

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON CIVIL SERVICE & LABOR

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April 30, 2014
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HELD AT: Council Chambers
250 Broadway - Hearing Room, 14th
Fl

B E F O R E: I. DANEEK MILLER
Chairperson

COUNCIL MEMBERS:

Elizabeth Crowley
Daniel Dromm
Costa Constantinides
Robert Cornegy

A P P E A R A N C E S:

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Daniel Dromm
Robert Cornegy
Costa Constantinides
Elizabeth Crowley

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

Austin Shafran
New York State Legislative Director for
the Working Families Party

James Parrott
Deputy Director and Chief Economist at the
Fiscal Policy Institute

Daniel Powers
Owner of Real Brave Audio and Director of
After School Rocks

Apurva Mehrotra
Policy Analyst
The Community Service Society of New York

Sebastian Sanchez
Attorney for Make the Road New York

Kirsten Foye
National Action Network

Rabbi Michael Feinberg
Executive Director
The Greater New York Labor-Religion
Coalition

Frankie Tisdale

Pierre Metivier

Elliott Roseboro

Letitia James
Madam Public Advocate

[Gavel].

CHAIRPERSON MILLER: Okay. Good

afternoon, I'm Councilman I. Daneek Miller, Chair of
Committee on Civil Service & Labor. I'd like to
thank everybody for attendance today. Umm, we are
here for a hearing on a resolution today that was
introduced at yesterday's.., stated by Council Member
Dromm and myself. The resolution is Resolution 189
which would call upon New York State legislators to
pass..., New York State legislators and the Governor to
sign Assembly Bill 9036 and Senate Bill 6516,
authorizing local governments to establish and
enforce higher levels of minimum wage. I think that
most of us here already know that the minimum wage
has not kept up with inflation, that federal
governments and sometimes states have periodically
raised which, they have periodically raised but the
purchasing power of the minimum wage has been eroding
for decades. And while we are grateful to the state
for raising minimum wage, \$9.00 an hour in 2016
remains pathetically low. \$9.00 an hour adds up to
\$19,000 a year. For workers with families in a high
cost city such as ours, this is just unacceptable.

2 Just a few weeks ago this committee heard
3 from low wage workers, including airport workers on
4 similar subjects. We heard from mother's that have
5 forfeited bus trips so that they can buy gifts and
6 food for their children. We heard from workers who
7 were spending well over 50% of their minimum wage
8 salary for rent, which forced them to turn to
9 government subsidies.

10 The minimum wage in New York City and
11 other high cost areas across our state should not be
12 held to the same economic standards of municipalities
13 such as Albany, Utica and even Buffalo. Eight or
14 even nine dollars an hour is simply not enough.
15 Likewise these cities should not be held to the
16 standards of a high cost city such as New York. This
17 has to change. New York City should not have to ask
18 permission to give its lowest earning income workers
19 a break. This legislation has been introduced in
20 Albany by Senator Andrea Stewart-Cousins and Assembly
21 Member Karim Camara. And today we would like to
22 discuss this resolution with you, give you an
23 opportunity come forth and share your experiences as
24 we bring forth an urge the legislators to pass this
25 legislation and as the Governor to sign it.

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This is urgent legislation that will free the hands of this council and these workers. It is our hope that umm, this hearing, as a result of this hearing that we can expedite this legislation and bring relief to some of the workers here in New York City.

So before we get started, I'd like to thank the members of the committee that are here now. They are obviously..., this is a very busy time, multiple hearings going on and people will be going in and out, including myself, I will have to ask someone to take over for a moment too while I run over the Transportation hearing. But I'd like to thank Council Member Costa...

[Laughing]

CHAIRPERSON MILLER: Constantinides, for being here, you know, and I'm gonna leave that one alone..., Rob Cornegy, umm, and then for being here today, so, I would like to get started and umm, and so as we get started, umm, I'd like to thank Council Member Dromm for putting forth this resolution and his vision in doing so and allowing me to be a part of it, so I'm sure you'd like to have a word.

2 COUNCIL MEMBER DROMM: Thank you Chair
3 Miller, and thank you for the work that you've done
4 on this, this legislation as well. While a
5 resolution is not binding, it does send a message
6 about what we, as elected officials, here in the City
7 of New York feel is important to our constituents and
8 certainly having the ability to raise our own minimum
9 wage is something that is long overdue. We know,
10 those of us here, I believe who are sitting on this
11 committee, know and understand the difficulties that
12 low income workers have in terms of meeting their
13 needs, their necessities, the things that most people
14 want in life and without some sort of control over
15 our ability to increase the minimum wage, New Yorkers
16 will continue to remain in those low wage, those low
17 income jobs. So, this is a belief that I've held
18 personally for a long period of time and is glad to
19 see that it's in a resolution and that it will be
20 moving forward. I predict that it will have swift
21 movement through the council and we will send a clear
22 message to Albany about what we here in the New York
23 City Council feel about being able to control the
24 minimum wage and our own destiny in New York City as
25 well.

2 So that you for all of your work on this
3 effort and I look forward to hearing the testimony
4 today.

5 CHAIRPERSON MILLER: Thank you again
6 Council Member for your leadership in this.

7 Okay, we're going to bring forth our
8 first panel now, and that is Mr. Austin Shafran from
9 the WFP and Professor James Parrott of the Fiscal
10 Policy Institute.

11 [Pause]

12 CHAIRPERSON MILLER: So you guys get to
13 decide who goes first, just for the record please
14 state your name.

15 [Pause]

16 AUSTIN SHAFRON: Thank you; I'm Austin
17 Shafran, the New York State Legislative Director for
18 the Working Families Party. I'd like to start by
19 thanking Chairman Miller and the members of the Civil
20 Service and Labor Committee and on behalf of the
21 Working Families Party and Raise Up New York
22 Coalition of which we are proud member, I'd first
23 like to commend the committee for holding today's
24 hearing to really address the growing income
25 inequality and specifically the plight of low wage

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workers who have been the group that's been most adversely affected by the stagnant wages and the proliferation in New York and nationally of low wage jobs.

I'll actually just ask the committee's indulgence for a moment, if everyone looks at that clock in the corner of the wall there.

[Pause]

AUSTIN SAFRAN: Ten seconds. In that last ten seconds the fast food industry has just made \$63,000. Let me say that again. In the past ten seconds, the fast food industry has just made \$63,000. On a yearly basis they're earning over \$200 billion, \$23 million an hour. By the time this hearing concludes they'll have made about \$23 million, meanwhile the vast majority of our low wage workers will have made \$8. Shamefully low. And it's one of the major contributing factors to why New York has the highest level of income inequality in the nation. Our state is home to nearly three million low wage workers. That accounts for about 37% of the state's workforce. And new job growth has been disproportionately concentrated in low wage districts. That wage gap is expected to grow even

2 worse in the coming years. But unfortunately, unlike
3 many other states that allow it's cities and counties
4 to combat stagnant wages with higher local minimum
5 wage efforts, New York does not allow it's
6 municipalities like New York City to supplement the
7 state's minimum wage to meet rising living costs. I
8 think we all can understand the difference between
9 living in Brooklyn or Manhattan or Queens and
10 Plattsburgh. It's a different cost of living, it's a
11 different life.

12 Local wage authorization which empowers
13 cities and counties with the ability to enact higher
14 local wages that are better suited to regional living
15 costs, is the clearest and most feasible path to
16 addressing wages and the severe economic inequality
17 that New Yorkers across the state are facing. It's
18 been already mentioned by the chairman that there's
19 legislation introduced on the state level by Senator
20 Andrea Stewart-Cousins and Assembly Member Karim
21 Camara that would amend the state's minimum wage law
22 to clarify that it should be considered a floor and
23 not an oppressive ceiling that pushes down workers
24 and forces them into a life of poverty. This would
25 be one of the highest impact policies that the

1
2 legislative could adopt to improve jobs, reduce
3 inequality and actually strengthen our local
4 economies.

5 That eight dollar an hour minimum wage
6 accounts for just over \$16,000 annually. Even going
7 up to nine dollars as we know will happen in 2016 is
8 just over \$18,000 and that's still not enough for the
9 majority of workers to get by in high cost of living
10 area, especially like New York City. It would leave
11 a family of three well below the poverty wage and we
12 now have seen, most recently, numbers from the Center
13 for Economic Opportunity that show nearly half of all
14 New Yorkers are making less than 150% of the poverty
15 threshold, and that's a figure that we generally use
16 to see, to judge which families are struggling to get
17 by. The inaction has gone on for decades. If the
18 state's minimum wage had simply kept pace with
19 inflation over the past four decades, it would be
20 over \$11.00 an hour. That's almost 40% above the
21 current level.

22 This is something were I said New York is
23 unique. Other states are getting it right. We're
24 just not following their lead. We are leading in
25 inequality. San Francisco, Santa Fe, Washington DC,

2 a number of counties in Maryland, have been subject
3 to several different studies, all of found that their
4 local minimum wage laws have boosted wages without
5 any evidence of slow job growth or business
6 relocations. It's improved jobs and its strengthened
7 the local economy without hurting those businesses.
8 You know, healthy economy depends on businesses that
9 pay their workers enough to get by, not subsidizing
10 big businesses to pay what is absolutely legally, the
11 lowest amount possible, as New York does, because
12 taxpayers end up having to pick-up the slack for all
13 of those families that are forced onto public
14 assistance because of those low wages.

15 So for this reason and many others, the
16 Working Families Party commends the resolution
17 introduced by Council Member Dromm, and the work of
18 Committee Chair Miller and all of the other committee
19 members here today and we strongly support the
20 resolution that would call on the state to amend its
21 minimum wage law allowing those municipalities to set
22 higher local wages that will lift our workers out of
23 poverty and into the middle class.

24 I thank you for your time.
25

2 CHAIRPERSON MILLER: Thank you so much
3 Mr. Shafran. Professor, you're up.

4 Thank you Mr. Chair, members of the
5 committee, it's good to appear again before this
6 committee which seems to be tackling some really
7 important issue this year. So that's heartening to
8 see that. I'm the Deputy Director and Chief
9 Economist at the Fiscal Policy Institute, James
10 Parrott, is my name. Umm, I also support the
11 resolution in the state legislation to allow, that
12 will..., that will allow cities and counties in New
13 York State to set their own minimum wage at a level
14 higher than the statewide minimum.

15 There's no silver bullet solution to
16 reverse the past three decades of intensifying income
17 and wage disparities but raising the minimum wage
18 locally and adjusting it to keep pace with inflation
19 represents an important step. There are many sound
20 public policy reasons why New York State should allow
21 cities and counties the authority to set their own
22 higher minimum wage.

23 I attached to my testimony, a report that
24 we did back in February with the National Employment
25 Law Project on the occasion of the introduction of

1 the legislation that we're talking about at the state
2 level. Umm, this report reviews many of the reasons
3 it's sound public policy to do that. I'd like to
4 touch upon some of those today. Provide some
5 updated, uhh, information on developments regarding
6 minimum wage around the country. And present some
7 new data about disparities and living standards and
8 wage levels around New York State that I think make a
9 compelling case why locality should have the
10 authority to set a minimum wage that's responsive to
11 local conditions.
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13 In Table 1 attached to my testimony, we
14 look at characteristics of workers in New York City
15 who make less than \$15.00 an hour. Now we're not
16 suggesting that \$15.00 an hour necessarily is the
17 right minimum wage level for New York City, it's a
18 target level, but it gives you an idea of the
19 characteristics of workers in New York City who make
20 less than that level. That's a level on an
21 annualized basis is about \$31,000 a year. That is
22 roughly the poverty line according to the Mayor's
23 Center for Economic, umm, Center for Economic
24 Opportunity, umm, Alternative Poverty measure.
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2 You can see from the table the
3 characteristics of the workers. 37% of all workers
4 residing in New York City make less than \$15.00. In
5 the Bronx that's 52% of all Bronx residents, in
6 Brooklyn 41%. Women are more likely to receive low
7 wages than men. Umm, persons of color account for
8 63% of all the workforce in New York City, and yet
9 there's 77% of the workers who are making low wages.
10 You can also see that only 3% of low wage workers in
11 New York City are teenagers. Most of these workers
12 are adult workers trying to support families.

13 And while on the retail, leisure and
14 hospitality sector, over half of the workforce is
15 paid less than \$15.00 an hour. The sector that
16 employs the most low wage workers in New York City is
17 the Educational and Social Services sector, which is
18 largely supported by various levels of government and
19 is something that we should talk about on a separate
20 occasion.

21 Umm, regarding the purchasing power of
22 the minimum wage, we estimate that for New York
23 State's minimum wage to be returned to its peak
24 purchasing power level, achieved in the late 1960s,
25 it would be \$11.50 an hour today. Even when the

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2 state minimum wage rises in 2016 to \$9.00 an hour, it
3 will still be 25% below the level that it would take
4 it restore it to its purchasing power peak level.

5 There's been a flurry of activity so far
6 in 2014 around the country to raise the minimum wage.
7 Just since the first of the year, six states,
8 Connecticut, Maryland, Minnesota, Delaware, Hawaii,
9 West Virginia, have raised their minimums bringing to
10 26 the number of states with a higher minimum wage,
11 higher than the federal level.

12 Four states, California, Maryland,
13 Hawaii, Connecticut and the District of Columbia are
14 on the verge of having a minimum wage of \$10 an hour
15 or greater. And as a result of the fact that they
16 index their minimum wages to inflation annually,
17 Washington State and Oregon will soon pass \$10 an
18 hour. Both houses of the Massachusetts legislative
19 have also recently passed legislation to raise the
20 minimum wage in that state to \$10.50 an hour. So
21 they're in the process of reconciling those bills.
22 So that will mean another state above \$10 an hour and
23 here in New York we're on the slow road to raise the
24 minimum wage to where we will only be at \$9 an hour
25 in two years.

2 The District of Columbia, a city a
3 fraction the size of New York City, will raise its
4 minimum wage to \$11.50 an hour in mid-2016, a little
5 more than two years from now. Other localities are
6 also starting to act. Two Maryland counties that
7 border on the District of Columbia are following the
8 district's lead in raising their wage floor in stages
9 to \$11.50 an hour.

10 Action is picking up at the local level
11 in many cities around the country. Voters in SeaTac,
12 Washington, the home to the Seattle Airport approved
13 a \$15 an hour minimum wage last fall. The cities of
14 Seattle and San Francisco are considering \$15 an
15 hour. The city council in San Diego is debating a
16 minimum.., in San Diego is debating a minimum of over
17 \$13 an hour. Oakland is considering \$12.25 and the
18 mayor of Portland, Maine is talking about a minimum
19 wage greater than the state's current average.

20 There are several reasons why New York
21 State should allow local governments the authority to
22 determine their own minimum wage. So let me touch on
23 three of these.

24 There are wide disparities across
25 counties in terms of the local cost of living.

2 Second there's a similar wide disparity in median
3 wage levels and third, many local governments in New
4 York have already established local living wage laws
5 and when you look at those there's a wide disparity
6 in the levels that they have chosen, to set those
7 living wage laws at.

8 On the first point, as we showed in the
9 report that we did together with NELP in February,
10 using the self-sufficiency standard for a four person
11 family with two earners, one preschooler and one
12 school age child, the cost of living ranges from
13 \$48,000 to \$55,000 in many large upstate counties,
14 but \$64,000 to \$86,000 in New York City and the
15 downstate suburban counties. That's a difference in
16 the cost of living from one-third to one-half greater
17 in New York City and the downstate area than in
18 upstate counties.

19 Secondly, on the wage front, Table 2 in
20 my testimony presents median annual earnings for
21 full-time workers, full-time year round workers
22 across the counties of New York State. That also
23 shows a wide disparity. In New York City, in the
24 downstate suburban counties, the median earnings
25 ranged from \$40,000 to \$50,000, so the median level

1 is the level right in the middle of the wage
2 distribution, so 50% of the workers are making less
3 than that and 50% making more than that. So in New
4 York City in the downstate area, median earnings for
5 a full-time worker, \$40,000 to \$50,000, in the larger
6 upstate counties like Erie, Monroe, Onondaga, median
7 earnings are in the low \$30,000 range, and in thirty
8 smaller upstate counties the median earnings range
9 from \$21,000 to \$30,000 a year. This considerable
10 earnings variation suggests that it may not make
11 sense to have a one size fits all state minimum wage.
12

13 Finally, when you look at the variation
14 in living wage levels, I have a little table at the
15 top of page 4, and the testimony that shows the
16 living wage level with health benefits and then
17 without health benefits, which is usually \$1.50 or so
18 an hour higher. You can see that in Nassau and
19 Suffolk County, the current local living wage laws
20 are \$11.74 in Suffolk, \$13.35 in Nassau County. It's
21 still \$10 an hour in New York City. I remember when
22 that was set at that level in 2000. It hasn't been
23 adjusted since then. That's sort of a separate issue
24 from what we're talking about today, but it does
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2 indicate that there is a lot of room and need for
3 action to adjust these levels.

4 So, when local governments have turned to
5 setting their own local wages, the experience is
6 that, you know range of outcomes is expected,
7 depending on the coverage and so on and we think that
8 it's entirely reasonable to allow local governments
9 the authority to set an area wide minimum wage.

10 Finally, I'd like to note that even small
11 business owners in New York are supportive of raising
12 the minimum wage higher than the level that we're
13 talking about now, in giving local governments the
14 authority to do that. A recent poll found that 74%
15 of small business owners in New York State support
16 raising the minimum wage and indexing it to rise with
17 the cost of living. The poll also found that two-
18 thirds of small business owners, believe local
19 economies should be allowed an increase their own
20 minimum wage "to supplement an increase in the
21 state's minimum wage in order to insure it makes
22 sense for local communities".

23 That's what we're talking about. Having
24 local governments..., giving local governments the
25

2 authority to set a minimum wages that makes sense for
3 local communities.

4 Thanks very much for the opportunity to
5 testify.

6 CHAIRPERSON MILLER: Thank you so much
7 Dr. Parrott.

8 I think that the panel would want to ask
9 a few questions, but I as chair want to take that
10 privilege and kind of begin that.

11 One of the things..., and of course feel
12 free to chime in as well, in terms of industries,
13 servicing the New York City area, umm, I know you
14 kind of mentioned some of the industries that were
15 paying minimum wage above and around, could you kind
16 of go over that again, and specifically the
17 industry's numbers?

18 DR. JAMES PARROTT: So, in terms of the
19 industries with a high concentration of low wage
20 workers, the two main ones are Leisure and
21 Hospitality which is an umbrella sector that
22 includes, the main low wage industry there is
23 restaurants, including fast food restaurants which we
24 know, have a long tradition of paying very low wages.
25 Also, in a study that we recently participated in, in

1 a press conference on it, you know, it was found that
2 in New York State there's considerable taxpayer
3 subsidy that goes to support low wage workers because
4 their wages are so low that they qualify for food
5 stamps, they're eligible for Medicaid, and so on, so
6 in effect, taxpayers are being asked to subsidize the
7 low wage, wage model that exists in the fast food
8 sector. But, beyond that, so, beyond leisure and
9 hospitality and then the retail sector, so in both of
10 those sectors, you know a little over half of all
11 workers are low wage workers according to this \$15 an
12 hour threshold for considering low wage work. But
13 the sector that employs the most low wage workers in
14 New York City is the private education, healthcare
15 and social services sector.

17 Now in previous hearings we talked a
18 little bit about the social services sector, what's
19 unique about that is that, it's a pretty sizeable
20 sector, about 200,000 workers. It is largely a
21 creation of government, this is a sector that's
22 providing human services but under government
23 contract, most of those non-profits work under a city
24 contract. If you look at wages in that sector,
25 they're not only below \$15 an hour, but one in four

workers in that sector are making below \$10 an hour. So this is an area where New York City itself, could act. As necessary as it is to have the state authorize local governments to set their own minimum wage, there's nothing to prevent New York City from saying that we're going to increase the contract amounts to these non-profit organizations so that they can raise their wages to a more respectable level. Because roughly 40% of workers in that sector are living at or near poverty and again this is wholly the result of City action.

CHAIRPERSON MILLER: Is that something that could be addressed in an RFP? Kind of requiring certain provisions...

[Interpose]

DR. JAMES PARROTT: Well the city, you know, we're actually working, and we're in discussions with the administration and the non-profit sector on how to do that through the contracts, through the city budget, and so on. So, it would be something that ultimately would be reflected in city contracts.

CHAIRPERSON MILLER: Let me ask you, just stay there for a moment. These are some of the goods

2 and services on the social and human services side
3 that had been historically or done in the past by
4 public employees or city workers.

5 DR. JAMES PARROTT: No, not necessarily,
6 I think that with the emergence of umm, you know this
7 goes back to the 1960s with the emergence of city
8 funded support for social service delivery. A lot of
9 that has always been done through the non-profit
10 sector. So the city has always induced that through
11 contracts with non-profits.

12 CHAIRPERSON MILLER: To kind of digress,
13 and go back to those industries that employ the most
14 uhh...

15 DR. JAMES PARROTT: Right, so it's
16 education, health and social services. You know if
17 you take that sector with leisure, hospitality and
18 retail, you've got over half of all low wage workers.
19 So that's where the big concentration is. In various
20 other sectors, you'll find some portion of umm, low
21 wage workers. So, I think in terms of..., you know,
22 for example, the airports, that would be in the
23 transportation sector, uhh, also again we've talked
24 about the private school bus contracts that the city
25 has. So those jobs are in the transportation sector.

2 CHAIRPERSON MILLER: Aside from the wage,
3 uhh, do you know that aside from the wage package are
4 any of these industries currently providing a benefit
5 package in that to include paid sick days and if so,
6 what is the impact and could they still continue to
7 sustain themselves?

8 DR. JAMES PARROTT: Well, now they're all
9 subject to the city's expanded paid sick days law, so
10 at a minimum they're providing that. Uhh, for the
11 low wage workforce we're talking about, very few of
12 those workers who were at the lower end of that
13 scale, have paid time off beyond that, at this point.
14 There are some, you know, workers in the health and
15 social services sector, have health benefits and
16 things like that.

17 To the question about whether or not
18 businesses could sustain paying higher wages. I
19 think, there what we have to keep in mind is that any
20 sort of wage requirement we're talking about would
21 apply particularly a city established minimum wage
22 would apply across the board, so it wouldn't put any
23 particular company at a competitive disadvantage.
24 And, there is room for some companies to respond by,
25 in certain industries, to respond by raising the

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2 prices that they charge in order to help them pay for
3 better wages and Austin certainly talked about the
4 incredible profitability in the fast food sector.
5 There's no question that there's room just from the
6 profitability perspective to afford better wages.
7 But in many service sectors, in the retail sector,
8 again if it's a requirement that applies to all
9 companies, no individual company is put at a
10 disadvantage if they have to respond by raising their
11 prices a little bit.

12 CHAIRPERSON MILLER: Council Member
13 Dromm.

14 COUNCIL MEMBER DROMM: So how much does
15 the current minimum wage need to be raised in order
16 to combat rising customer costs?

17 DR. JAMES PARROTT: Rising customer
18 costs? Do you mean rising costs that low wage
19 workers...?

20 COUNCIL MEMBER DROMM: Rising costs.

21 DR. JAMES PARROTT: Well, you know, the
22 best way to think about what it takes to live in New
23 York City I think is to look at the self-sufficiency
24 standard budget. So this is a systematic effort to
25 compile the costs that it takes for families of

2 different compositions and sizes, you know, to cover
3 their housing costs, their healthcare costs,
4 transportation, food, clothing, childcare, and so on.
5 This is..., it's a very wide ranging analysis, it, it,
6 the costs are different for each borough. In
7 Manhattan, the cost varied. Within Manhattan, so
8 there's a separate calculation for northern Manhattan
9 and a separate one for southern Manhattan.

10 The date that we have in the background
11 report we put out in February is from 2010. We're in
12 the process of updating that.

13 That basically says that for a family of
14 four with two young kids, it takes \$60,000 to \$70,000
15 at a minimum to meet basic budget needs. That
16 doesn't allow for vacation, it doesn't allow for
17 college savings, it doesn't allow for retirement
18 savings, that's just to meet basic budget needs
19 without relying on food stamps or Medicaid or even
20 housing subsidies and so on. So, you know, \$60,000,
21 if you have two earners, what do they need to earn in
22 order to meet that family budget at the low end, \$15
23 an hour, \$15 an hour you know, roughly. You know two
24 earners making \$30,000 a year. So \$15 an hour is

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2 really what it takes to just have a subsistence
3 budget without reliance on outside subsidies.

4 AUSTIN SHAFRAN: I'd just like to add
5 that, I think that question actually gets at the
6 heart of the matter where New York lacks the ability
7 that a lot of other states have granted. The huge
8 deviation between the cost of living in areas that we
9 stated before, makes it almost an absolute necessity
10 that workers in one area are gonna have a higher cost
11 of living and need higher wages to keep up for that,
12 and that's where the additional public assistance
13 money comes in. So what we have is a state where
14 there are payments in lieu of taxes, where industrial
15 development agencies give away property tax,
16 abatements especially in some of the suburban rural
17 areas in upstate and they're basically subsidizing
18 some of these large businesses as opposed to the good
19 actors, the small businesses who by in large,
20 actually do pay above the minimum wage, we are
21 subsidizing them to pay the lowest legally allowable
22 amount and in different areas, that amount is going
23 to have a different effect on families. New York
24 City would be quite different to live in than in
25 Rochester, Ithaca, Buffalo and every place should be

2 able to have a system where, those who know their
3 areas best get to make some determinative decision as
4 to what wages are appropriate in that area.

5 COUNCIL MEMBER DROMM: It's a pretty
6 incredible way to look at it when you think about it
7 that we're subsidizing multi-billion dollar
8 corporations, by allowing these low wages to continue
9 to be paid in New York City.

10 Let me go on just to ask you, how would a
11 higher local minimum wage effect job rates in New
12 York? Because that's a complaint we often hear that
13 if we raise it to \$15 an hour, small businesses will
14 not be able to afford it. And like you said that
15 some small businesses already do it on their own, but
16 overall how would it affect it?

17 DR. JAMES PARROTT: Well, it depends on
18 what wage level we're talking about I think if you
19 faze in modest increments in the minimum wage level
20 that it allows businesses the opportunity to adapt
21 over time. Umm, for the analysis, there's been a lot
22 of academic research in this area, and I think
23 generally what that shows is that it's not harmful to
24 employment overall, it might have an effect on some
25 companies if they're not able to adapt, if the

2 resiliency of their management skills is not quite up
3 to par, they may suffer as a result of that, but on
4 the other hand because the workers who have enhanced
5 purchasing power, they are going to be buying more
6 goods in the local economy, supporting an increase in
7 employment overall. So on that, you know it's really
8 hard to say that there's an adverse employment effect
9 and you can make an argument, especially in a time
10 like this where unemployment is very high and there's
11 slack in the economy that an increase in minimum wage
12 is going to have a positive employment effect.

13 And again, you know, often times,
14 employers think that they, they just can't bear the
15 burden of anything that's mandated or imposed on
16 them. You know, that's what bars and nightclubs said
17 a few years ago when Mayor Bloomberg proposed, you
18 know, banning cigarette smoking in bars, and it turns
19 out a few years later, they're all celebrating the
20 fact that, you know, the environment in my
21 establishment has so improved, and my customers
22 really benefit from it. So I would never go back to
23 that.

24 You know there's a similar, ahh, approach
25 to minimum wage where it seems like something that is

2 counter-intuitive and it's not going to be good for
3 your business but, but again, if it's done across the
4 board, and it raises purchasing power in a community,
5 it expands, you know the bind that low wage workers
6 and communities can afford, it increases the number
7 of jobs. Businesses are adaptive. They'll find ways
8 to respond to that. And again, if they're on a level
9 playing field and it's leveled up, you know they can
10 still compete. You know based on what gives them
11 they're competitive edge, and establishing a minimum
12 wage level and raising that just means that we're
13 going to take out of the equation the ability to seek
14 competitive edge by paying your workers than the
15 business across the street. And that's the way it
16 should be. That's why the federal government, you
17 know passed the Fair Labor Standards Act in 1938.

18 COUNCIL MEMBER DROMM: So \$30,000 a year
19 to some people doesn't sound like it's that little.
20 TO me it does. Do you have an idea of what it works
21 out to per week? Is it about \$750 a week, somewhere
22 in that area?

23 DR. JAMES PARROTT: Well, \$30,000 would
24 be about \$600 a week.

2 COUNCIL MEMBER DROMM: \$600 week before
3 taxes?

4 DR. JAMES PARROTT: Right.

5 COUNCIL MEMBER DROMM: And you're going
6 to take taxes out, so you're talking about maybe \$400
7 take home.

8 DR. JAMES PARROTT: Although somebody in
9 that range, if that equaled the family income, they
10 would also be able to benefit from the Earned Income
11 Tax Credit, so they may have some withholding, but
12 they're likely to get that back at the end of the
13 year.

14 COUNCIL MEMBER DROMM: But even with \$15,
15 is what I'm trying to say is that you're not making
16 people rich. And it's still going to be difficult
17 for people to get by. It's not going to make them
18 Jamie Diamonds of the world.

19 DR. JAMES PARROTT: Then again, I would
20 say that you know, since there are a lot of workers
21 in New York City who are making low wages now, that,
22 umm, we would have to be talking about something
23 where a minimum wage increase is phased in over time
24 and you're not going to do it in one fell swoop,
25 certainly. You know, it's not done that way

2 anywhere, maybe SeaTac, Washington is the only place
3 where they're going to do that, but because all of
4 companies, you know, all of the employers in SeaTac
5 at basically at the airport. So, they can
6 accommodate something like that, but when you're
7 talking about an economy the size of New York City,
8 you want to do it over time and in more manageable
9 increments.

10 COUNCIL MEMBER DROMM: Okay. Thank you.

11 CHAIRPERSON MILLER: Thank you Council
12 Member Dromm. Council Member Cornegy.

13 COUNCIL MEMBER CORNEGY: Dr. Parrott,
14 it's often a pleasure to hear you testify, I think
15 I've been at a few hearings to hear, and your
16 knowledge and depth and breadth of this subject is
17 fantastic. So I'm here as a person on this
18 committee, but I'm also the Chair of Small Business
19 for the New York City Council and I'm really glad to
20 hear that you have a responsible phase in methodology
21 for small businesses, because, so, I just want to
22 propose that it's not the umm, increase, in and of
23 itself that break the back of small business, it's
24 that plus paid sick, plus the affordable act, plus
25 increased taxes, that cause a burden to small

2 businesses. So the phase in portion of this, and
3 before you said that, I was going to suggest that I
4 come and sit with your office to really find a
5 formula that's workable for small businesses in the
6 City, because most small businesses like you
7 mentioned would like to be responsible and do the
8 right thing. They want to be good corporate citizens
9 and participate in the economy that gives every
10 person an opportunity to be successful. But, umm,
11 the onset of that in any fashion other than
12 incremental causes a great burden to small
13 businesses. And we understand that, you know, I
14 believe what the President believes, which is that
15 the economy in this city for example will not be
16 righted by big business, but will be righted building
17 capacity within small businesses to hire more. So
18 I'm very concerned when we talk about these things.
19 Will it build capacity within small businesses, to
20 hire more? Because right is six in one hand, half a
21 dozen in the other. If you increase but the ability
22 to hire, decreases. Then it sets this whole city in
23 another direction. So I'd really like to spend some
24 time talking to you about a comprehensive strategy
25 over a period of time that's going to allow small

2 businesses to be good corporate citizens but also to
3 help build capacity to increase small businesses in
4 this city.

5 DR. JAMES PARROTT: Right. We have
6 looked at an aspect of that, umm, we worked very
7 closely with the Working Families Party when, in the
8 time before last, I mean certainly in the last time,
9 but in the time before last in 2004 when the state
10 minimum wage was increased and at the time in order
11 to address the argument about what's the impact on
12 small businesses. At that point there were 10 or 11
13 states that had a higher minimum wage than the
14 federal minimum. So we looked at employment growth
15 in small businesses overall, establishments with
16 fewer than 50 employees, and compared job growth in
17 the states that had a higher minimum wage with the
18 states that were at the federal minimum wage which
19 was lower. And what we found was that there was no
20 adverse result for small business, either the number
21 of small businesses or the employment growth in small
22 businesses in states with a higher minimum wage over
23 a period of time compared to the states that had a
24 lower minimum wage.

2 COUNCIL MEMBER CORNEGY: And I do just
3 want to make a point about the City of New York is
4 unique, in its ability to create, cultivate and grow
5 small business, as opposed to other places in the
6 country that you may have gotten your data from. We
7 actually rely on small business growth in the City of
8 New York, and it's funny that you mentioned the three
9 industries, well, the industry with the most growth,
10 that the city is depending on is hospitality, leisure
11 and tourism. So it's funny that you brought those up
12 when we're actually counting on that to drive some of
13 the economy in the city. So, you know, I just want
14 to point out that New York City is very unique in its
15 need for small businesses, unlike a smaller city
16 somewhere else in the country who has stable, small
17 businesses and doesn't really rely on the growth of
18 small business to drive the economy in those cities
19 and states.

20 DR. JAMES PARROTT: I don't know that
21 it's fundamentally different, I mean, certainly there
22 are some cities that may be more heavily dependent
23 upon a large employer or so, and while we think that
24 you know, long have thought that New York City is
25 heavily dependent upon the finance sector, when you

2 look at the contribution to employment that's made
3 across sectors, and by size of employer, New York
4 City has a very diversified economy and one of the
5 things I didn't mention in my testimony which I think
6 maybe I did I just didn't mention it in the oral
7 part, I think is a compelling reason why New York
8 City should have the authority to set its own local
9 minimum wage. The size of the New York City economy
10 is larger than that of 45 states. All of those
11 states have the authority to set their own minimum
12 wage.

13 COUNCIL MEMBER CORNEGY: Lastly, and I
14 have I have to go to another hearing. Can you just
15 address the fact that you did mention a particular
16 industry that we look, we're looking to, now you say
17 that the city may not look to..., look for small
18 businesses, but I happen to know for a fact that
19 we're counting on..., when there's no place else for
20 growth and development, in the city and no new
21 industries out, you know, we're looking every day to
22 develop industry to employment and to drive the
23 economy. We know one that's growing steadily, which
24 is our tourism, hospitality and leisure industry.
25 But, you've sited that as having some of the most low

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2 wage jobs. What are we going to do as a formula to
3 mitigate the fact that we're depending on that for
4 growth while simultaneously it is notorious for
5 having some of the lower wage jobs.

6 DR. JAMES PARROTT: Well, so there are
7 different sub-components of the leisure and
8 hospitality sectors, so there's the hotel sector, and
9 even that is divided into sort of the unionized hotel
10 sector and then the part of the hotel sector that's
11 been growing, the smaller boutique hotels which are
12 less likely to be unionized, and you know, the gold
13 standard, for a good solid middle class living for a
14 less educated worker in New York City is a maid in a
15 hotel. Where, you know, as their contract, you know
16 they recently reached a multi-year contract, as they
17 reach the tail end of that, a maid, who may not even
18 have a high school education in New York City, is
19 making \$60,000 a year with pretty good health benefit
20 plans. So that part of the hotel sector is a great
21 part for job growth. Umm, then there's the food
22 service sector, which is divided into the full-
23 service restaurants, like the white table cloth
24 restaurants that have been booming all over the five
25 boroughs and fast foods. Umm, you know, the full

2 service restaurant sector is the part that has been
3 really booming and creating lots of jobs, and those
4 are small businesses where you have some of the most,
5 you know, committed and dedicated small business
6 owners who, you know, choose to open up a restaurant
7 and they rely upon, you know, good quality service
8 for their business to succeed. You can bet that
9 they're paying decent wages to most of their workers.
10 So that's a good part of the leisure and hospitality
11 sector that we don't have anything to worry about.

12 I think the part that we've been talking
13 about here that does raise cause for concern is that
14 part that's operated by national and international
15 chains that pay very low wages that rely upon
16 basically taxpayers to subsidize those low wages. If
17 nothing else, we should figure what to do to address
18 that part of the sector.

19 COUNCIL MEMBER CORNEGY: And I'm glad you
20 mentioned that because that's what I wanted to say,
21 there's no way right now to tease apart when asking
22 for a change to tease apart the good from the bad,
23 right. And sometimes, there are unintended
24 consequences in change, and I just want to make sure
25 that one of the unintended consequences is not a

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2 decrease in small business growth and development.
3 So it's that unintended consequence that sometimes
4 comes about.

5 DR. JAMES PARROTT: Well, if Washington,
6 DC can get by with \$11.50 an hour, I don't see any
7 argument why New York City couldn't be able to
8 accommodate that.

9 COUNCIL MEMBER CORNEGY: This is not an
10 argument against raising it.

11 DR. JAMES PARROTT: I understand.

12 COUNCIL MEMBER CORNEGY: I'm on this
13 committee and I stand committed with my Chair to do
14 just that, I just wanted to, and this is probably not
15 the place to hash this out, I preface that by saying
16 that I was coming to your office, so you and I can
17 sit down and really hash this out.

18 DR. JAMES PARROTT: I look forward to
19 that.

20 COUNCIL MEMBER CORNEGY: Over lunch
21 maybe?

22 JAMES PARTOTT: Sure.

23 CHAIRPERSON MILLER: Thank you Council
24 Member Cornegy for those questions, and I think that
25 umm, that has really been the mission of this

2 committee and this hearing, not just that we put
3 forth this resolution to do it, but to insure that we
4 hear from everybody, all the partners involved to
5 insure that we don't have those unintended
6 consequences and that we're able to move forward and
7 at the time provide a minimum wage standard that will
8 allow people a quality of life that they don't enjoy
9 now.

10 Council Member Constantinides. Damn!

11 [Laughing]

12 COUNCIL MEMBER CONSTANTINIDES: You got
13 it. Doctor it's always great to see you again and of
14 course Austin. I just have a few questions, just
15 looking at your document, just a quick comment. The
16 numbers are sobering when you look citywide if I'm
17 reading this correctly it's basically one in three.

18 DR. JAMES PARROTT: Right.

19 COUNCIL MEMBER CONSTANTINIDES: More than
20 33% of our city is in low wage jobs. That's
21 something that, people we should definitely get out
22 there more. Because when you hear in the media,
23 especially on Fox noise and some of their other
24 affiliates, they'll talk about different things going
25 on and really, you mean, one in three workers are out

2 there every day trying to earn a living in low wage
3 jobs, and that's a very sobering thing.

4 I'm actually just looking quickly at the
5 taxes, I think actually in New York state, beyond not
6 giving us the ability to set our own minimum wage,
7 they're tax code is hurting us in a way. I didn't
8 know that Senator Peralta in Albany is sponsoring a
9 bill, because right now there's some of these bad
10 actors in the retail industry, which I come from, I
11 put myself through school working for Kay-Bee Toy
12 Stores and I worked in the retail industry for a long
13 time and I saw a lot of the bad practices that went
14 on there and the encouragement from higher management
15 to hold down wages, to hold down promotions, to hold
16 down those in full-time position. But now I am to
17 understand that there's a tax incentive to hire
18 teenagers.

19 [Interpose]

20 DR. JAMES PARROTT: Oh you're talking
21 about the Minimum Wage Tax Reimbursement Credit.

22 COUNCIL MEMBER CONSTANTINIDES: Yes, so
23 we have young people who are, which we need to get
24 employed, of course, but they'll hire a 17 year old,
25 they'll keep them in position for two or three years

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2 and then when they're 20 they'll find a way to have
3 them move on and then hire someone again exactly at
4 the minimum wage. And I guess you can speak to that
5 and how sort of the bad practice with some of these
6 large box retailers.

7 DR. JAMES PARROTT: Well, last year when
8 that was passed, along with phased in very modest
9 increase in the state minimum wage without any
10 provision to index it, I characterize that as the
11 worst legislation that I'd ever heard of. Because it
12 basically set a maximum wage, you only get the tax
13 credit if you pay exactly the minimum wage. It takes
14 away any incentive to reward a highly productive,
15 valued employee, by giving them a nickel raise or a
16 quarter raise or a two dollar an hour raise. You're
17 going to lose your tax credit to do that. We
18 estimated at the time what the potential benefit to a
19 large company like Walmart would be, because rest
20 assured, that if any company takes advantage of a tax
21 credit like that, it will be the biggest
22 organization, the biggest companies who have the
23 accountants, who can look through the tax code, find
24 things like gimmicks like that, they're going to
25 maximize that. And, this is a company that doesn't

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2 hesitate to ask people to work off the clock, you
3 know, among other bad practice. Do you think that
4 they're gonna not fire older workers to hire student
5 teenagers that they're not going to fire a non-
6 student teenager and hire a student teenager. And
7 that they're going to keep their wage right at the
8 minimum wage. So yes, don't get me started on that.
9 I get worked up on that. It is the worse legislation
10 I've ever heard of.

11 UNIDENTIFIED MALES: Let me just pop in.
12 You know, Albany has not only heard us by not giving
13 us the ability to set our own minimum wage, but
14 actually hurting us by implementing this law.

15 AUSTIN SAFRAN: And that's one of the big
16 misconceptions, I think it was actually mentioned
17 earlier, that we have over 90% of low wage workers
18 who are above the age of 20. This isn't a teenage
19 problem and the tax credits like that are absolutely
20 antithetical to what we want to do here, in terms of
21 lifting workers out of poverty. We have over a
22 million and a half families with a child that has at
23 least one parent that is a low wage worker. And that
24 gets at the essence of the problem and that's part of
25 the unfortunate trade-off, that went with that too

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2 low, too slow, minimum wage package last year and
3 another reason why allowing cities and counties some
4 ability to do this on their own is going to be much
5 more reception to the type of wages we need.

6 COUNCIL MEMBER CONSTANTINIDES: Just
7 really quick, how would raising the minimum wage help
8 improve our economy. How's it going to create the
9 boom in our community, for our small businesses, for
10 everything else.

11 DR. JAMES PARROTT: It going to put more
12 money in the pockets of workers who are going to
13 spend every cent of that. They're going to spend
14 more in their local communities. That's going to
15 increase demand, that's going to make healthier those
16 small businesses, and their community that they
17 patronize. That will be a positive thing. Some
18 employers will have to adapt, they may have to raise
19 their prices a little but, they're customer base
20 includes people in the middle income, and upper
21 income range, who can well afford any price
22 adjustment that comes along, necessitated by
23 adjusting to the minimum wage. So, that's not to say
24 that it's you know, win, win, win, you know, nonstop
25 across the board. Some adjustments are going to be

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required as part of that, but on the whole, every time the minimum wage has been increase, when we look back on that, we see generally very positive, consistently positive effects from that.

COUNCIL MEMBER CONSTANTINIDES: So if we do it the right way, if we do it as we talked about phasing it in and making sure that we protect small business. Many of the people who shop in the small businesses in our communities live there. They're going to shop in those stores, they're going to leave their job and go to somewhere else in the community and spend that money and help boost other businesses in the neighborhood.

Thank you very much.

CHAIRPERSON MILLER: Thank you Council Member for those insightful questions. Thank you to the panel for coming out, obviously we can do this all day, thank you for your insight, but most of all to the panel for... and to the Council Members for your participation and your questions. I think they have been a big help in moving this along.

So speaking of moving along, we're going to bring up our next panel, um, which is a single panel, right? Mr. Daniel Powers.

[Pause]

DANIEL POWERS: Good afternoon, my name is Daniel Powers, umm, I'll just begin if that's okay with you. Thank you very much.

I'm a musician and for the past nine years I've owned and managed Real Brave Audio. It's a music school and small business located out in Fresh Meadows, Queens. I'm also the founder and director of After School Rocks, a soon to be an official 501(c)(3) foundation and the basic premise of Real Brave and After School Rocks is simple and something we can all get behind. It's to give kids access to music education. I've worked with schools in my community to get affordable music instruction to kids and perhaps more importantly develop great paying jobs for musicians and help build their careers. I am of the opinion that there's nothing small about small business. Everything you do, buy, invest in, is big. Every employee you hire is a big deal, every regulation or fine, no matter how small is a game changer and as a member of GoBizNYC, a network of small business groups representing over 25,000 small businesses across the five boroughs, I agree with their mission to strengthen the voice of

2 small immigrant and minority owned businesses and to
3 create an environment where small businesses can
4 flourish, create more jobs, and build our cities
5 neighborhood economies and that's why I'm here today.

6 I'm taking time away from my business to
7 be here because I believe it is important for the
8 council to hear how actions like the one proposed,
9 may, negatively impact small business owners like
10 myself. Many small business owners and start-up
11 entrepreneurs including me, are normal everyday
12 people. We are your neighbors in your corner deli.
13 It is becoming increasingly difficult to rent,
14 insure, build, buy and exist in the five boroughs.
15 What everyday person has the capital to pay for such
16 high rent for a brick and mortar location? The
17 common perception is that risk is what you sign up
18 for as a business owner. But, let's not make it more
19 impossible to succeed than it already is. Efforts to
20 improve the livelihoods of employees are admirable,
21 but they shouldn't be undertaken at the expense of
22 small businesses.

23 Most small business owners, have small
24 margins and our backs are already increasingly
25 burdened. I could easily stand here, or sit, here

1 before you today and continue to point out how
2 difficult it is to run a business. But that really
3 isn't my goal today. I want you to know that there
4 is more you can do to make an impact on the lives of
5 the good people of New York. Please understand, I've
6 worked my way up from the bottom to get where I am
7 today, I've worked minimum wage jobs, from paper
8 routes, if anyone remembers those, and retail, to
9 being a porter and working in sales. Before I worked
10 at better paying jobs. So I get the need for a good
11 wage. I understand the spirit of what you aim to do.
12 So I'm not sitting here before you today someone who
13 is exacerbated by the idea of paying people above
14 minimum wage, but I am worried about the precedent
15 you are setting for our future economic success, our
16 kids' ability to find a job in our city's growth.
17 Given that the state has already approved minimum
18 wage increases, I urge you to focus your energies
19 elsewhere.
20

21 By forcing a few bad apples, who avoid
22 doing the right things for their employees, you end
23 up unintentionally, possibly, hurting many small
24 businesses that already provide fair wage for fair
25 work.

2 Raising the minimum wage doesn't address
3 the deeper problem at hand for the city. Which is
4 widespread, under-employment, defined as people
5 working part-time, but want to work full-time or in a
6 job that they are over-qualified for, so according to
7 these statistics that I found recently, the under-
8 employment rate in New York City was about 14% at the
9 end of third quarter 2013, and I'm not an economist
10 but that's what I found and it seems to be right.
11 We're fighting for a minimum wage hike, so that the
12 current college students burdened with mortgage sized
13 debts and under-employment can continue that cycle.
14 So I ask you, do we accept this as a status quo or do
15 we fight for better jobs. Do we want what the Wall
16 Street Journal is calling, the well-educated barista
17 economy?

18 The new economy to me is about jobs,
19 which leads to better wages. Instead of raising the
20 minimum wage, we need to focus on lifting the city by
21 investing in a pathway to better jobs. We need to
22 create and invest in programs that properly develop
23 our workforce, for jobs in the new economy. We need
24 to foster greater coordination between the private
25 sector and our education system, to insure that the

2 skills learned in school translate to the real world.
3 I urge the council to instead focus on enabling
4 emerging and successful businesses to grow and
5 insuring that our workers have a better chance at
6 success in this new economy. I believe that we can
7 work together to be career developers but not minimum
8 wage promoter. And I and the rest of the small
9 business community would stand ready to support you
10 in such efforts if you would invite us on that
11 journey.

12 CHAIRPERSON MILLER: Thank you so much
13 for those words. I'm now going to take the privilege
14 as the Chair to open with the questions. And I don't
15 have many.

16 In your current business, how many
17 employees to you employ?

18 DANIEL POWERS: About 15.

19 CHAIRPERSON MILLER: 15?

20 DANIEL POWERS: Yes.

21 CHAIRPERSON MILLER: And what is the
22 average wage?

23 DANIEL POWERS: For the instructors, the
24 average is about to be \$22.00 an hour.

2 CHAIRPERSON MILLER: And obviously now
3 they..., are they full-time employees?

4 DANIEL POWERS: I'm not at that point
5 yet, I'm getting there. It's been about nine years.
6 My goal is to have careers for them, it's just
7 difficult to get to that point where you can have
8 that type of income and pay that type of wage. I
9 believe in that, I mean I wanted that as a musician,
10 20 years ago. You know, to have that career path,
11 but it's difficult to cultivate that and we're on our
12 way, I mean they're working about 25 hours a week,
13 but they are under-employed and they're working
14 another job even with all the things that I try to do
15 for them, because they're like family to me. I love
16 them all dearly and I have a very low turnover rate
17 because, I guess they realize they have a good thing
18 and I believe, personally, that this something that
19 can be cultivated citywide. I don't disagree with
20 the fact... wait, I'm not agreeing or disagreeing, I
21 should say, with you about wages. I believe people
22 need to make a good wage.

23 CHAIRPERSON MILLER: So basically, the
24 compensation is based on their skillset and based on
25 your testimony, umm, your primary interest would be

2 in enhancing those skill sets and that would create
3 the quality of life that we are talking about, at
4 least somewhat get us there. But, the reality is
5 that one third of all of the jobs that are produced
6 are minimum wage jobs and that 95% of those jobs are
7 folk 20 years and above, so, and most of them are
8 attempting to maintain families.

9 Do you have any minimum wage employees?

10 DANIEL POWERS: No.

11 CHAIRPERSON MILLER: So it would not
12 really impact your business, specifically, as is
13 currently constituted.

14 DANIEL POWERS: That's correct. I do
15 know of employers that reject it. I'm not rejecting
16 it, I'm just saying that there's going to be people
17 out there that are going to push back on it. Simply
18 because they don't get it, they don't understand the
19 concept behind it.

20 CHAIRPERSON MILLER: It's also, you know,
21 free market.

22 DANIEL POWERS: You can have that
23 argument. There's certainly room for that there, I'm
24 just trying to say that the under-employment, the
25 people that are working part-time jobs, we need a

2 better, in this city, we need access to better jobs.
3 And, I do believe that it's possible, it just depends
4 on how we go about that.

5 CHAIRPERSON MILLER: You know what, I
6 agree with you, I think that we do need better paying
7 jobs, but I also think that we need responsible
8 employers, we and this is not for you per se, but for
9 those that are in attendance that we did the low wage
10 airport workers and the fact of the matter is, is
11 that those same jobs 20 years ago earned more than
12 they earn today and considering the industry that's
13 making more money than they've ever earned. That's
14 at travesty. Those are the things that we're trying
15 to..., just sometimes you need government to stop in
16 and take a position and it is our hopes that our
17 citizens would be more responsible on their own, but
18 in the instances that they're not, that we think that
19 this is, ahh, a responsible thing to do, but the
20 reason to have the hearing is to hear from all
21 parties and perhaps, it's not just what you do but
22 how you do it and what unintended consequences and
23 impact that they may have on the individuals who are
24 providing these services. So at the end of the day,
25 we take into account all that's been said and we

2 appreciate your testimony, umm, and, and certainly as
3 we move forward with this resolution all voices will
4 be heard. So, Council Member Dromm.

5 COUNCIL MEMBER DROMM: Yes, I just agree
6 with you, I think that we do have to take into
7 considerations the concerns of our small businesses,
8 which I don't think we disagree with you on, but
9 where we see real problems of inequity is when you
10 have McDonald's, Duane Reade, stores like that, that
11 are paying people seven dollars and something cents
12 an hour and the corporation is making billions. That
13 that's a real inequity in our society and that's what
14 we're kind of trying to address here, but we do want
15 to take into consideration the impact that this would
16 have on small businesses and whether or not they can
17 afford it. I think that Dr. Parrott, when he was
18 here, addressed some of those issues as well, and I
19 hear your statement and I think I'm just going to
20 leave it at that.

21 CHAIRPERSON MILLER: So with that, thank
22 you so much Mr. Powers for coming out and if you have
23 anything else that you'd like to say.

24 DANIEL POWERS: Yes, I just want to say
25 one more thing, if that's okay? So this is more

1 directed at more of a corporate hire level billion
2 dollar approach. So what if it was phased in so that
3 if that's what you're going for rather than a blanket
4 approach that will affect people like me. People
5 like me, meaning somebody that is just a normal guy,
6 you know, starts a business, he has a bunch of people
7 that works for him. Maybe he can't afford to pay
8 them the most yet, but he's doing the right thing.
9 So how can you go about this, if you're going to try
10 to move ahead with it so it doesn't affect that
11 person?
12

13 COUNCIL MEMBER DROMM: We are talking
14 about a phased in minimum wage. So it would be
15 exactly what it is that you described, in protection
16 of some of the small businesses. Umm, but certainly
17 with the larger corporations, it's an issue of major
18 concern when you have somebody who's working for
19 those corporations and making as little as they are,
20 there's a need to address that as quickly as we
21 possibly can, but there is a phase in part of the
22 program.

23 CHAIRPERSON MILLER: Thank you again for
24 your time, but let me also say, and I think you heard
25 umm, a lot of the concerns articulated by the Chair

1 of the Small Business Committee and certainly as we
2 move forward, we talk about that, we talk about the
3 investment that the council is making in technical
4 support and other areas of small business that I
5 think that is certainly a balance that you will see
6 the benefit of the council as we move forward and so
7 that iron tire economy can grow in the city. But we
8 thank you so much for your input and coming down
9 today.

11 DANIEL POWERS: Thank you for having me.

12 [Pause]

13 CHAIRPERSON MILLER: So we have Sebastian
14 Sanchez from Make the Road and, there he is, good to
15 see you again, and Kirsten Foye.

16 [Pause]

17 CHAIRPERSON MILLER: Which hat is that
18 today Kirsten? From the National Action Network.

19 [Pause]

20 CHAIRPERSON MILLER: So you can begin at
21 either end and just please introduce yourself before
22 beginning your testimony.

23 [Pause]

24 APURVA MEHROTRA: My name is Apurva
25 Mehrotra. I'm a Policy Analyst at The Community

1
2 Service Society of New York. Thank you to the
3 committee for holding this hearing and to Chair
4 Miller.

5 You know I'm going to definitely echo a
6 few of the points that have already been made,
7 particularly by Dr. Parrott. But, umm, I suppose
8 their worth repeating.

9 So unfortunately, the state of New York
10 is lagging well behind when it comes to providing
11 meaningful increases to the minimum wage. Some of
12 the localities that have far exceeded what New York
13 is doing, have already been mentioned. The State of
14 California which also allows municipalities to set
15 their own minimum wage, cities like Santa Fe,
16 Montgomery and Prince Georges County in Maryland,
17 umm, all of these areas are passing increases to the
18 minimum wage that are really sort of, to put it
19 frankly, putting New York to shame. Umm, as we're
20 all aware, the legislature here in New York provided
21 for an increase to \$9 an hour by 2016, but as has
22 already been discussed, that's woefully insufficient
23 and most importantly the lack of indexing for
24 inflation so that minimum wage is going to stay at \$9
25 until the states decides to act again and for those

1
2 who think that the state will act quickly to raise
3 the minimum wage again after 2016, well, I appreciate
4 the optimism but I would disagree with it.

5 I think the issue of fair labor standards
6 including a reasonable minimum wage is particularly
7 relevant today, given the recent great recession and
8 the recovery that has followed. It's a recovery that
9 has only impacted the highest earners, for those
10 outside the top income brackets, the recovery from
11 the recession has basically just been significant
12 growth in low wage jobs that don't pay nearly enough
13 to support a family.

14 Umm, a recent study that CSS, my
15 organization, conducted, found that since the
16 beginning of the recession in December 2007 through
17 March 2013, there was a net loss of nearly 34,000
18 middle and highway jobs and in that growth of nearly
19 102,000 low wage jobs, and that's here in New York
20 City, and that of course is really following a
21 national trend, but particularly here in New York,
22 the job growth has really been almost exclusively in
23 low wage sectors.

24 The inability of New Yorkers to find jobs
25 that pay decent wages has real impacts on their

2 lives. Umm, those who work full-time at the minimum
3 wage and even those who make slightly more than the
4 minimum wage, even working full-time, do not earn
5 enough to keep a family of three out of poverty.

6 The Community Service Society conducts an
7 annual survey of low income New Yorkers, tracking
8 their hardships, and when we look at the working poor
9 in New York, we found that nearly two-thirds reported
10 experiencing three or more hardships and 40% reported
11 experiencing five or more hardships. The hardship
12 battery that we look at includes a variety of things
13 across economic hardships, food and security, housing
14 hardships and health hardships. Umm, so just to give
15 a few examples, and again this is talking about the
16 working poor, these are folks that are working, over
17 one-third reported falling behind on their rent or
18 mortgage and nearly one-quarter often skip meals
19 because there wasn't enough money to buy food.

20 The survey also found that these New
21 Yorkers are consistently on the brink of financial
22 disaster with little or no savings to fall back on.

23 Again, it's already been discussed. The
24 high cost of living in New York City, and I don't
25 think that's anything that's going to be really a use

1
2 to anyone but just to site one stat that I think is
3 particularly sort of telling, umm, a 2012 report from
4 CSS found that after rent, poor renters in the
5 private rental market were left with an average of
6 just \$4.40 per household member per day for food and
7 all other necessities. So that's \$4.40 a day per
8 person for pretty much everything else besides
9 housing, if you're below the poverty level and in the
10 private unassisted rental market. Needless to say
11 that's not really enough.

12 Umm, it's also worth noting that low wage
13 workers in New York City are different from the rest
14 of the nation and the state in other ways. Umm, you
15 know, the debate over the minimum wage, you hear a
16 lot about how most minimum wage workers are young
17 workers. Umm, but that's not really the case, and
18 it's especially not the case here in New York and
19 again, Dr. Parrott touched on this but I have some
20 slightly different statistics as well that look
21 specifically at minimum wage workers and not low wage
22 as defined as \$15 or lower, umm, as the FBI and NELP
23 study did. Umm, but the analysis that we've done at
24 CSS found that in the state outside of New York City,
25 55% of minimum wage workers are between 16 and 24

2 years old, but that number's only 26% in New York
3 City. Umm, over 40% of minimum wage workers in New
4 York City in 2013, were over 35 years old. So it's
5 making the minimum wage in New York in 2013, 40% were
6 over 35 years old. In the rest of the state outside
7 New York, only 35% of minimum wage workers are either
8 the head of their household or a spouse of the
9 household's head. In New York City half of minimum
10 wage workers are either the head of the household or
11 the spouse of a household head.

12 So, contrary to sort of conventional
13 wisdom, and even sort of the way it is to some extent
14 in the rest of the country and the rest of the state,
15 in New York City, most minimum wage workers are not
16 young students earning a little extra pocket money,
17 they are men and women with families to support and
18 little income to get by on.

19 Opponents of the minimum wage often point
20 to the potential adverse impacts on employment, which
21 again has already been discussed, this is sort of the
22 common theme you hear anytime there is any
23 legislation or proposal to improve the lives of low
24 wage workers, umm, going back to Medicare and Social
25 Security, and more recently, here in New York, with

2 the fight for paid sick days, it was the same thing
3 over and over again. The impact on business, the
4 impact on business, but time and time again, once
5 these laws get passed, these fears of opponents are
6 not realized. There have been several studies done
7 on the impacts of minimum wage and they have found no
8 adverse impact on employment. Among those studies,
9 which I think was one that was included in the
10 resolution was done by Aaron Duvet (phonetic) and
11 some colleagues looking at counties that were
12 bordering counties, but across state lines, and
13 looking at differences in minimum wage policies and
14 again, that study found no adverse impact on
15 employment, umm, when looking at counties that had
16 higher minimum wage then bordering counties that were
17 in states with lower minimum wages.

18 Similarly, we did an analysis at CSS
19 looking at two traditionally low wage sectors, the
20 food services and the retail trade sectors and found
21 that in the year after San Francisco increased its
22 minimum wage above federal and state levels, which
23 was a pretty sizeable, from \$6.75 an hour to \$8.50 an
24 hour and that was in 2004. That's when San Francisco
25 separated from the rest of the state. The number of

2 employees in those low wage industries actually
3 increased when compared to the eight surrounding Bay
4 Area counties that were not subject to the minimum
5 wage hike. And that trend has continued through 2012
6 when the last data is available.

7 So at CSS we applaud the new Mayor and
8 the council's efforts to obtain local authority over
9 setting a higher minimum wage. It is clear that New
10 York is in a unique position, given its high cost of
11 living and the demographics of its low wage
12 workforce. Local authority over the minimum wage
13 will allow the city's residents and legislatures to
14 do what's in the best interest of our city without
15 adversely impacting businesses or workers. And, in
16 fact, it will put extra money in the hands of those
17 who will spend it to give the local economy a much
18 needed boost. Thanks.

19 SEBASTIAN SANCHEZ: My name is Sebastian
20 Sanchez. I'm an employment attorney at Make the Road
21 New York. Make the Road New York is a multi-service
22 organization that builds the power of Latino and
23 working class communities to achieve dignity and
24 justice through litigation, legal and survival
25 services coupled with policy innovation, which is

2 formative education and community organizing. We
3 operate store front community centers in the high
4 density immigrant neighborhoods of Bushwick,
5 Brooklyn, Jackson Heights, Queens, Port Richmond,
6 Staten Island, and Brentwood, Long Island.

7 Our members are predominately immigrant
8 working class New Yorkers. For our members who do
9 not have to confront wage, the paychecks they receive
10 from their employment are often not enough to support
11 their families or put money back into the economy.
12 Our members work in low paying industries like the
13 retail and restaurant industrial where salaries are
14 barely above the minimum wage and rarely allow for
15 self-sufficiency.

16 Like the great majority of New Yorkers,
17 our membership overwhelmingly supports raising wages
18 in New York and like was said previously, a lot of
19 this information has been said, but I think it's
20 definitely worth repeating. As we have heard, income
21 inequality plagues our state. A 2012 Census Bureau
22 Report found that New York State had the highest
23 level of income inequality in our nation. That study
24 also found that our state is one of five that has the
25 distinction of having income inequality at a higher

2 rate than the national average. This is not an area
3 where New York should be a leader.

4 Approximately 37% of our state's
5 residents were paid low wages which is defined as
6 earning less than \$15 an hour. This translates to a
7 yearly income of \$31,200 or barely over 200% of the
8 federal poverty level. Nearly two-thirds of all low
9 wage workers in New York or approximately two million
10 New Yorkers are paid less than \$12 an hour. In
11 Brooklyn and the Bronx, low wage earners represent
12 approximately 41% and 52% respectively, of all wage
13 earners in the boroughs.

14 Although this income inequality impacts
15 all New Yorkers, women and people of color are at a
16 particular disadvantage. 40% of women earn less than
17 \$15 an hour and half of all black and Hispanic
18 workers are low wage workers. Even a college degree
19 does not offer protection from this problem, as
20 nearly 28% of workers with at least some college
21 education earn less than \$15 an hour.

22 Unfortunately, since the great recession
23 ended, job growth in New York has remained
24 disproportionately concentrated in low wage
25 industries such as retail and food services according

1 to the analysis by the Fiscal Policy Institute.
2 According to that study, between the recession and
3 summer 2013, New York had experienced a net loss of
4 131,000 middle wage jobs and a net loss of 51,000
5 highway jobs, but a net gain of 282,600 low wage
6 jobs. These new jobs are found in low wage employers
7 like restaurants, home healthcare service agencies
8 and retail store. The median wages in many of these
9 low wage occupations, are around or less than \$10 an
10 hour, including a median wage of \$10.80 for retail
11 salespersons, \$9.69 for home health aides, \$9.19 for
12 waiters and waitresses, and just \$8.80 for fast food
13 workers.
14

15 Making matters worse, worker's wages in
16 these sectors have declined in real terms for the
17 typical New York worker median wages have dropped by
18 almost seven percent for men and one percent for
19 women in the last decade. New Yorkers find
20 themselves forced to accept these low wage jobs
21 because there really are no positions available in
22 our current economy.

23 Although New York's hourly minimum wage
24 was raised to \$8 this year and will be \$9 by next
25 year, or by 2016, it's still not nearly enough to

1
2 meet basic living costs. Especially in the high cost
3 area like New York City. A \$9 an hour wage
4 translates to just \$18,720 a year for a full-time
5 worker. This wage would leave a family of three well
6 below the federal poverty line which is itself an
7 inadequate measure of what it truly costs to support
8 a family. It's estimated that for a family of four,
9 with two adult full-time earners in New York City, an
10 annual income of \$68,873 to \$70,507 is necessary to
11 be self-sufficient.

12 Further, New York's minimum wage is
13 significantly below what other states and localities
14 have recently passed or are pushing to enact. As
15 we've heard, California recently raised its minimum
16 wage to \$10 an hour by 2015 and is pushing to raise
17 it to \$13 an hour.

18 The governors of Maryland and Connecticut
19 have called for raising their state's minimum wage
20 above \$10. And states like Illinois, Massachusetts,
21 Minnesota and Hawaii are pushing for similar
22 increases.

23 Some cities have been able to set their
24 own minimum wage rates. San Francisco is currently
25

2 at \$10.74, Santa Fe is at \$10.51 and Washington, DC
3 will raise its minimum to \$11.50 by 2017.

4 It is time for New York to join these
5 states and allow localities to enact higher local
6 minimum wages. Study after study has found that
7 these laws have boosted wages without any evidence of
8 slow job growth or business relocations. This is
9 because the substantial majority of the low wage
10 positions affected our fields, such as restaurants,
11 retail and building services that are linked to their
12 city locations and so cannot practically be moved or
13 outsourced by their employers to other locations
14 outside of the city.

15 In San Francisco, a study found that
16 employers absorbed the higher wage costs through a
17 combination of reduced employee turnover, with
18 corresponding savings in re-staffing and retraining
19 costs and improved customer service and worker
20 productivity. Similarly research at the national
21 level also finds that minimum wages increases have
22 little or no significant impact on employment on
23 minimum wage workers even during times of weakness in
24 the labor market.

2 The New York City Council should join in
3 the voice calling for an amendment to the Minimum
4 Wage Act of New York, to clarify that the state law
5 is a floor, not a ceiling and that the act was not
6 intended to block localities from supplementing it
7 with higher local minimum wages.

8 Make the Road's members overwhelmingly
9 and enthusiastically support this push for
10 legislative change. Thank you.

11 CHAIRPERSON MILLER: Thank you, before
12 Mr. Foye, let me just mention that we've been joined
13 by Council Member Crowley.

14 KIRSTEN FOYE: Good afternoon, Mr.
15 Chairman, Chairman Miller, Council Member Dromm,
16 Council Member Crowley, it is good to be with you all
17 and see you again. Forgive me for not having a
18 printed testimony, I was afforded the opportunity to
19 testify last minute and jumped on it, but so much has
20 been said about the economics behind raising the
21 minimum wage and certainly the arguments are clear as
22 to why it is important in a consumption driven
23 economy to put money in people's pockets so that they
24 can consume, so that they can further drive the
25 economy. I think those are fundamental issues. I'm

1 really here, on behalf of the National Action Network
2 to talk about the economic and social justice
3 implications of raising the minimum wage. Some had
4 been said about, about the composition of the
5 workforce that make, umm, that make low wages and it
6 is clear that it is overwhelmingly people of color,
7 it is overwhelmingly women and for us there is a
8 clear line of distinction. Either you believe that
9 generational poverty and that discrimination, gender
10 discrimination and these things are tolerable, and so
11 therefore we are at the right wage levels or you do
12 not, and you believe that it is up to government to
13 help to break generational poverty and to undo many
14 of the inequalities that are innate in our economy.
15 And so you believe that we should raise the wage.
16 There is a clear question here about whether we
17 should raise the minimum, which I think has also been
18 answered, but this is really about whether the City
19 of New York should have the authority to do it, and
20 so that's a separate question and also there is an
21 economic justice and a social imperative there as
22 well. The city is more capable of dealing with the
23 day to day needs of the people in the city. They are
24 more responsive than are other levels of government
25

2 to the people, to the needs of the people, and they
3 can deliver services more effectively and efficiently
4 than other levels of government and so it is clear
5 that in the largest city in our county, with the
6 largest budget, that there should be some measure of
7 autonomy that the city is able to act and to respond
8 to economic crisis and other economic and moral and
9 social imperatives without having to wait for some
10 long protracted political process that is far removed
11 from the immediate needs at hand.

12 We believe at the National Action
13 Network, that as the President has taken on income
14 inequality and poverty as a top priority, as our
15 Mayor has taken it on as a top priority, that the
16 state is an outlier, and so, outliers tend to draw
17 back on progress. And so, we believe that the City
18 of New York should be able to act independently of
19 the state because there are varied interests, there
20 is often times, used as a political football. Albany
21 is used as a political football to talk about what's
22 wrong with government. Well we can't say, it's both
23 the cause of the problems and the solutions to the
24 problem. So if Albany is the cause of much of our
25 dismay, political and governmental dismay, it cannot

1
2 also be the solution. And so, we believe that New
3 York City should be given the opportunity to act
4 autonomously and to be able to act in the most
5 efficiently and affect way necessary to meet the
6 economic needs of the people.

7 It's clear that the more people make the
8 less they need social services. Those social
9 services are overwhelmingly provided by the city.
10 It's clear that the more people make, the less they
11 need affordable housing subsidies which is also a
12 major need. Affordable housing is both a supply and
13 demand problem. And so, we've got to deal with it
14 from both ends. It's important to create an abundant
15 supply of housing, but it's also important to give
16 people enough disposable income so that they can
17 afford their own housing.

18 So all of these issues culminate into
19 what I believe and what we at the National Action
20 Network believes is a moral and a social economic
21 justice imperative that the City of New York be given
22 the authority to determine what its own minimum wage
23 will be. Thank you.

24 CHAIRPERSON MILLER: Thank you for
25 winging it. Umm, and so you did touch on some of the

1 things that we're going to talk about, because that
2 you gentlemen represent advocacy groups and the
3 people who are really on the front line providing
4 those types of social services.

5
6 An opportunity, I would just ask from the
7 folks that you individuals represent, what kind of
8 impact would raising the minimum wage have and the
9 reverse, what would be the impact of not raising the
10 minimum wage?

11 APURVA MEHROTRA: Well yeh, I'll just
12 sort of again touch on that, umm, on the survey that
13 we do. You know every year The Unheard Third tracks
14 sort of the policy views, and the preferences and the
15 attitudes but also the hardships that low income New
16 Yorkers are facing. So, you know I think on the most
17 basic level when we talk about increasing the minimum
18 wage and you're talking about just a greater amount
19 of economic security for these individuals. There is
20 the economic benefit that's already been touched upon
21 as far as putting more money in folk's pockets so
22 they can go out and spend it in their communities,
23 increased demand, increased employment, and all that.
24 But on the most basic level, it's basically helping
25 people to live their lives in a way where they're not

1 enduring these multiple hardships, significant
2 hardships. Umm, you know, having to skip meals
3 because there's not enough money to buy food. For a
4 family to be going through that when someone is
5 working is unacceptable. So when we talk about
6 increases in the minimum we talk about sort of
7 providing that extra bit of economic security so that
8 they can do that, they cannot fall behind in their
9 rent or mortgage as much. One of the hardships we
10 talk about is, umm, whether or not, umm, people have
11 to stay with friends or family without their own
12 housing and we know that's sort of a precursor to
13 homelessness. And we're seeing record numbers of
14 homeless in hour shelters and many of those
15 increasingly, a lot of people in the homeless
16 shelters are working, also completely unacceptable,
17 so when we talk about increasing the minimum wage and
18 sort of providing that bit of economic security so
19 that folks aren't dealing with these multiple
20 hardships, that in some cases end in homelessness.

22 SEBASTIAN SANCHEZ: Just to follow up, I
23 agree fully with what Apurva said, but as well we
24 have to look at, and we talked earlier about teens
25 entering the workforce, but if we are able to get

1
2 parents out of poverty, jobs that create poverty,
3 that's going to have a direct impact and studies have
4 shown that raising the wages of parents, getting
5 parents out of poverty at a younger age for a child
6 will lead to better educational opportunities, better
7 performance in schools and better employment
8 opportunities with that better education. So I think
9 that this is an investment and not only our working
10 population right now but our working population in
11 the future. So I think that's something that's
12 really important, that we keep in mind, I know that a
13 lot of our members are also parents and it's a
14 pressing concern for them when their jobs don't give
15 them enough money to pay their rent or pay for their
16 food. So, I just wanted to add that point.

17 KIRSTEN FOYE: Yes, and as we have seen
18 since the collapse of the economy and much of our
19 economic problems in the last several years, much of
20 what we are faced with, as an organization, umm, has
21 become more economic driven, so we're dealing with
22 more families who need advocacy for homes, and
23 assistance in securing more social services and so
24 instead of ahh, challenging affirmative, umm, abuses
25 if that's an appropriate term, by the government,

1 we're actually advocating for them to do..., to provide
2 increased service. And so, it is clear that our jobs
3 and professions are no different than any others.
4 It's supply and demand. And the more people need,
5 the more our organizations will be asked to do, and
6 so, you know, we are going from dealing with...,
7 responding to social injustices to now responding to
8 economic injustices and it's a lot more difficult to
9 change the economic and the systems behind our
10 economics than it is to ask the government to redress
11 its grievances which is what social justice is
12 intended to be about. And so, it makes, for those of
13 who think that people should be pulling themselves up
14 by their bootstraps, and that government should
15 shrink, then you've got to shrink the demand on
16 government services, and the only way to shrink the
17 demand on government services, is to empower the
18 people that need them the most.

20 ELIZABETH CROWLEY: Thank you chairman
21 miller. Thank you for having this hearing today.
22 Thank you to Council Member Dromm for introducing
23 this resolution. I'm going to add my name as a co-
24 sponsor. I think that it's important that we, as a
25 city have the opportunity to raise the minimum wage.

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If we believe that it needed, and it is needed in the City of New York today. Far too many New Yorkers are living in poverty. As a working parent myself I know that there are demands on many families. We want to give our kids the opportunity to have better education and go on to college. Many families don't have that opportunity, don't have the means and uhh, we would help in insuring that more families uhh, have the ability to move out of poverty. If we having a living wage in the city that is family sustaining and so, I hope that this bill passes in Albany and that we're able to do that as a Council. So I just want to echo my support and the support that my colleagues have said that they've had on this measure and I think it's a good one. Thank you again. Mr. Chairman.

CHAIRPERSON MILLER: Thank you so much Council Member Crowley and thank you for the work that you're doing on pay equity, umm, gender pay equity in the city here as well, and we just want to echo that, because it's all relevant here at this hearing. Council Member Dromm.

[Pause]

1
2 CHAIRPERSON MILLER: Thank you to the
3 panel for coming out again and your insight is just
4 really appreciated. We've had several hearings
5 concerning low wage workers, concerning..., and its
6 impact on the economy and umm, you have come out
7 continuously and shared your insight and your
8 expertise and we're really appreciative as we move
9 forward in implementation and we will be continuing
10 to reach out to you and make sure that we can access
11 your area of expertise. Thanks again.

12 [Pause]

13 CHAIRPERSON MILLER: The next panel will
14 include Rabbi Michael Feinberg, Frankie Tisdale,
15 Elliott Roseboro and Pierre Metivier. When you are
16 ready gentlemen you can start from either direction.
17 I just ask that you introduce yourself before giving
18 your testimony.

19 RABBI FEINBERG: Good afternoon, I want
20 to thank the Chairman and members of the committee
21 for this opportunity to speak before you today. I'm
22 Rabbi Michael Feinberg, I'm the executive director of
23 the Greater New York Labor-Religion Coalition and
24 advocacy group for low wage workers and I want to
25 emphasize that I come here before you today, not as

1
2 an economist, nor a policy expert, but someone who
3 works in the community and as a faith leader being
4 faithful to my own tradition.

5 So this issue is one that is important to
6 both my organization and myself, and one that we've
7 been deeply concerned about and engage with in the
8 past. I'm testifying here today on behalf of more
9 than the 2000 members including some 800 clergy of
10 the Greater New York Labor-Religion Coalition. The
11 Labor-Religion Coalition is an interfaith alliance
12 drawn from all five boroughs of the city, including
13 Muslims, Jews, Christians, and people from all faith
14 traditions working together to advocate for the
15 rights of low wage and immigrant workers and the
16 working poor here in our city.

17 We work closely with local labor unions
18 organizing this population of workers. In the
19 coalition we see ourselves as faith allies to these
20 workers in their own efforts to empower themselves
21 and to organize, to improve their working conditions
22 and their lives. In our work we draw upon the
23 central teachings of our faith traditions and their
24 insistence upon the dignity of labor and they're
25 imperative to seek justice for all workers. Here in

1
2 New York City we face the enormous social and I would
3 say religious and ethical challenge of an already
4 vast and still growing gap in income between the
5 highest earners and the low wage workers, largely
6 immigrant and people of color in the service
7 industries, that we've heard so much about already
8 this afternoon.

9 The United States leads the western
10 industrial world in this income gap and New York City
11 leads all other cities in the nation. The facts as
12 we know them are stark. We know that hundreds of
13 thousands of low wage workers in New York City, are
14 majority immigrant, people of color work at or barely
15 above the current minimum wage level. Untold numbers
16 more are forced illegally to work even below the
17 minimum wage, and all this in one of the most
18 expensive high cost cities, high cost of living
19 cities in the entire world.

20 One in every five New Yorkers including
21 many full-time workers, the working poor, lives below
22 the federal poverty level. In the richest city on
23 earth, one in three children lives in poverty.
24 That's a fact that to me as a faith leader really
25 should shock and horrify us all into action.

2 Allowing New York City to set its own
3 minimum wage will set the record..., will set the state
4 on record as recognizing a basic social contract,
5 that is that all workers should be paid at a wage
6 level that permits them and their families to sustain
7 themselves, to meet their basic needs and to live in
8 dignity. From the voice of our varied faith
9 traditions the prophetic message is clear, to allow
10 workers to work full-time and yet persist in poverty
11 is morally unacceptable and unjust.

12 My own tradition Judaism is emphatic
13 about the rights of low wage workers. To quote from
14 Hebrew scripture, you shall not abuse a needy and
15 destitute laborer, whether a fellow countryperson or
16 a stranger in one of the communities of your land.
17 Violation of this principal is considered so severe
18 that it was likened by the rabbis of the time would,
19 as akin to murder, that is that one who withholds a
20 workers living wage is as though he has deprived him
21 of his very life. Similar ethical teachings are to
22 be found in Islam and Christianity as well as all
23 other faith traditions.

24 A raise in the New York City minimum wage
25 and the right for New York City to do so, not only

1
2 makes sound economic sense, pumping much needed
3 dollars into economically deprived communities here,
4 but just as importantly, from the standpoint of
5 religious ethics, it is the right thing to do. Let
6 us through the passage of this resolution and through
7 the legislation before the State Legislature, the
8 Raise Up New York proposal. Let us commit ourselves
9 to the pursuit of justice for all workers in our city
10 and state. That all might live in dignity, in
11 sufficiency for themselves and for their families.
12 IN the words of Hebrew scripture, Justice, Justice,
13 you shall pursue. Thank you very much

14 CHAIRPERSON MILLER: Thank you. Let me
15 just mention that we've been joined by Madame Public
16 Advocate, thank you so much for coming in.

17 FRANKIE TISDALE: Hello. Good afternoon,
18 my name is Frankie Tisdale, I'm a parent and a
19 college graduate and due to the lack of umm, job
20 opportunities, I had to settle for a job in the fast
21 food market and I currently get paid minimum wage and
22 it's hard for me, I struggle to take care of my
23 family, I'm displaced and I most often have to rely
24 on government subsidies to get by and I feel that's
25 wrong because my employer makes enough money to pay

1
2 us..., to raise the minimum wage and that's why I'm
3 here today.

4 [Pause]

5 First of all I would like thank everyone
6 for being here today, especially, Mrs. Crowley, Mr.
7 Miller, Mr. Daniel Dromm and then Mr. Michael
8 Feinberg for being here today. My name is Pierre
9 Metivier and I'm 25 years old, while I have a
10 daughter to take care. I've been working in a
11 Wendy's which is in downtown Brooklyn. This store
12 got closed in like December, without noticing the
13 workers that the store was closing. But right now
14 I'm working the McDonald's that's on Canal Street,
15 which I'm making \$15..., umm \$8 an hour and I think
16 that we deserve to get more than what we're getting.
17 I would like to let the governor out there to know
18 that right now, I don't like how it's going right
19 now, because in Albany they, umm, we went to Albany
20 on February 23rd or 25th, I found a one bedroom
21 apartment is about like \$650 to \$700. Right now we
22 are paying like \$1,400 to \$1,500 for one bedroom
23 apartment. Back in 2009 the minimum wage was like
24 \$5.15. We're in 2014, tell me something that I don't
25 know, why we still making \$8 right now and I'm here

2 today with the fast food for a campaign trying to get
3 \$15 and right to form a union. Thank you.

4 ELLIOTT ROSEBORO: Good afternoon. My
5 name is Skip Roseboro, Elliott Roseboro and I'm a
6 leader with New York Communities for Change. I'd
7 like to thank you all for having this hearing. It is
8 extremely important. I wanted to make sure that
9 these gentlemen who are dealing with this are heard
10 first. I think that's extremely important because
11 the difficulty of trying to survive in the city is
12 getting more so and more so and we need to address
13 this as quickly as we can.

14 I apologize for not having copies for
15 your, but circumstances forced me to kind of write
16 this on the fly. So let me just continue here.

17 In 1938 our legislatures enacted the
18 first minimum wage assuring that workers were paid at
19 least enough to survive upon. That amount is 1938
20 was \$.25 an hour. The key point today, is that the
21 current minimum wage, in order to have the same
22 buying power as that original \$.25 would have to be
23 \$12 to \$13 an hour.

24 That means that our current minimum wage
25 of \$8 is about \$5 an hour short of barely acceptable

2 minimum. So we start off with a wage figure in 1938,
3 that just about allows people a subsistence level of
4 survival. Then over the 75 years, adjustments in the
5 minimum wage haven't kept up with the cost of living,
6 now leaving us with a minimum wage whose buying power
7 is at least 30% to 40% less than that that what we
8 decided was just adequate in 1938.

9 Now we are in 2014 and in New York City
10 where the cost of living on average is higher than
11 the rest of the country, so that shortfall in the
12 minimum wage could be as high as 50% to 60% or more
13 than half of the buying power that our lowest wage
14 worker should have.

15 Aside from righting the tragedy to some
16 of our most vulnerable New York families, friends and
17 neighborhood, we need to understand that this is also
18 a need to... also a need to distinguish to this great
19 city's growth and recovery. Because of this
20 situation, low wage earners are forced to spend most
21 of their wages and spend it where they live. Any
22 increase that they receive goes right back into the
23 economy, generating business, jobs, taxes and a
24 number of other revenues for both residents and the
25 government alike.

2 So we not only need to raise the minimum
3 wage to its intended benefit and effect, but also
4 adjust it to reflect the increased difficulty of
5 surviving in New York City. I would also like to
6 take a quick change to answer the question as to
7 whether minimum wage is going to hurt this city or
8 not.

9 First of all, we've had numerous minimum
10 wages and other social improvements in this country
11 and in this city over many, many years and as we go
12 out we can look up and the sky is not falling. Our
13 county, our city, everybody has survived these things
14 and in most cases we've prospered because of it. So,
15 this constant droning on that this is going to hurt
16 the economy has shown itself not to be true.

17 Secondly, even elementary school kids can
18 understand that if you continually grind down the
19 wages and buying power of workers you are also
20 grinding away the economic engine of your city.
21 Thank you.

22 CHAIRPERSON MILLER: Thank you Skip. I'd
23 like to hear from Madam Public Advocate to weigh in
24 on this important issue.

2 MADAM PUBLIC ADVOCATE: Sure, thank you
3 Chair. Thank you for all that you've done and of
4 course Council Member Dromm for your leadership.

5 New York City is recovering from the
6 great recession yet that recovery is not touching
7 every part of the city. In inequality gap in New
8 York is large and it's growing and the individuals
9 who are before you on this panel are the face of it.
10 We have the means to fix it, specifically local wage
11 control. By raising the minimum wage we can make
12 sure that our workers are living with dignity and not
13 fighting for survival. To many people in our city
14 are living below the poverty level. All across the
15 city in every borough we have vulnerable communities
16 that are barely scratching by.

17 Given the high cost of living in New York
18 City the City Council must have the ability to raise
19 the minimum wage to reflect the cost of living. We
20 must wrestle control of this issue away from Albany,
21 because our concerns are different from other parts
22 of the state. Should a legislature in Oswego or
23 Niagara Falls, or Syracuse tell us how to live, I say
24 no. Or what our minimum should be, I say no.

1
2 An overwhelming majority of Americans
3 support raising the minimum wage, let us make that
4 reality in New York City. We must be successful in
5 this fight because the people of New York City are
6 depending on us and there's just too many children
7 who are living below the poverty level. Our cost of
8 living in New York City, as everyone knows, is
9 considerably higher than the national average, and
10 other parts of New York State. Much higher than in
11 Oswego, much higher than in other parts of New York
12 and we've made some incredible progress in the last
13 few months, thanks to the hard work of Speaker
14 Melissa Mark-Viverito and Mayor Bill de Blasio, and
15 Manhattan Borough President, Gale Brewer. We now
16 have a paid sick leave bill that is the best one on
17 the country. Buts let's build on that success and
18 make progress on local theft, on local wage control,
19 on the feminization of poverty, on local wage
20 control, on making sure that workers have the right
21 to organize and are treated all with respect. Umm,
22 and make sure that the generation of workers coming
23 behind has laws in their favor and that they too can
24 live in the city.

2 I see it all too often as I go throughout
3 my travels in the City of New York, we need to do
4 better in the city, we have the..., we really need to
5 really have the control to insure that wages reflect
6 the standard of living in the City of New York.

7 I thank you Mr. Chair, I thank you
8 Council Member Dromm and I thank this panel for all
9 that you have done. Thank you.

10 CHAIRPERSON MILLER: Thank you so much
11 Madam Public Advocate. Umm, let me just also say
12 that, the New Your City Controller, Scott Stringer
13 has also submitted testimony in favor of raising the
14 local minimum wage for the record and so it is pretty
15 obvious that the council and that the administration
16 values workers in the City of New York, and that we
17 think that this umm, resolution is an important
18 resolution and that we urge, umm the State
19 Legislature to immediately pass it and we urge the
20 Governor to immediately sign it. It's something that
21 certainly cannot wait, based on the testimony of the
22 many experts that have come before the committee
23 today and certainly, most importantly, based on the
24 testimony of the workers who are impacted by these
25 low wages and this impact on our communities,

2 community of color and based on the basic economy of
3 New York City, that we can be better and that this
4 committee will continue to work, umm, and again I
5 thank Council Member Dromm for his leadership and his
6 vision on this resolution and look forward to working
7 with umm, all the advocates out there, the rest of
8 the committee and council and the administration to
9 make this happen as soon as possible.

10 With that, I would just like to give the
11 last word to the man that really made that possible
12 and I think that you know, thank you so much Council
13 Member Dromm.

14 COUNCIL MEMBER DROMM: Thank you so much
15 Mr. Chair and I don't make it really possible, these
16 young men here are why we are doing this. Their
17 testimony moved me very, very much. I want to thank
18 you for both being here and for listening to the
19 testimony and for staying as long as you did as well,
20 because it really keeps it very clear for me when I
21 heard from people who are out there struggling, doing
22 the right thing, working hard, wanting to succeed,
23 and are still not getting paid what they deserve to
24 be paid and so I appreciate their efforts coming in
25 here today and being a part of this hearing, taking

1
2 time off, when you could have been doing other
3 things. You know, and being here and I appreciate
4 the Public Advocate support as well and Council
5 Member Miller thank you for your leadership and for
6 everybody's that come in, we're all old friends
7 around here and we know I think what this
8 administration, particularly with our speaker as well
9 here and the council to be able to move some of these
10 items forward, I think it very, very important for
11 the City of New York. Thank you.

12 CHAIRPERSON MILLER: So as I said
13 yesterday during the Stated Meeting that we are proud
14 of the work that we have worked..., that we have done
15 around the areas of working families here in New York
16 City. We look forward to continuing that and so that
17 being said we call this meeting adjourned. Thank you
18 so much for coming out.

19 [Gavel]
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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date 05/14/2014