And Assemblyman, thanks for coming down today.

ASSEMBLYMAN KEITH WRIGHT: My

1
2 pleasure.

3 COUNCIL MEMBER RECCHIA: My
4 question is, as the Finance Chairman, and looking
5 into this, you know, which I personally do support
6 this, what do you say to those critics that say
7 that this is going to hurt business, this is going
8 to hurt jobs, companies might move out of New York
9 City, that this is going to hurt--what we hear
10 this is going to hurt franchises, you know,
11 McDonald's, Kentucky Fried Chicken, you know,
12 those types of--

13 ASSEMBLYMAN KEITH WRIGHT:
14 [Interposing] Places where I like to eat.

15 COUNCIL MEMBER RECCHIA: Have you
16 done research on this, your committee, what have--

17 ASSEMBLYMAN KEITH WRIGHT:
18 [Interposing] Yes, we have done research, there
19 have been studies done and, listen, I think it's
20 basic economics in so many ways, those folks that
21 are on the lowest rungs of the economic ladders
22 who don't have the money, when they do get the
23 money, are the first ones to spend the money.
24 Anytime, and we are in a economic downturn and in
25 that--and all, I guess, experts, supposed experts

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2 agree that in order to get out of an economic
3 downturn, you have to spend money, and those folks
4 that are on the lowest rungs of the ladder, once
5 they get the money, they will spend it and they
6 will spend it right in their communities. You
7 have to spend money in order to reinvigorate an
8 economy.

9 Banks have been bailed out. Banks
10 have been bailed out, they are holding on to the
11 money. They're holding their money, thus, they're
12 not stimulating the economy. You know, as soon as
13 folks that are working poor, as soon as they get
14 the money, they will spend the money, so it just
15 stands to reason that those folks who make the
16 least are the ones that are going to bail out our
17 economy by spending the money, by recycling that
18 money into our various communities.

19 So there have been studies that
20 show that it won't kill jobs and those folks that
21 are threatening to move out, threatening to move
22 out, well they probably need to leave anyway.

23 COUNCIL MEMBER RECCHIA: Because we
24 also hear that they'll go to Jersey and
25 Connecticut because--

2 [Crosstalk]

3 ASSEMBLYMAN KEITH WRIGHT:

4 [Interposing] Well they have higher minimum wages
5 than we do.

6 COUNCIL MEMBER RECCHIA: Do they?

7 ASSEMBLYMAN KEITH WRIGHT: I think
8 Connecticut has--

9 [Crosstalk]

10 COUNCIL MEMBER RECCHIA:

11 [Interposing] Connecticut does--

12 ASSEMBLYMAN KEITH WRIGHT: Yeah, I
13 think Connecticut--

14 COUNCIL MEMBER RECCHIA: --not
15 Jersey.

16 ASSEMBLYMAN KEITH WRIGHT: --has a
17 higher minimum wage than we do.

18 COUNCIL MEMBER RECCHIA: Right. So
19 thank you for coming down and thank you for
20 addressing that issue.

21 ASSEMBLYMAN KEITH WRIGHT: My
22 pleasure.

23 CHAIRPERSON SANDERS: We have been
24 joined by--I mean, Councilman Barron, Council
25 Member Seabrook, and Council Member Brewer.

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2 Council Member Williams.

3 COUNCIL MEMBER WILLIAMS: Thank
4 you, again, Assemblyman, for coming out and for
5 your leadership. I just want to know what you
6 thought the likelihood that this would pass the
7 senate and--

8 ASSEMBLYMAN KEITH WRIGHT:

9 [Interposing] Yeah, and that's a good question,
10 don't know, the majority leader of the New York
11 State Senate, Dean Scelosis, put forth a rather
12 predictable response, I call it a knee-jerk
13 emotional response, saying that it would be a job
14 killer, but if he would listen rationally and look
15 rationally at the data that's been put forth and
16 listen to the constituents from around the state
17 and not make it a political issue, I'm sure that
18 he would have a quick, quick, quick change of
19 heart and it should pass, it should pass the
20 senate. We will be passing this bill on Tuesday,
21 I'm bringing it to the floor on Tuesday, so
22 hopefully it can gain some momentum before the end
23 of this legislative season.

24 COUNCIL MEMBER WILLIAMS: I want to
25 thank you again, I'm being summoned up to another

1 hearing, but I did--if you don't have, and maybe
2 you do, if there's any studies about impact of
3 jobs from the last increases, that would be great
4 and I would love to see anything if they--

5 [Crosstalk]

6 ASSEMBLYMAN KEITH WRIGHT:

7 [Interposing] More than happy to pass it on to
8 you, Council Member.

9 COUNCIL MEMBER WILLIAMS: Thank you
10 very much.

11 ASSEMBLYMAN KEITH WRIGHT: All
12 right, thank you.

13 CHAIRPERSON SANDERS: Thank you,
14 sir. A Council Member who is no stranger to this
15 fight, Council Member Seabrook.

16 COUNCIL MEMBER SEABROOK: Thank you
17 very much, Mr. Chairman. Just to would like to
18 thank the Assemblyman for putting forth this bill,
19 it's certainly something that should have been
20 done long ago and then when we talk about really
21 increasing the minimum wage, we're talking about
22 really people who are the working poor in this
23 city and that if we want to stimulate this
24 economy--and I heard what you said that by
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2 providing them with more, then they would actually
3 be able to have more spending power and that money
4 would be able to circulate and it will certainly
5 be beneficial. What are your thoughts about the
6 idea that people are saying that this would be a
7 job killer in this city in this economy, but we've
8 been giving out bonuses to Wall Street people and
9 they received bonuses this year, would you like to
10 comment on that?

11 ASSEMBLYMAN KEITH WRIGHT: Well,
12 no, and I talked a little bit about it before you
13 came in, Council Member, certainly, as I said, the
14 banks have been--the banks and Wall Street,
15 they've been bailed out and any expert will tell
16 you in order to save an economy, in order to
17 reinvigorate an economy, you have to spend money.
18 You know, I heard somebody said one of the
19 hearings that I've held around the state--and I
20 want to thank you, Council Member Seabrook, for
21 coming to testify at the minimum wage hearing that
22 we had in Harlem a couple of weeks ago, and your
23 voice was heard loudly and clearly. But, you
24 know, one of the things, and as I said, it's
25 expensive to be poor. That has resonated.

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2 Somebody said that to me at one of my hearings,
3 that it's expensive to be poor, and if you think
4 about that, if you think about that, the working
5 poor, those folks that are poor, they are not
6 spending their money on, I don't know, yachts or
7 private schools or whatever, like the folks from
8 Wall Street that you referenced. They're spending
9 their money at the local dry cleaners, they're
10 spending their money at the shoemakers, they're
11 spending their money on kids clothes probably
12 right there on Jerome Avenue or 125th Street,
13 where I'm from. So they are, in essence, the
14 heroes, the ones that are going to save this
15 economy, they're the ones that are going to save
16 this economy because they are spending their money
17 quickly on essentials and on necessities.

18 I think various studies have said
19 that if we were to raise the minimum wage, I think
20 it would reinvigorate the economy to the tune of
21 about 5 or \$600 million, something like that. And
22 that's what we need. As I said, the banks have
23 been bailed out but they're holding onto their
24 money, they're not circulating their money,
25 they're holding the money because in order to

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2 stimulate this economy you have to spend money and
3 the working poor, once they get this minimum wage,
4 will spend their money and it won't kill jobs, it
5 won't--and businesses will not leave.

6 And let me just tell you, I've only
7 heard from one local business and they said that
8 they did not mind raising the minimum wage, it's a
9 local business that we all have frequented here,
10 well remain nameless right now, but they just
11 didn't like the indexing. Why? 'Cause I think
12 they're just scared of the unknown.

13 And you have to remember, 1939 the
14 minimum wage was raised because this country was
15 in a depression. The minimum wage was created, it
16 was created in order to save the economy. So this
17 is just something to do in order to save the
18 economy of this nation.

19 COUNCIL MEMBER SEABROOK: Well,
20 Assemblyman, I certainly want to thank you for
21 addressing an issue that we've lived with too long
22 and done too little about. And it is our hope
23 that we will be able to see this will pass into
24 law so that we will be able to do something for
25 poor folk in this town.

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ASSEMBLYMAN KEITH WRIGHT: Thank you.

COUNCIL MEMBER SEABROOK: Thank you very much.

ASSEMBLYMAN KEITH WRIGHT: Thank you.

COUNCIL MEMBER SEABROOK: Thank you, Mr. Chairman.

CHAIRPERSON SANDERS: Thank you. Arguably, nobody has done more theoretical work on this issue than Council Member Brewer. Council Member.

COUNCIL MEMBER BREWER: Thank you very much. He's kindly talking about paid sick time, which we're certainly working on.

My question is, it seems to me that, having just come from the New York Women's Foundation breakfast where the folks who have championed the self-sufficiency index and where you know it costs almost \$50,000 to live in New York City, by the time you're finished with child care and rent and everything else, that the minimum wage is the least--increase is the least you can do, so I appreciate your work on that.

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2 I think that a lot of New Yorkers
3 make the minimum wage and so sometimes this hype
4 that it's going to be a job killer is bogus even
5 at that level. So my question is, do you know how
6 many people would be impacted with an increase or
7 how many people already have more than the minimum
8 wage?

9 ASSEMBLYMAN KEITH WRIGHT: I don't
10 know the exact numbers, Council Member, but we'll
11 try and--I'll talk to my committee and we'll try
12 and get those numbers to you as soon as possible.

13 COUNCIL MEMBER BREWER: Okay.
14 Thank you very much, 'cause we know that for--

15 ASSEMBLYMAN KEITH WRIGHT: Yeah.

16 COUNCIL MEMBER BREWER: --the paid
17 sick time, it's a million--

18 [Crosstalk]

19 ASSEMBLYMAN KEITH WRIGHT: Yeah,
20 okay.

21 COUNCIL MEMBER BREWER: Thank you.

22 ASSEMBLYMAN KEITH WRIGHT: Mm-hmm.

23 CHAIRPERSON SANDERS: A fighter for
24 justice in and out of season, long before most
25 people get to the fight is Council Member Barron.

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Council Member.

COUNCIL MEMBER BARRON: Well thank you very much, I just wanted to commend you, I really don't have a question for you, 'cause, you know, my position is that the living wage should be the minimum wage.

ASSEMBLYMAN KEITH WRIGHT: Mm-hmm, mm-hmm.

COUNCIL MEMBER BARRON: You know, I think even the living wage is too low and--

ASSEMBLYMAN KEITH WRIGHT: [Interposing] And I agree with you, I just have to be somewhat political about this.

COUNCIL MEMBER BARRON: I know, I understand that, I'm learning--

ASSEMBLYMAN KEITH WRIGHT: You're learning.

COUNCIL MEMBER BARRON: -- Assemblyman, I'm learning as I go along here, I just haven't learned how to be political yet, that's why I stay in trouble. But and I think this is a very serious issue as we fight for living wage and we fight--this shouldn't be a term called the working poor. If you working, you

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2 shouldn't be poor. You know, Assemblywoman Inez
3 Barron, who I know very well, you know, said to me
4 that we need to fight for wages so that there are
5 no working poor, that people should not be working
6 and should not be poor. The challenge, I guess,
7 is going to be to get it through the senate and
8 the assembly, and then, once it is enacted, you
9 know, then enforcement becomes another issue as
10 well.

11 So how do you see it making it
12 through the state legislature?

13 ASSEMBLYMAN KEITH WRIGHT: Well I'm
14 very optimistic, I know the governor of this state
15 has come out on board in favor of the minimum
16 wage, so that helps a lot. And, as I said, I
17 think once Dean Skelos probably needs to look at
18 his own constituency, as well as the constituency
19 of his body, and, you know, there are people that
20 are actually suffering out here and hopefully--and
21 with various studies we will show him and
22 hopefully some good political talk, that hopefully
23 it'll pass his body as well 'cause I guarantee
24 you, if it gets to the floor [off mic] I'm sure,
25 I'm sure it will pass. 'Cause, you know--

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COUNCIL MEMBER BARRON: Well--

ASSEMBLYMAN KEITH WRIGHT: --they
have some poor white folks too.

COUNCIL MEMBER BARRON: Absolutely,
and I know--

ASSEMBLYMAN KEITH WRIGHT: Yeah.

COUNCIL MEMBER BARRON: --anything
that gets to the floor is usually a done deal
'cause I've experienced that here in the City
Council, you know, it's just something about this
system, the way it works--

ASSEMBLYMAN KEITH WRIGHT:
[Interposing] Get it to the floor, right?

COUNCIL MEMBER BARRON: --you know--
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ASSEMBLYMAN KEITH WRIGHT: Got to
get it to the floor.

COUNCIL MEMBER BARRON: --once it
gets to the floor, it's a done deal. But
congratulations, good work.

ASSEMBLYMAN KEITH WRIGHT: Thank
you, thank you so much, Council Member.

CHAIRPERSON SANDERS: Assembly
Member, there are times in history that we all

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2 elected officials can say that we actually did
3 good work, then I believe that this is one of
4 those times that, God willing, you and your
5 efforts will make it to the finish line, the
6 floor, or whatever we want to call the finish
7 line, and at the end of the day, you can look back
8 and say, you know what, I actually did some good
9 for everyday people, people who will never know
10 your name, people who will never know any of us,
11 but were able to take care of their families, were
12 able to hold out in this great recession. And on
13 behalf of all New Yorkers, I wanted to thank you
14 for your efforts to make sure that we get a more
15 just New York. Thank you very much, sir.

16 ASSEMBLYMAN KEITH WRIGHT: Thank
17 you, and I was taught by Councilman Larry Seabrook
18 when he was in the assembly when you used to carry
19 my books home from the legislature.

20 [Laughter]

21 ASSEMBLYMAN KEITH WRIGHT: Thank
22 you very much.

23 CHAIRPERSON SANDERS: Thank you. I
24 know better to address that issue, so having said
25 that, I will have the next witnesses called.

2 FEMALE VOICE: James Parrott,
3 Fiscal Policy Institute; Rosemary Ginty, Catholic
4 Community Relations; and Jack Temple, National
5 Employment Law Project.

6 CHAIRPERSON SANDERS: Council
7 Member Seabrook, don't take his books now. All
8 right.

9 [Pause]

10 CHAIRPERSON SANDERS: Before this
11 panel begins, we have received a statement from
12 the Speaker, which we will now read into the
13 minutes.

14 MALE VOICE: Okay.

15 CHAIRPERSON SANDERS: Would you be
16 kind enough?

17 FEMALE VOICE: Sure. From Speaker
18 Quinn. We are here today to discuss Proposed Reso
19 1319-A, which calls upon the state legislature to
20 pass and Governor Cuomo to sign into law A-9148
21 and S 69413, which would raise the state's minimum
22 wage from \$7.25 to \$8.50 an hour, and, unlike the
23 current law, the rate will be increased
24 automatically due to inflation.

25 The failure of the minimum wage to

1
2 keep with inflation over the past 30 years has
3 played a significant role in the continuing growth
4 of inequality in the United States. In New York
5 City, too many hardworking families today feel the
6 effects of a painful financial squeeze. The
7 combination of a higher cost of living, shortage
8 of good jobs, and poor performing schools make it
9 hard for working class families and their children
10 to get ahead or even hold their own.

11 If you are living solely on a
12 minimum wage job, you are living below the city's
13 poverty line. Even with the many assistances that
14 the City can provide, it is still a very hard way
15 to live.

16 In the Council and throughout New
17 York government, we have worked tirelessly to
18 create more jobs for New Yorkers, but sometimes
19 that isn't enough. To this end, in the Council we
20 have already taken several measures, including
21 passing the nation's most impactful living wage
22 legislation and a prevailing wage bill. We need
23 to ensure that the jobs we create pay enough for
24 these hardworking New Yorkers to thrive in our
25 city and positively contribute to our growing

1
2 economy.

3 Before the state can pass this
4 legislation, it is important to dispel the false
5 rumors surrounding it. Most importantly, studies
6 have shown that raising the minimum wage will not
7 stifle job growth or harm small businesses.
8 Because low income people actually spend a large
9 share of any new increase in income than those at
10 higher income levels, this minimum wage increase
11 has the potential to produce greater demand in the
12 economy, thereby creating and sustaining jobs.
13 Additionally, employers that pay these lower wages
14 tend to be national retailers, not locally owned
15 small businesses.

16 We must do what we can to protect
17 our city's and state's most vulnerable residents
18 and help them thrive, and that starts with raising
19 the minimum wage. The benefits couldn't be
20 clearer. It has been too long since New York has
21 done what many other states already have, that is
22 why I urge the state legislature and Governor
23 Cuomo to swiftly act and approve this legislation.

24 I want to commend Assembly Speaker
25 Sheldon Silver and Assemblyman Keith Wright for

1
2 spearheading the efforts to raise the state's
3 minimum wage.

4 And that is the statement from
5 Speaker Quinn.

6 CHAIRPERSON SANDERS: Thank you for
7 reading that. I see that we have a gathering of
8 the usual suspects. When we speak of people who
9 are on the side of the angels, people who are
10 forever there in the front lines, this panel is no
11 stranger to this body and we, again are delighted
12 that you're here testifying.

13 In the order that you were called,
14 please testify.

15 JAMES PARROTT: Good morning.

16 CHAIRPERSON SANDERS: Good morning.

17 JAMES PARROTT: My name is James
18 Parrott, I'm the Deputy Director and Chief
19 Economist of the Fiscal Policy Institute. I have
20 extensive testimony, I won't go through all of
21 that this morning, but I would like to highlight
22 the ten reasons--there are at least ten good
23 reasons for increasing the minimum wage in New
24 York state.

25 First of all, let me review some

1
2 estimates that we've made on how many workers in
3 New York state, in New York City would be affected
4 by this. We estimate that if you increase the
5 state minimum wage to 8.50 an hour in January of
6 2013, that 880,000 workers around the state would
7 directly be affected by this. This is much
8 greater than the number of workers who are right
9 at the minimum wage because those workers who are
10 between \$7.25, the current minimum, and 8.50 would
11 benefit from an increase taking them to 8.50.

12 There would also be an estimated
13 200,000 or so workers who are a little bit above
14 8.50 an hour who would benefit because many
15 employers will try to maintain some semblance of
16 relative wage levels within their businesses, so
17 that if a worker below 8.50 gets an increase, the
18 worker a little bit above 8.50 or \$9 an hour will
19 get a little bit of an increase, not as much
20 proportionately probably as the worker below 8.50,
21 but some increase.

22 We know that women, blacks, and
23 Latinos would be among the main beneficiaries of a
24 higher minimum wage in New York state because
25 they're disproportionately represented in low-wage

1
2 jobs. Statewide, women account for over 55% of
3 those affected; blacks and Latinos together
4 represent about 40%.

5 In New York City, an estimated
6 352,000 resident workers would directly benefit
7 from an increase to 8.50 an hour. Within the
8 city, two-thirds are black and Latino, another 11%
9 are Asian and other. Immigrants account for
10 nearly three out of every five city resident
11 workers who would benefit. Contrary to the oft-
12 cited claim that a minimum wage increase mainly
13 benefits teenage workers, the overwhelming
14 majority of workers directly affected are 20 years
15 of age and over. And in New York City, that's
16 more than nine out of every ten workers directly
17 affected over the age of 20. The 352,000 workers
18 affected in New York break out by borough as
19 follows: 105,000 in Brooklyn would benefit,
20 100,000 in Queens, 67,000 in the Bronx, 63,000 in
21 Manhattan, and nearly 17,000 from Staten Island.

22 So let me summarize my ten reasons.
23 Number one, an increase is needed to restore the
24 minimum wage's lost purchasing power. Let me
25 elaborate on this one just a little. The New York

1
2 State minimum wage reached its all time high in
3 purchasing power on July 1st, 1970, when the state
4 minimum was increased to \$1.85 an hour. The
5 equivalent today, in today's dollars, would be
6 \$10.70 an hour, that's almost 50% higher than the
7 current 7.25 minimum.

8 Throughout most of the 1960s and
9 70s, a minimum wage job made it possible for a
10 worker to get his or her feet on the ground, to
11 support a family, and to lay the foundation for a
12 better future. For nearly two decades, from 1962
13 to 1979, the earnings of someone working full-
14 time, year-round at the minimum wage were enough
15 to lift a family of three above the poverty line.
16 And in fact, it was almost 10% above the poverty
17 line. Today's minimum wage of 75 leaves a person
18 at 82% of the three person poverty line--well
19 below where it was for nearly two decades in New
20 York state.

21 The second reason, an increase is
22 needed to raise New York's wage floor. We
23 certainly know from various data sources that the
24 inflation adjusted purchasing power of the wages
25 received by low wage workers has fallen 10 or 15%

1
2 over the last two decades, even though the average
3 low-wage worker is better educated than what they
4 were two decades ago.

5 The third reason, a minimum wage
6 increase is well-targeted to help low-income
7 families. More than a quarter of all low-wage
8 workers are raising children and an estimated
9 375,000 New York children have a parent making low
10 wages. In these families, the low-wage earning
11 parent is responsible for 51% of family income,
12 underscoring the importance of raising wages for
13 these families.

14 The fourth reason, minimum wage
15 increases don't reduce employment, and my
16 testimony cites several studies on that point.

17 Let me note, some of the evidence
18 in New York state from the last time New York
19 State's legislature voted to increase the minimum
20 wage in 2004, there were three increases occurring
21 in January of 2005, 6, and 7, taking it from 5.15
22 to 7.15 an hour. In the three years following the
23 first stage of that increase, low-wage industries
24 in New York did not suffer employment losses, in
25 fact, employment of low-wage industries like

1
2 retail and restaurants in New York state grew just
3 as fast relative to total job growth as at the
4 national level.

5 The fifth reason a minimum wage
6 increase will not adversely affect teenagers.
7 Another piece of evidence regarding the last
8 minimum wage increase in New York, young workers
9 in New York City in retail and food service
10 employment did not suffer. Half of New York
11 City's 18 to 20 year olds work in food services
12 and retail--the two industries employing the
13 greatest number of low-wage workers. Employment
14 has grown in both industries in recent years and
15 18 to 20 year olds accounted for the same 13% of
16 New York City employment in retail and food
17 services in 2005 as in 2009--a period that
18 included the full phase-in of the state minimum
19 wage increase.

20 Reason number six, a minimum wage
21 increase will boost consumer demand, helping
22 neighborhood businesses and creating a positive
23 job impact. Following the methodology developed
24 by the Economic Policy Institute, we estimate that
25 statewide, 7,500 jobs would be created around the

1
2 state as a result of the increase to 8.50 an hour.
3 And in New York City, 3,000 to 3,500 of those jobs
4 would be created.

5 Reason number seven, the minimum
6 wage and the earned income tax credit are
7 complementary policies, one is not a substitute
8 for the other as is often claimed.

9 Reason eight, raising the minimum
10 wage is an important means to address growing
11 income inequality. Many of the Council Members
12 have spoken to that issue.

13 Reason nine, raising minimum wage
14 would help restore New York's place among
15 progressive states. That was a reason Assemblyman
16 Wright mentioned also. And as we've heard, 18
17 states across the country and the District of
18 Columbia now have state minimum wage levels above
19 the federal minimum wage where New York State
20 does, and in eight of those states, the minimum
21 wage went up on January 1st as a result of an
22 automatic cost of living increase.

23 Reason number ten, raising the
24 minimum wage is particularly important in a high
25 unemployment economy since high unemployment

1
2 otherwise will depress wages and living standards.
3 And we know how bad the unemployment numbers are
4 in New York City, the unemployment rate has risen
5 from 8.8 to 9.7% over the past year and the number
6 of city residents officially unemployed has
7 increased by 40,000 to 385,000.

8 In conclusion, let me say that--let
9 me acknowledge that restoring the purchasing power
10 of the minimum wage to its 1970 level of \$10.70 an
11 hour would require a higher minimum wage than the
12 congress or the state legislature is going to
13 implement overnight. But even if the minimum wage
14 legislation were increased to that level in
15 several reasonable steps, its value would be
16 eroded by inflation by the time that phase-in was
17 completed unless we had a provision for indexing
18 the value going forward at that 1970 purchasing
19 power level. So we would suggest the best
20 approach would be to establish a target minimum
21 wage of \$10.70 an hour, to adjust that target
22 annually for inflation or for changes in the
23 average hourly wage, to increase the actual
24 minimum wage by reasonable, fixed amounts each
25 year which make it very predictable for employers

1
2 to deal with, until it reaches that moving target,
3 and thereafter, have the actual minimum equal the
4 target through indexation.

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

18 Thank you.

19 COUNCIL MEMBER JACKSON: Thank you,
20 Jim, we appreciate your testimony. I was just
21 filling in for our colleagues, James Sanders Jr.,
22 who had to go down to the Land Use Committee for
23 voting on the 14th floor, that's where I just came
24 from.

25 So next, Rosemary, Catholic

2 Community Relations Council of New York.

3 ROSEMARY GINTY: Thank you.

4 COUNCIL MEMBER JACKSON: You're
5 welcome.

6 ROSEMARY GINTY: Good morning,
7 Committee members. My name is Rosemary Ginty,
8 Executive Director of the Catholic Community
9 Relations Council, which was established by the
10 Archdiocese of New York and the Diocese of
11 Brooklyn to handle public policy and legislative
12 issues on the municipal level of government.

13 I'm here to speak in favor of this
14 Resolution supporting an increase in the state's
15 minimum wage.

16 As pastors, the bishops see the
17 tragic human and social consequences on
18 individuals, their families, and society when
19 workers cannot support themselves or their
20 families by their own labor. We know it is
21 increasingly difficult for the working poor of our
22 state to make ends meet. Without decent wages,
23 families are weakened and the dignity of parents
24 and children is threatened.

25 The current minimum wage of \$7.25

1
2 an hour results in \$15,000 a year for a full-time
3 worker, which is nearly \$4,000 below the federal
4 poverty level for a family of three.

5 COUNCIL MEMBER JACKSON: And that's
6 gross.

7 ROSEMARY GINTY: That's correct.
8 The minimum wage needs to be raised, not just for
9 the goods and services a person can buy, but for
10 the self-esteem and self-worth it affords.

11 Work has a very special place in
12 Catholic social teaching. Work is more than just
13 a job, it's a reflection of human dignity and a
14 way to contribute to the common good. The
15 principle of a just wage is integral to our
16 understanding of work. Wages must be adequate for
17 workers to provide for themselves and their
18 families in dignity.

19 I'd like to finish with a quote
20 from recent testimony by Bishop Hubbard, who is
21 the co-chair of the New York State Labor and
22 Religious Coalition: "When full time workers
23 cannot afford to purchase healthy food, pay rent,
24 and access vital health care, their wages are
25 unjust. When workers must labor day and night in

1
2 multiple jobs to piece together a livable income,
3 their wages are unjust. When workers suffer the
4 enduring consequences of poverty, such as ill
5 health, impeded educational achievement, and
6 housing instability even as company executives
7 amass enormous wealth, their wages are unjust."
8 That is the end of the quote and I will say it's
9 time to raise New York state's minimum wage. For
10 us, it is a matter of simple justice for a decent
11 society.

12 And I thank you.

13 COUNCIL MEMBER JACKSON: Well thank
14 you, your testimony was short, but I couldn't say
15 more, it was right on point, especially the quote
16 from the Bishop.

17 ROSEMARY GINTY: Thank you.

18 COUNCIL MEMBER JACKSON: We
19 appreciate your testimony. We have been joined by
20 our colleague Mike Nelson of Brooklyn. And now
21 we'll turn to Jack Temple, the National Employment
22 Law Project.

23 JACK TEMPLE: Thank you. Good
24 morning, my name is Jack Temple, I'm a policy
25 analyst at the National Employment Law Project.

1
2 Thank you for the opportunity to testify today.

3 In my testimony, I'd like to
4 discuss why now is the time for New York State to
5 raise the minimum wage: To help workers who are
6 getting squeezed by flat wages and rising prices.
7 I also like to explain why increasing the minimum
8 wage will raise incomes without causing job loss.

9 As has been said, New York's
10 minimum wage has simply not kept up with the
11 rising cost of living in the state. State's
12 current minimum wage is \$7.25, the same as the
13 federal level--that's just over \$15,000 a year for
14 a full-time, year-round worker in one of the
15 country's most expensive states. Indeed, no fewer
16 than 18 other states, many with much cheaper cost
17 of living than New York, have successfully raised
18 their state minimum wage above the federal level.
19 Consider the following: If New York's minimum
20 wage had just kept pace with the rising cost of
21 living over the last 40 years, it would be up to
22 \$10.70 today. And, again, while New York has
23 allowed the value of the minimum wage to erode
24 over time, other states have been much more
25 proactive, there are actually ten states that

1
2 index their minimum wage to inflation precisely so
3 that the real value of the wage floor does not
4 fall every year. These states that index include
5 Washington, where the minimum wage is already
6 \$9.04, and Oregon where the minimum wage is now
7 \$8.80.

8 And just to be clear about the
9 consequences, because New York State does not
10 index its minimum wage, there have been two nine-
11 year spells just since 1980 where the minimum wage
12 remained completely flat as low paid workers in
13 the state waited for the legislature to act.

14 Furthermore, it's important to
15 recognize where the labor market has been going
16 for the last 30 years and where it's project to
17 head in the upcoming decades. Seven of the top
18 ten growth occupations for the next decade are
19 low-wage occupations. While the majority of jobs
20 lost during and after the recession were in mid-
21 wage occupations like construction or
22 manufacturing, new job growth is being
23 disproportionately driven by low-wage occupations
24 like cashiers and food prep. And even as the
25 total share of low paid jobs continues to rise,

1
2 the wages for low paid workers are actually
3 declining. For example, over the past year, real
4 average hourly earnings fell 0.6% for all private
5 sector workers and declined by an even greater
6 degree, a full percentage point, for non-
7 supervisory and production workers. Clearly, as
8 more New Yorkers spend their careers in low-wage
9 industries, the minimum wage is playing a bigger
10 role in the state's economy.

11 Allow me to briefly address some of
12 the most commonly cited objections to a proposed
13 increase in the minimum wage. Contrary to what
14 some claim, as has already been said today, only
15 15.6% of workers in New York state earning 8.50 or
16 less are teenagers, the overwhelming majority,
17 almost 85%, are adults aged 20 or over. And in
18 some of the top growth occupations like home
19 health care, the median age is actually far
20 higher, closer to 40.

21 Furthermore, while some suggest
22 that minimum wage increases place excessive
23 burdens on small business, the fact of the matter
24 is that the majority of low-wage workers are
25 employed by large chains, not small businesses.

1
2 Indeed, two-thirds of all employees work at firms
3 of at least 100 workers. What's more, the
4 national chains that employ most low-wage workers
5 are enjoying record high profits today and can
6 afford to pay higher wages. In fact, corporate
7 profits in the U.S. right now are the largest
8 share of GDP since 1950, while wages and salaries
9 are now at their lowest share since 1955.

10 And finally, as has already been
11 discussed today, on the concern that raising the
12 minimum wage causes job loss, the most rigorous
13 academic research examining dozens of minimum wage
14 increases over the past two decades finds that
15 this simply isn't the case. This important body
16 of research was pioneered more than 15 years ago
17 by economists Alan Krueger and David Card at
18 Princeton University. They compared job growth
19 trends in neighboring counties across the New
20 Jersey and Pennsylvania border, when New Jersey
21 increased its minimum wage, but Pennsylvania did
22 not. In social science, this is known as a
23 natural experiment, it's ideal for drawing
24 conclusions based on this kind of analysis, and of
25 course, under these optimal conditions, Card and

1
2 Krueger found that New Jersey's minimum wage
3 increase did not reduce overall employment.

4 Moreover, a 2010 peer reviewed
5 study builds upon this research examining
6 employment patterns in every single pair of
7 neighboring counties that straddle a state border
8 where the state minimum wage was different at any
9 time between 1990 and 2006. This study also finds
10 no difference in job growth rates in neighboring
11 counties despite differences in the minimum wage
12 and there's no evidence that states with higher
13 minimum wages had pushed businesses across the
14 state line.

15 In closing, the minimum wage is now
16 so out of date today that a diverse and growing
17 number of leaders are weighing in to support
18 raising it. That includes Mitt Romney, who said
19 in January that he supports indexing the minimum
20 wage to inflation, Mayor Michael Bloomberg, who
21 has called for raising the minimum wage in New
22 York and nationally, and Crain's New York
23 business, which endorsed specifically raising New
24 York's minimum wage to 8.50 and indexing it.

25 Thank you so much for the

1
2 opportunity to testify today. To provide further
3 background, I'm submitting an extended version of
4 my testimony with detailed information providing
5 more facts on the minimum wage. And I'd be happy
6 to answer any questions you have.

7 CHAIRPERSON SANDERS: If Mitt
8 Romney is for it, perhaps I should be against it--

9 JACK TEMPLE: [Interposing] I know,
10 it's a trade off.

11 CHAIRPERSON SANDERS: --however, we
12 will not be partisan here, we will understand that
13 common sense is not restricted to any one party.
14 And I want to thank Council Member Jackson for
15 filling in, I had to vote on an issue. And we
16 have been joined by Council Member Nelson also,
17 who could have filled in very ably also, so I'm
18 glad to know that.

19 As I get my wind back, I'll see if
20 either of my colleagues have questions. You have
21 any questions for the--how about you--

22 [Crosstalk]

23 COUNCIL MEMBER JACKSON: Knowing
24 that the state minimum wage if you times that by
25 40, it comes to \$15,080 a year, that's gross.

1
2 When you take out Social Security and federal,
3 state, and local taxes, do you have any idea--I
4 know it depends on family size, but let's take the
5 family size average of what, I think four, is that
6 what it is? What would that be net? Would that
7 be about \$12,000 or \$11,000 net? Does anyone have
8 any idea? Because we say 15,000 and people think
9 that that, okay, that's what they're going to
10 earn, in essence, have in their pocket, but, no,
11 after federal, state, local taxes, and Social
12 Security, you know, is it you're talking about
13 \$11,000 a year, any idea?

14 JAMES PARROTT: I don't know that
15 we've done that calculation and too for that to be
16 fair, we should also factor in the amount of
17 earned income tax credit that such a family might
18 receive from the federal level and the state
19 level. There's a small earned income tax credit
20 provision at the city level, which by the way--

21 COUNCIL MEMBER JACKSON:

22 [Interposing] No, but you're--

23 JAMES PARROTT: --we should
24 certainly increase--

25 COUNCIL MEMBER JACKSON: --but

2 that's an assumption that they file for it, is
3 that correct? Or it's not automatically in their-
4 -

5 JAMES PARROTT: [Interposing]

6 That's true, that's certainly one of the--

7 COUNCIL MEMBER JACKSON: --

8 paycheck.

9 JAMES PARROTT: --limitations of

10 that is that somebody has to proactively file for
11 that, it doesn't automatically--

12 [Crosstalk]

13 COUNCIL MEMBER JACKSON:

14 [Interposing] Right, I'm talking about the actual
15 payroll as far as--

16 JAMES PARROTT: [Interposing]

17 Right, right. You know, I'm not sure exactly what
18 that net figure would be. Let me point out that
19 in order to gauge the higher cost of living in New
20 York, you know, we have a federally determined
21 poverty level that's the same across the country,
22 it's the--

23 COUNCIL MEMBER JACKSON:

24 [Interposing] And what is that figure?

25 JAMES PARROTT: --it's the same--

1
2 right now, for a family of four, it's about
3 \$21,000.

4 COUNCIL MEMBER JACKSON: Sure.

5 JAMES PARROTT: In New York City,
6 the Mayor's Center for Economic Opportunity has
7 developed an alternative poverty measurement
8 following recommendations of a national panel a
9 few years ago, and following that methodology,
10 factoring in the higher costs of living in New
11 York for things like child care and health care
12 and housing certainly, where we really stand out,
13 the poverty level in New York would be 28,000 or
14 30,000 instead of 22,000, 21 or 22,000. So by
15 that measure, you know, even an increase to 8.50
16 is going to fall well short of, you know, bringing
17 a person to a four-person federal poverty
18 standard.

19 COUNCIL MEMBER JACKSON: Sure. And
20 in fact, I was thinking about we held a press
21 conference on the steps of City Hall less than a
22 month ago where we talked about, you know, the
23 minimum wage, and even let's say, if you take \$10
24 an hour and you times that by 40 hours a week,
25 that's \$400 a week, and you times that by 52, that

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is even below the national poverty level--

JAMES PARROTT: Right.

COUNCIL MEMBER JACKSON: --of \$21,000, I think it's about--if you take that 10 times 40, 400 a week times 52, I think it's \$20,800--

JAMES PARROTT: Right.

COUNCIL MEMBER JACKSON: --which is less than the poverty level. And--

JAMES PARROTT: [Interposing] And then even further behind sort of a poverty level measurement that factors in the higher cost of living in New York.

COUNCIL MEMBER JACKSON: So do you have any idea on, you know, the, I guess, the understanding and logic behind those individuals that say that we should not increase it? Because I've said to people, let's flip this mirror around, okay? If you think that that's enough to pay the minimum wage to individuals, then I want them to live off the minimum wage for a year and then come to this hearing and sit here or argue that that is enough for individuals to earn. I don't think that anyone is willing to do that.

1
2 And one little example of that, Mr.
3 Chair, and I'll stop, is that the--I forgot the
4 name of the group, they advocate for food--

5 MALE VOICE: Yes.

6 COUNCIL MEMBER JACKSON: --against
7 hunger and they asked Council Members and others
8 in different legislative capacities to live off
9 what you would have to live off--

10 JAMES PARROTT: Right.

11 COUNCIL MEMBER JACKSON: --for food
12 stamps for one week to try to survive. So you can
13 actually understand how people are struggling on
14 food stamps to live for, you know, trying to eat
15 healthy. It's not easy. And so that's the
16 challenge that I really ask those that think that
17 we should not increase the minimum wage.

18 So I just wanted to say that
19 because it's important to know that this topic is
20 about basic, as you're talking about, human
21 rights, it's about survival, it's about supporting
22 families and their dignity and pride, and it's
23 about also in the long run from a holistic point
24 of view, it's about healthy living and healthy
25 eating and healthy environment, and, in fact,

1
2 that's what we all need as far as our families and
3 this country to set the type of example that we
4 need that happen all over, not only in this
5 country, but around the world.

6 Mr. Chair, I thank you for giving
7 me the opportunity to sit in for you while you had
8 to go take care of other business and for
9 listening to this panel.

10 CHAIRPERSON SANDERS: I thank you,
11 sir, you made a better Councilman Sanders than I
12 could ever hope to become, so I appreciate that.
13 I instructed your questions over can people live
14 on these things and who would be against it, it
15 just goes back to that age-old question that we
16 have been wrestling with since the seeming
17 beginning of time--are we our brothers and sisters
18 keeper? Do we have a--what is the responsibility
19 of government; what is the responsibility of all
20 of us to each other? Are we, you know, the [off
21 mic] against all where you're just out there and
22 if you make it, this is good, and if you don't,
23 well, we may write about you. Or is it the part
24 of government to help those who are trying to help
25 themselves?

2 COUNCIL MEMBER JACKSON: Mr. Chair,
3 I notice, in looking at the Proposed Reso, and I
4 notice that my name is not on here and I'm saying
5 what, my name is not on this? So obviously,
6 maybe, you know, it's on there and just not on
7 this written form, but clearly, I'm going upstairs
8 and ask my staff to make sure that my name is on
9 this because I clearly support it.

10 CHAIRPERSON SANDERS: Well
11 sometimes life has a sense of humor and some of
12 the most passionate defenders may be left off
13 letters call it as such and I'm sure that you will
14 correct it.

15 For the panel I have a question and
16 remind me, I just want to make sure that I'm
17 remembering this well, the earned income tax
18 credit, can a single person get that?

19 [Pause]

20 CHAIRPERSON SANDERS: The answer is
21 yes, all right.

22 JAMES PARROTT: A single person
23 can, they get a lot less because the amount, it
24 depends on the number of dependents--

25 CHAIRPERSON SANDERS: Yes, yes.

2 JAMES PARROTT: --they have up to a
3 certain point, right.

4 CHAIRPERSON SANDERS: Okay. I want
5 to thank this panel. I would ask Nelson, but I'd
6 better not, or at least he better not answer. I
7 want to thank this panel very much and we look
8 forward to working with you as we resolve some of
9 these problems in New York City.

10 JAMES PARROTT: All right.

11 CHAIRPERSON SANDERS: Thank you
12 very much. We will call the next panel.

13 FEMALE VOICE: Michael Saltsman,
14 Employment Policies Institute.

15 CHAIRPERSON SANDERS: That's it?

16 FEMALE VOICE: Mm-hmm.

17 CHAIRPERSON SANDERS: I like it.

18 [Long pause]

19 CHAIRPERSON SANDERS: Good
20 afternoon, sir, how are you?

21 MICHAEL SALTSMAN: I'm well, how
22 are you today?

23 CHAIRPERSON SANDERS: I'm doing
24 well. Good morning, but still that's me.

25 MICHAEL SALTSMAN: That's close

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enough.

CHAIRPERSON SANDERS: At your
leisure, you--

MICHAEL SALTSMAN: Sure.

CHAIRPERSON SANDERS: --can begin,
sir.

MICHAEL SALTSMAN: You know, I had
good afternoon in my testimony to--

[Laughter]

MICHAEL SALTSMAN: --you, so I'm
just going to stick with that.

CHAIRPERSON SANDERS: There you go.

MICHAEL SALTSMAN: You know, you
had asked earlier what sort of person would oppose
this legislation and you're looking at him. I
hope I'm friendly enough, my mother would be upset
otherwise, but--

CHAIRPERSON SANDERS: [Interposing]
You seem friendly enough, you seem very humane and
I will--let me do state that good people can
disagree on different things. Well meaning people
can absolutely have disagreements on things. I'm
going to listen to the logic that you give because
I trust that it will follow.

1
2 MICHAEL SALTSMAN: Well I
3 appreciate it, and I appreciate the opportunity to
4 testify here today.

5 My name is Michael Saltsman, I'm a
6 research fellow at the Employment Policies
7 Institute. We're a nonprofit research
8 organization in D.C. that focuses on policies that
9 impact the entry-level labor market. I'm here
10 today to express concern about a Council
11 resolution that endorses an increase in New York's
12 minimum wage. While I do share the Council's
13 concern for the plight of low-income families, the
14 evidence is crystal clear that raising the minimum
15 wage is both an--and it's an ineffective way to
16 reduce poverty and also brings with it unintended
17 consequences for the least-skilled jobseekers.

18 Twenty-eight states, including New
19 York, raised their minimum wage between 2003 and
20 2007, but subsequent research has found no
21 relationship between those wage increases and a
22 reduction in poverty rates. There are a few
23 factors that help explain this. The first one,
24 though it seems counterintuitive, is that a
25 majority of the people who benefit from an

1
2 increase in the minimum wage are not living in
3 poverty. Here in New York, for instance, Census
4 data show that the average family income of a
5 person that will benefit from the current wage
6 proposal is about \$53,000 a year. Sixty percent
7 of the people are living with family or relatives,
8 or have a spouse that also works; by contrast,
9 just 8.5% are single earners supporting children.

10 These data are consistent with a
11 recent study from economists at Cornell and
12 American University, which found that more than
13 60% of minimum wage earners are in households with
14 incomes over twice the poverty line, and actually
15 over 42% are in households with incomes three
16 times the poverty line.

17 But targeting isn't the only
18 problem with a legislated raise. A rising minimum
19 wage also makes it more expensive to hire and
20 train less-skilled and less-experienced employees,
21 which decreases their hours worked and their
22 employment rate. It may be stating the obvious,
23 but business owners that employ people at the
24 minimum wage are not making money hand-over-fist
25 like New York's investment banks. Grocery stores,

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2 restaurants, retailers keep just a few cents in
3 profit from each dollar in sales after expenses
4 are paid, and if their labor costs rise by 17% and
5 they can't offset it with higher prices, they're
6 forced to scale back elsewhere.

7 Now there's a team of three
8 economists that was in a report actually released
9 last month in Cornell's labor economics journal,
10 reported on the cutbacks that occurred after the
11 last state-legislated increase in New York's
12 minimum wage. Employment for less-educated 16 and
13 29 year olds, was people in that age range without
14 a high school degree, fell by over 20%. Right
15 now, the unemployment rate for young adults across
16 the five boroughs is averaging thirty-four
17 percent, which means they can scarcely afford
18 additional barriers between themselves and a job.

19 Some advocates for a higher minimum
20 wage--and we've heard from some of them this
21 morning--have claimed that the latest research
22 overturns past conclusions on job loss. I just
23 want to stress that nothing could be further from
24 the truth, in fact, 85% of the most credible
25 studies from the last two decades point to job

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2 loss for the least skilled employees following an
3 increase in the minimum wage. Proponents like to
4 cite a handful of outlying studies to make their
5 case, like the Card/Krueger study we heard
6 earlier, but the economic consensus says
7 otherwise.

8 If the Council would like to use
9 this symbolic vote to support the city's low
10 income workers, I'd point you to a proposal in
11 Albany that would actually expand the state's EITC
12 supplement to 35% from its current level of 30%.
13 Unlike the minimum wage, this tax credit has a
14 proven track record of reducing poverty and
15 boosting employment, which is an important
16 combination when you consider that census data
17 show a majority of folks living below the poverty
18 line don't presently have a job, it was actually
19 66% in the last report that came out.

20 Endorsing a minimum wage increase
21 might be good politics, but I think the evidence
22 shows it's bad policy that will do little to help
23 the poor, and might even hurt them.

24 I appreciate your time today and
25 happy to take any questions you have.

1
2 You know, actually I wrote just a--
3 this isn't in my testimony, but just two quick
4 notes on two of the points that came up earlier.
5 You know, there's been this idea of sort of
6 raising the minimum wage as a way to have an
7 impact on income inequality. There's actually
8 been a substantial amount of work done in that
9 there was a study in the Journal of Human
10 Resources a couple years ago that looked at this
11 idea of whether a minimum wage could help reduce
12 income inequality. What the economists found, a
13 couple of economists at the University of
14 Wisconsin and the University of California-Irvine
15 was that a minimum wage is essentially a
16 redistribution of income among low income workers.
17 You have some workers who benefit from the raise,
18 and then you have some that don't benefit when
19 they lose hours or employment. So on net, they
20 actually found that a minimum wage actually for
21 increases the number of people who are in poverty
22 or near it.

23 And then to this other point about
24 getting back to this 1968 or 1970 minimum wage,
25 and if the minimum wage had been indexed for

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2 inflation since it was first created in the 1930s,
3 it would be about 3.99 today. And so this idea of
4 sort of picking the best year, you know, to sort
5 of match the wage that we'd like to get, I don't
6 think it makes a lot of sense, I think the
7 important takeaway point is that study after study
8 has shown almost no one is stuck earning the
9 minimum wage. The typical minimum wage earner
10 gets a raise in their 1 to 12 months on the job,
11 the key is to make sure that they have the jobs
12 that they can get the experience to earn that
13 raise, and I think the evidence is clear that
14 raising the minimum wage puts this jobs further
15 out of reach.

16 So with that, I'll turn it over to
17 you. And, again, thank you for having me up here
18 today, I appreciate it.

19 CHAIRPERSON SANDERS: Thank you,
20 sir. I will certainly study the reports that you
21 have given. I actually have a knack for
22 demography and love to know in your studies are
23 some of the first that I've heard to point these
24 points out. In fact, in an open letter, which I
25 have a copy of, more than 650 economists,

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2 including five Nobel Prize winners and six past
3 presidents of the American Economic association
4 stated that increasing the federal and state
5 minimum wages with an annual cost of living
6 adjustment for inflation, quote, can't
7 significantly improve the lives of low income
8 workers and their families without the adverse
9 effect that the critics have claimed. Are you
10 aware and are you aware of their position, sir?

11 MICHAEL SALTSMAN: I am, you know,
12 I actually am familiar with that letter.

13 CHAIRPERSON SANDERS: Okay.

14 MICHAEL SALTSMAN: You know,
15 actually about 60% of the people who signed that
16 letter are not labor economists, a number of the
17 people on there don't have Ph.D.s, there's
18 actually a secretary from one of the economics
19 departments that signed that letter.

20 I don't, you know, having Nobel
21 Prize winners who support an increase in the
22 minimum wage for political reasons, that's
23 certainly their prerogative to do so, but I mean,
24 if you look at again the consensus of the economic
25 research and I really think that's where I turn

1
2 to, as I mentioned, 85% of sort of the most
3 credible studies over the last two decades do
4 point to job loss, and that doesn't mean there
5 aren't outlying studies, you still have that sort
6 of 15% that find otherwise, but I think if we're
7 going to have this debate about the minimum wage,
8 we have acknowledge that there is a consensus that
9 points in one direction and that this idea of
10 unintended consequences is--it's a likely thing
11 that we need to consider regardless of whether
12 there are some economists out there that feel
13 differently.

14 CHAIRPERSON SANDERS: Now I am a
15 supporter of the earned income tax credits, but
16 practically speaking, what do you think would be
17 more helpful--more money during the year to pay
18 bills and purchase goods as needed or of the
19 potential opportunity to receive a lump sum amount
20 of money to help you play catch-up? I don't think
21 that we should this or that, I think that both
22 have to work in conjunction.

23 MICHAEL SALTSMAN: Sure. You know,
24 I take your point, I think that if we want to look
25 at--the thing I like about the EITC is that since

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2 it operates through the tax code, it's actually
3 well targeted to those families in poverty and it
4 doesn't come with some of the consequences I
5 talked about and so I think that I prefer just the
6 EITC instead of pairing the both of them, again,
7 because you have this issue of targeting and this
8 issue of, again, with the 34% youth unemployment
9 rate, I don't think we need to be putting
10 additional barriers between them and a job. I do
11 think, you know, there was a program in place for
12 a while called the Advanced EITC that allowed
13 people to claim the EITC sort of on a biweekly
14 basis in their paychecks. It was President Obama
15 actually did away with the Advanced EITC because
16 there were some problems in terms of fraud and not
17 enough people were using it, but I would certainly
18 support a program like that that allowed the EITC
19 to be claimed on a more frequent basis. And,
20 again, supporting it because, as I read the
21 research, in fact, there was a study that came out
22 recently that found basically a one to one
23 relationship between a 1% increase in the state
24 EITC and 1% decrease in state poverty rates, and
25 so I think that relationship is pretty strong.

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2 CHAIRPERSON SANDERS: In a 2010
3 study--I'm going to go to the question of the
4 effect on business.

5 MICHAEL SALTSMAN: Sure.

6 CHAIRPERSON SANDERS: In a 2010
7 study called Minimum Wage Effects Across State
8 Borders, which looked at the effects of increases
9 in the minimum wage on jobs growth in the United
10 States employment levels among every pair of
11 neighboring U.S. countries that had a differing--
12 counties, rather, that had a differing minimum
13 wage level at any time between 1990 and 2006, when
14 they were compared. Researchers found that a
15 higher minimum wage did not reduce employment.
16 Are you familiar? Do you agree with that study?

17 MICHAEL SALTSMAN: I am familiar
18 with that study. The lead economist on that
19 study, Aaron Dubay at University of Massachusetts
20 at Hamerst, he's a very smart guy and he's been
21 doing some great work. Briefly, I think a couple
22 issues with that study, the first is that it does
23 only look at the county areas. There have been
24 other studies out there that have looked at the
25 county areas and that have controlled for whether

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2 or not the minimum wage was binding and found that
3 when you control for that, that you do find
4 employment loss. Dr. Dubay's study did not look
5 at whether the minimum wage was binding.

6 The other issue to consider is that
7 in that study, they actually just look at overall
8 employment levels in the restaurant industry, they
9 don't look specifically at impacted employees and
10 so I think a weakness of that study is we're not
11 necessarily looking at those employees who would
12 be directly impacted necessarily by an increase in
13 the minimum wage.

14 That said, I don't want to
15 disparage the work that he's done, you know, that
16 study has made an important contribution to the
17 minimum wage debate, I know there are other
18 economists right now that are looking at the work
19 that they did and sort of working on a response to
20 it. And so we need to look at that study and sort
21 of consider it and I think it should inform the
22 minimum wage debate, but the reason I brought up
23 the stat about, sort of, the consensus of studies
24 over the last 20 years and even studies that
25 continue to come out, like the one I mentioned

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2 that came out last month, there really is a body
3 of literature that's been built on this topic and
4 so, even though there are some outlying studies
5 and we should consider the points they're bringing
6 up, it does not overturn a consensus that stands
7 in the other direction, and so I just wanted to,
8 sort of, make sure that was clear.

9 CHAIRPERSON SANDERS: Let me take
10 you to a far more nebulous area, a question of
11 dignity, a question of the dignity of labor among
12 the foundations of the American republic is the an
13 honest day's work will bring you an honest day's
14 dollar and that you have the dignity of being able
15 to take care of your family. I trust that you
16 will concede that right now the workers are in
17 many places are not able to take care of their
18 families on a minimum wage salary and what would
19 you propose to do about this? Certainly dignity
20 has a role in this debate.

21 MICHAEL SALTSMAN: Sure. You know,
22 as I said at the beginning of my testimony, I do
23 share the Council's concern for the plight of low
24 income families, I mean, I share it on a, sort of,
25 very personal basis. I grew up in the church,

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2 I've taken a number of mission trips over the
3 years, actually grew up just north of Detroit,
4 spent a lot of time working with churches in the
5 city there, and I do share that and I appreciate
6 your point about the dignity of labor. I think
7 what we need to do, though, is, sort of, look at
8 these things through a more sober-minded policy
9 lens because if we always look at it through this
10 lens of what feels good or what would feel good to
11 do, we're going to end up not always necessarily
12 having the best result, and so I approach this
13 from, sort of, a standpoint of what's the best way
14 to get the result we want. And I think if society
15 if we can't agree on this idea that we want to
16 supplement the wages of, sort of, low income
17 families, again, I think the earned income tax
18 credit, I mean, right now, if you look at the
19 federal tax credit that's been expanded because of
20 the stimulus legislation and then with New York
21 State's tax credit, it's actually--if you were,
22 sort of, a single parent supporting a couple of
23 children, it would be, I believe, a little over
24 \$7,000 a year, and so it's a really substantial
25 income floor that really does raise wages and it

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2 does so in a way where you're not boosting the
3 income of people in middle or upper middle class
4 families and you're not doing so in a way that's
5 going to reduce employment among, sort of, the
6 least skilled sectors of the workforce.

7 I hope that answered your question,
8 I'm thinking, but I didn't want you to think I'm
9 dismissing that issue 'cause I do take that point.

10 CHAIRPERSON SANDERS: I did hear
11 your answer, I would have loved to hear more of
12 dignity but I certainly heard your answer. I too
13 grew up in a church background and, in fact, until
14 I was 16, I was going to be a minister, but that's
15 a different story for a--we can have that
16 theological debate at another moment. But one of
17 the things that stays with me is the golden rule,
18 that rule of doing onto others what we would like
19 someone to do to us. And I encourage you, sir, as
20 a part of your personal quest, if you believe that
21 this is fair, can I encourage you on a personal
22 level to take Council Member Jackson's plea to
23 heart, spend a year on this budget and if you have
24 the same position at the end of that one, it will
25 be absolutely will be unimpeachable, you will be

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2 able to say, hey, I have done it and I still
3 believe that this is correct. But that year may
4 be one of the most enlightening years of your
5 life, another quest.

6 Having given you a quest of a
7 lifetime, I will let you make a concluding
8 statement and then I will call the panel to a
9 halt.

10 MICHAEL SALTSMAN: Great. I do
11 believe in the golden rule, I also believe in the
12 laws of supply and demand and I think we need to
13 find a place where the two of them intersect. I
14 actually I did, you know, if we go back ten years
15 ago, I was working at the minimum wage and I think
16 most people have worked at the minimum wage. I
17 think the important point is, again, that people
18 who work at the minimum wage, the overwhelming
19 majority of them are not stuck at that wage and I
20 think it's incumbent upon us to make sure that
21 those entry level jobs where people pick up the
22 skills that help them get that next job and that
23 help them get ahead in life are still available.
24 And I think the higher we raise the wage floor,
25 the fewer of those opportunities there are going

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2 to be.

3 But, again, I see we have a
4 difference of opinion here, but I appreciate the
5 dialogue today, and it was nice being here.

6 CHAIRPERSON SANDERS: Yes, well the
7 dialogue is always important. People don't have
8 to agree, but they should insist on being
9 agreeable, they should insist that there is a room
10 for all political positions, and when we fail to
11 do that, we haven't done America any justice,
12 we've done a great disservice to it, I would
13 argue.

14 I will say that, although I am--I
15 differ with some of your statistics, but I will
16 read them, I will go and try to see the basis of
17 these and to see for my personal satisfaction, are
18 they valid, are they personally valid to me.

19 Having said that, you have defended
20 your argument well, sir, and I will thank you for
21 coming and appearing before the City Council.
22 Thank you very--we also believe in supply and
23 demand.

24 [Crosstalk]

25 CHAIRPERSON SANDERS: And Keynesian

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2 economics. Thank you very much, sir.

3 MICHAEL SALTSMAN: Thank you, sir.

4 CHAIRPERSON SANDERS: She is--

5 [Pause]

6 CHAIRPERSON SANDERS: I want to
7 acknowledge that a written statement by Heidi
8 Hartmann, the PAC, the Dr. Heidi Hartmann, the
9 founder and President of the Institute for Women's
10 Policy Research, her institute has also submitted
11 some research that they want to include, a
12 statement for the record.

13 I believe that we have another
14 panel.

15 FEMALE VOICE: Josh Kellermann,
16 Align the Alliance for a Greater New York; and Ai
17 Elo from Rock, New York.

18 If there's anyone else who has not
19 signed in already, if you could please do so with
20 the Sergeant-at-Arms, we'd appreciate it. Thank
21 you.

22 [Long pause]

23 CHAIRPERSON SANDERS: In the order
24 that you were called, you can begin your
25 testimony.

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2 JOSH KELLERMANN: Thank you. My
3 name is Josh Kellermann, I'm with ALIGN: the
4 Alliance for a Greater New York, and I'm here to
5 speak in favor of the resolution today. ALIGN,
6 the Alliance for a Greater New York is a nonprofit
7 labor community coalition that works to create
8 good jobs, vibrant communities and an accountable
9 democracy for all New Yorkers.

10 I'll skip through the majority of
11 my testimony because it would be repetitive at
12 this point, and point out a few of the statistics
13 that haven't been highlighted thus far.

14 During the 2010 economic recovery,
15 quote unquote, 93% of the gains nationwide were
16 captured by the top 1%. [Pause] Leaves the
17 question, what type of economic recovery are we
18 having currently. The top 1% of New York City
19 controls 43% of the income, while the bottom 20%
20 controls just 2.4%.

21 Low wage jobs are expected to
22 outgrow nearly all other occupations in New York
23 City over the next decade, particularly in health
24 care, child care, retail, and restaurant work.
25 Median wages for these occupations are only

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2 slightly above the federal poverty line and, as
3 we've all noted, the federal poverty line does not
4 account for the true cost of living.

5 These statistics point to the need
6 to raise the minimum wage. It will do the most
7 good for the most number of people. Some studies
8 have shown that approximately 200,000 workers in
9 New York earn at or below the minimum wage. Now
10 this number's below the--there's a 352,000 number
11 that was cited, that's those who work below--earn
12 below \$8.50 an hour, but those who are at minimum
13 wage or below, around 200,000 workers in New York
14 City.

15 A study by the Economic Policy
16 Institute shows that minimum wage workers who earn
17 \$1.25 more per hour would spend an additional
18 \$3,500 per year, therefore, 200,000 workers
19 earning an increased \$1.25 per year would generate
20 nearly \$700 million in economic activity in the
21 city of New York.

22 The economic stimulus resulting
23 from an increase in minimum wage would generate
24 demand in our economy. Businesses would fill this
25 demand by increasing orders and hiring more

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2 workers. This stimulus would counteract any
3 negative employment implications that might result
4 from increased wages.

5 Raising minimum wage will help
6 those who need it most and generate increased
7 economic activity and job creation in New York.

8 Thank you for your time.

9 CHAIRPERSON SANDERS: Thank you.

10 AI ELO: Hello, good morning, my
11 name is Ai Elo, I'm a restaurant worker and a
12 member of the Restaurant Opportunities Center of
13 New York. ROC New York organizes restaurant
14 workers citywide for improved working conditions.
15 We are a membership-led organization of restaurant
16 workers, with approximately 5,000 members from all
17 over the world who reflect the diversity of the
18 restaurant industry, which is filled largely by
19 thousands of new immigrants who arrive in the U.S.
20 each year. I would like to begin by thanking the
21 City Council and the Committee on Civil Service
22 and Labor for holding this important hearing. I'm
23 here today to testify in favor of Resolution 1319-
24 A, which calls on the state legislature to pass
25 modest increases in the state's minimum wage.

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2 While the legislation is not ideal--it falls far
3 short of providing the state's workers with a
4 living wage--it is, nevertheless, a significant
5 improvement over the current minimum wage in New
6 York.

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

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

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2 But despite huge sales and the
3 undeniable contributions to the city and state
4 economies, restaurant workers are too often
5 forgotten. According to surveys of restaurant
6 workers in New York City conducted by ROC New
7 York, 80% earn low wages, 60% earn poverty wages,
8 and 90% lack paid sick days. And, as you can
9 guess, the vast majority of low wage workers in
10 the restaurant industry are women and people of
11 color.

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

19 As a young person of color with no
20 familial support, no trust fund, and no savings, I
21 am the sole financial support system for myself
22 and my two younger siblings. Many of the jobs
23 made available to me are those demanding intense
24 physical labor in exchange for a minimum wage
25 salary. While working in the restaurant industry,

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2 I immediately found myself desperate to take on
3 extra shifts, begging to cover my coworkers'
4 shifts, working double shifts, and holidays. This
5 eventually took a physical toll on me that largely
6 had to be ignored because I could not afford to
7 take days off to treat knee and back injuries
8 sustained on the job, nor did I have time to spend
9 with my siblings. On many occasions I dragged
10 myself into work limping, exhausted, and sore from
11 the previous workdays, forcing myself to smile.
12 Over time, it became hard to maintain pride in my
13 work and have a genuinely positive demeanor around
14 the customers because I was stressed at the irony
15 of my fruitless labor.

16 At the same time, I was going into
17 debt and fell behind paying my rent. Eventually,
18 this led to homelessness in an unforgiving shelter
19 system with few resources that made reentering the
20 restaurant industry even harder. Even as I
21 diligently tried to save my money, with hopes of
22 saving enough to put myself in college, I could
23 barely afford to pay rent, let alone save enough
24 to liberate myself from having to work full time
25 in order to attend college. I have been stifled

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2 in my pursuit to be both economically and
3 intellectually competitive because 4.65 an hour
4 was not enough to cover my expenses, no matter how
5 much I worked and saved. Any job that does not
6 allow me to exercise my skills and knowledge for
7 the benefit of both the company and myself and
8 instead takes away my financial autonomy despite
9 the effort I put forth is what I consider survival
10 work. I deserve to do more than barely survive.

11 But my story is not unique.

12 Restaurant workers, particularly women of color,
13 are struggling to survive. We cook and serve food
14 for a living, but use food stamps at double the
15 rate of the general public. Many ROC members
16 can't make ends meet, and many are homeless. Our
17 work is hard, and we should not be living in
18 poverty. Our work deserves to be respected. We
19 deserve dignity. And while the proposed increase
20 is far short of a living wage, I support any
21 increase in the minimum wage. It is desperately
22 needed in our communities.

23 The government has a duty to
24 protect workers and to ensure that workers' basic
25 human needs are met. I commend the City Council

1
2 for recognizing this through Resolution 1319-A.,
3 but the power to raise the state minimum wage is
4 in the hands of our elected officials up in
5 Albany, and so I call on them to pass the minimum
6 wage increase legislation.

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

16 Thank you for your time.

17 CHAIRPERSON SANDERS: Thank you for
18 your testimony. The previous speaker from the
19 Employment Policies Institute was saying that most
20 of you and your peers are making well above the
21 minimum wage, I think that the figure was twice
22 that figure or something of that nature.
23 Anecdotally, is this true for yourself and is it
24 true for your peers that are working in the
25 industry?

2 AI ELO: Most of us are in the
3 restaurant and retail industry, it's one of the
4 main growing industries in New York City, but the
5 majority of us are actually in shelters, we're
6 homeless and even working at 7.25 an hour for 88
7 hours a week is not enough to sustain on your own.

8 CHAIRPERSON SANDERS: Just to
9 underline that point, so you are not making more
10 than twice the amount that we've heard and--

11 AI ELO: [Interposing] Not even
12 close.

13 CHAIRPERSON SANDERS: --and how
14 about your peers? How many people do you know who
15 are working in this industry are earning twice the
16 amount of this, I believe, that he gave a figure--
17 the figure 50,000 seems to come to my mind, but
18 I'll use just twice.

19 AI ELO: The college graduates who
20 have family and support systems, but most of us
21 don't.

22 CHAIRPERSON SANDERS: Okay. Okay.

23 AI ELO: I don't know anybody in
24 that category.

25 CHAIRPERSON SANDERS: Let me just

1
2 to do justice to the Employment Policy Institute,
3 and I'm quoting, here in New York, for instance,
4 census data shows that the average family income
5 of a person that will benefit from the current
6 wage proposal is about \$53,000 a year. So that's
7 not exactly saying that everyone is earning twice
8 to do justice to your point.

9 JOSH KELLERMANN: May I make a
10 quick comment on that?

11 CHAIRPERSON SANDERS: By all means,
12 sir.

13 JOSH KELLERMANN: We recently,
14 ALIGN put together a list based on the Department
15 of Labor's data, of their annual data on wages--
16 and I wish I had the graph in front of me, I'd be
17 happy to send it over to you later today--but
18 median wages among the low-wage industries in New
19 York state--home health care, restaurant workers,
20 cashiers--is between, I think it's 17,000 is the
21 low for the median wage and 21,000 is the high for
22 those industries--or for those occupations, and
23 that's the median wage, which means that's the
24 middle of the wage earners, so you have half as
25 many are making more than that, half as many are

1
2 making less than that. Seventeen thousand as the
3 median wage means half of those workers are making
4 less than 17,000 a year.

5 CHAIRPERSON SANDERS: Well that
6 sounds terrible, but I will try to give the EPI
7 its due, they also stated that most people don't
8 stay there long and that there is a path of growth
9 away from there that is fairly well established.
10 Have you seen, either of you seen many workers
11 leave from this path?

12 AI ELO: Well I'd say just coupled
13 with the discrimination of being of a person of
14 color and also a woman of color and being a youth
15 of color, it makes it even harder to escape that
16 trap of being--watching other people with
17 privilege get promoted and get higher pay jobs
18 while the pay, it stayed at the same rate for me.
19 And I think it's been that same story for a lot of
20 people that I know as well.

21 JOSH KELLERMANN: And I don't have
22 any data in front of me on the statistics of
23 poverty, but it's a cyclical system and people are
24 caught in poverty and the argument would imply
25 that poverty is not cyclical, that people can

1
2 actually essentially just work their way out of
3 it, and there are numerous studies that show that
4 that's not the case, that families are caught in
5 poverty for generations, whole communities are
6 caught in poverty despite them having access to
7 these low-wage jobs supposedly offer the
8 opportunity to advance. We should compile those
9 studies and make it clear through data, but also I
10 think the general sense in this country is one of
11 desperation and that doesn't come out of the fact
12 that people are finding work and able to advance,
13 that comes from the fact that people are not
14 actually able to advance out of their situations.

15 CHAIRPERSON SANDERS: Well how
16 often do you receive an increase as a worker? How
17 often is your pay increased?

18 AI ELO: I've never had a pay
19 increase.

20 CHAIRPERSON SANDERS: All right,
21 how about your colleagues around you? Are pay
22 increases on a regular state of being? Are people
23 paid around you and there's a price that the
24 wages--are the wages being increased on a regular
25 basis?

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2 AI ELO: No, not particularly in
3 the restaurant industry. If you're making \$5 an
4 hour, that's the tip wage, that's what you're
5 getting. But I've seen promotions happen,
6 especially for male peers to, you know, become
7 managers and--but not if they were a migrant
8 worker. If you were a busboy and you've learned
9 that entire restaurant, you would still be a
10 busboy years later, even though you understand how
11 the restaurant works and you could actually be
12 capable of managing.

13 CHAIRPERSON SANDERS: How about
14 health care? How are your health care benefits?

15 AI ELO: Oh, I don't have any. And
16 like the, I guess the frustrating part about that
17 was I had to work so much that it kept me sick,
18 but I couldn't take off of work because I couldn't
19 make any money if I'm sick and at the hospital,
20 and that costs money as well, especially not
21 having insurance, so...

22 CHAIRPERSON SANDERS: Well how do
23 you access health if there is no health care if
24 you--

25 AI ELO: [Interposing] I'm going to

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a clinic.

CHAIRPERSON SANDERS: Well thank God for clinics, no, no pun intended. If the minimum wage was increased, what would you do with all of this extra money?

AI ELO: Oh, all this extra money, I might pay some bills and get out of a little bit of the debt that I'm already in. I would probably save enough so I wouldn't have to stress out and make a compromise between going to school and working full time.

CHAIRPERSON SANDERS: I thank you for your testimony, it's been most enlightening, thank you very much.

AI ELO: Thank you.

CHAIRPERSON SANDERS: If you'll call the next panel.

FEMALE VOICE: Stephanie Luce, the Murphy Institute, CUNY, and Nadya Stevens, CWA, 1180.

[Long pause]

CHAIRPERSON SANDERS: In the order that you were called, if you were kind enough to testify. Good to see both of you again, good to

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see you.

STEPHANIE LUCE: Yes, my name is Stephanie Luce from the Murphy Institute at CUNY. And, yes, I've been here before to talk about living wage ordinances.

I also, like Josh, I won't go through my whole testimony--

FEMALE VOICE: Is her mic on?

CHAIRPERSON SANDERS: [Interposing] I'm not sure if your mic is on.

STEPHANIE LUCE: Oh, there, is that better? Sorry, okay. I won't go through the whole testimony, I'll just hit on a few points in relation to what came up earlier.

One thing that I would note--

CHAIRPERSON SANDERS: [Interposing] Tell your name again for the--

STEPHANIE LUCE: [Interposing] Oh, yeah, okay. Sure, my name is Stephanie Luce, I'm an associate professor at the Murphy Institute at CUNY. And so thank you for having me today.

I will just hit on a few points in relation to the earlier speaker in response. One thing I would note is in the field of economics,

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2 there are these dueling debates and dueling
3 studies and people ask how can we come up with
4 such different results. The problem is the
5 underlying challenge is that there are different
6 methodologies and data sets and assumptions and,
7 in a way, these studies use different languages
8 altogether so it's really hard to compare the
9 studies of those who say the minimum wage has
10 caused negative outcomes.

11 One of the main assumptions, and
12 actually one of the reasons I left the field of
13 economics is within labor economics, there are
14 assumptions such as you are paid what you're worth
15 and so people will say if you're earning minimum
16 wage, that's 'cause you're not worth anymore. And
17 so this means that they ignore, for the most part,
18 the role of power dynamics, the role of racism,
19 the role of sexism in terms of being able to get a
20 job, getting a raise, getting a promotion. So if
21 one whole field of study ignores these other
22 societal factors in determining wages, then they
23 won't be able to be come up with the conclusion
24 that minimum wages may actually be a positive
25 impact because they believe if you're only paid

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2 what you're worth, then you should never get
3 higher than minimum wage. So that's why I think
4 it's hard to compare the studies and you'll get a
5 whole set of studies based on these assumptions
6 and methodologies that are outdated.

7 So anyways, the other thing that I
8 would say based on what came up earlier is the
9 reality is I think that the growing consensus
10 within economists would say that the main problem
11 with the minimum wage is actually is just has a
12 small impact in general. It can affect workers'
13 lives, but it's not nearly high enough, and it
14 just doesn't have a negative impact on employers
15 because it is so low. So if we're talking about
16 raising minimum wages to \$15 an hour or \$20 an
17 hour, we can begin to look at real impacts on the
18 economy, but we're just so far from that tipping
19 point that we're not going to--that's just not an
20 issue.

21 I recently completed a survey of
22 retail workers in New York City and we found that,
23 yes, many minimum wage workers do receive raises,
24 but what they're receiving is ten cents raise a
25 year or a twenty cents raise a year, so, yes, they

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2 move above the literal minimum wage, but they
3 don't move out of poverty. And even after several
4 years, we'll find maybe a worker moved from 7.25
5 an hour up to \$8 an hour after five years in the
6 industry--that's still living in poverty and it's
7 misleading to claim that they've gone above the
8 minimum wage.

9 My final point is we have also been
10 working on a long history of documenting arguments
11 against the minimum wage that go back to at least
12 to the 1930s of employer after employer that says
13 that they will shut down or move away because of
14 the minimum wage and we've yet to find an employer
15 that actually did do that. They still are in
16 business 30 years later, even the ones that say
17 that they'll be shut out of business. So, you
18 know, it's not surprising that we're going to hear
19 more employers say that they can't afford to do
20 this, but I'm look forward to the day when we
21 actually find one employer who steps up and
22 actually says they did go out of business because
23 of the minimum wage, we've yet to find that.

24 Thank you.

25 CHAIRPERSON SANDERS: Thank you.

1
2 Last and never least.

3 NADYA STEVENS: Hi, Council Member.

4 CHAIRPERSON SANDERS: How do?

5 NADYA STEVENS: My name is Nadya
6 Stevens, I work at TWA Local 1180, I'm
7 representing Arthur Cheliotes, who is the
8 president. I'm just going to read my whole
9 testimony because I think it has important
10 historical points and it's not that long.

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

20 I unequivocally support raising the
21 minimum wage from 7.25 to at least 8.50 and
22 indexing future increases to the rate of
23 inflation. Ten states in America today raise
24 their minimum wage annually to keep up with
25 inflation. And while New York City has the

1 highest cost of living in the country, nineteen
2 states have higher minimum wages than we do. This
3 includes neighboring Connecticut 8.25,
4 Massachusetts at \$8, and Vermont at 8.46. The
5 last time the minimum wage was raised in New York
6 above the federal level was eight years ago. This
7 is unacceptable, disgraceful, and unjust.

8
9 Increasing the minimum wage is long
10 overdue, especially since wages have not kept up
11 with the productivity of workers since the 1980s.
12 In the 1950s and 60s, when union density was at
13 its peak of 33.5%, wages increased in tandem with
14 productivity. Over this fruitful period, workers
15 saw their wages double and the middle class began
16 to grow. America was benefiting from an implicit
17 social contract. People saw that by working hard
18 and contributing to productivity and economic
19 growth, they and their families could expect an
20 improved quality of living, greater job security,
21 and a dignified retirement. After 1980s, as
22 workers lost their collective bargaining power to
23 union busting, this contract fell apart. Since
24 then, productivity has grown more than 70%, while
25 real compensation of non-managerial workers has

1
2 remained flat. Wages for the lowest paid workers
3 have collapsed even more than that of average
4 workers. According to the Fiscal Policy
5 Institute, at its peak purchasing power of 1970,
6 the minimum wage was \$10.70 in today's dollars--
7 that's 48% higher than it is now. Furthermore,
8 FPI concludes that if the minimum wage had kept
9 pace with inflation since the 1960s, it would be
10 more than \$12 an hour today.

11 When we analyze this brief history,
12 we see that the wages of low income workers have
13 been suppressed for decades. Conversely, while
14 the pay for low income workers was dropping,
15 executive compensation was skyrocketing. In 2007,
16 income inequality in New York was at disgraceful
17 third-world rates, with the top 1% capturing 44%
18 of all income while the bottom 20% earned 1% of
19 all the income. If New York City were a nation,
20 we would rank in between Chile and Honduras in
21 terms of income inequality.

22 When we look at national figures,
23 in 1980--we look at national figures, in 1980, CEO
24 pay was 42 times the average worker salary. In
25 2011, that number had ballooned to 380. The

1
2 average CEO pay is currently over \$11 million.
3 The average worker salary is currently \$34,053.
4 The salary of someone who makes minimum wage is
5 less than half of that. Wages of low income
6 workers were suppressed while the salaries of high
7 income workers were amplified. We need an
8 increase in the minimum wage, if for nothing else,
9 to minimize the vast income inequality that this
10 blatant redistribution of wealth has produced.

11 Critics of the minimum wage allege
12 that it will hurt the economy. This contention
13 has been disproven repeatedly. There is an
14 abundance of evidence showing that an increase in
15 minimum wage will, in fact, act as a stimulus for
16 the economy. A report released by New York State
17 Senator Klein's office notes that raising the
18 minimum will infuse 600 million into our economy.
19 This is due to the multiplier effects of the
20 minimum wage--people with lower incomes spend a
21 larger share of their paychecks on necessities
22 like food, shelter, and clothing, therefore,
23 injecting money directly into our economy. Also,
24 when the minimum wage grows, productivity
25 increases, meaning more business for New York.

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

22 It's not surprising that those who
23 oppose the minimum wage increase are not trying to
24 live off one. The directors of some of these
25 organizations who oppose raising the minimum make

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2 hundreds of thousands of dollars per year. They
3 could not fathom trying to survive on the \$15,080
4 a year that the minimum wage amounts to, yet they
5 are striving and fighting to deprive over 1
6 million New Yorkers a modicum of dignity that
7 increase their incomes by 17% would provide. This
8 is not fair, and it's the responsibility of
9 government to advocate for those without
10 advocates. The response of government on this
11 issue is crucial and long overdue.

12 This is New York City, home to
13 three of the five top areas in the country with
14 the highest cost of living--Manhattan is highest,
15 Brooklyn is second, and Queens is fifth. In
16 Manhattan, the cost of living is more than twice
17 the national average. In order for the minimum
18 wage to be a living wage, it must be raised in
19 accordance with the increase of the cost of living
20 in that area. According to Living Wage Project,
21 the salary that it takes for subsistence living in
22 the city is \$11.86 an hour. The increase that
23 this bill demands misses that mark considerably,
24 but it would bring us a lot closer--or a little
25 closer to where it needs to be in order for people

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2 to be able to survive in the city where they live
3 and work.

4 Dr. Martin Luther King said that
5 all labor that uplifts humanity has dignity and
6 importance. If we want social order, and if we
7 truly value the dignity of work, people need to
8 have jobs that allow them to live with dignity.
9 The only people who would benefit from raising the
10 minimum wage are people with jobs. If this bill
11 passes, it's sending a message that New York
12 encourages employment, that we believe in the
13 dignity of work, and that we reward our workers
14 for their contributions to society.

15 Over 70% of New Yorkers agree with
16 raising the minimum wage, so why are we disputing
17 something with such widespread support? Clearly,
18 this is an idea whose time has come. We have had
19 a trickle down economy for three decades, we have
20 all learned the hard way that it doesn't work. We
21 need a bottom up economy, one that puts earned
22 money in the hands of people who truly need it and
23 who spend it on the necessities of life. This is
24 a step in that direction. We can raise the
25 ceiling by raising the floor. This is what's

2 fair, it's prudent, it's overdue. New York needs
3 a raise.

4 Thank you.

5 CHAIRPERSON SANDERS: I thank you
6 for that. I certainly think of myself as a
7 political liberal, but a fiscal moderate, I really
8 think of myself as a person who says that
9 government has an obligation not to spend unless
10 we're in certain dire circumstances more than it
11 takes in, and I look at all of these things from
12 there. I enjoy hearing both of you, your
13 organizations are always among the most thoughtful
14 that I have seen come before me.

15 Professor, you spoke of methodology
16 and you gave some time and said that it was
17 important, I want you to expand a little bit more.
18 Why is methodology so important in economics? I
19 mean, certainly one and one is still two, isn't
20 it?

21 STEPHANIE LUCE: Well, you know,
22 there's so many differences about how we approach
23 first what data is the appropriate data to use,
24 you know, which data sources, which people to
25 include in our studies, and just the assumptions

1
2 that we go into our modeling. And earlier you
3 said you believed in the laws of supply and
4 demand. I actually think there's critiques of
5 some of those laws and everyone says they're not
6 necessarily laws, they are theories, and so we
7 should develop our methodologies testing theories
8 that we have taken as laws.

9 So for many years, I was actually
10 trained in economics--being trained that this is
11 the law, when the price of a good goes up, then
12 people demand less of it, but when we actually
13 tested it in the real world, it didn't always hold
14 to be true. So it's the difference between saying
15 well do we just have a theoretical model in which
16 we make assumptions about how the world works or
17 do we actually go out and test it and see what
18 happens in the field, in reality. And so that's
19 partly a difference in the way we approach
20 economics.

21 And then if you find your results
22 don't match the theory, are you willing to go back
23 and revise the theory and say maybe the theory was
24 wrong. Some economists will say, well actually
25 maybe the data is wrong, so is it the data or the

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theory?

So these are some of the debates that we've been having within, you know, that's been going on within this field.

CHAIRPERSON SANDERS: What does race and gender have to do with all of this? Isn't it [off mic] neutral across the--

STEPHANIE LUCE: Yeah, the--

CHAIRPERSON SANDERS: --there's an invisible hand here.

STEPHANIE LUCE: Right, so that's one of the things that you're taught is that the market will actually weed out racism and sexism because if it's not profitable, then employers will actually stop doing it, but in reality, we know it doesn't actually work that way and that there are other factors that have stand the test of time that, unfortunately, still persist in the labor market.

There's a lot of, again, actual empirical studies where people use matched resumes, exactly identical resumes, and the difference is only based on race, and they go in and apply and just who gets a callback for an

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2 interview is so heavily dependent on the race of
3 the applicant. Some of that research finds that
4 even white males with a felony record are more
5 likely to get called back for a job interview than
6 black males with a clean record, identical
7 resumes. So we know that race is still a major
8 factor in the labor market as well as gender and
9 these things are about power dynamics, they're not
10 necessarily about the laws of supply and demand.

11 CHAIRPERSON SANDERS: Let's see,
12 Ms. Stevens, I believe, let's see if we can't get
13 you into this one. With regards to worker
14 training, what impact would raising the minimum
15 wage have on worker training and building a
16 skilled labor force?

17 NADYA STEVENS: Well what's
18 actually proven in numerous studies is that when
19 the minimum wage is raised, people are more likely
20 to stay at the job that they have so they have to
21 spend less money on worker training for future
22 workers who would have to replace the workers who
23 left because their wage was so low. So this
24 actually saves money. I hope that answers the
25 question.

2 CHAIRPERSON SANDERS: You both have
3 raised very interesting points that--and I guess I
4 want to return to the more nebulous, to the more
5 harder to pin down, harder to quantify--the
6 question of respect, the question of dignity. Why
7 is this important to workers at all? Why is it
8 important? Isn't this dollars and cents, isn't at
9 the end of the day is--

10 NADYA STEVENS: [Interposing] Yeah,
11 people, in order, you know, they work a full day
12 and they, you know, they expect to be able to do
13 something with the money that they earn, to be
14 able to even pay their rent at the end of the
15 month, and many of them can't. And most of the--I
16 mean, what I said in the testimony is that most of
17 the people who oppose the minimum wage don't make
18 it. Nobody who opposes raising the minimum wage
19 makes it. There are always people who live in
20 ivory towers and remember what it feels like to
21 earn that much, if they ever did, but they can't
22 relate to it anymore. And so the people who do
23 make that wage know how important it is to receive
24 wages and to receive increases and be treated like
25 a human being who has value and whose work has

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2 value. So it's, yeah, it needs to be raised for
3 their dignity and for their self-respect.

4 CHAIRPERSON SANDERS: Let me say
5 this at this hearing, we have heard many different
6 positions and I encourage everyone to think long
7 and deep about all of these positions, to make no
8 immediate--to things are usually more complex than
9 just good and bad, to weigh and measure all of
10 these things and let the facts take us where they
11 need to take us, let reason take us where it needs
12 to go. We should not be so ideologically bound
13 this way or that way.

14 The speaker from the--losing all of
15 these--the Employment Policy Institute, I commend
16 him for coming here and being bold enough, he may
17 not have a million people in this audience who may
18 wanted his position, but it's important and
19 necessary that we hear all of these so that we can
20 make a decision, make a rational decision. Our
21 decisions should be based on thinking, it should
22 be based on looking and reasoning and looking at
23 all of these things, but it also should be based
24 on our hearts too. We also should--we should
25 think both ways. We should think with our heads,

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2 whether it be Keynesian economic, anyone's
3 economics, you know, Adam Smith is no stranger to
4 here either, as much as some may [off mic]. We
5 should not simply a puppet of an invisible hand.
6 Sometimes we have to in that sense guide our own
7 strings, sometimes we have to see what is actually
8 happening on the ground; what is happening with
9 our neighbors; what is happening with our families
10 and to ourselves. Yes, when a theory does not
11 meet the reality, does not match it, it is madness
12 to cling to the theory. At that point, you have
13 to look at the whole thing anew and be bold enough
14 to do so, and this is one that we need to look at.

15 New York City, as the nation, is
16 undergoing the great recession. This is the
17 greatest challenge economically to our nation that
18 we have seen in this generation, we must respond
19 somehow. Not to respond is a response, it means
20 that we will surrender a lot of our neighbors to
21 their own devices to whatever is out there. And,
22 indeed, I would argue we do join the war of all
23 against all under those conditions.

24 Some of us do feel that government
25 has an obligation, it is supposed to make sure

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2 that workers have a chance or that all have
3 chances for that matter, an even playing field.
4 Not so much a handout, but certainly a hand up to
5 people who want to do for themselves.

6 And if this means that we have
7 workers who can't go to the hospital or get
8 medicine when they need to, then we need to take a
9 hand in this matter. If the market is not looking
10 out for its own interests, we should not let the
11 market go down the drain. Isn't that why we
12 bailed out the banks? That the markets weren't
13 looking out for their own interests. Well, and
14 government certainly came in then.

15 What is good for Wall Street must
16 be good for Main Street. If we can find a way to
17 ensure that the well-being of the market is taken
18 care of there and it was correct, then we should
19 also make sure that workers understand that an
20 honest day's labor can bring an honest dollar.
21 And that, I would argue, is what we are saying
22 with this resolution.

23 Now I have been remiss to not to
24 say that we have been joined by the real Matt
25 Carlin, although the other Matt Carlin certainly

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2 arguably, sir, but with quantitative data, I would
3 argue, has done better than you, but that's a
4 different story for a different day. And we'll
5 take that--well we'll certainly take that up on
6 another day.

7 My friends, I urge us all to
8 partake in all of these dialogues, not to be an
9 accidental traveler in your own lives, to really
10 get into this and these are the issues of the
11 nation, these are the issues of the world. We
12 need to deal with this because it's not just a
13 theoretical argument. At the end of the day, some
14 of us may be able to pay our back rent if the
15 argument goes a certain way, some of us may be
16 able to catch up on our bills, and for those of us
17 who may believe--and I'm sure no one in this room
18 is in that category--that they are well beyond
19 that situation, that they need never to be
20 concerned about these things anymore, there but
21 for the grace of God go I. We all have, you know,
22 can slip into whatever situation where the minimum
23 wage is the best bet and in a case like that, you
24 may thank the day when New York City put this
25 resolution forward.

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COMMITTEE ON CIVIL SERVICE AND LABOR 110

Having said those things, I'm going to call this hearing to a close. I thank you all for participating in it.

This resolution is laid over.
Thank you very much for coming out here today.

[Gavel]

C E R T I F I C A T E

I, Tammy Wittman, certify that the foregoing transcript is a true and accurate record of the proceedings. I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.

Signature *Tammy Wittman*

Date May 25, 2012