



# THE PUBLIC ADVOCATE FOR THE CITY OF NEW YORK

Bill de Blasio - PUBLIC ADVOCATE

**FOR THE RECORD**

## TESTIMONY OF PUBLIC ADVOCATE BILL DE BLASIO

*Before the New York City Council Committee on Civil Service and Labor Oversight: Wage theft in the fast food industry. Are vulnerable New York City workers at risk?*

June 27, 2013

Good afternoon Chairman Nelson and committee members. Thank you for the opportunity to testify at this hearing today.

I have spoken about New York City becoming a Tale of Two Cities, and there are few better examples of the inequality dividing our city than the conditions facing workers in low-wage, no-benefit industries. The fast food industry, for all its profitability, is contributing to profound economic inequality. It is time we started raising the floor for our lowest-paid workers.

From New York City, to Seattle, to Chicago, strike and labor actions by fast food workers have thrown the spot light on the conditions these workers face. Wages are inadequate to support a family, even when a worker can secure full-time hours. Health care coverage is rare, straining working families and taxpayers who bear the costs through Medicaid and our public hospitals. Even paid sick leave, something we've fought so hard to secure, remains elusive for many. And on top of these deficits, workers in the fast food industry face wage theft and restrictions on hours that keep them from working full-time.

It is not for lack of resources that wages and benefits are so low. The highest paid executives at companies like McDonalds make nearly 500-times the earnings of its average, minimum-wage employees.

The Census Bureau's poverty income threshold level is \$23,000 for a family of four, yet the average worker in the food and beverage service industry earns approximately \$18,000 annually, or about \$8.72 per hour. And many workers in fast-food are held to less than full-time hours. Add the rising cost of a MetroCard and the rising rents just enacted by the Rent Guidelines Board. We are putting families in an unsustainable position that is deepening poverty.

It's no wonder nearly half of New Yorkers—according to the Bloomberg Administration's own figures—are at or dangerously close to the poverty level.

We can't resign ourselves to a city of high-earning executives and millions of underpaid working people trapped in low-wage backwaters. There has to be upward mobility. There has to be a path to make ends meet and make your way into the middle class. That cannot happen if people are trapped indefinitely in poverty-wage jobs. We need to raise the floor and renew our commitment to a shared prosperity.

Fast food workers need the protections that only a union can offer them. They need their rights to organize affirmed. They need an end to union-busting tactics by employers. They need higher wages and benefits that match the economic times we are in.

Do not tell them that a \$50 billion industry cannot afford a living wage.

Every New Yorker deserves economic security and fairness in the workplace. Now is the time to raise the floor.

Thank you.



Angela Morales

My name is Angela Morales. I have lived in New York for 25 years. I came to New York from Mexico to find a job and to better my life. I live with my 22 year old daughter, and beautiful 3 year old granddaughter. I also have a 23 year old son that also lives in New York.

I have worked as a cook at the McDonald's on 1651 Broadway in Manhattan since November 2011, but I have worked for McDonald's for seven years. I was paid \$7.25. After seven years, I received my first raise last month. I now make \$7.50 an hour.

My schedule often changes. I work between three and five days. Everyone knows that I have to leave work at 3 in order to pick up my granddaughter from school. Sometimes the manager keeps me late at work. It's very frustrating, because I can't be late to pick up my granddaughter.

Last year, I was scheduled to work more than 40 hours. Some days, I would work from 6am until 3:30pm five days a week, but I was never paid for the hours over 40. Some weeks McDonald's was stealing up to 5 hours from my pay. I felt bad that they weren't paying me for my work. I was working such long days, so I then spoke to my manager who wasn't able to give an explanation. With the support of my coworkers, I insisted that they had to pay for all the hours I work. Now I make sure that I get paid the correct overtime.

If I made a living wage in New York, it wouldn't make us rich, but I would be able to pay the rent more comfortably and live better with my family. I use food stamps to help feed my family, but I have to pay the rent, the electricity, and all the bills myself. My daughter is studying in university in Brooklyn right now. She wants to be a doctor. She has student loans and financial aid to pay for her studies, and I am supporting her and my granddaughter while she is in school. I want to earn more money so that I can provide more for my family. I could live in a bigger apartment that has enough space for my granddaughter to play.

McDonald's sees how the workers struggle. This week the temperature was 90 degrees and not even an air conditioner was available. We still had to work in the heat.

They told us they can't pay us more until the minimum wage goes up. It's unjust what they're doing. We have no benefits, no sick days, no vacation days. We work very hard, but our salaries aren't going up. We should get a raise every six months. How can we live on "este miseria de dinero"? This is why McDonald's and the fast food companies to pay higher wages.

Gregory Reynoso

Hello, my name is Gregory Reynoso, and I live in Brooklyn, NY with my wife and 3 year-old daughter. I moved to the US from Santo Domingo seven years ago to find a better future for myself. I wanted a better education for myself and a better job.

I worked as a driver for Domino's Pizza earning \$7.25 an hour. I worked there for a year and six months with no raise. No one in my store had gotten a raise until we started this organizing campaign.

Some of my coworkers who have been working at Domino's since 2000 had never earned more than minimum wage until last month, when everyone in my store got a twenty five cent raise.

I worked hard to provide for my family, but my wage was not enough to get by. We could only just survive. We struggled to keep living on wages that stay the same year after year.

The rent is going up, the cost of gas is going up. If I paid one bill, I couldn't pay the others. Even though I was delivering food to other people all day, my family needed food stamps to eat. It is impossible to pay for everything on \$7.25 an hour. Food stamps are the only way to put food on the table.

At my job, I had to use my own car. Domino's doesn't provide insurance, and they don't provide enough for gas. I spent hundreds of dollars a year repairing my car just so I can keep delivering pizzas. Sometimes—even with tips—it felt like I was losing money.

If fast food workers were paid better, we could put my daughter in a better school; and maybe get a better house. We could live more comfortably and without the worry of not knowing if there will be enough to cover the basics. We could even enjoy a family night out at the movies every once and a while too.

I want my wife to be able to finish school, and I want my daughter to go to the university. I'd like to start a career with a future.

With \$7.25 an hour, these dreams are harder to achieve. These are not just my wishes but the wishes of many other families in the same situation.

Joseph Barrera

My name is Joseph Barrera. I'm 23 years old and have lived in New York City for my entire life. I live with my uncle in Bushwick.

I have worked at two KFC stores in Brooklyn for the past year. I was first hired to work as a cashier, earning \$7.25 per hour. Then in January, my manager promoted me to shift supervisor and said I would get a raise to \$8 per hour. I was told that to be shift supervisor, I had to get my Qualifying Certificate in Food Protection from the New York City Department of Health and Mental Hygiene. I paid \$114 out of my own pocket to get the certificate, and KFC has refused to reimburse me. I never got the raise either. I'm still earning \$7.25 per hour.

As a shift supervisor, I was responsible for answering the phone, handling orders for Spanish-speaking customers, unpacking boxes, and arranging food in the freezer and on the shelves. I assembled customer's orders, changed the syrup in the soda machine, baked cookies, made biscuits and pot pies, and made sure the money in the register matched up to the receipts. I once spent two days mopping and scrubbing up grease that had spilled all over the basement of the restaurant. I had so much extra responsibility, but KFC kept paying me \$7.25 an hour. After three months, I asked to go back to being a cashier.

I was working on average 45 hours a week at two stores owned by the same person, but KFC refused to pay me overtime. They would give me a separate check for each store, even though the employer's name on both checks was the same. My wages were being stolen, and making so little, every dollar counts. If KFC paid me the overtime they owe me, maybe I could move out of my uncle's basement and get my own apartment.

When I spoke out about the problem, the store cut my hours. Instead of the 45 hours a week I was working before, I now am only scheduled to work 19 hours a week. I used to make between \$290 and \$325 a week, but now I'm making less than \$140 a week. It's impossible to survive in New York City with such low wages.

It's despicable that beyond paying people the minimum wage, which is already less than what we need to survive in New York City, KFC is stealing money from people. You're already having workers survive on nothing, so to then nickel and dime them on top of that is just criminal. Everybody's struggling in this industry. We want to at least be paid the wages we're owed.

More than that, we need to be paid a decent living wage. Fast food is one of the fast growing industries in New York. Workers need to be able to support themselves, and not have to rely on family, friends or public assistance to survive.

Keon Joseph

My name is Keon Joseph and I'm twenty years old. I've lived in Brooklyn all my life. I live in Crown Heights, with my mom and two brothers. Right now, I'm studying Computer Information Technology at Bronx Community College. I pay for half of my tuition and all of my books and school supplies. When I finish the program, I want to go on to earn my bachelor's degree in computer science and be a computer technician.

Because my mother is unemployed, I need to make money to cover my family's bills and pay for my education. My younger brother is 12 years old. My older brother has a hearing disability that makes it hard for him to work.

For the past two years, I have been working at Burger Kings around Brooklyn. Right now, I am a cashier at a Burger King in Bedstuy. I make \$7.25 per hour. I do a lot more than just run the register. I also make food, take care of drinks, clean the lobby, and do other maintenance in the store. I have to work 34 hours a week to make \$200 dollars flat.

It's hard work. Sometimes I have to close the store until 3am some nights, and then take an hour to get home on the bus. The next morning I have to be at school at 8am. It's exhausting. My grades dropped significantly when I first started working there. Burger King doesn't care though. They just schedule you when they want you there. If you complain about the time they schedule you to work, they'll just take you off the schedule altogether.

On top of that, Burger King shaves time off of all my coworkers' and my pay. When I get to work and clock in, the time clock is set fast, so it records me clocking in 10 minutes late every day. Everyone in the store is automatically late for their shift, according to the store's clock. Then at the end of the day, the clock is wrong again. If I clock out when my cell phone says it's 5pm, Burger King's computer system will say it's 4:50pm. Basically, everyone in my store has twenty minutes of pay stolen from them every day, ten minutes at the beginning and ten minutes at the end.

Also, my check is often short. When I think I'm going to get paid for 35 hours at the end of the week, I'll only see 30 on my check and not even know how that happened. I have direct deposit, but Burger King doesn't give me a paystub so it's not like I can check how they calculated my money.

I can't afford to have Burger King stealing money out of my paycheck. Paying for school, helping out with bills, it's just so hard. My family and I have to rely on food stamps to get by.

Stealing money from employees that already don't make enough is just unfair. These companies are making billions of dollars. They can afford to pay me for all the hours that I work.

I'm trying to get an education and to support my family. But when you're paid so low, it's like you can never get off of this level. It makes it really hard to ever do better for yourself and your family.

Linda Archer

My name is Linda Archer. I'm a member of the Fast Food Forward Campaign. I'm employed at McDonald's at 220 West 42<sup>nd</sup> Street Time Square in Manhattan where I'm making \$8.00 dollars an hour with no benefits and no job security. When I started, they told me that we'd get a raise every six months. That hasn't happened.

I lived in New York all my life, and reside in the Bronx with my mother. I contribute to the house for my living expenses and I have bills to pay, which leaves me basically nothing to save in my account after each pay period.

The stereotype is that most of those working in fast food are young people trying to get themselves through school or pay the cell phone bill. That's incorrect. Many employees at my work site are grown adults with children. I believe workers should be paid enough to meet basic needs such as food, clothing, and rent and not be dependent on public assistance, food stamps, or homeless shelters.

It's an insult these multi billion dollars corporations are making huge profits. It's unfair and unequal that's why I decided to stand up. I work very hard at a fast pace. It's hot with no air conditioning. I'm willing to fight for \$15.00 dollars an hour, respect, and the right to form a union without intimidation.

Rosa Grullon

My name is Rosa Grullon. I've lived in New York for 25 years. I came to New York from Santo Domingo to join my mother and family. I live with my three children, who are 7, 14, and 16 years old.

I have worked for the same McDonald's owner for 21 years. I make \$10.75 as a shift manager. Every day, I open the store at 6am and work until 2pm. At the restaurant, I am responsible for taking the inventory of all the supplies in the store, as well as counting and verifying the money in the safe, working the cash register, and preparing orders for customers. If the money in the safe is ever short, the manager makes me pay cash out of my own pocket for it. Once, I had to pay \$20 when the safe was short. The general manager screams at me. He disrespects the workers at the store.

Some days I have to work off the clock. My shift typically ends at 2pm, but some days I have to work off the clock from 2 pm until 5 pm. Just this week, after I had already clocked out and was about to leave, one of the managers asked me to take his car and drive supplies to another McDonald's. The other store had run out of apple juice, apples, and a few other ingredients. I have to get home after two to take care of my kids.

McDonald's recently cut everyone's hours. For years, I was scheduled to work 40 hours a week, but now they cut my hours to 25 to 30 hours. The managers say that McDonald's can only pay part time now because they don't want to pay for our health care under the new law.

I want my daughter to go to college. My oldest daughter is going to graduate soon and she's so smart. When I asked my supervisor for a raise so I can pay for her school, he just looked at me like I'm stupid. It's so disrespectful. How can I afford to provide for my family on what I make at McDonald's?

A lot of workers at my store have never gotten a raise. My coworker Maria has been there five years without a raise. We want to be able to provide for our families and improve our lives, but McDonald's doesn't pay us enough. The fast food companies make so much in profits; I believe they can afford to pay the wages we deserve. They should not be breaking the law by not paying us for all of the hours that we work.

Shenita Simon

Hello, my name is Shenita Simon. I live in Brownsville in Brooklyn, NY with my husband and three daughters, who are 9 years old, 5 years old, and 4 months old.

I work at KFC in Brooklyn, where I started out earning \$7.25 per hour. After 4 months at KFC, I was promoted to shift supervisor and now make \$7.75 per hour, but it's still not enough to support my family. At KFC, I've had to work off the clock and been shorted hours on my check. If the register is ever short, they make me pay the money out of my own pocket.

To avoid paying me overtime, my manager would make me clock out and I would work off the clock. The manager would then clock me in the next week when I wasn't even in the store and pay me at the regular rate. When I talked to my husband about it, he was surprised to hear that KFC was doing this. It's illegal that they don't pay me overtime.

About a year ago, while I was working in the kitchen at KFC, I got scalded by a 190 degree water on both my hands. When it happened, my manager had no idea what to do. I went to the burn unit at the emergency room. The doctor told me I had second degree burns, but KFC refused to pay for any of my medical care. I couldn't pick up my children because my hands were burned so badly and had to miss approximately three weeks of work. My husband ended up losing his job because he had to stay home to take care of both me and the kids. To get by, we had to rely on my mom. Earning such low wages means that we aren't able to save anything for emergencies.

At my job, shift supervisors like me don't usually get breaks. Even when I was seven months pregnant, I rarely got a break at KFC. I had many complications with my pregnancy in the fall of 2012 because I was working so hard without breaks. I was admitted into the hospital 4 times at the end of my pregnancy. When a customer mentioned to my manager that I shouldn't be working so hard while I was pregnant, the manager confronted me about it and said, "If you have a problem, there's the door. You can just leave."

I rent two rooms from my mom's house. It's really hard struggling to support my family on the wages I'm currently making. We're struggling to pay the rent, bills, and everything. I don't think it's fair that I'm not even getting paid what I'm legally supposed to be getting. I work hard to provide for my family.

Having better pay would change my life tremendously. I could pay my rent on time. I could afford to send my kids on their field trips at school. The simple things in life that people take for granted, I could actually enjoy. We're trying to save for our own apartment and our own car, but it feels like it's virtually impossible earning \$7.75 an hour. We wouldn't have to stress so much if we made a living wage.



Anastacio Lara

Buenas tardes. Me llamo Anastacio Lara. Tengo 45 años de edad y soy de México. Llegue a Nueva York el 23 de Mayo del 2007 así que ya llevo más de 6 años viviendo en esta ciudad. Tengo dos hijas, una de 22 años y la más pequeña de 20. Ellas viven en México y yo les mando dinero cuando puedo. Actualmente, por mi economía, no puedo pagar una renta normal así que me estoy quedando en el basement de un edificio con un súper. Yo le ayudo a sacar la basura y en lo que yo pueda para que me deje quedarme ahí. Aunque tengo un techo, la verdad es que no son las condiciones adecuadas para un ser humano. Pase una época de 90 días viviendo en la calle durante la cual no me pude bañar por 4 semanas. Estaba entre trabajos. Me habían corrido de un trabajo como pizza delivery driver.

Actualmente, trabajo en un Papa John's por la calle 179 en Washington Heights. Tengo 5 años trabajando en 4 Papa John's como delivery. E recorrido desde la calle 95 hasta la calle 242 en bicicleta en esos 5 años haciendo deliveries. Aparte de transportar pizzas, hago cualquier cosa que haga falta en el restaurante. Barro, mapeo, saco la basura, limpio, saco los ingredientes, etc. Actualmente, me están pagando \$5 la hora. Recuerdo que hace 5 años, me pagaban \$5.50. Pero también tengo que reconocer que antes teníamos que pagar por nuestros uniformes y ahora nos los regalan.

La semana pasada tuve la oportunidad de hablar con la oficina del fiscal general sobre los problemas más graves en mi trabajo. Por si no lo sabían, el sueldo mínimo para un trabajador que trabaja por propinas es \$5.65. A mí me están pagando \$5. A mí nunca me dan más de 30 horas. A mis compañeros que si alcanzan trabajar más de 40, les pagan en cash después de los 40 y no les pagan overtime. Nosotros también tenemos la responsabilidad de pagar por cualquier cosa que necesitemos para nuestras bicicletas personales, las cuales usamos para hacer nuestro trabajo. Y aunque lo siguiente no sea violación yo lo considero un crimen. Mientras Papa Johns regala miles de pizzas en los juegos de los Yankees o durante el Super Bowl, nosotros los empleados tenemos que pagar precio regular por un slice si nos da hambre en el trabajo.

Por mi sueldo bajo, también ayudo a varias iglesias y ellas me dan de comer. No voy al doctor si no es una emergencia porque no tengo forma de pagar un cuidado médico. Hace días me lastime un dedo y tuve que ir a la emergencia. Aunque no tengo ningún tipo de seguro, ellos me atendieron. Yo viajo por toda la ciudad en bicicleta para ahorrar el dinero que me quitaría un metro card. Como delivery drivers ponemos nuestras vidas en peligro todos los días dentro y fuera del trabajo. Durante el huracán Sandy, nosotros estábamos haciendo deliveries en nuestras bicicletas. Recuerdo los managers decir, 'cubran bien las pizza,' sin ningún tipo de consideración por nuestras vidas.

Ganar un salario digo de \$15 y una Union me ayudaría a realizarme como persona y alcanzar mis metas. Yo estudie arquitectura en mi país pero tuve que salirme de la escuela por mi economía. Se dibujar. Se hacer muchas cosas. Con eso, mi economía subiría y sería una situación muy diferente.

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

“Oversight - Wage theft in the fast food industry. Are vulnerable New York City workers at risk?”

June 27, 2013

Testimony of Stephen Cha-Kim, Staff Attorney, Make the Road New York

Honorable Chairperson and Honorable Council Members, thank you for this opportunity to speak today on the all-too-frequently overlooked scourge of wages unlawfully stolen from our City's hard-working communities. My name is Stephen Cha-Kim and I am a staff attorney with Make the Road New York, a citywide, community-based organization that has been in the forefront of this issue for over fifteen years.

Make the Road has represented thousands of workers from across the spectrum of the City's low-wage industries – including construction, retail, home care, hair and nail salons, car washes, and restaurant and food services – to win back millions in unpaid wages. Based on this extensive experience on the ground, we played a key role in drafting New York State's landmark 2011 Wage Theft Prevention Act, which put in place for the first time meaningful penalties against unscrupulous employers and protections for workers retaliated against for standing up for their rights.

Unfortunately, these efforts, and the efforts of many other advocates, are not enough on their own in face of ongoing economic realities: (1) for hard-working employees in low-wage industries like fast food, current wages, even in the rare cases they comply fully with the law, are at their lowest in real terms in decades and cannot support even survival at the poverty level; (2) wage theft remains systematic in pernicious forms, totaling an estimated \$1 billion taken annually from worker pockets and payroll tax coffers in New York City alone, according to one 2010 study; and (3) the inherent vulnerability of low-wage earners, for whom risking their jobs by complaining is unthinkable in this economy, means that they continue to suffer powerlessly as employers squeeze them beyond their paychecks, from deplorable safety conditions and practices such as “flexible,” meaning arbitrary, scheduling.

Today, with this context in mind, I present the findings of a recent comprehensive report by Fast Food Forward, which collected fast food worker testimonials and hired the survey firm of Anzalone, Liszt, and Grove Research to conduct a scientific survey of 500 current or recent city fast food workers. The findings are startling, even to hardened workers' attorneys who have seen the very worst in these practices in every corner of the economy. Eighty-four percent of fast food workers reported experiencing at least one form of wage theft; 66 percent reported at least two abuses; 45 percent at least three; and 31 percent reported being victimized by at least four forms of theft.

Thirty percent of fast food workers in the city who work more than 40 hours a week reported being cheated out of legally earned overtime pay, a bedrock of U.S. labor rights. Workers' testimonies also revealed the myriad ways in which employers steal wages: some fast food employers simply refuse to pay the time-and-a-half for hours over 40; others spread out pay for employees with more than 40 hours across multiple paychecks in order to avoid overtime, a blatant fiction we have seen commonly deployed in numerous other industries; others remove any hours over 40 from a paycheck and add them to a subsequent week in which the employee has less hours.

Fast food workers also reported with alarming frequency, 36 percent, being made to work either before officially clocking in and/or after clocking out. This phenomenon is not an innocent one: workers reported having to spend upwards of 90 minutes daily cleaning, taking out the trash, putting away boxes and organizing supply rooms, and counting money, all "off the books." At minimum wage, this amounts to over \$200 in unpaid wages for proper work a month – money that is dearly needed for rent, food, and bills.

Adding to this strain is the common occurrence of fast food employers paying their workers with late or bounced checks – a staggering 30 percent of workers reported this happening to them at least once. The employee unfairly bears the burden when this occurs, having to shelve out bounced check and overdraft fees to the bank that can add up to nearly a day's worth of work in some cases.

Nearly one half of workers indicated that their fast food employer routinely makes illegal deductions from their paychecks – money taken without employee consent to cover costs that the law says are the employer's responsibility: including the costs of meals not actually eaten and required uniforms. Perhaps most egregiously, nearly one-third of cashiers at chains like Taco Bell, McDonald's, Wendy's, and Burger King reported that they were forced to pay out of pocket, or had illegally deducted from their checks, alleged shortages in cash registers at the end of their shifts.

As bad as these findings are, the statistics are even worse for a particularly marginalized subgroup of fast food employees: delivery workers. Every single delivery worker surveyed, an astonishing figure, reported experiencing at least one type of wage theft. Over two-thirds reported at least four. The reported examples are alarming by any measure. Employers readily abuse the tip credit, by which they are allowed to pay tipped employees a wage of \$5.65, even where they are forbidden by law, such as when the delivery person makes less than \$7.25 an hour even with tips or where he or she spends much of their time doing other tasks around the restaurant that earn no gratuities.

On top of dismal wages, the report shows that many *pay* for the privilege to work in food delivery: 93 percent of workers reported that their employer refused to reimburse them for the costs of making calls to clients on delivery, 55 percent did

not pay for gas, and 29 percent refused to cover basic bicycle safety equipment. Further highlighting how this is an issue of public safety, three out of ten workers report having been assaulted or robbed at least once while on delivery. On top of whatever injury sustained, a third of these workers were required to pay their employer out of pocket for the money and/or food stolen from them.

These findings reflect what my colleagues and I at Make the Road and other legal aid groups have seen for years in every corner of the low-wage economy. What makes these findings particularly galling is that this systematic theft is being carried out by a fast food industry that grosses \$200 billion annually. Even with recent efforts to strengthen state labor laws, wage theft is rampant, using its enormous scale to hide in plain sight at your corner burger or pizza joint. Too many employers are able to exploit the vulnerability of employees living paycheck to paycheck. The City Council must continue to press its general oversight over unscrupulous businesses: it is a good bet that if these fast food chains are stealing wages, they are also flouting environmental, public safety, and consumer protections mandated by the City. Thank you.



# DIVINE DELIVERANCE MINISTRIES

“A church with God’s heart for his people”



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June 27, 2013

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**Kurt Hardy**

**Kevin Mckeller**

**Baarik Hogan**

Good afternoon Honorable Council members, Chairman Nelson, Chairman committee on Civil Service and Labor, My name is Reverend Richard Hogan, Pastor of Divine Deliverance Ministries Inc. located in Jamaica Queens. It is an honor to testify before this great committee, and to be given a chance to speak on behalf of the thousands of lives that are affected by people who are not compensated for their work. Many fast food workers have reached out to their Pastors, Elected Officials, and to whom ever will listen asking for support, to allow them to be paid a fair salary. There are so many reasons why, it will be in the best interest of not only our city but our country, to help them to be compensated. Here are a few points that I would like to make: The People who are helping some of the wealthiest corporations become even wealthier should benefit from their employers gain. Low wages causes low morale, as a consumer, I have a problem with people being treated unfairly, when people are mistreated misguided or misunderstood someone has to speak up for them. I have been given the green light to speak for the voiceless. If you were to look at the ages of these workers, you would see that they are not just teenagers, but adults being treated like teenagers. These workers are people of color or immigrants. The economy has had its ups and downs but these corporations are doing well, and it is time for them to do the right thing. These workers are not only being under paid but they are only given a certain amount of hours per day, per week, they have to choose between eating or having a roof over their heads, as long as these multinational companies are allowed to get away with paying people what they want to give them, instead of paying them what they should give them it will not only hurt our city but our country. I am speaking on behalf of the religious community, and we stand with our brothers and sisters who are only asking for what they deserve, please help us as we help those who need help, so that they can be of help to their families. In closing I would like to say that as a Pastor I preach messages using acronyms, because it helps people to remember the message. I want to leave you with F.A.R. which means Food and Rent, THE WORKERS CANT GO FAR WITH SUCH SMALL PAY, ALL THEY CAN DO IS PAY RENT AND EAT, WHAT ABOUT THEIR HEALTHCARE, CLOTHES, AND FAMILY TIME. PLEASE HELP THEM TO BE C.L.O.S.E. WHICH MEANS, Corporations looking out for their special employees May God bless us all and help us to do the right thing for everything

Respectfully yours,

Rev. Richard Hogan

NYCC Testimony

Date: June 27, 2013

To: Civil Service and Labor Committee

Fr: Jonathan Westin, on behalf of the New York Communities for Change Organization

Re: Wage Theft in the Fast Food industry. Are vulnerable New York City workers at risk?

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Dear Mr. Chairman, Councilman Michael Nelson, and Members of the Civil Service Labor Committee.

On behalf of New York Communities for Change and the thousands of workers we work with and represent, we thank you for the opportunity to address the critical issues taking place in our communities and around the country regarding low wages and wage theft in a \$200 Billion Dollar Fast Food Industry

First and foremost, we gather here to acknowledge the reality that the fastest growing jobs in the United States are also the lowest paying jobs. Workers are paid \$10,000 to \$18,000 a year, which is less than half of what it costs to support a family in our city; second, wage theft has become the new norm within the Fast Food Industry, checks have bounced, over 80% of workers have had their wages illegally stolen, and employees have been forced to work off the clock with no overtime.

Not only are the Fast Food Workers suffering from the industry paying its workers minimum wage, but taxpayers are also picking up the tab, having to account for Fast Food workers using Food stamps and homeless shelters to survive. Landlords lose tenants when families are forced to double up, and shop owners lose customers when people can't afford to buy anything extra. In hindsight, 99% of this country is paying for the 1% to continue their discriminatory practices.

We have been bringing these issues to light for far too long with no give from the corporate Fast Food Industries. It is time we start holding these multi-billion dollar Fast Food corporations accountable, and demand they start putting more money into the hands of their hard working employees. When this happens, workers can afford to feed their families, and our economy will begin to grow and rebuild.

## Testimony from Francisco García about Wage Theft in the Car Wash Industry

Good afternoon. My name is Francisco García. I am originally from Guatemala and I have worked at Jomar Car Wash for the past 4 years.

For a long time we were victims of wage theft.

There were several different problems: sometimes the employer would not pay us the last 3 or 4 hours of work at the end of the week. The managers also took a portion of our tips and they took money out of our tips to pay for damaged merchandise, lost objects, and when an accident damaged the cars. Under the law, managers sharing in tips, and workers being docked for damaged or lost goods are prohibited.

It's important to point out that without our tips, we are not earning the minimum wage, because we earn a tipped minimum wage which is less than the regular minimum wage. In other words, our tips are not a bonus or a perk. They are part of our salary.

These practices only came to an end when we starting organizing, with help from Make the Road New York, and we voted to join a union.

Now we belong to the RWDSU. As we begin our fight for a fair contract, we already feel more protected and respected now. But the truth is that it should not be this way - that laws are only obeyed when workers organize to defend their rights and, if not, employers can break the law and get away with it. We work very hard and we deserve to receive the wages we have earned.

I know a lot of other people who work in other car washes in New York City and I can tell you that wage theft is very common. It's a serious problem throughout the whole car wash industry.

That's why I'm here today to ask, on behalf of all low-wage workers in this city, that we put an end to this injustice once and for all. I would like to ask you, as our Council members, to take action and ensure that wage theft is eliminated. Workers deserve to be treated with Respect and Dignity.

Thank you.

## LOW WAGE WORKERS HEARING

6/27/13

My name is “Skipp” Roseboro and I am a long time leader with New York Communities for Change.

We’d like to thank the council for hearing on this subject so important to low wage workers and the economic recovery of our city.

50,000 low wage workers are having a difficult time seeing New York as the city of the American Dream when their personal norm is struggling to earn a decent living, part time work, poverty wages, wage theft and little hope for upward mobility.

Those working in the low wage industry have to apply for food stamps and/or other forms of public assistance to sustain themselves and their families. This means that we, the tax payers, are subsidizing multi-billion dollar corporations such as McDonalds, Burger King and others, by paying for food and healthcare for their employees. Corporations receive plenty of tax breaks and other incentives; we shouldn’t have to subsidize their employees as well.

The average low wage worker, working full time, grosses about the average cost of a one bedroom apartment. Factor in the fact that the worker’s gross wage is before taxes, before the cost of food, and before carfare and other incidentals and you began to see that he or she is hundreds of dollars in the hole before paying their rent.

Hundreds of these fast food workers seeking the ability to sustain themselves and their families, have joined New York Communities for Change in calling upon the industry to agree to \$15 an hour and the right to form a union.

For those who question the \$15 goal wage, it’s important to put it in perspective. In 1938 our government established a minimum wage, deeming that people in America should not be forced to toil for a weekly or monthly wage that would not cover their rent, food and an occasional luxury such as a doctor’s bill, a stick of furniture or a scrap of clothing - in other words just a little more than scraping out an existence. Over decades, the economy, cost of living and other factors have eaten away at that minimum wage to the point, that to eek out the very same existence today – the minimum wage would have to be \$12 to \$13 dollars. Put in perspective, the \$2 to \$3 additional dollars being asked for, would just about allow workers to keep their heads above water.

Ultimately we are just asking you to give these workers the chance to keep themselves and their families above water. Thank you.

Skipp Roseboro  
New York Communities for Change  
2-4 Nevins St.  
Brooklyn, NY  
(H) 718-875-1016



Rev. Cheri Kroon  
Associate Minister, Flatbush Reformed Church  
Brooklyn, NY

Good Afternoon, Councilmen and Councilwomen,

My name is Rev. Cheri Kroon and I am the Associate Minister at Flatbush Reformed Church in Brooklyn. I come to this movement as a person of faith and a minister for whom working for social justice is a part of what I am called to do every day.

My church is located on the corner of Flatbush and Church Avenues. We are literally surrounded by fast food restaurants, which means my neighborhood has a high percentage of fast food workers; people in my congregation, people who I see everyday on the street and people who I see coming twice a week to get a hot meal at our soup kitchen.

As a minister I cannot ignore the suffering of those in my neighborhood and across this city who are suffering due to low wages. No one can live on \$7.25 per hour; a wage that, for most workers, turns out to be around a below the poverty line income of \$11,000 a year. Today I'm asking you, our city council, to not ignore these tens of thousands of people who live and work in your city and are subjected to impossibly low wages and oppressive and intimidating work environments.

A few months ago I was protesting outside of a Wendy's on Fulton Street in Brooklyn when I learned that this particular restaurant was guilty of having their paychecks bounce! Can you imagine trying to budget your money, being told that you would work a 30 hour week that is regularly cut to a 24 hour week and then when you receive your check at the end of the week, it bounces?! There are many check cashing establishments in the city that have a list of fast food restaurants posted in the window that says, "We do not accept checks from the following restaurants" because the checks bounce.

In my work as a minister, I talk with people every day who have been thrown away. Thrown away by family or their jobs. We sometimes refer to low wage workers as "the invisible workforce," but fast food workers are clearly considered by their employers to be disposable, just like the packaging they wrap their food in. If an employee asks for a raise, they are thrown away. Why would the company give an employee a raise when they can just throw that person away knowing that there are five people in line who will take that job at \$7.25 per hour? The answer is they don't.

As our city council, please use the power that we have entrusted you with to make the lives of tens of thousands of New Yorkers better. You have the power to bring them out of poverty. You have the power to end a practice that dehumanizes them and treats them as disposables.

Thank you for your time and attention. And I pray that you will join us in making right this terrible and unacceptable wrong.

**New York City Council Committee on Civil Service and Labor Hearing on  
Wage Theft Testimony: 6/27/13**

My name is Anne Klaeyesen, and I am Leader of the New York Society for Ethical Culture, a congregation that has long fought for social and economic justice. I am here today to cry out on behalf of workers across this city for a *living* wage. Our founder, Felix Adler, back in 1880, proposed a “maximum,” not a “minimum” wage to remedy the gross disparity between the haves and the have-nots. Tragically, we face an economy today not unlike that in 1880.

Fast food companies are some of the wealthiest corporations in America, yet many fast food workers are forced to rely on public assistance to keep the roof over their families’ heads and food on the table. I have broken bread with workers who walk to their jobs because they cannot afford public transportation: an hour and more on foot to a job that pays \$7.25 an hour and perpetuates harsh conditions.

It is unethical for giant fast food multinational corporations to make billions while their employees are dependent on food stamps and Medicaid. The workers know this, and they are standing up to do something about it. I stand with them, and so should every New Yorker. We have always pulled together in times of crisis, and this time is no different.

Our neighbors need us! Together we can make a difference in their lives and our communities. Stand together today and every day for what is right and just, not just for the few, but for every one of us.

Anne Klaeyesen, Doctor of Ministry  
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Testimony of Apostle Guillermo Martino 347-445-7232

Pastor, Tabernacle of God's Glory

Testimony to NYC Council Committee on Civil Service and Labor

Good Afternoon Councilmen and Councilwomen

I greet you in Jesus name.

I Thank you for the opportunity that you give unto me to express a grievance that is in the heart of a free America.

Over the past few months, we have been witnessing a moving of hundreds of fast food workers join together in a common cry, demanding better wages that they can live like decent human beings. They have joined together with a common cause, The Fast Food Forward campaign to cry out to this gigantic industry that they have helped to make billions of dollars over the difficult time that this country is facing. Their desire is to come to an agreement of \$15.00 per hour and the right to form a union.

Workers from McDonalds, Burger King, Domino's Pizza, Wendy's and others, have been verbally abused, physically strained and emotionally put down have been receiving a mere \$8.71 per hour working odd hours, just to average 24 hours a week. That is not even making \$11,000 a year. And if we dig deeper, we find out that some are still making less than that, the minimum wage only \$7.25 per hour.

For some reason that not even parents can figure out, the kids are magically attracted to these chains of fast food where we know that most of their customers are the families of those that can't even afford it, and these companies are some of the wealthiest corporations in America. Could we believe that most of the fast food workers are forced to depend on public assistance to keep a roof over their head and a meal on the table; "Man shall not live of burger alone..."

I have few members of the church, who by the way are not teenagers, they have children and grandchildren. They are people of color and immigrants that are afraid of missing a day from work. They don't have a proper schedule that allows them to earn enough so they can be contributors in the economy of their communities for the prices of groceries are above their standard.

A job is something very difficult to obtain in America, especially in New York. We have thousands of immigrants coming from every country in the world, and because of this a worker knows trying to find another job is just about impossible. **WHAT THEY NEED IS FAIR WAGES AND BENEFITS NOW.** Better jobs means less crimes, better jobs means better education, better jobs means more love, peace and joy among families and neighbors and people.

Here we find that these workers are in to a great challenge, it is like the Bible describing David going against Goliath and you are that stone that will go on the sling shot. We see that increasing their wages and giving them good benefits will not only be beneficial to them but also to all the people of our beautiful city. Why can't these billionaire companies see this also?

New York is a great city and we are not second to any other one like San Francisco, Albuquerque and San Jose just to mention few.

We the religious community stand firm with just like Moses stood with the people of Israel, we are a praying people, but now is not time to pray is time to take action. We need new insight and this body of the Government as the sight for the Bible says when there is no vision the people perish. We are seeing the impact that this is causing and we are trying to avoid an economic disaster and that by taking part of this we will prove that you are the right people that we have put in this great body called City Council.

Psalm 37:25 "I have never seen the righteous forsaken nor his seed begging for bread"

May God help us in this quest, and be bless for everlasting.

**“Oversight: Wage theft in the fast food industry. Are vulnerable New York City workers at risk?”**

**Testimony of Dorian T. Warren  
Associate Professor of Political Science & Public Affairs  
Columbia University**

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

**June 27, 2013**

Distinguished members of the New York City Council, Chairman Nelson, and other Committee Members, thank you for allowing me to testify on the topic of “Low-wage Work and Inequality: New York City’s Fast-Food Industry”.

My name is Dorian Warren. I am currently employed as an Associate Professor of Political Science and Public Affairs at Columbia University. I am trained as a political scientist and my research and teaching focus on labor and employment policy, workers’ rights, urban policy, and inequality in the United States.

I would like to provide a very brief overview of the role of low wage work in the fast-food industry in exacerbating income inequality.

**Simply put: the fast-food industry is one of the leaders in the proliferation of low-wage jobs in New York City’s economy, leading to rising levels of poverty and inequality affecting all of us.**

As you know, beginning right here in New York City thousands of fast food workers have walked off the job in seven major cities, going on strike at major national brands like McDonald’s, Burger King, Wendy’s, Taco Bell, and Dominos. What has motivated workers with no job security to draw a line and tell some of the world’s richest corporations that enough is enough? Let me provide some context.

Social science research has unequivocally documented the rise in economic inequality over the last 40 years and the onset of a “Second Gilded Age”.<sup>1</sup> Much like the roaring 1920s, the top 1 percent now extracts more of the nation’s income and wealth relative to the bottom 90 percent. In 2007, the share of national income taken by the top 1 percent of Americans was the highest it has been since 1929, while in the first years of the recovery from the “Great Recession” in 2009 and 2010, the top 1% captured a staggering 93% of the income growth.<sup>2</sup> In New York City, the top one percent’s share of overall city income in 2012 was 38.6 percent, up from 12 percent in 1980.<sup>3</sup> Recently, corporate profits as a share of the overall economy reached the

highest since World War II<sup>4</sup>, while wages as a percent of the economy have hit an all-time low<sup>5</sup>, and fewer Americans are working now than at any time in the past three decades.<sup>6</sup>

While this growing economic inequality over the last three decades affects all Americans, it disproportionately affects New Yorkers and especially people of color living in the city. For example, while the national poverty rate in 2011 hit its highest level since 1993, rising to 15.2 percent, in New York City, 1 in 5 (21.3%) residents live below the poverty line.<sup>7</sup> The poverty rates for blacks (21.4%), Latinos (25.3%) and Asians (26.5%) were much higher than for whites (15.4%), while 1 in 4 (24.7%) children in New York City live in poverty.<sup>8</sup>

The 30-year trend in rising economic inequality is a result of many factors, but three of the most important have been the changing structure of the economy and work, public policies that advantage the wealthy and disadvantage Americans in the bottom two-thirds of the income distribution, and the decline in the bargaining power of workers.<sup>9</sup> In short, the rise of a low-wage economy, corporate power relative to the power of workers, and the lack of adequate public policy responses are all responsible for the plight of American and New York City working families.

Social science research on the changing nature of the economy is almost unanimous in describing the changes in the conditions of work in the late 20<sup>th</sup> century. Beginning in the 1970s and accelerating through the 1980s, 1990s and 2000s, the U.S. economy shifted from a primarily industrial, manufacturing-based economy to a post-industrial one defined by services. This shift resulted in the “bipolar” or “hourglass”-shaped economy we see today: lots of high-wage jobs at the top, lots of low-wage jobs at the bottom, but a dramatic loss of median-wage jobs in the middle.<sup>10</sup> The triumph of industrial unionism in the early- to mid-twentieth century was its success at transforming low-wage and often-dangerous industrial jobs into safer, stable, median-wage middle-class jobs with fringe benefits like health care and pensions.<sup>11</sup> But this shift in the nature of jobs has been consequential for job quality as well. The growing service sector of the economy has created millions of unstable, low-wage jobs with unpredictable schedules, little-to-no health care or pension benefits, and little-to-no ability for workers to have a voice at work.<sup>12</sup> The nature of jobs lost and gained during and since the Great Recession has changed. According to the National Employment Law Project, the vast majority of jobs lost in the Great Recession were mid-wage jobs, while the majority of jobs gained in the so-called recovery are low-wage jobs.<sup>13</sup> Unless pay levels are raised, seven out of ten growth occupations over the next decade will be low-wage positions, according to the U.S. Bureau of Labor Statistics.<sup>14</sup>

With this major transformation in the nature of the economy and work came public policies that redistributed income and wealth from the working- and middle-classes to the most advantaged Americans. The share of income going to the top 1% (and especially the top 1/10<sup>th</sup> of 1%) increased dramatically from the 1970s to the present, resulting in wage stagnation, increasing debt, and declining mobility for the majority of Americans.<sup>15</sup> But this wasn't the result of “natural” market forces; politics and public policies played causal roles in this outcome of increased inequality. As political scientists Jacob Hacker and Paul Pierson argue, the increased political power of business interests and the most affluent from the 1970s to the present also meant a greater likelihood of success on policies that benefit them, to the

detriment of poor, working-class and middle-class Americans.<sup>16</sup> Whether through new policies that redistributed income and wealth upwards as the Bush tax cuts did, or through what Hacker & Pierson call “policy drift”, the ability to prevent updating public policies like the minimum wage to keep pace with changing conditions, business and economic elites have captured the American political system to achieve policy outcomes that benefit them over the vast majority of residents.<sup>17</sup>

The changing nature of work and the economy, as well as public policies that benefit elites over the majority of Americans, coincided with the decline of the American labor movement, and particularly the bargaining power of workers vis-à-vis their employers.<sup>18</sup> As the numbers of union members declined dramatically over the last forty years, especially in the private sector, the power workers enjoyed in the immediate post-World War II period to enable shared economic prosperity also declined, resulting in what Timothy Noah calls “The Great Divergence” between economic elites and everyone else.<sup>19</sup>

This is the broad context in which New York City’s workers, particularly in the fast-food industry, find themselves. One in four American workers is paid less than \$10 per hour, well below the poverty line.<sup>20</sup> These include people who prepare food, stock warehouses, staff customer service centers, and care for children, the sick, and the elderly. In the fast-food industry, McDonald’s raked in \$5.5 billion in profits in 2012, while Yum! Brands, which includes KFC, Taco Bell, and Pizza Hut, took home \$1.6 billion in profits.

So what do the courageous New Yorkers who work in fast food and their counterparts in other cities, want? A basic wage of \$15 per hour, and the right to form unions without corporate interference and intimidation. They understand that big corporations in the service industries can afford to pay more, but that these companies won’t do so unless workers join together and demand wages that support families. Like workers have throughout U.S. history, they are turning to organizing and taking action to help solve a low-wage problem that is dragging our entire economy down.

Raises and the right to form unions would shift money back to New York’s working families for basic necessities, instead of sending it off to distant corporate headquarters to pad profits for executives and Wall Street stockholders. That shift, in turn, would help support small businesses and jobs in local communities across the city. And it would relieve the great pressure on our city’s tax base to provide supports for these workers; it would end the subsidies for low-wage jobs that federal, state and city governments provide to the industry reaping record profits.

The National Restaurant Association argues that the restaurant industry provides opportunities for millions of Americans, women and men from all backgrounds, to move up the ladder and succeed.<sup>21</sup> But this is simply not true today. Unfortunately, there are virtually no fast-food workers in the United States who are unionized and as a result, there is virtually no upward mobility in the fast-food industry.

In conclusion, the fast-food industry is leading the proliferation of low-wage jobs in New York City, draining our city's vital resources to support these workers and their families and affecting us all. While this testimony is far from an exhaustive review of the relationship between low-wage jobs in the fast-food industry and broader trends in inequality throughout the country and especially in our great city, it does provide insight into the future of hundreds of thousands of low-wage workers in New York City unless we do something about it.

Respectfully submitted,  
Dorian T. Warren  
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<sup>1</sup> Larry M. Bartels. 2008. *Unequal Democracy: The Political Economy of the New Gilded Age*. New York & Princeton: Russell Sage Foundation & Princeton University Press.

<sup>2</sup> <http://elsa.berkeley.edu/~saez/saez-UStopincomes-2010.pdf>

<sup>3</sup> The top 1 percent of New York City wage earners took home 44 percent of total income in 2007. <http://fiscalspolicy.org/wp-content/uploads/2012/11/FPI-Pulling-Apart-Nov-15-20121.pdf>

<sup>4</sup> <http://www.businessinsider.com/profits-at-high-wages-at-low-2013-4#ixzz2TMzn52kJ>

<sup>5</sup> <http://www.businessinsider.com/profits-at-high-wages-at-low-2013-4#ixzz2TMzv1Hv3>

<sup>6</sup> <http://www.businessinsider.com/profits-at-high-wages-at-low-2013-4#ixzz2TMznbmw>

<sup>7</sup> [http://www.nyc.gov/html/ceo/downloads/pdf/ceo\\_poverty\\_measure\\_2005\\_2011.pdf](http://www.nyc.gov/html/ceo/downloads/pdf/ceo_poverty_measure_2005_2011.pdf)

<sup>8</sup> [http://www.nyc.gov/html/ceo/downloads/pdf/ceo\\_poverty\\_measure\\_2005\\_2011.pdf](http://www.nyc.gov/html/ceo/downloads/pdf/ceo_poverty_measure_2005_2011.pdf)

<sup>9</sup> Richard B. Freeman. 2007. *America Works: Critical Thoughts on the Exceptional U.S. Labor Market*. New York: Russell Sage Foundation.; Jacob S. Hacker and Paul Pierson. 2010. *Winner-Take-All Politics: How Washington Made the Rich Richer—and Turned Its Back on the Middle Class*. New York: Simon & Schuster.; Timothy Noah. 2012. *The Great Divergence: America's Growing Inequality Crisis and What We Can Do About It*. New York: Bloomsbury Press.

<sup>10</sup> Eileen Appelbaum, Annette Bernhardt, and Richard J. Murnane. Eds. 2003. *Low-Wage America: How Employers are Reshaping Opportunity in the Workplace*. New York: Russell Sage Foundation; Saskia Sassen. 1998. *Globalization and Its Discontents*. New York: The New Press; Erik Olin Wright and Rachel E. Dwyer. 2003. "The Patterns of Job Expansions in the USA: A Comparison of the 1960s and 1990s." *Socio-Economic Review* 1 (3): 289–325.; [http://nelp.3cdn.net/8ee4a46a37c86939c0\\_qjm6bkhe0.pdf](http://nelp.3cdn.net/8ee4a46a37c86939c0_qjm6bkhe0.pdf)

<sup>11</sup> Robert H. Zieger. 2007. *For Jobs and Freedom: Race and Labor in America since 1865*. Lexington: University of Kentucky Press.; Nelson Lichtenstein. 2002. *State of the Union: A Century of American Labor*. Princeton: Princeton University Press.

<sup>12</sup> Arne L. Kalleberg, Arne L. 2011. *Good Jobs, Bad Jobs: The Rise of Polarized and Precarious Employment Systems in the United States, 1970s-2000s*. New York: Russell Sage Foundation, American Sociological Association Rose Series in Sociology.; Desmond King and David Rueda. 2008. "Cheap Labor: The New Politics of 'Bread and Roses' in Industrial Democracies." *Perspectives on Politics* 6 (2): 279–297.

<sup>13</sup> [http://nelp.3cdn.net/8ee4a46a37c86939c0\\_qjm6bkhe0.pdf](http://nelp.3cdn.net/8ee4a46a37c86939c0_qjm6bkhe0.pdf)

<sup>14</sup> [http://www.huffingtonpost.com/robert-reich/union-membership-rate\\_b\\_2572819.html](http://www.huffingtonpost.com/robert-reich/union-membership-rate_b_2572819.html)

<sup>15</sup> Timothy Noah. 2012. *The Great Divergence: America's Growing Inequality Crisis and What We Can Do About It*. New York: Bloomsbury Press.; <http://elsa.berkeley.edu/~saez/saez-UStopincomes-2010.pdf>

<sup>16</sup> Martin Gilens. 2012. *Affluence & Influence: Economic Inequality and Political Power in America*. Princeton: Princeton University Press.

<sup>17</sup> Bartels, Larry M. Bartels. 2008. *Unequal Democracy: The Political Economy of the New Gilded Age*. New York & Princeton: Russell Sage Foundation & Princeton University Press.; Jacob S. Hacker and Paul Pierson. 2010. *Winner-Take-All Politics: How Washington Made the Rich Richer—and Turned Its Back on the*



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*Middle Class*. New York: Simon & Schuster.; Martin Gilens. 2012. *Affluence & Influence: Economic Inequality and Political Power in America*. Princeton: Princeton University Press.

<sup>18</sup> Jacob S. Hacker and Paul Pierson. 2010. *Winner-Take-All Politics: How Washington Made the Rich Richer—and Turned Its Back on the Middle Class*. New York: Simon & Schuster.; Timothy Noah. 2012. *The Great Divergence: America's Growing Inequality Crisis and What We Can Do About It*. New York: Bloomsbury Press; Chris Rhomberg. 2012. *The Broken Table: The Detroit Newspaper Strike and the State of American Labor*. New York: Russell Sage Foundation.

<sup>19</sup> Timothy Noah. 2012. *The Great Divergence: America's Growing Inequality Crisis and What We Can Do About It*. New York: Bloomsbury Press.

<sup>20</sup> <http://www.raisetheminimumwage.org/pages/corporate-profits>

<sup>21</sup> [http://articles.washingtonpost.com/2013-05-10/business/39152286\\_1\\_job-growth-job-losses-fast-food-restaurants](http://articles.washingtonpost.com/2013-05-10/business/39152286_1_job-growth-job-losses-fast-food-restaurants)



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**Testimony of Rahul Saxena, Restaurant Opportunities Center of New York**

**Before the New York City Council Committee on Civil Service and Labor  
Re: Wage Theft in the Fast Food Industry – Are Vulnerable New York City Workers at Risk?**

**June 27, 2013**

Good afternoon. My name is Rahul Saxena and I am the Policy Director for the Restaurant Opportunities Center of New York (ROC-NY). ROC-NY organizes restaurant workers citywide for improved working conditions in the restaurant industry. We are a membership-led organization of restaurant workers, with approximately 5,500 members who reflect the diversity of New York City restaurants.

Many of our members experience wage theft and other forms of exploitation, and we appreciate the City Council's interest in addressing our concerns regarding these issues. We believe that there are concrete steps the City Council can take to address these issues by, for example, working with the state government to enable New York City to establish its own minimum wage; extending paid sick leave to uncovered workers; and teaming up with worker advocates to better inform employers of their legal obligations.

ROC-NY members work in all kinds of restaurants, from fast food to fine dining. While today's hearing is focused on wage theft and other issues in fast food establishments, I can assure you, based on what we hear from our members and based on the research we and others have conducted over the past ten years, that the issues you hear about today – low wages, wage theft, lack of benefits, and other forms of exploitation – are not limited to the fast food sector. These are issues that pervade the restaurant industry as a whole.

The restaurant industry is one of the largest employers of low-wage workers in the city, with over 200,000 workers in almost 14,000 table service restaurants.<sup>1</sup> New York State's restaurant industry has continued to grow and thrive throughout the recession with an 18% increase in employment since 2007<sup>2</sup> and over \$33 billion in projected revenue this year.<sup>3</sup> Yet restaurant workers are among the lowest paid in the city, and research by ROC-NY shows that almost 60% of restaurant workers earn poverty wages.<sup>4</sup>

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<sup>1</sup> United States Department of Labor, Bureau of Labor Statistics, Quarterly Census of Employment and Wages (last accessed June 26, 2013).

<sup>2</sup> United States Department of Labor, Bureau of Labor Statistics, State and Area Employment, Hours, and Earnings (last accessed June 25, 2013).

<sup>3</sup> National Restaurant Association, New York: Restaurant Industry at a Glance (last accessed June 25, 2013), *available at* <http://www.restaurant.org/Downloads/PDFs/State-Statistics/newyork>.

<sup>4</sup> Restaurant Opportunities Center of New York, Behind the Kitchen Door: Pervasive Inequality in New York City's Thriving Restaurant Industry (2005), *available at* <http://www.urbanjustice.org/pdf/publications/BKDFinalReport.pdf>.

To make matters worse, restaurant employers routinely steal from their employees' already-low wages. 69.7% of restaurant workers face overtime violations on a regular basis,<sup>5</sup> 74.2% face off-the-clock violations,<sup>6</sup> 75.7% face meal break violations,<sup>7</sup> 18.2% face minimum wage violations,<sup>8</sup> and 19% have had tips stolen.<sup>9</sup> These numbers make it clear that neglecting to pay restaurant workers for the time that they work has become the rule and not the exception in New York City.

Wage theft also disproportionately impacts women and people of color. Women are 50% more likely to face wage theft than men, and black and Latino workers are two to four times more likely to face wage theft than white workers.<sup>10</sup> ROC-NY has documented widespread discrimination in wages, treatment, and promotions against women and people of color in the restaurant industry,<sup>11</sup> and wage theft compounds the problem.

Wage theft hurts everyone. It makes it harder for restaurant workers to make ends meet and afford basic needs like health care, which 73% of restaurant workers lack.<sup>12</sup> It hurts the economy by taking money out of the hands of consumers who would likely spend it on goods and services. It deprives the government of tax income from earnings. And it hurts good businesses that follow the law by allowing them to be undercut by law-breaking employers.

There are a number of things that the City Council can do to help New York City's restaurant workers. Here are three concrete ideas:

**First, the City Council can and should put pressure on the state legislature to allow New York City to set its own local minimum wage.** New York City has a much higher cost of living than other parts of the state, and the combination of low wages and wage theft makes it far too difficult for the city's restaurant workers to get by and support their families. Many ROC-NY members live from paycheck-to-paycheck, and being cheated of overtime pay or being forced to work off the clock often means not being able to buy groceries or pay the bills at the end of the week. A rising tide lifts all boats, and an increase in the minimum wage will pressure even noncompliant employers to pay their workers more in order to avoid higher penalties.

The City Council should also support ROC-NY's efforts to abolish the sub-minimum wage for tipped workers statewide. Tipped workers face low wages, instability, and wage theft. As a result, tipped workers face a poverty rate three times higher than that of the overall workforce.<sup>13</sup> The minimum wage for tipped workers is only \$5.00 per hour. But tips are highly unstable; if a server or busser works a slow shift, or works on a rainy day, he or she can end up with almost nothing in tips. ROC-NY members in tipped jobs never know how much they'll make in their next shift, which makes feeding their families a challenge every week. Tips are meant to show appreciation for good service, not to subsidize the artificially low wages of tipped workers.

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<sup>5</sup> Annette Bernhardt et al., *Broken Laws, Unprotected Workers: Violations of Employment and Labor Laws in America's Cities* 34, National Employment Law Project (2009).

<sup>6</sup> *Id.* at 35.

<sup>7</sup> *Id.* at 37.

<sup>8</sup> *Id.* at 31.

<sup>9</sup> Restaurant Opportunities Center of New York, *supra* note 5, at 14.

<sup>10</sup> Bernhardt, *supra* note 6, at 42.

<sup>11</sup> The Restaurant Opportunities Centers United, *Tipped Over the Edge: Gender Inequity in the Restaurant Industry* (2012), available at <http://rocunited.org/tipped-over-the-edge-gender-inequity-in-the-restaurant-industry/>.

<sup>12</sup> Restaurant Opportunities Center of New York, *supra* note 5, at 12.

<sup>13</sup> Rajesh D. Nayak & Paul K. Sonn, *Restoring the Minimum Wage for America's Tipped Workers* 1, National Employment Law Project (2009).

**Second, the City Council must expand the recently-passed paid sick days law to cover all employees equally.** The City Council took an important step forward last night by overriding Mayor Bloomberg's veto of the Earned Sick Time Act. Beginning next year, many New Yorkers who did not previously have paid sick days will have the opportunity to earn up to five paid sick days per year. For low wage workers struggling to make ends meet, paid sick days are a vital safety net.

However, the paid sick days law, which was significantly watered-down in the days before the City Council vote, leaves employees at many small- and medium-sized businesses uncovered. In addition, the final law includes a "shift-swapping" provision<sup>14</sup> that will prevent many restaurant workers and other shift workers from accessing their paid sick days. We look forward to working with the City Council to expand the scope of the sick days law and to remove the shift-swapping provision.<sup>15</sup>

**Third, the City Council can and should support efforts to educate employers of their legal obligations and to inform them of the consequences for violating labor and health and safety laws.** The City Council should support organizations like ROC-NY and our allies testifying here today in our efforts to educate employers about their legal responsibilities. ROC-NY conducts regular health and safety workshops and sexual harassment workshops for employers and employees alike in a number of restaurants. ROC-NY has also worked in the past with the Mayor's Office of Immigrant Affairs to write and publish a "Restaurant Owner Manual," a booklet designed to help restaurant employers become familiar with their legal obligations. Once it was published, ROC-NY worked with the Mayor's office to disseminate the manual to restaurant owners. The City Council should support these community-based efforts to educate employers of their obligations and employees of their rights.

The prevalence of wage theft in the restaurant industry compounds the difficulties that many restaurant workers already face from low wages, lack of benefits, and other forms of exploitation. There are concrete steps the City Council can take to alleviate the hardships that our city's restaurant workers face. ROC-NY looks forward to working with the City Council on these important issues moving forward.

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<sup>14</sup> Int.0097 S.17-1505 "Changing Shifts."

<sup>15</sup> For more information on the "shift-swapping" provision, please see our memorandum in opposition to the provision, available at: <http://rocnyc.org/news/20130316-roc-ny-opposes-shift-swapping-provision-nyc-earned-sick-time-act>.

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**HEARING OF THE COMMITTEE ON CIVIL SERVICE AND LABOR  
NEW YORK CITY COUNCIL  
June 27, 2013, 1 p.m.**

Good afternoon. My name is Richard Blum, and I am a Staff Attorney in the Employment Law Unit of The Legal Aid Society. My practice focuses on cases of wage theft, as well as discrimination in low-wage employment in New York City.

The Legal Aid Society is the oldest and largest not-for-profit public interest law firm in the United States, working on more than 300,000 individual legal matters annually for low-income New Yorkers with civil, criminal, and juvenile rights problems in addition to law reform representation that benefits all two million low-income children and adults in New York City. The Society delivers a full range of comprehensive legal services to low-income families and individuals in the City. Our Civil Practice has local neighborhood offices in all five boroughs, along with centralized city-wide law reform, employment law, immigration law, health law, and homeless rights practices. The Employment Law Unit provides representation, community education, and advice to low-wage workers regarding employment issues, including: unemployment insurance benefits; minimum wage, overtime and other wage and hour laws; and employment discrimination based on any proscribed category, including gender and disability.

The Employment Law Unit receives many calls on our helpline concerning wage theft in the fast-food business. In September 2010, the Employment Law Unit filed a lawsuit on behalf of delivery workers at a Domino's franchise alleging 1) that they routinely worked long hours without being paid at all for many of those hours, often more than 20 hours per week; and 2) that they received a reduced "tipped" minimum wage even though they never received any notice of their rights under this arrangement as required by law, and even though they spent many hours every day cleaning the store, distributing flyers, and performing other non-tipped work. The workers also complained that they had to pay for their own bicycles and bicycle repairs, as well as for the work uniforms and the laundering of the uniforms. Moreover, the workers complained that those of them who complained had their hours cut or were just plain fired. The franchise has since filed a Chapter 11 proceeding in bankruptcy court. The owners and managers remain defendants in the original federal case. We now represent over 60 workers.

These delivery workers, many of them affiliated with the National Mobilization Against Sweatshops, have engaged in a campaign for justice, seeking improved conditions for workers at Domino's stores and seeking to hold Domino's accountable for wage theft at its stores, regardless of whether the stores are company owned or owned by a franchise. Late last year, the federal court granted the workers' request to add Domino's Pizza, Inc. and certain subsidiaries to the case as defendants. Domino's has asked to be dismissed from the case, arguing that Domino's franchises are independent businesses for whose wage theft Domino's bears no responsibility. In addition to the legal questions that are being fought out in court, the Society and our clients challenge the principle that companies like Domino's should be able to simply walk away from responsibility for wage theft in stores that are the foundation of the corporation's wealth.

Moreover, in a city in which food delivery is an integral part of our social lives, we as a society need to take more responsibility to ensure that the labor rights of delivery workers are respected. Though we see these workers every day and depend on them for our food, they all too often remain completely invisible, as if they have no lives, no stories to tell, no rights to be respected. Yet, they ride through snow and rain, cold and heat, preserving a particular way of life. We owe it to them to ensure that they are properly paid and properly treated by the businesses that we support.

Finally, the City itself has dealings with fast food chains, for example, in granting concessions in public spaces. We should do more to make sure that businesses that compete for scarce opportunities from the City comply with the most basic labor standards mandated by law, just as we require them to comply with laws that directly affect public safety. We can do better by these workers and we should.



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Thank you Chairperson Nelson, and Committee members Gennaro, Mark-Viverito, Recchia, Jr., and Ulrich, for giving me the opportunity to speak today at the Committee on Civil Service and Labor on the topic of wage theft in the fast food industry. My name is Josh Kellermann and I am a senior policy analyst at ALIGN: The Alliance for a Greater New York. We are a nonprofit labor-community coalition that works to create good jobs, vibrant communities and an accountable democracy for all New Yorkers.

The question we are faced with is whether vulnerable NYC workers are at risk from wage theft. The short answer is yes, of course. But let me start by painting a picture of the economic situation in which vulnerable workers find themselves, that lends itself to exploitation by unscrupulous business owners. According to a recent article by CUNY's Joshua Freeman, NYC has bounced back from the Great Recession. In December 2012, the city had more than 3.9 million jobs, the most ever. In addition, more than 22% of NYC workers belong to a union, nearly twice the national level. However, as Freeman's data shows, just beneath the surface of this apparent success story, is the real working class New York.

The biggest employment gains since the Great Recession in NYC have been in low-paid industries: restaurants, retail trade and home healthcare. Between July 2008 and July 2012, NYC had a net loss of nearly 60,000 jobs paying \$45,000 a year or more, while gaining more than 130,000 jobs paying less than \$45,000. There has been a nearly 8% drop in real median wage earnings between 2008 and 2011. The official unemployment rate in February, 2013 was 9.1%, well over the national level of 7.7%. In 2011, 21% of New Yorkers lived in poverty, compared with 16% nationally.

Finally, according to NYS Department of Labor statistics, employment in the fast food industry is projected to grow by over 10% through the year 2020. This means that the industry is projected to expand into the future, while traditional middle-class industries in NYC shrink. It is a fact that jobs in low-wage sectors represent the future employment for most workers in NY. It is also a fact that today's expanding low-wage sectors of NYC's economy must become tomorrow's middle class jobs.

At the turn of the 20th century in the U.S., manufacturing jobs were low-wage, dangerous jobs, and where wage-theft was common practice. What we have learned from those dark days of labor history is that no job is a good job until workers, with the support of forward thinking legislators, make them good jobs. This is what happened in the manufacturing industry, as workers, their unions, and political leaders fought to raise wages in the industry, end child-labor and discrimination, and prevent wage theft. These hard-fought wins led to the rise of the middle class in America. We are now faced with new industries, yet the same problems have resurfaced. Let's work together to make the low-wage jobs of

today the dignified, family-supporting jobs of tomorrow.

We all know that gridlock and bipartisan bickering at the federal level has made action at the state and local level essential to improving the lives of the residents of NYC. We must take action in NY to raise wages in the fast-food industry, and to prevent wage theft. The Fast Food Forward report shows that as many as 84% of fast food workers have suffered from at least one form of wage theft in the past year, such as unpaid overtime and the withholding of legally required meal breaks.

Let's be clear, the \$200 billion per year fast-food industry is not going to close shop in NYC and move to lower-wage countries. Fast food retail must locate near consumers. Therefore, we should not be afraid to establish strong standards in this growing industry - NYC's vulnerable workers depend on it.

Thank you for your time,

Josh Kellermann



**Testimony of Hazel Dukes, President of the NAACP New York State Conference,  
During the New York City Council's Committee on Civil Service & Labor's Oversight  
Hearing on Wage Theft in the Fast Food Industry**

June 27, 2013

Good afternoon Councilmembers. It's been said that there's a crime wave in this city. And while it is a crime wave unlike those we normally hear about in the daily papers or on the evening news, it is a crime wave nonetheless.

Low-wage workers in the fast food industry – workers who are primarily people of color and immigrants – are having their wages stolen from them. In fact, according to a recent survey, 84% of fast food workers said that they have experienced wage theft at least once – and 30% said that they had experienced at least four instances of wage theft. They have worked off the clock, been denied overtime pay, and been forced to skip their breaks.

This is a workforce that is both well known to us – standing behind the counter serving many of us our food during our lunch hours – and also marginalized. And because they are marginalized, they have been allowed to suffer under this type of treatment with few willing to stand up with them to fight back.

Along with other low wage workers – like those in the car wash industry, those who do home care for our elderly and disabled residents, grocery store workers, airport workers, retail workers, and others – these workers struggle to make ends meet while their employers make millions or billions of dollars a year. This is unacceptable. I am here to stand with them and I am urging the members of this City Council to stand with them, too.

I have been inspired by the amazing courage that many of these fast food workers have shown, putting their jobs on the line to go on strike. The movement that is growing here in New York City is inspiring not just to me, but also to similar workers across the country. They have taken the example that fast food workers here have set when they took action twice over the last seven months. They have built a movement of low-wage workers demanding respect, better wages, and the right to form a union.

Forty-five years ago, the Rev. Dr. Martin Luther King Jr. lost his life fighting for basic fairness for sanitation workers in Memphis. At the time, he said: "it is a crime for people to live in this rich nation and receive starvation wages" -- and he was right. He still is.

I was glad to hear that the Attorney General is looking into cases of wage theft among fast food employers. The franchisees and, especially, their parent corporations must be held accountable when they break the law. This crime wave must stop.

Now I am asking the members of this City Council to join the fight by:

- Speaking out publicly against employers that are breaking the law;

- Taking to the street to support those low wage workers who are fighting back against wage theft;
- Speaking out publicly about the need for good jobs that can support workers and their families; and
- Urging our state legislators to give New York City the ability to set its own minimum wage.

These workers deserve and need all of our support.

Thank you for this opportunity to speak with you today about this incredibly important issue.

Testimony of Connie M. Razza  
Director of Strategic Research Initiatives  
The Center for Popular Democracy



Before the New York City Council Committee on Civil Service and Labor  
*Oversight Hearing: Wage Theft in the Fast Food Industry* (June 27, 2013)

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Thank you, Chairman Nelson and distinguished members of the Committee, for the opportunity to present testimony in this oversight hearing regarding the employment practices of the fast food industry in New York City. I am the Director of Strategic Research Initiatives for the Center for Popular Democracy. CPD promotes equity, opportunity, and a dynamic democracy in partnership with innovative community-based organizations and local, state, and national progressive networks across the country.

You've heard from workers about the challenges they face in the workplace and from researchers about the impacts of bad employment practices on the workers and on the equality in New York City. The US Department of Labor reports that the median hourly wage for "Combined Food Service and Preparation Workers, Including Fast Food" in New York City is \$8.90, though that is significantly higher than New York fast-food workers themselves report. At 24 hours a week, the average work-week for fast-food workers across the country, a worker with one fast-food job is making \$11,100. That's before even considering the problem of wage theft. And, workers have a hard time piecing together multiple jobs because of scheduling practices that require near-total availability. The current situation is dire.

But, we are all here because we are optimists. We aspire to a better New York City, where everyone can secure healthy food, have stable housing, access quality healthcare, enjoy leisure time, and be involved in their communities, schools, and civic lives.

What if each of the 50,000 or so fast food workers in the City were paid at least the current average annual wage? What if, instead of making roughly \$19,000 (assuming full-time, year-round work – an assumption currently at odds with the reality of most fast-food jobs), they made as little as \$31,000 a year, with a union and a full-time and predictable schedule?

Surely an individual worker would experience a significant improvement in his or her quality of life. But what difference does it make *to our city*?

Though it takes about \$45,000 to be able to cover basic necessities without relying on any form of public benefits, still a single wage-earner with a family of two would be able to feed and shelter her family on the one job, while moving off of many public assistance programs. Rather than subsidizing corporations' drive to diminish labor costs, we would be able to concentrate public assistance on those families with an adult unable to work or

unable to find work. And, we would free up public resources for other purposes serving the common good.

In addition, fast-food workers would have more money to spend in our communities, supporting small, local businesses and national or international companies that the city wants to attract, nurture, and retain. Bodegas in Bushwick, supermarkets on Staten Island, hardware stores in Highbridge – just a few examples of the businesses that stand to gain and to contribute more back to the city in return.

And, fast-food workers would have more time to invest in building their communities – going to PTA meetings, coaching youth sports, serving on neighborhood and building associations, and attending candidate forums.

Family-sustaining wages for fast-food workers open a path to greater vibrancy in working-class communities throughout New York.

I can hear the objections:

- “These are jobs for teenagers just starting out.” But, the average age of a fast-food employee is 29.5 years. And, increasingly, these jobs are crucial to families’ budgets.
- “The companies won’t be able to afford such dramatic wage increases.” A homepage feature on the MSN Money website last Thursday (6/20/13), “5 companies that owe workers a raise,” highlighted both McDonald’s and Yum Brands (parent of KFC, Pizza Hut, and Taco Bell) for reaping enormous profits and opulently rewarding CEOs, while keeping their front-line workers at or near the minimum wage.
- “These are unskilled jobs; they do not warrant such compensation.” This objection raises the question of what we want for New York City. To build a city that resists allowing the divide between the wealthy and the workers to grow further, we must set clear standards for how all our residents – individual and corporate – contribute to the common welfare, as well as how they benefit.

To achieve this vision, we ask you to pass a resolution urging the State modify the City’s home rule authority to allow the City to enhance the state minimum wage to reflect the higher cost of living in the City. Further, we offer our support in lobbying State legislators to enact the modification.

Thank you again for your time this afternoon.



TESTIMONY  
OF  
TSEDEYE GEBRESELASSIE  
NATIONAL EMPLOYMENT LAW PROJECT

ON  
"THE FAST FOOD INDUSTRY: ARE VULNERABLE NEW YORK CITY WORKERS AT RISK?"

BEFORE THE  
NEW YORK CITY COUNCIL COMMITTEE ON CIVIL SERVICE AND LABOR

JUNE 27, 2013

NEW YORK CITY COUNCIL  
NEW YORK, NY

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Good afternoon Chairperson Nelson and Councilmembers of the Committee on Civil Service and Labor. Thank you for the opportunity to testify today.

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

Across the country, our staff are recognized as policy experts in areas such as unemployment insurance, wage and hour enforcement, and wage standards. We have worked with scores of state legislatures and city councils across the country and with the U.S. Congress on measures to enact meaningful workplace protections for low-wage workers.

Fast-food workers are among the fastest growing occupations in New York City, and across the country. They are also among the lowest-paid. Like low-wage workers across the country, they are seeing the real value of their paychecks decline every year, as the cost of living rises while their wages remain stagnant. On the other hand, the fast food industry is booming, and many of the corporations that employ these workers are enjoying healthy profits, including McDonald's and Yum Brands!, which operates Taco Bell, KFC and Pizza Hut. Raising pay scales in the fast food industry – where more and more workers are spending their careers – is a key economic growth strategy, because it will help stimulate the consumer spending that sustains our local economies.

In my testimony I will address the following four topics: (1) The demographics of fast food workers and the limited opportunity for upward mobility in the fast food industry; (2) Our city and country's growing good jobs deficit, as evidenced by the fact that the core of our labor market has shifted toward low-wage work, and why this "low-wage recovery" calls for raising working conditions in the fast food industry; (3) The healthy corporate profits that our nation's largest employers of low-wage workers, including fast food corporations like McDonald's and Yum Brands! are enjoying; and (4) the need to lift New York's current, accidental ban on higher

local wage laws to allow a city like New York City to supplement the state's minimum wage with a higher local minimum wage better matched to the city's high cost of living, and one that could eventually raise pay for hundreds of thousands of workers in the city.

In an effort to make it as accessible and useful as possible, my written testimony is presented in bullet point format.

**New York City's Fast Food Workers Are Among the Lowest-Paid in Our Economy, And Opportunities for Upward Advancement in the Industry is Limited**

- The median hourly wage for Combined Food Service and Preparation Workers, Including Fast Food, is \$8.90 an hour in New York City. That is the lowest of any occupation in the city - lower than home health aides (\$9.11 an hour), cashiers (\$9.12 an hour) and all garment and textile occupations in the city (\$9.02 an hour and up).<sup>1</sup> Nationally, the median wage for these is \$8.76 an hour, also lower than all other reported occupations.<sup>2</sup>
- Nationally fast-food workers work only 24 hours a week on average, further reducing their low wages.<sup>3</sup> A 24-hour-a-week worker making the NYC median fast-food wage would earn only \$11,100 in a year.
- While the fast-food industry promotes the stereotype that fast-food workers are teenagers earning pocket money, nationally, the median age of fast-food workers is over 28 years old, and women in those jobs have a median age of over 32 years. Women make up two-thirds of fast-food workers.<sup>4</sup>
- Moreover, contrary to the claims of the restaurant industry, opportunities for upward mobility for front-line workers in the fast food industry are extremely limited. According to Census data, managerial positions make up just 2.2 percent of all jobs in the fast food industry. On the other hand, front-line positions (i.e. cooks, cashiers and other crew members) make up 89.1 percent of all jobs in the industry and pay a median wage of \$8.94 per hour.<sup>5</sup>

- Opportunities for franchise ownership are even more limited, since such owners make up just one percent of all jobs in the industry and fast food chains typically require applicants for franchises to have hundreds of thousands of dollars in assets.<sup>6</sup>

**More Workers Nationally and in New York City Are Spending Their Careers in Low-Wage Jobs, Making Strong Wage Standards For a Workforce Like Fast Food More Important Than Ever to the City's Economy**

- For decades, the economies of New York City and the nation have been reorienting towards low-wage jobs. Current Bureau of Labor Statistics data detail this transformation, and show that seven of the top ten growth occupations for the next decade are low-wage occupations.<sup>7</sup>
- The recession and tepid recovery have only accelerated this shift toward low-wage jobs. A NELP analysis shows that while the majority of jobs – 60 percent – lost during and after the recession were in mid-wage occupations such as manufacturing and construction, and only 20 percent of jobs lost during the recession were in low-wage occupations, 58 percent of jobs added since job growth resumed are in low-wage occupations like cashiers and food preparation, including fast food.<sup>8</sup>
- To make matters worse, workers in lower-wage occupations have seen a 2.3 percent decline in real wages since the start of the recession.<sup>9</sup>
- The minimum wage, which effectively sets the pay scales for many of these lower-wage occupations, has seen a dramatic decline in its real value since the late 1960s. If the minimum wage had kept pace with inflation over the past 40 years, it would be more than \$10.70 per hour.<sup>10</sup> Instead, it is just \$7.25 per hour, and Congress has acted only 3 times in the past 30 years to raise it.
- This unbalanced recession and recovery has meant that the long-term rise in inequality in the U.S. continues, and that the good jobs deficit is now deeper than it was at the start of the 21<sup>st</sup> century.



- This is true in New York City as well. For example, the fast-food industry is growing much faster in New York City than overall employment. Since 2000, employment in New York City's fast-food restaurants has grown by 55 percent, adding 25,000 jobs for a total of over 50,000 jobs. The fast-food industry is adding jobs more than 19 times faster than the private sector overall in New York City, where job growth was only 2.8 percent in the same period.<sup>11</sup>
- Yet as noted above, the median wage for fast food workers in New York City is less than \$9.00 per hour.
- Raising pay in the low-wage industries like fast food, where more and more New Yorkers are spending their careers, is crucial for addressing this good jobs deficit.
- It would also boost the consumer spending that our economy needs in order to grow. This is because while consumer spending drives our economy, making up 70 percent of GDP, consumer demand remains weaker than we need to be, as too many workers across New York City and the nation are either out of work or have found new work at lower pay.
- Raising wages for our city's lowest paid workers, such as fast-food workers, is a key way of boosting consumer demand. It puts money into the pockets of working families who spend it on necessities at neighborhood businesses, pumping it back into the economy.
- According to an analysis by the Economic Policy Institute, the increased consumer spending generated by raising the federal minimum wage to \$10.10 would generate more than \$32 billion in additional GDP and create the equivalent of 140,000 new full-time jobs.<sup>12</sup>

**The Largest Employers of Low-Wage Workers – Including Fast Food Chains Such As McDonalds and Yum! Brands – Have Earned Strong Profits Throughout the Post-Recession Recovery and Can Afford to Pay Higher Wages**

- Corporate profits are now the largest share of GDP since 1950, while wages and salaries are now the lowest share of GDP since 1955.<sup>13</sup>

- For example, in July 2011, J.P Morgan chase reported to its banking clients that profit margins of the S&P 500 companies are at their highest levels in almost 50 years – due to cuts in pay and benefits. “Reductions in wages and benefits explain the majority of the net improvement in margins,” wrote the J.P. Morgan CIO. “US labor compensation is now at a 50-year low relative to both company sales and US GDP.”

14

- The substantial majority of the top 50 low-wage employers are in an even stronger financial position than they were before the recession.<sup>15</sup>
- The top-paid executive at each of these 50 companies was awarded an average \$9.4 million in compensation – even as many of their employees are paid at or near the minimum wage, which at \$7.25 per hour, is just over \$15,000 for full-time work.
- At the three largest low-wage employers in the nation – Wal-Mart, McDonald’s, and Yum Brands (the operator of fast food chains like Pizza Hut, KFC and Taco Bell) – profits, cash holdings and dividends have not only rebounded but are now substantially higher than before the 2007 recession.
- For example, McDonald’s made \$5.5 billion in profits 2011, a 130% increase in profits from 2007-2011.<sup>16</sup>
- Yum Brands, which operates Taco Bell, KFC and Pizza Hut, saw its profits increase by 45% from 2007-2011.<sup>17</sup>
- Worker productivity has increased since the recession as companies squeeze more work out of a thinned workforce, but companies are not rewarding workers with higher pay.
- What this means is that the major low-wage companies that employ fast food workers in New York City – and across the country – can readily afford to pay higher wages.

**In Order to Raise Workplace Standards for Fast Food and Other Low-Wage Workers in New York City, New York State Should Lift its Ban on Higher Local Wage Laws**

- New York City generally had broad legal authority to regulate business and economic activity within its geographic boundaries, and to supplement state laws with stronger local protections as it has done, for example, in the anti-discrimination and public health fields for many years.
- However, through an accident of history, the city's power to supplement the state minimum with stronger local protections is uncharacteristically limited.
- This is because in 1962, after Mayor Robert Wagner, Jr. enacted a citywide minimum wage that was higher than the state minimum wage, the courts ruled that the state minimum wage law stripped cities of the power to regulate minimum wages, except for businesses receiving city contracts, subsidies or the like.<sup>18</sup> As a result of this ruling, New York City and other high cost of living areas have been denied the power to enact higher minimum wages, despite significantly higher costs of living.
- In contrast, few other states have interpreted their state minimum wage laws as prohibiting higher local minimum wages. In Maryland and New Mexico, the courts have rejected the New York interpretation and upheld local authority to enact higher minimum wages. In other states like California, Arizona and Washington State, the legislature or the voters have amended the state minimum wage law to explicitly allow higher local minimum wages.
- Using this power, high-cost cities in other states have enacted higher city minimum wages better suited to their local economies. For example, in San Francisco and San Jose, the city minimum wage is \$10.55 and \$10.00 respectively, while California's state minimum wage is \$8.00 per hour. In Santa Fe and Albuquerque, the city minimum wage is \$10.51 and \$8.50 per hour, while New Mexico's state minimum wage is \$7.50 per hour.

- The higher minimum wage laws in the high cost cities listed above have been the subject of several different studies. All have found that they have boosted wages without any evidence of slowed job growth or business relocations.<sup>19</sup>
- The generally accepted explanation is that the substantial majority of the low-wage jobs affected are location-linked service jobs such as restaurant, retail, building services and the like, which cannot readily relocate to escape the higher wage requirements.
- It makes eminent economic and policy sense to lift the ban on higher local wage laws for localities such as New York City, because:
  - The difference in the cost of living between New York City and other areas of the state is more extreme than perhaps any other state in the nation
  - The existing ban was accidental – it did not result from any deliberate decision by the legislature, but was imposed by the courts through an interpretation – 50 years ago – that has been rejected in other states.
  - Lifting the ban would not reduce the state’s power in any way. It would simply make the state law a floor, not a ceiling.
- The New York City Council should therefore pass a resolution urging New York State to lift its ban on higher local wages.

Thank you so much for the opportunity to testify today in support of raising workplace standards for fast food workers in New York City. I’d be happy to answer any questions that you may have.

\* \* \*

*For more information, please contact NELP Staff Attorney Tsedeye Gebreselassie, [tsedeye@nelp.org](mailto:tsedeye@nelp.org). The National Employment Law Project is a non-partisan, not-for-profit organization that conducts research and advocates on issues affecting low-wage and unemployed workers. For more about NELP, visit [www.nelp.org](http://www.nelp.org).*

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<sup>1</sup>New York State Department of Labor, Occupational Employment Statistics, New York City, <http://labor.ny.gov/stats/lswage2.asp>. Of occupations with greater than .1% of workforce.

<sup>2</sup>[http://bls.gov/oes/current/oes\\_nat.htm](http://bls.gov/oes/current/oes_nat.htm)

<sup>3</sup> Production and nonsupervisory workers in U.S. limited-service restaurants worked an average of 24.1 hours a week in 2011, and average hours in the industry have not gone above 24.7 hours a week for at least the last 10 years. See BLS, Current Employment Statistics survey, hours, limited-service restaurants (NAICS code 722513), series ID CEU7072251307. Neither BLS nor the New York State Department of Labor maintains hours data for the fast-food industry for New York State, the New York City metropolitan area or for New York City.

<sup>4</sup>Bureau of Labor Statistics, Current Population Survey, Table 15. Employed persons by detailed occupation, sex, and age, Annual Average 2011. Data for Combined Food Preparation and Serving Workers, Including Fast Food. Bureau of Labor Statistics, Current Population Survey, Table 1, Employed and experienced unemployed persons by detailed occupation, sex, race and Hispanic or Latino ethnicity, Annual Average 2011. Data for Combined Food Preparation and Serving Workers, Including Fast Food.

<sup>5</sup> NELP analysis of Occupational Employment Statistics data

<sup>6</sup> Based on analysis of 2007 Economic Census Franchise Report, the most recent source of data available on the number of franchise establishments in the U.S. by industry and by ownership status.

<sup>7</sup> U.S. Department of Labor, Bureau of Labor Statistics, “Occupational Employment Projections to 2018,” published in the November 2009 Monthly Labor Review, *available at* [http://www.bls.gov/emp/ep\\_table\\_104.htm](http://www.bls.gov/emp/ep_table_104.htm)

<sup>8</sup> National Employment Law Project, “The Good Jobs Deficit: A Closer Look at Recent Job Loss and Job Growth Trends Using Occupational Data”, Data Brief, July 2011, *available at* <http://www.nelp.org/page/-/Final%20occupations%20report%202011-11.pdf?nocdn=1>

<sup>9</sup> *Ibid.*

<sup>10</sup> BLS CPI Inflation Calculator, available at [http://www.bls.gov/data/inflation\\_calculator.htm](http://www.bls.gov/data/inflation_calculator.htm) (accessed June 26, 2013) (The federal minimum wage was \$1.60 per hour in 1968, which in 2013 dollars, is \$10.71 per hour).

<sup>11</sup> Calculations on data from New York State Department of Labor, Current Employment Statistics, Historical Employment by Industry, Data for New York City <http://labor.ny.gov/stats/cesemp.asp>

<sup>12</sup> Doug Hall & David Cooper, “Raising the federal minimum wage to \$10.10 would give working families, and the overall economy, a much-needed boost,” Economic Policy Institute (March 2013), available at <http://www.epi.org/files/2013/bp357--federal-minimum-wage-increase.pdf>

<sup>13</sup> MarketWatch, July 29, 2011 *available at*

<http://www.marketwatch.com/story/corporate-profits-share-of-pie-most-in-60-years-2011-07-29>

<sup>14</sup> Michael Cembalest, “Eye on the Market” July 11, 2011, *available at*

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<sup>15</sup> National Employment Law Project, “Big Business, Corporate Profits, and the Minimum Wage,” July 2012. [http://nelp.3cdn.net/e555b2e361f8f734f4\\_sim6btdzo.pdf](http://nelp.3cdn.net/e555b2e361f8f734f4_sim6btdzo.pdf)

<sup>16</sup> *Id.*

<sup>17</sup> *Id.*

<sup>18</sup> *Wholesale Laundry Board of Trade, Inc. v. City of New York*, 17 A.D.2d. 327 (1<sup>st</sup> Dep’t 1962), *aff’d on op. below*, 12 N.Y.2d 998 (1963).

<sup>19</sup> *See, e.g.*, John Schmitt and David Rosnick, The Wage and Employment of Minimum Wage Laws in Three Cities, Center for Economic and Policy Research (March 2011), available at <http://www.cepr.net/documents/publications/min-wage-2011-03.pdf>; Arindrajit Dube, Suresh Naidu, and Michael Reich, The Economic Effects of a Citywide Minimum Wage, Industrial and Labor Relations Review (2007), available at [http://www.irl.berkeley.edu/cwed/wp/economicimpacts\\_07.pdf](http://www.irl.berkeley.edu/cwed/wp/economicimpacts_07.pdf)



**Economic Policy Institute**

**Basic Family Budget Calculator  
for New York City**

Elise Gould, Ph.D.

Director of Health Policy and Research

ECONOMIC POLICY INSTITUTE

Committee on Civil Service and Labor

250 Broadway, Committee Room 16<sup>th</sup> Floor

New York, NY

June 27, 2013



## **Introduction: Family budgets for New York City**

The ability of families to obtain an adequate but modest living standard is an important measure of economic performance. While poverty thresholds, generally set at the national level, are used to evaluate the extent of serious economic deprivation in our society, the Economic Policy Institute's (EPI) family budget calculator offers a broader measure of economic welfare (Family Budget Calculator, 2013). The family budgets presented in this report measure the income a family needs to secure a safe and decent-yet-modest living standard in the community in which it resides. The basic budgets are relative measures of what incomes are necessary to attain a specific standard of living including expenses for housing, food, child care, transportation, health care, other necessities, and taxes.

EPI's 2013 family budget calculator provides a useful metric for academics and policy experts looking for comprehensive measures of economic security. The following are a sample of findings from the EPI family budgets:

- The basic family budget for a two-parent, two-child family in New York City is \$93,502, which is over four times the official poverty threshold of \$23,283 for this family type (CPS, 2012).
- The basic family budget for a two-parent, two-child family in New York City is \$30,624 higher than the median family budget area of \$63,238 and is the most expensive budget of this family type.
- Nearly two-thirds of the New York City family budget for a two-parent, two-children household are taken up by housing, child care and health care.
- Across geographic areas and family types, child care costs account for the greatest variability in family budgets. Child care costs for a two-parent, one-child household in New York City is 16.6 percent (\$1,070) of a family's budget, but for a two-parent, three-child household, child care makes up 29.7 percent (\$2,942) of a family's budget.
- Family budgets can be used to assess trends in job-quality across regions – measuring what share of a region's workforce earns enough in the labor market to purchase the family budget. For instance, annual wages for two full-time, full-year minimum wage workers total \$30,160, far below what it takes to live in New York City (DOL, 2013).



## **Family budgets are a better to measures of economic hardship**

### *Limitations and problems of poverty thresholds*

Poverty thresholds are generally *national* income levels used to measure the number and share of Americans who are economically deprived. Conceptually, the poverty measure is an important one, but one that is fundamentally different from EPI basic family budgets. Families above the poverty threshold are just thought to be free of outright material deprivation. Family budgets offer a broader measure of economic adequacy, measuring the dollar amount families need to obtain in order to live modestly in various communities across the nation.

The poverty measure is also woefully outdated, and little has been done officially to remedy the situation. For instance, the current methodology for poverty thresholds was designed over four decades ago in 1963 (CPS, 2012) and has only been updated since for overall inflation. So, for example, if high-end electronic devices have declined in price a lot over the past generation (and they have), this will put downward pressure on the poverty threshold and measured poverty rates, even though the price of smartphones has very little to do with outright material deprivation of families. Academics, policy analysts, and social scientists—most of whom overwhelmingly agree that the Census poverty measure is seriously outdated—have been engaged in dialogue and debate about alternative measures for some time.

In response, the first Supplemental Poverty Measure (SPM) was published in 2011 to better reflect both the resources available to families and to provide a more accurate threshold of economic adequacy (Census, 2011). This new measure calculates the money it takes to live free of material deprivation, i.e., pay for food, clothing, shelter, and utilities, by adjusting for average expenditures on these items (accounting for geographic differences in housing costs) as opposed to simply adjusting for overall inflation. In addition, to calculate a rate of poverty, the SPM reflects the resources available to household through government policies such as tax credits and in-kind public benefit programs that affect a family's income and hence, their poverty status. While the Supplemental Poverty Measure does provide a more comprehensive measurement than the official poverty threshold, it does not measure child care appropriately and uses geographic variability for its housing calculation only (CECD, 2013).





### *The added value of basic family budgets*

The EPI basic family budget calculator illustrates the income required to adequately afford a safe and decent standard of living for one of six family types living in any of 615 specific U.S. communities. The six different family types include one or two parents with one to three children. Cost-of-living differences are built into the budget calculations by incorporating regional, state, or local variations in prices (depending on item). The basic budgets are relative measures of what incomes are necessary to attain a specific standard of living including expenses for housing, food, child care, transportation, health care, other necessities, and taxes.

The following is a brief description of each budget item and the restrictions and/or working assumptions employed for basic family budget calculations. For a comprehensive discussion of our full methods and data sources, see 2013 Economic Policy Institute Family Budgets Technical Documentation (2013).

- **Housing.** Housing costs are based on the Department of Housing and Urban Development's fair market rents (FMRs, HUD, 2013). FMRs represent 40th percentile rents (shelter rent plus utilities) for privately owned, decent, structurally safe, and sanitary rental housing of a modest (non-luxury) nature with suitable amenities. Rents for two-bedroom apartments were used for families with one or two children, and rents for three-bedroom apartments were used for families with three children (based on HUD guidelines).
- **Food.** Food costs are based on the "low-cost plan" taken from the Department of Agriculture's report, "Official USDA Food Plans: Cost of Food at Home at Four Levels" (USDA, 2013). This plan is the second of four types of food plans and assumes almost all food is bought at the grocer and then prepared at home. The USDA food plans represent the amount families need to spend to achieve nutritionally adequate diets.
- **Transportation.** Transportation expenses are based on the costs of owning and operating a car for work and other necessary trips. The National Travel Household Survey (NHTS, 2013) is used to derive costs that are based on average miles driven per month by size of the metropolitan statistical or rural area and multiplied by the cost-per-mile, as provided by the Internal Revenue Service (IRS, 2011).
- **Child care.** Child care expenses are based on center-based child care centers for four-year-olds and school aged children, in urban and rural areas, as reported by the Child Care Aware of America annual report on the cost of child care by state (CCAA, 2012).



- **Health care.** Health care expenses have two components: insurance premiums and out-of-pocket expenditures. Premiums are based on total employer-sponsored health insurance premiums (plus one and family plans) for private-sector employers by family budget area, using the Medical Expenditure Panel Survey Insurance Component (MEPS) and the Bureau of Labor Statistics Employee Benefits Survey (MEPS, 2013). Out-of-pocket medical expenditures are calculated for adults and children separately by region and MSA/non-MSA for those with employer-sponsored health insurance (MEPS Household Component 2010).
- **Other necessities.** The cost of other necessities includes the cost of clothing, personal care expenses, household supplies, reading materials, school supplies, and other miscellaneous items of necessity from the Consumer Expenditure Survey (2012).
- **Taxes.** The family budget components thus far sum to the family's post-tax income. To calculate the family budget tax component, we utilize the National Bureau of Economic Research's Internet TAXSIM (NBER, 2013), gather information on federal personal income taxes, state income taxes, and federal Social Security and Medicare payroll taxes, and back out the family's pre-tax income.

#### *Higher expenses for bigger families*

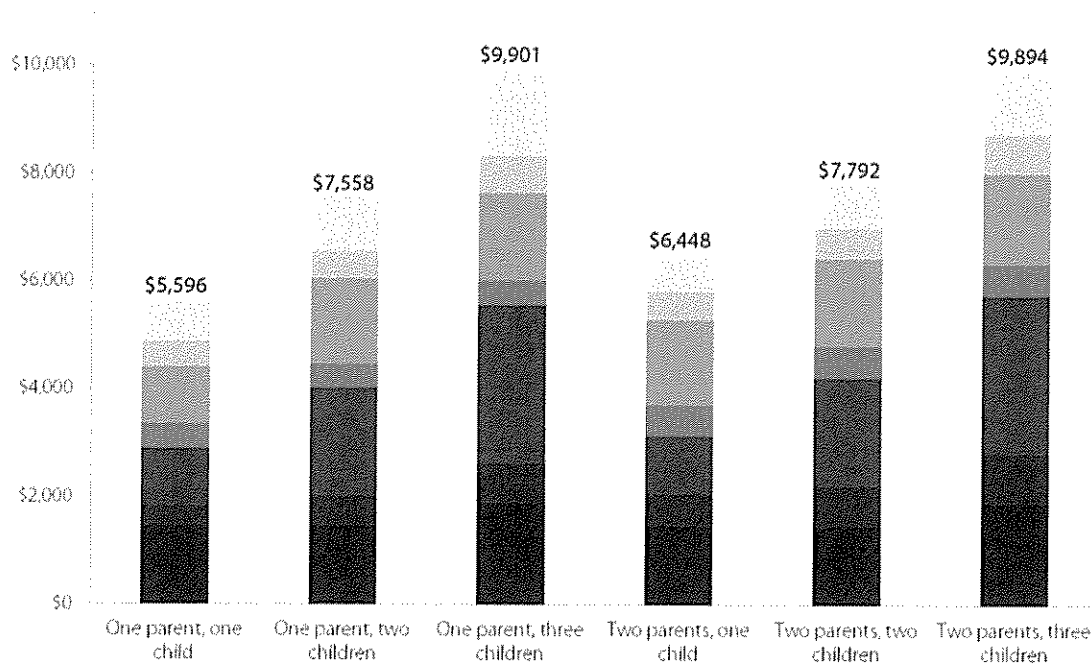
Budgets in New York City rise significantly with family size, since more children require more housing, health care, and child care. Child care costs in New York City can be as low as \$1,070 for a two-parent, one-child household but as high as \$2,942 for a two-parent, three-child household.

For illustrative purposes, the family budgets for six different family types in New York City are depicted in **Figure A**. Some items, such as transportation, do not change much with the number of children in a family, but an expense like child care does. In New York City, child care consumes a sixth of the budget for a one-child two-parent family, but for a family with three children it accounts for nearly 30 percent.

All six family types exceed the official poverty threshold by at least 400 percent for their family type. For a two-parent, two-child family, the official poverty threshold was \$23,283 in 2012.



**Figure A** Monthly family budgets (in 2012 dollars) in New York, NY, by family type, 2013



Source: Economic Policy Institute Family Budget Calculator

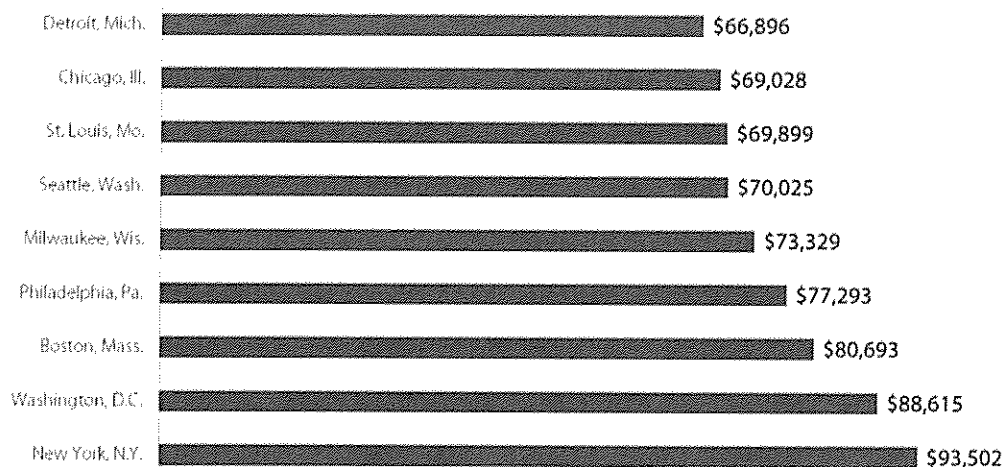
### *Large variation across the United States*

As with family types, many costs vary widely by geographic area, yet neither the official poverty measure nor the supplemental poverty measure accounts for these differences at the same level of detail EPI's family budgets uses.

**Figure B**, which compares the budgets for a family of four in New York City compared with several different large urban areas, depicts the importance of accounting for geographic differences in the cost of living. For a family to afford the same standard of living in Detroit as in New York City, it would need to have an annual income that was 39.8 percent higher (\$26,607). New York City's surrounding areas (Nassau, Suffolk, and Westchester counties), Washington, DC, and Boston follow closely behind New York City. Among the cities listed in Figure B, EPI's family budgets range from 2.5 to 3.1 times bigger than the thresholds for those areas calculated by the Supplemental Poverty Measure (CPS). In New York City, the family budget is 3.1 times the Supplemental Poverty Measure, which for a two-parent, two-children renting household, is \$29,833.



**Figure B** Annual family budgets (in 2012 dollars) for four-person families\* in selected areas, 2013



Note: Detroit, Mich. includes the Detroit-Warren-Livonia, Mich. MSA, Chicago, Ill. includes the Chicago-Naperville-Joliet, Ill. MSA, St. Louis, Mo. includes the St. Louis, Mo.-Ill. MSA, Seattle, Wash. includes the Seattle-Bellevue, Wash. MSA, Milwaukee, Wis. includes the Milwaukee-Waukesha-West Allis, Wis. MSA, Philadelphia, Pa. includes the Philadelphia-Camden-Wilmington, Pa.-N.J.-Del.-Md. MSA, Boston, Mass. includes the Boston-Cambridge-Quincy, Mass.-NH. MSA and Washington, D.C. includes the Washington-Arlington-Alexandria, D.C.-Va.-Md. MSA.  
 \* Four-person families assume two parents and two children.  
 Source: Economic Policy Institute Family Budget Calculator

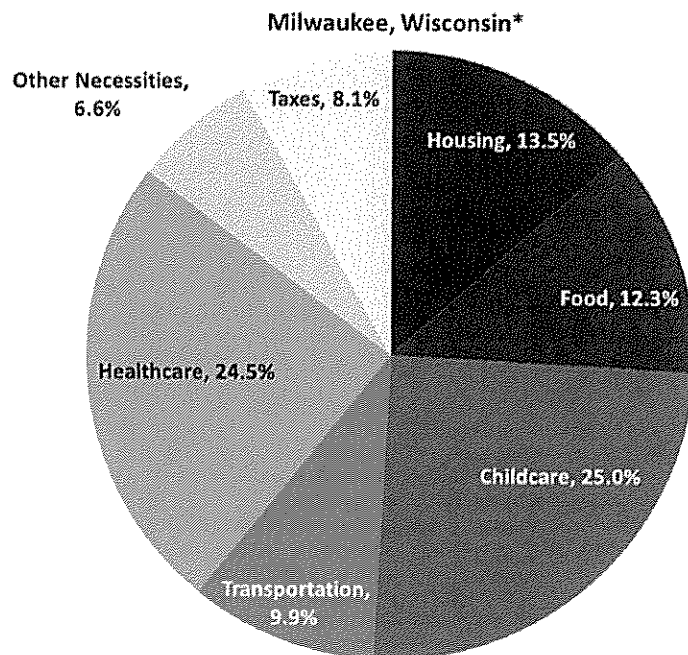
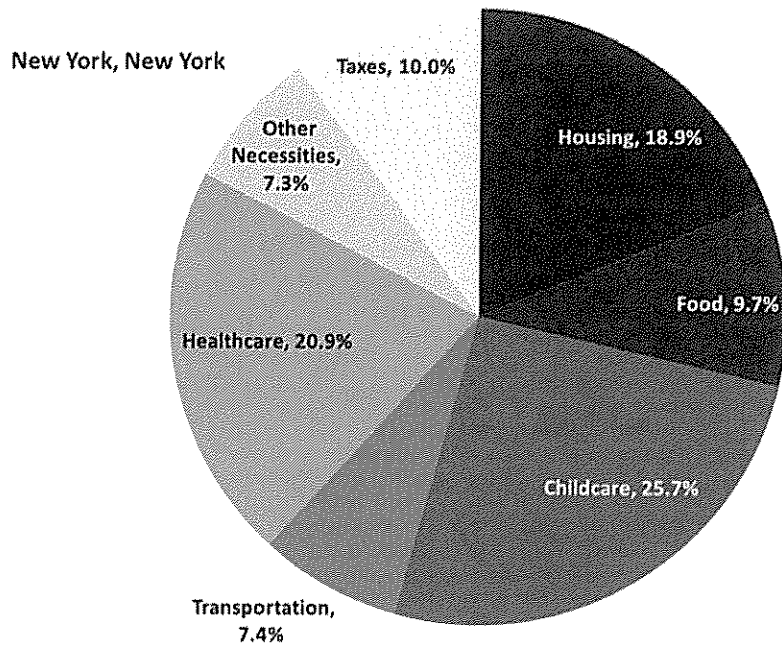
A high degree of variation exists in family budgets across geographic areas, especially among the housing, health care, and child care components. **Figure C** holds family size constant and compares the share of family budgets taken up by each of the family budget components in three different areas—New York, N.Y., Milwaukee, Wis., and Seattle, Wash.—for two-parent, two-child families.

In New York City, where monthly rent for a two-bedroom apartment is \$1,474, families can expect almost a fifth (18.9 percent) of their budget will be spent on housing. In contrast, Milwaukee residents only spend 13.5 percent of their budget on housing costs. While families in both New York City and Milwaukee devote at least a quarter of their monthly budgets to child care, less than a fifth (19.2 percent) of family budgets in Seattle goes to child care.

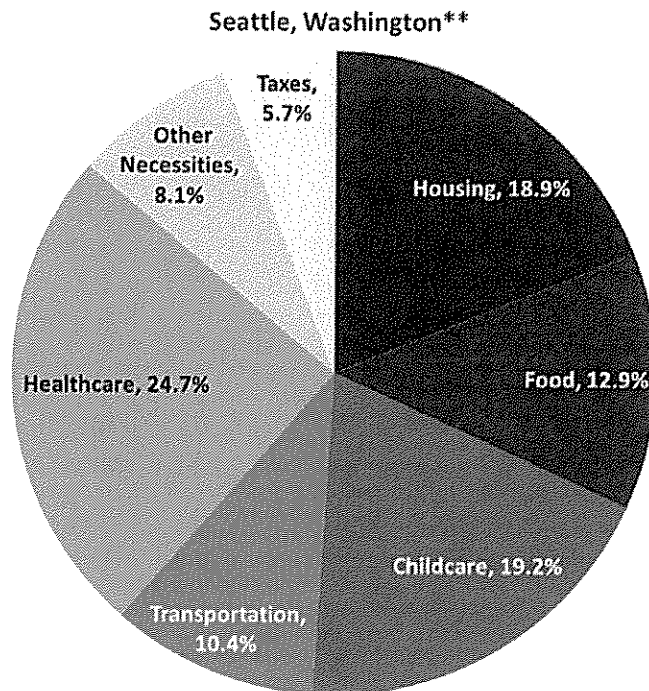
Health care costs also vary considerably across geographic areas. Families in Milwaukee and Seattle spend nearly a quarter of their budgets on health care, but New Yorkers only need to allocate 20.9 percent to health care. New Yorkers spend a larger share of their budgets on taxes than both Milwaukee and Seattle, but much less on transportation.



Variation in the components of family budgets, by geographic area, 2013



\* Milwaukee, Wisconsin, includes the Milwaukee-Waukesha-West Allis, Wis. MSA



\*\* Seattle, Washington, includes the Seattle-Bellevue, Wash. MSA

### **New York City: Minimum wage, and how New Yorkers make ends meet**

Even in the best of times, many parents in low-wage jobs will not earn enough market-based income to meet their family's basic needs. A full-time, full-year worker in New York City who is paid \$7.25 per hour (the minimum wage) will earn pre-tax about \$15,080 a year, which is below the poverty line of \$15,825 for a single parent with one child. It is encouraging that the New York State Assembly (Bill no. A03007D) signed a minimum wage increase, effective December 31, 2013, to \$8.00 an hour, with provisions to scale up the minimum wage to \$9.00 an hour by December 31, 2015 but even two full time workers making \$9.00 an hour will make an annual salary of \$37,440, but that is still short \$39,938 of the \$77,378 needed for even the smallest two-parent, one-child family budget.

When earnings from work do not push families over the family budget thresholds, publicly provided work supports can also assist workers. The Earned Income Tax Credit (EITC), child care subsidies and tax credits, food stamps (SNAP), and subsidies for housing, transportation, and health care have been effective in increasing post-tax incomes and consumption for working families. Being a working member of our economy has associated costs, such as transportation to and from work and the expense of child care. As shown in the family budgets, child care costs, on average, account for around 20% of the typical budget area for a family with two children. Thus, this particular expenditure is clearly an important



leverage point for using work supports to narrow the gap between earnings and needs. The EPI family budgets can provide a crucial barometer for how many Americans are able to obtain an adequate but modest living standard, and can also be paired with future research to document what income sources are providing (or failing to provide) the resources necessary to meet these budgets.

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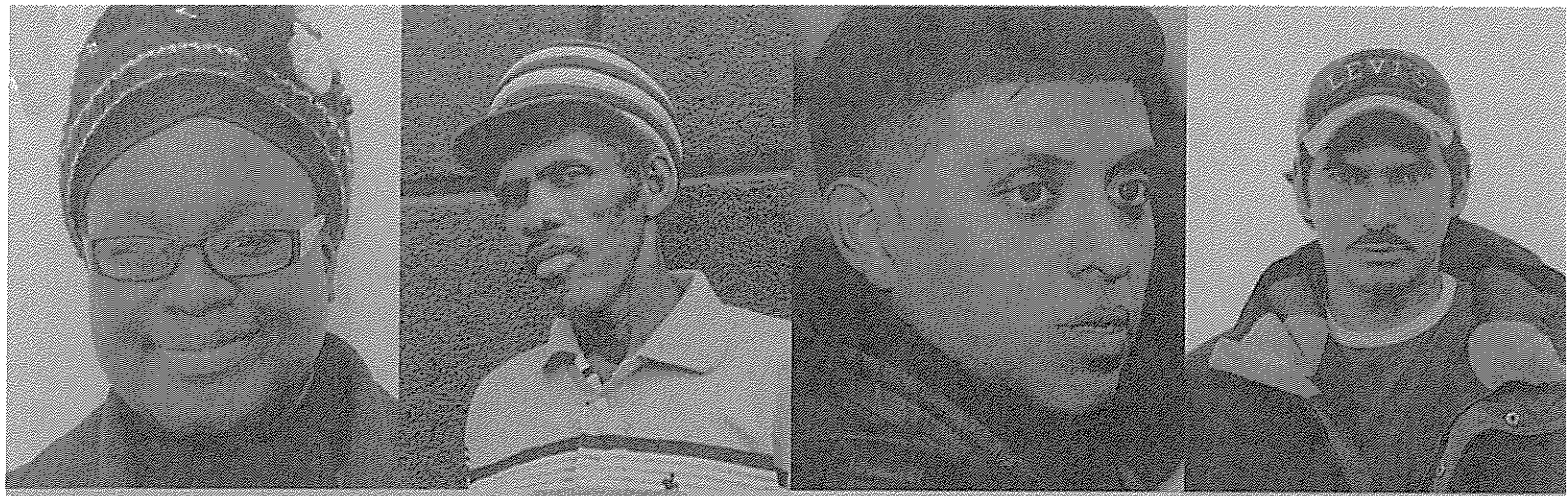
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**WAGE THEFT AND NYC'S**

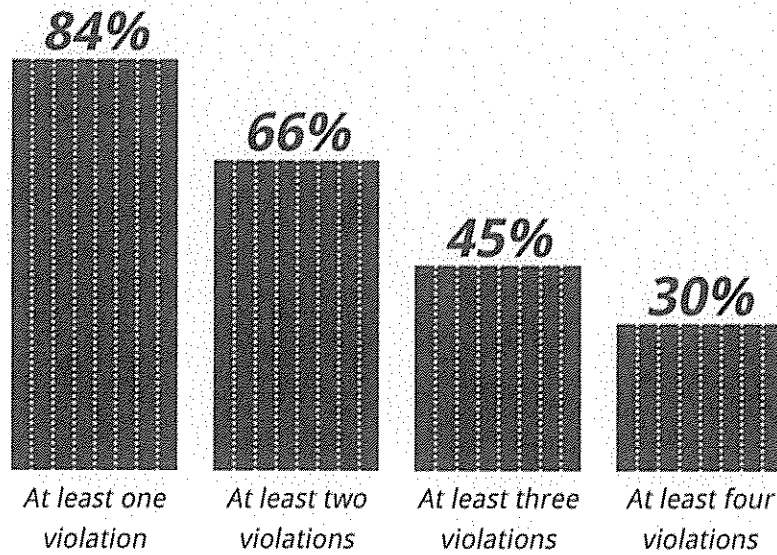
**NEW YORK'S HIDDEN CRIME WAVE**

**FAST FOOD WORKERS**



**T**here is a hidden crime wave sweeping New York City. The overwhelming majority of fast food employees—working at some of the most recognized and profitable American corporations—report that their employers are stealing their hard-earned wages, according to a recent survey. At McDonald's, Burger King, Domino's, and other chains, workers are experiencing wage theft in a variety of ways—from getting paid less than the legally mandated minimum wage to being required to work off the clock to receiving paychecks with improper deductions or missing hours.

In a survey of 500 New York City fast food workers conducted in April 2013 by Anzalone Liszt Grove Research, **84 percent of workers surveyed responded that their employer had committed at least one form of wage theft** in the past year. Two-thirds of workers surveyed reported that their employer had perpetrated two forms of wage theft and **nearly half reported their employer had committed at least three kinds of wage theft.**



**84% OF FAST FOOD WORKERS SURVEYED  
REPORT EXPERIENCING WAGE THEFT**

*Source: Anzalone Liszt Grove Research survey of NYC fast food restaurant workers conducted in April 2013.*

Some of the most prevalent types of abuses include:

- **Unpaid Work:** Thirty-six percent of the fast food workers surveyed report that they have performed work tasks that they were not paid for before clocking into work or after clocking out at the end of their shift.
- **Overtime Violations:** Of the workers surveyed who work more than 40 hours a week, 30 percent were not paid time-and-a-half for overtime hours.
- **Not Receiving Required Breaks:** A quarter of workers surveyed did not receive a required meal break, and 41 percent have been asked to perform work duties while clocked out on break.
- **Delivery-Related Issues:** Every single worker surveyed who delivers food to customers, either by bicycle or car, reported experiencing wage theft. Many report not being reimbursed properly for money spent on gas, cell phone bills, bicycle safety equipment or other mandatory, job-related expenses that they incur in the performance of their jobs. This results in lowering their wages below the statutory minimum wage.

While these violations are not a comprehensive list of the many ways fast food workers experience wage theft, they demonstrate how a \$200 billion industry takes advantage of its low-wage workforce. In an industry that already pays the bare minimum, workers cannot afford to have their wages stolen. According to the Anzalone survey, 49 percent of workers surveyed reported earning \$7.25 or less an hour, with 40 percent having never received a raise to date. In fact, 25 percent of workers surveyed who have been at their fast food jobs for over two years had never had a raise, and over a quarter of workers surveyed have a second or third job.

Bureau of Labor Statistics data show the median hourly wage for fast food workers is \$8.77,<sup>1</sup> and employees work 24.4 hours a week, on average.<sup>2</sup> This translates into an annual income of approximately \$11,300, which is more than \$600 below the Federal Poverty Threshold for a single person under the age of 65.<sup>3</sup> The crimes committed by fast food employers are robbing workers of their ability to provide for their families and worsening their quality of life.

# FAST FOOD WAGE THEFT IN NYC

Fifty-seven percent of New York City fast food workers surveyed have not been paid for all the hours they work. This type of wage theft can take many forms, including off-the-clock work, not receiving time-and-a-half pay for overtime, working while on a break, or waiting to clock in after arriving for a scheduled shift.

## OFF-THE-CLOCK WORK

One of the most common forms of unpaid work in the fast food industry is working off the clock. This includes unpaid tasks done before or after a shift such as counting the cash register, taking out the trash, cleaning the store, or organizing stock rooms. Thirty-six percent of workers surveyed report working off the clock, and more than one in five report working off the clock "often."

At a McDonald's in Midtown Manhattan, Elizabeth Rene, who earns \$7.25 per hour as a cashier, often is forced to work off the clock. She says:

*"Every day when I get to work, I count the register at the beginning of my shift before I clock in and at the end of my shift after I clock out. It can take up to 30 minutes to count the register and then wait for my manager to check it. It might seem like not a lot of time, but it adds up to 2-½ hours a week that I don't get paid for. The \$75 my employer shorts me each month would help me pay my bills on time, buy food and transportation. For me, this amount is the difference between giving my mother money to pay the bills or buying a metrocard. It's aggravating that McDonald's doesn't pay me for all the hours I work. I feel cheated and used and like I'm not appreciated for my hard work."*

## **IT'S NOT JUST A GOOD IDEA—IT'S THE LAW**

The practices fast food workers reported in the Anzalone survey are not just wrong, but illegal under New York State and/or federal law:

- Minimum wage is \$7.25. Period. It's not legal for an employer to pay any employee less than that, once all tips are added in AND all permitted deductions are taken out.<sup>1</sup>
- Employers have to pay employees for every hour they work. No work before clocking in. No work after clocking out. And, working during a break means it's not a break.<sup>2</sup>
- Employers must pay employees one-and-a-half times their regular hourly rate for every hour worked over 40 in a week.<sup>3</sup>
- Employers can't make deductions from paychecks for money robbed from delivery drivers, broken equipment, missing cash from cash registers, meals that employees don't eat—or anything else except deductions authorized by law, such as Social Security or income taxes.<sup>4</sup>
- Employers have to pay workers on time and can't issue paychecks they know will bounce.<sup>5</sup>
- It's illegal for employers to require employees to spend money on work-related gas, cell phone charges or on a helmet and safety vest to wear when biking when those expenses cause the workers' wages to fall below the minimum wage.<sup>6</sup>

When employers pay workers at or near the minimum wage and then also commit the practices described above, it has the net effect of lowering workers' hourly rate to less than the minimum wage. Breaking some wage and hour laws is a crime in New York State, including paying less than minimum wage, not paying for all hours worked, failing to pay overtime, paying workers late, bouncing checks, and making improper deductions.<sup>7</sup>

Shaquenna Davis works at a Wendy's in downtown Brooklyn as a cashier while also studying criminal justice at LaGuardia Community College. She routinely cleans the store at the end of her shift after being clocked out by her manager.

*"My manager clocks me out early at 1:15 am every day. I have to keep cleaning after I'm clocked out to close the store. Five of us work for about a half hour every night that we aren't paid for, which adds up to about \$80 a month for me since I make \$7.25 per hour. It would mean a whole lot to me to have that \$80 that Wendy's doesn't pay me. I could use that money to pay for school, food, or my metrocard."*

Working off the clock, even just a few minutes a day, can add up to a substantial amount of lost income over time. Given the low-wage and frequently part-time nature of fast food work, even a few hours a week can represent a substantial portion of take-home pay.

## OVERTIME VIOLATIONS

Federal wage and hour law requires employers to pay one-and-a-half times the regular rate of pay for all hours worked over 40 hours each week. However, 30 percent of fast food workers in New York City who report working more than 40 hours a week say their employer does not pay them the proper overtime rate.

Fast food employers use many approaches to avoid paying the overtime premium. Examples workers report include:

- Paying workers' regular rate of pay—"straight time"—for all hours worked, and failing to pay time-and-a-half for hours over 40.
- Removing any hours worked over 40 from workers' paychecks in the week they were worked and adding those hours to the following week's paycheck at the lower, "straight time" rate of pay.
- Paying employees with multiple paychecks at "straight time" rates for workers who work more than 40 hours a week at multiple stores operated by the same entity.

Wilton Major has worked for 22 years at three KFC stores in Brooklyn and Queens run by the same franchise operator. He earns \$8.45 per hour. Major never receives time-and-a-half overtime pay for the hours he works over 40 each week.

*"I work almost 80 hours a week usually, but KFC doesn't pay me overtime. It's a lot of hard work, but it's what I have to do to make ends meet. I make \$8.45 an hour, so this adds up to \$170 a week in overtime pay that I don't get. I came to this country in 1990 and have been working at KFC since 1991. Every month I send money home to my family in Guyana to support my daughter. If I was paid overtime, I could afford to spend a day or two at home with my mom and my brothers and sisters, and send more money to my daughter."*

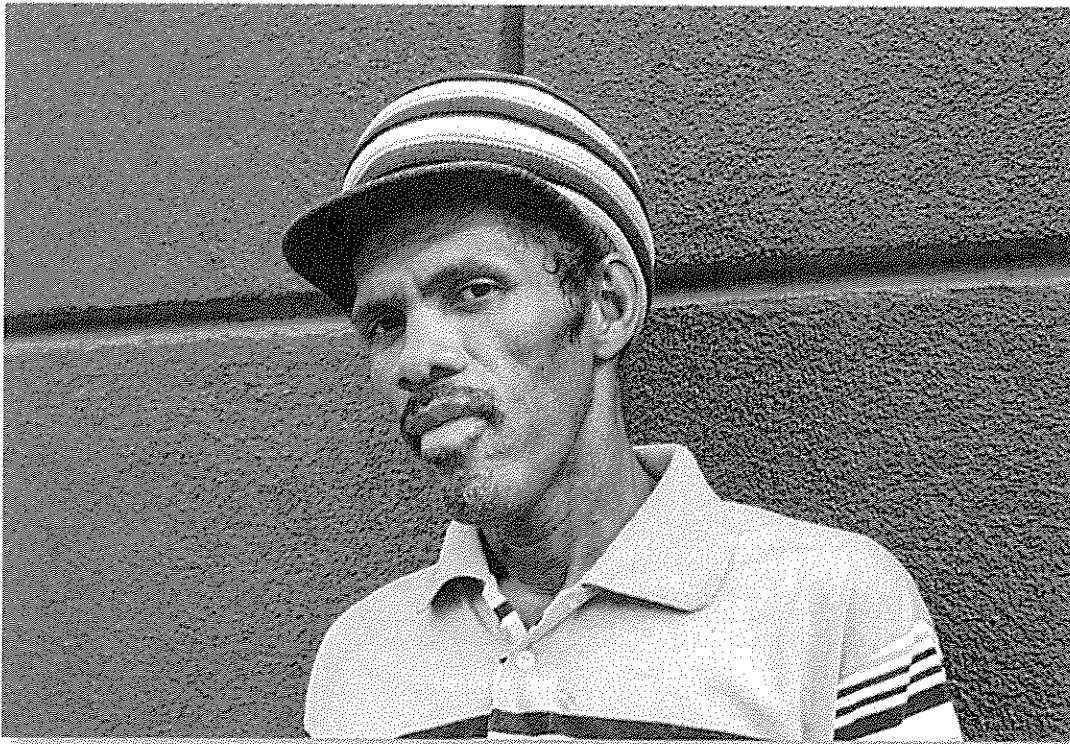
Wilton's brother, Alvin Major, a father of four, also works at three different Brooklyn KFCs operated by a common franchisee. Major reports earning \$7.25 per hour regardless of the actual number of hours he works. He says:

*"I am never paid overtime, even though I work 68 hours on average every week. I receive three separate pay checks from the same company, but they told me I cannot get overtime because I work at different stores, but that's not true. I should be paid \$100 per week more than I am. If I was paid fairly, I would be able to provide more for my family or spend more time with my kids. It is for them that I work so hard."*

Several workers at the KFC stores where Alvin and Wilton Major work report experiencing similar overtime violations.

### WAITING TO CLOCK IN

In addition to overtime violations, fast food workers report "waiting to clock in." Specifically, when workers arrive on time at the restaurant for a scheduled shift, they are required to wait to clock in until instructed by management, which can be a few minutes to an hour after their shift was supposed to start. Workers are not paid for the time spent waiting, and often they cannot leave the restaurant because they have to be nearby in case business picks up.

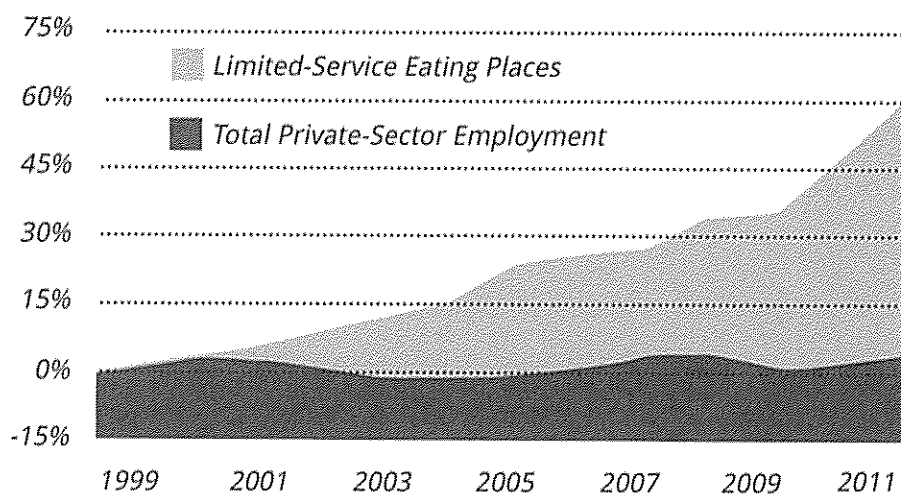


*Alvin Major reports working for KFC over 68 hours a week with no overtime.*

## FAST FOOD IS ONE OF THE FASTEST GROWING INDUSTRIES IN NEW YORK

The prevalence of wage theft in fast food restaurants is especially concerning given the size and growth of the industry. More than 50,000 New Yorkers work in fast food restaurants, and employment in the fast food industry in New York City is growing much faster than the overall economy. Since 1999, employment in New York City's fast food restaurants<sup>1</sup> has grown by 55 percent,<sup>2</sup> adding over 25,000 jobs.<sup>3</sup> This growth rate is 19 times larger than that of the city's private sector overall, where job growth was only 3 percent in the same time period.<sup>4</sup>

### FAST TRACK FOR FAST FOOD JOB GROWTH IN NEW YORK CITY, 1999 - 2011



Source: *Fast Food Forward* analysis of New York State Department of Labor historical employment data.

And this pace of fast food job growth is expected to continue. The New York State Labor Department forecasts 8.2 percent growth in employment in New York City's food-service industry by 2018, compared with a projected growth of 3.8 percent in overall employment.<sup>5</sup> Within the rapidly growing food-service industry, the primary fast food occupation—Combined Food Preparation and Serving Workers, including Fast Food—is projected to grow by almost 17.5 percent by 2020 in New York City. This occupation is one of the top six fastest growing of the top 100 occupations in New York City.<sup>6</sup>



Teresa Ramos, a mother of two who earns \$7.40 per hour at a Burger King in Brooklyn, recently arrived to work on time for her 12pm shift, but she was told to wait until 1:30pm before she could clock in and start working. She was not paid for the 90 minutes waiting. Ramos explains:

*"The manager did not let me clock in at noon because he said the store wasn't busy. I waited in the store for about an hour and a half. I was really frustrated because I have two kids at home and I wish I could have spent this time with my family. Instead, I was waiting at Burger King, and I wasn't being paid. I need those hours to be able to support my family."*

## WORKING THROUGH BREAKS

Under New York State law, employers must give workers an uncompensated meal break during shifts longer than six hours. However, 41 percent of fast food workers say their employer asks them to work while they are clocked out during their break.

Tabitha Verges, who makes \$7.25 an hour after four years at a Burger King in Harlem, has to work through her break on a regular basis. She reports, "At the end of the day, the manager changes the clock in the system to show that I took a break, so I end up working for free for that half hour." This is in addition to the off-the-clock work Tabitha does taking out the trash and putting away boxes in the supply room. "It's hard enough for me to pay my rent and bills. I can't afford to work for Burger King for free. Between working through my breaks and doing work after my shift, I'm not getting paid for several hours every week."

## EARNING LESS THAN MINIMUM WAGE

Some fast food workers in New York City report earning less than minimum wage. The minimum wage in New York is \$7.25 per hour, though delivery workers can be paid the New York State tipped minimum wage of \$5.65 per hour as long as they earn at least \$7.25 per hour when tips are added in.<sup>4</sup> Some workers, however, report earning an hourly wage as low as \$5.00 per hour.

*"I risk life and limb delivering pizza. I've been robbed at gunpoint doing this job. I risk everything, and Domino's doesn't even pay me the minimum. That's outrageous."*

*Noel Scott, Domino's delivery worker*

Noel Scott, a father of one, earns \$5.50 per hour at a Domino's in Manhattan. In addition to making less than the tipped minimum wage of \$5.65, Scott spends about half his time doing work such as making pizza boxes, preparing sauce and cleaning the store, which makes it impossible to earn a full day's tips. Some days he does not earn enough in tips to make the legally mandated minimum wage. Noel says, "I risk life and limb delivering pizza. I've been robbed at gunpoint doing this job. I risk everything, and Domino's doesn't even pay me the minimum. That's outrageous."

Vicente de Jesus Garcia, a father of seven, also earns subminimum pay at a Harlem Papa John's where he has worked for four

years. Garcia, who typically works 49 hours a week, earns \$5.00 per hour for all hours before 40, and \$7.50 for hours over 40. Garcia reports that this is how delivery workers at his store are paid. He says:

*"It's crazy that Papa John's pays us less than minimum wage. If my employer paid me properly I would be able to buy better clothes, pay for school for my kids, take better care of my household and still be able to pay my rent. But no, I definitely do not make enough for all of those things."*

Garcia is underpaid by about \$35 a week, or nearly \$105 per month.



*Four-year Papa John's driver Vicente de Jesus Garcia earns less than minimum wage and says he needs more to take better care of his family.*

## LATE OR BOUNCED CHECKS

A staggering 30 percent of workers report that they have received their paychecks late, were asked by management to wait a day or longer to deposit their checks or had their paychecks bounce. Fast food workers often live paycheck to paycheck and can seldom make ends meet if they are not paid on time, or worse, are forced to incur bank fees or other penalties when deposited checks fail to clear.

For example, Tru-von Shim, who worked at a Wendy's in Downtown Brooklyn for about a year and a half, had his paycheck bounce about five or six times. Tru-von explains:

*"Once when my check bounced, my bank charged me about a \$12 fee for the bounced check plus an overdraft fee of about \$30. Since I was making \$7.25 per hour, \$42 was almost 6 hours of my pay. I went back to the store the next day to find out how to get my paycheck, and after giving me the run-around, eventually the district manager paid me in cash out of the register. I almost got kicked out of the room I was renting because my check bounced. I had to show all my bank statements to my landlord proving the check bounced and borrow money from a family member to get by that week."*

Jessica Cogle, who earns \$7.30 per hour at a McDonald's in Harlem, is not consistently paid on time. She reports, "Several times, my paycheck was not at the store when I went to get it. Once, I spent my last bit of money getting to the store to get paid. The manager told me, 'That's not my problem.'"

At the time, Jessica lived in the Bronx. "I had to ask my mom and my friend for money just so I could get home that night, and then back to the store the next day to get paid." She finally got paid a day or two later. "Eventually, I was kicked out of my apartment because I couldn't pay my rent on time. It's really hard to pay the rent on time when I never know when my check is going to show up. Now, I'm living in a shelter, and I have to start all over. I'm really worried about my living situation because I have a baby on the way."

## IMPROPER DEDUCTIONS

Nearly half of surveyed fast food workers in New York said their employer routinely makes improper deductions from their paychecks—money taken from employees' paychecks without employee consent or to pay for things that cannot lawfully be deducted from employee wages. Forty-six percent of fast food workers in New York City report receiving paychecks with improper deductions to cover the costs of at least one of the following: meals they did not eat, required uniforms, missing or stolen items, or alleged cash register shortages.



*McDonald's worker Jessica Cogle lost her apartment because her paycheck—which has been repeatedly late—is not enough to cover rent.*

In addition, almost one-third of cashiers in New York City at fast food restaurants such as Taco Bell, McDonald's, Wendy's and Burger King report either paying their employer cash out of their own pocket for alleged cash register shortages or having the amount of the shortage deducted from their paychecks, sometimes even if other employees or even managers were using the register.

Hector Henningham, who earns \$8 per hour after working for nine years at a McDonald's

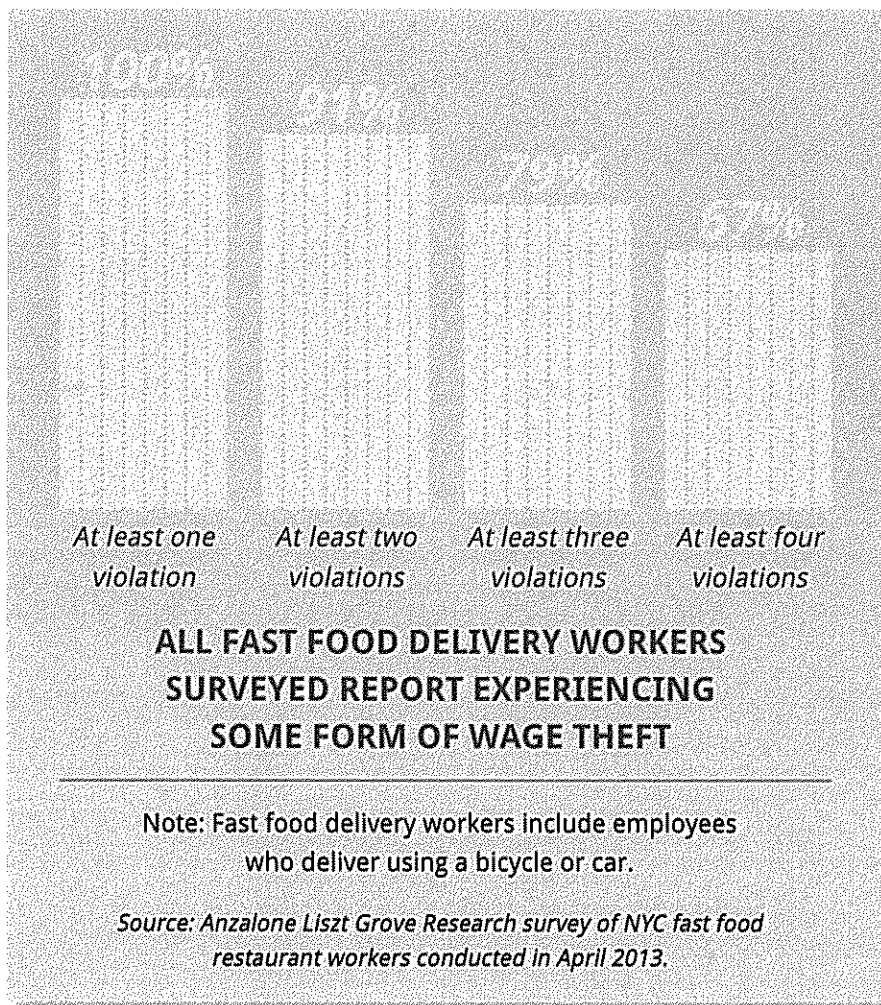
in Midtown Manhattan, reports that he has to pay his employer for alleged cash-register shortages.

*"When the shifts change, we have to count out the store's safe and registers. If they are short, we have to pay out of our pockets. One time the safe was short, and I had to pay \$100 out of my pocket. Another time, more recently, I had to pay \$20 for a short register. I don't think it's right, but it's the rules of the company. We need the money that we earn."*

## DELIVERY-SPECIFIC WAGE AND HOUR VIOLATIONS

Of all the fast food workers surveyed, delivery workers experience wage theft at a higher rate than non-delivery workers. Every single delivery worker surveyed who uses a bike or car for deliveries reported experiencing at least one form of wage

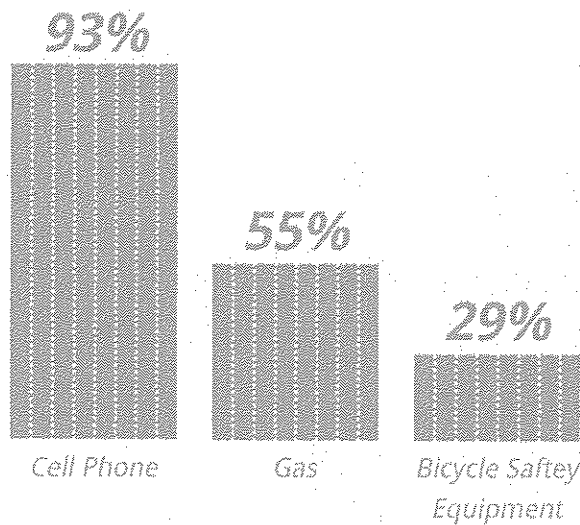
theft, and over two-thirds of these delivery workers said their employer has engaged in four or more forms of wage theft. In addition to the violations discussed above, delivery workers—who face dangers of robbery and assault—are often not properly reimbursed for car and bicycle expenses, causing their wages to fall below the minimum.



## UNREIMBURSED EXPENSES

Fast food employers often require delivery workers to incur expenses while making deliveries that are not properly reimbursed. Examples of these expenses include:

- **Unreimbursed Calls:** Ninety-three percent of workers who make deliveries by car or bicycle are not reimbursed for cell phone charges for calls to customers and the restaurant.
- **Unreimbursed Gas Charges:** Fifty-five percent of workers who use cars to make deliveries are not sufficiently reimbursed for gas.
- **Helmets and Safety Equipment:** Three out of ten bicycle delivery workers report that their fast food employer has not provided safety equipment including a helmet, reflectors and bicycle lights or contributed to the cost of these legally required items.



### NEARLY ALL FAST FOOD DELIVERY WORKERS REPORT UNREIMBURSED EXPENSES

Note: The proportions with unreimbursed bicycle safety equipment and gas expenses were calculated from responses of survey participants who reported using bicycles or cars, respectively, for delivery work. The proportion with unreimbursed cell phone expenses was calculated from responses for all delivery workers who use either cars or bicycles.

Source: Anzalone Liszt Grove Research survey of NYC fast food restaurant workers conducted in April 2013.

Ramon Rodriguez, who has worked as a delivery driver for Domino's Pizza in Brooklyn for the past six years and is paid \$7.25 per hour, spends \$80 per month for the cell phone he uses to make deliveries and hundreds more on car repairs. Domino's has not reimbursed him for any of these work-related expenses. Ramon explains:

*"Right now, I can't use the money I earn on the things I need because I always have to make sure I am saving money to fix my car. When my car's not running, I can't work and get even further behind on bills. If Domino's gave me the money I have to spend on my car so I can keep delivering pizza for them, I could afford to get my own apartment and have a better quality of life."*

Even though delivery workers usually earn tips, drivers often use the entirety of their tips to pay for the work expenses described above to be able to keep delivering fast food to customers. The unreimbursed delivery expenses can have the net effect of bringing workers' hourly wages to below the minimum.

## ROBBERY

Three of every ten workers who make deliveries using a car or bicycle have been robbed or assaulted while delivering food to customers. Two-thirds of the workers who were robbed or assaulted report that their employer clocked them out and did not pay them for the time they took to seek medical care or report the robbery or assault to the

police. One-third of robbed or assaulted delivery workers were required to pay their fast food employer for the money and/or food stolen from them.

Lucien Jean, who has worked for 12 years at Papa John's in Brooklyn and earns \$7.25 per hour, reports, "Last year, I was robbed at gunpoint while I was making a delivery in Brooklyn. The robber took all the money that I had received from customers that night to pay for their pizza. I was robbed of over \$200. My employer took this money out of my paycheck."

Vicente de Jesus Garcia, the Harlem Papa John's driver who earns less than minimum wage, was robbed on the job in May 2010. He arrived at a large Manhattan apartment building to deliver a pizza when three men hiding in the entrance way pulled him inside. They beat him up and took \$400 he had collected from customers that afternoon. He called the police, but by the time they arrived 15 minutes later, the attackers were gone. He then called his manager and returned to the Papa John's. The manager on duty said that Garcia would have to pay back all the money that was stolen from him. Instead of seeking medical treatment, Garcia went back to work. "I was all black and blue because they kicked and punched me, but I went right back to work because I knew I was going to have to use my rent money to pay back my employer." He paid the \$400 back the next day.

# WAGE THEFT IS RAMPANT AMONG LOW-WAGE WORKERS

Unfortunately, these survey results are not an anomaly. Various studies show that low-wage employers, fast food chains included, systematically steal workers' wages. A 2010 report by the National Employment Law Project (NELP) found that 22 percent of low-wage workers in New York City were paid less than the minimum wage, and 77 percent did not receive overtime pay. In addition, almost one-third of workers surveyed reported working "off the clock." These results mirror findings of NELP's 2009 national study of low-wage workers, which found that more than two-thirds of workers interviewed experienced at least one pay-related violation in the previous work week. According to the study, 26 percent of low-wage workers interviewed were paid less than the legally required minimum wage, and 76 percent of those who worked more than 40 hours were not paid the legally required overtime rate.<sup>5</sup>

In a 2010 study of U.S. Department of Labor enforcement actions in the fast food industry, researchers found violations of the Federal Labor Standards Act in about 40 percent of the agency's investigations of the country's top-20 fast food chains from 2001 to 2005.<sup>6</sup>

Given the widespread findings of wage theft by studies and surveys such as these, it is not surprising that there is an extensive history of state and federal law enforcement findings and settlements from fast food chains in

wage theft cases. Fast food workers have also won settlements in recent years in a number of lawsuits where they have charged their employers with the kinds of practices detailed above. While some suits making similar wage-theft charges are still pending, examples of cases that parallel the findings in this report include:

## FAILURE TO PAY OVERTIME WAGES

- Two McDonald's restaurants in the Bronx paid \$106,500 in 2012 to settle a lawsuit charging that when employees worked over 40 hours in a week the owners cut two checks: one for hours worked under 40, and the other (issued by a related corporation) for hours worked over 40. Neither check paid the legally required time-and-a-half rate.<sup>7</sup>
- A Long Island KFC paid \$80,000 in back wages and liquidated damages and \$7,700 in civil penalties in 2009 after the U.S. Secretary of Labor brought an enforcement action charging the restaurant with willfully failing to pay overtime.<sup>8</sup>
- The Solicitor of Labor recovered over \$28,000 in unpaid overtime wages and obtained over \$14,000 in liquidated damages in a suit against a group of Domino's franchisees on Long Island in 2012.<sup>9</sup>



## OFF-THE-CLOCK WORK

- In a 2009-2010 investigation, the U.S. Department of Labor found that a McDonald's franchisee in New York City required cashiers to count monies from the cash register before punching in and after punching out each day. The McDonald's franchisee paid over \$61,000 in back wages to 390 workers.<sup>10</sup>
- In 2010, Domino's pizza delivery drivers in New York State filed suits charging their employers with requiring them to do work without pay and off the clock.<sup>11</sup>

## FAILURE TO PROVIDE MEAL BREAKS

- California Papa John's workers charged in 2005 that their employer did not provide required rest and meal breaks. The company agreed to pay compensation to class members.<sup>12</sup>
- At the Bronx McDonald's restaurants cited above for overtime violations, the plaintiffs also reported having meal breaks automatically deducted from their pay checks, regardless of whether they had been permitted to take an uninterrupted meal break.<sup>13</sup>

## ABUSE OF DELIVERY DRIVERS

- A Papa John's franchisee who operated 82 stores in Minnesota and Colorado settled for \$300,000 a 2009 lawsuit alleging that the franchisee reimbursed delivery drivers so little for automobile expenses and other work-related expenses that drivers earned less than the minimum wage.<sup>14</sup> Delivery

drivers with similar allegations entered a confidential settlement in 2012 against the world's largest Pizza Hut franchisee, with 1,153 Pizza Hut restaurants in 28 states.<sup>15</sup>

- In a 2009 case against the operator of 48 Pizza Huts in Colorado, Kansas, Missouri and New Mexico, plaintiffs confidentially settled charges related to inadequate reimbursements and withholding money that customers believed were tips to the drivers.<sup>16</sup>
- In another suit filed in 2009, Domino's drivers across the U.S. have charged that Domino's kept money from a service fee that customers believed was a tip to drivers.<sup>17</sup>
- New York City Domino's delivery drivers charged in a case filed in 2010 that managers often required them to perform cleaning duties—sometimes for as long as two hours—after the manager had clocked them out. The plaintiffs also alleged that they would return from deliveries to find that the manager had clocked them out in their absence.<sup>18</sup>

These cases, a sample of those that have been litigated or investigated by enforcement agencies, indicate the seriousness, breadth, and depth of the problem of wage theft among fast food workers. And the problem is likely much worse than the sampling suggests, since workers in low-wage industries under-report violations of wage and hour laws because of language barriers, literacy and immigration status.<sup>19</sup> Thus, any sample of litigated or investigated cases likely does not capture the full impact or prevalence of wage theft in this industry.

## FAST FOOD INDUSTRY FIGHTS TO KEEP WAGES AND STANDARDS LOW

While the fast food industry has a record of stealing wages from workers, it has also fiercely lobbied against anti-wage theft legislation and opposed increases in the minimum wage. The New York State Restaurant Association, the primary trade association that represents the fast food industry in the state, spent over \$148,000 in 2010 lobbying against the passage of the New York Wage Theft Prevention Act, the very law that criminalizes many of the practices outlined in this report.<sup>20</sup>

This type of lobbying is standard for the New York State Restaurant Association and the fast food industry. In addition to fighting the Wage Theft Prevention Act, the New York State Restaurant Association spent \$783,000 lobbying against wage and work-related benefit improvements in the past five years, including over \$200,000 opposing increases in the state minimum wage and another \$222,000 opposing paid sick leave.<sup>21</sup>

Beyond their representation by the New York State Restaurant Association, many fast food companies also directly lobby against wage

and other workplace improvements in New York State. For example, over the past five years, McDonald's, Wendy's and YUM! Brands, which owns KFC, Pizza Hut and Taco Bell, directed 69 percent of the over \$1.2 million they spent on lobbying in New York State to fight increases to the state minimum wage and oppose initiatives to improve working conditions such as paid sick leave, health care and living wage provisions.<sup>22</sup>

The industry's lobbying activity in New York State mirrors its broader agenda of opposition to minimum wage increases across the country. The National Restaurant Association, whose board members include representatives from McDonald's, Wendy's, and Starbucks,<sup>23</sup> has often directly contributed to industry coalitions opposing state ballot initiatives to increase the minimum wage. For example, in 2006 the National Restaurant Association and state and local restaurant associations spent a combined \$2.6 million<sup>24</sup> to combat ballot initiatives to increase minimum wages in just seven states.<sup>25</sup>

*"It's hard enough for me to pay my rent and bills. I can't afford to work for Burger King for free. Between working through my breaks and doing work after my shift, I'm not getting paid for several hours every week."*

*Tabitha Verges, Burger King cook*

## DRIVING DOWN DELIVERY WAGES

One way the fast food industry has lowered wages is through the tip credit. Under the “tip credit” provision of the federal minimum wage law and the laws of many states, including New York, employers can pay tip-eligible employees a wage below the regular minimum wage, getting “credit” for tips that are supposed to bring total pay up to the minimum.

Pizza chain executives are quite clear that the move to the tip credit was a money-saving measure: “Papa John’s saved on delivery drivers’ wages by implementing a ‘tip credit’ pay system in company-owned stores,” Papa John’s CFO J. David Flanery said in an investor conference call.<sup>1</sup> And Domino’s CFO Mike Lawton told investors, “we did implement tip credit throughout the system, and that... reduced the compensation of the drivers in some states.”<sup>2</sup>

However, as this report demonstrates, delivery workers report they often end up receiving less than minimum wage.

1. Jere Downs, “Papa John’s drops \$10 deal,” *The Courier-Journal* (Louisville, Kentucky), August 5, 2010.

2. Domino’s Pizza Investor Day, *Fair Disclosure Wire*, January 12, 2012.

## THE BRANDS CONTROL THE SYSTEM

Addressing fast food wage theft is complicated by the structure of the industry, which is built largely on franchising. McDonald’s, Burger King, Domino’s and their peers have created a detailed and controlled system of food delivery, which they license to franchisees, yet they largely avoid responsibility for wage theft. The franchisor chains dictate the details of a fast food restaurant’s operations and finances. They specify everything—restaurant hours, sandwich assembly methods, required equipment and software, customer wait times and employee appearance and behavior. Franchisors typically provide franchisees with the tools and policies that directly impact employees’ work lives and working conditions, including sophisticated staff scheduling software, staff and manager training materials and personnel policies.

Yet, when regulators or workers seek to hold franchisor corporations liable for wage theft in their franchised stores, the corporations typically assert that their franchisees are independent businesses and the franchisors are not the employer. However, these corporations have the power to end wage theft in fast food. To cite one recent example, when foreign guest workers charged the franchisee of

a Harrisburg, Pennsylvania-area McDonald's with paying below minimum wage, requiring 25-hour work shifts and taking payment for crowded, employer-owned housing out of workers' paychecks,<sup>26</sup> McDonald's ended its relationship with the franchisee. McDonald's said it "immediately addressed the allegations in Harrisburg upon learning of the situation,"<sup>27</sup> and it is working with its franchisees to make sure they understand "the letter and spirit" of the law.<sup>28</sup>

## CONCLUSION

From the stunning statistic that 84 percent of fast food workers surveyed say their employers steal their wages to the voices of individual workers who tell us exactly how their employers steal and how it affects their lives, this report demonstrates that a crime wave is sweeping over fast food workers. Fast food restaurants are paying below the minimum wage. They are failing to pay employees for all the hours they work. They are failing to pay overtime and docking workers for breaks they sorely need but often do not take. And all of this is occurring in a profitable industry where workers are at or near the poverty line and part-time hours are the norm.

Given the scope of the problem as demonstrated by this report and others cited above, it will require systemic action by regulators and political leaders to eradicate fast food wage theft. Fast food corporations have a responsibility to ensure that workers wearing their uniforms and serving their food are paid according to the law. Regulators and law enforcement must cut through franchisors' attempts to evade responsibility and hold corporations accountable for wage theft. And political leaders must strengthen the law to ensure that franchisors bear the consequences of wage theft and do not shift responsibility to their franchisees. Because these corporations design, maintain, monitor and profit from the fast food delivery system, they should be the focus of regulatory and political action to eradicate wage theft up and down the fast food chain.

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2. Bureau of Labor Statistics, Hours of production/nonsupervisory workers, nationally, in limited-service restaurants (2012 NAICS 722513). <http://www.bls.gov/web/empstat/ceseeb7b.htm>
3. U.S. Census Bureau, Poverty Thresholds 2012. <http://www.census.gov/hhes/www/poverty/data/threshld/index.html>
4. N.Y. COMP. CODES R. & REGS. tit. 12, § 146-(subsection) (2011). <http://www.labor.state.ny.us/formsdocs/wp/CR146.pdf>
5. See Annette Bernhardt et al., Working Without Laws: A Survey of Employment and Labor Law Violations in New York City, National Employment Law Project, New York, N.Y., 2010. [http://nelp.3cdn.net/990687e422dcf919d3\\_h6m6bf6ki.pdf](http://nelp.3cdn.net/990687e422dcf919d3_h6m6bf6ki.pdf) and Annette Bernhardt, et al. *Broken Laws, Unprotected Workers*, National Employment Law Project, New York, N.Y., 2009. <http://www.nelp.org/page/-/brokenlaws/BrokenLawsReport2009.pdf?nocdn=1>
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8. *Solis v. KFC U.S. Properties, Inc.*, 09cv1970 (E.D.N.Y. 2009).
9. *Solis v. Team Roslyn, Inc. et al.*, 12cv3118 (E.D.N.Y. 2012).
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12. *Alba et al. v Papa John's et al.*, 05cv7487 (C.D. Cal. 2005).
13. *Perez v. Jupada Enterprises, Inc.*, 10cv3118 (S.D.N.Y. 2010).
14. *Bass v. PjCOMN*, 09cv01614 (D.Colo. 2009).
15. *Wass v. NPC International, Inc.*, 09cv02254 (D. Kan. 2009).
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17. *Luiken v. Domino's Pizza, LLC*, 09cv516 (D. Minn. 2009).
18. *Cano v. DPNY d/b/a Domino's Pizza*, 10cv07100 (S.D.N.Y. 2010).
19. Annette Bernhardt, et al. *Broken Laws, Unprotected Workers*, National Employment Law Project, New York, N.Y., 2009. <http://www.nelp.org/page/-/brokenlaws/BrokenLawsReport2009.pdf?nocdn=1>
20. Fast Food Forward analysis of data from the New York State Joint Committee on Public Ethics. [http://www.jcope.ny.gov/view\\_filing.html](http://www.jcope.ny.gov/view_filing.html)
21. Fast Food Forward analysis of data from the New York State Joint Committee on Public Ethics. [http://www.jcope.ny.gov/view\\_filing.html](http://www.jcope.ny.gov/view_filing.html)
22. Fast Food Forward analysis of data from New York State Joint Committee on Public Ethics. [http://www.jcope.ny.gov/view\\_filing.html](http://www.jcope.ny.gov/view_filing.html)
23. National Restaurant Association, "About Us." Last viewed May 9, 2013. <http://www.restaurant.org/About-Us/NRA-Leaders/Board>
24. All numbers from Fast Food Forward analysis of data from [www.FollowtheMoney.org](http://www.FollowtheMoney.org)
25. The seven states are: Florida, Ohio, Arizona, Nevada, Colorado, Montana, and Missouri. See: *Balletopedia: Arizona Minimum Wage, Proposition 202 (2006); Colorado Amendment 42, Minimum Wage Increase (2006); Michigan Minimum Wage Increase (2006); Missouri Minimum Wage Act, Proposition B (2006); Montana Minimum Wage, Initiative 151 (2006); Nevada Minimum Wage Act, Question 6 (2006); Ohio Ballot Measure 2, Minimum Wage Initiative (2006).* [http://ballotpedia.org/wiki/index.php/Minimum\\_wage\\_on\\_the\\_ballot#tab=By\\_year](http://ballotpedia.org/wiki/index.php/Minimum_wage_on_the_ballot#tab=By_year)
26. Miriam Jordan, Kris Maher and Julie Jargon, "Guest Worker Visa Troubles Visit McDonald's," *Wall Street Journal*, March 8, 2013. <http://online.wsj.com/article/SB10001424127887323628804578348620014963766.html>
27. Eric Veronikis, "McDonald's plays expulsion of midstate franchisee Andy Cheung close to vest," *PennLive*, April 1, 2013. [http://www.pennlive.com/midstate/index.ssf/2013/04/mcdonalds\\_plays\\_departure\\_of\\_m.html](http://www.pennlive.com/midstate/index.ssf/2013/04/mcdonalds_plays_departure_of_m.html)

28. Emily Jane Fox, "Foreign worker hoopla forces McDonald's franchisee out," *CNN Money*, March 14, 2013. <http://money.cnn.com/2013/03/14/news/companies/mcdonalds-temporary-workers/index.html>

## IT'S NOT JUST A GOOD IDEA— IT'S THE LAW

1. N.Y. Lab. Law § 662(1). 2. N.Y. Lab. Law § 652; N.Y. Comp. Codes R. & Regs. tit. 12, § 146-1.
2. This is a violation of the Minimum Wage Act if it brings workers' wages below the minimum wage. It is also a violation of Hospitality Industry Wage Order Subpart 146-1.2, which states that the hourly minimum wage for non-tipped workers in the restaurant industry is \$7.25 per hour, and Hospitality Industry Wage Order Subpart 146-1.3, which states that the minimum wage for a service employee (which includes delivery workers) is \$5.65 per hour, if it brings the workers' wages below the minimum wage. It is also a violation of Hospitality Industry Wage Order Subpart 146-2.5, which states that restaurant workers "shall be paid hourly rates of pay. Employers may not pay employees on a daily, weekly, salary, piece rate or other non-hourly rate basis."
3. 29 U.S.C. § 201.
4. N.Y. Lab. Law § 193. According to New York State labor law, employers may not make deductions from employee wages for work expenses unless such deduction is "in accordance with the provisions of any law or any rule or regulation issued by any governmental agency." The New York State Department of Labor Hospitality Wage Order, which contains regulations about the wages of workers in the restaurant and hotel industries, provides additional guidance on wage deductions. It states: "Employers may not make any deductions from wages, except for credits authorized in this Part and deductions authorized or required by law, such as for social security and incomes taxes. Some examples of prohibited deductions are:  
  - (1) deductions for spoilage or breakage;
  - (2) deductions because of non-payment by a customer;
  - (3) deductions for cash shortages or losses;
  - (4) and fines or penalties for lateness, misconduct, or quitting by an employee without notice."

According to the NYSDoL, the hospitality industry wage order is considered a provision of the minimum wage law. <http://www.labor.state.ny.us/workerprotection/laborstandards/workprot/minwage.shtm>. Thus the hospitality wage law carries the same penalties as the minimum wage law.

5. N.Y. Lab. Law § 191.
6. 29 U.S.C. § 206(a)(1); 29 U.S.C. § 203(m); 29 C.F.R. §531.3(d); A summary of the regulations for commercial bicycle operators are available at: [http://www.nyc.gov/html/dot/downloads/pdf/bicyclerules\\_english.pdf](http://www.nyc.gov/html/dot/downloads/pdf/bicyclerules_english.pdf) [http://www.nyc.gov/html/dot/downloads/pdf/bicyclerules\\_english.pdf](http://www.nyc.gov/html/dot/downloads/pdf/bicyclerules_english.pdf). NYC Administrative Code §10-157 codifies these regulations.
7. See notes 1-6 *supra*.

## FAST FOOD IS ONE OF THE FASTEST GROWING INDUSTRIES IN NEW YORK

1. "Limited-Service Eating Places," as categorized by the New York State Department of Labor.
2. Calculations on data from New York State Department of Labor, Current Employment Statistics, Historical Employment by Industry, Data for New York City. <http://labor.ny.gov/stats/cesemp.asp>
3. Calculations on data from New York State Department of Labor, Current Employment Statistics, Historical Employment by Industry, Data for New York City. <http://labor.ny.gov/stats/cesemp.asp>
4. Calculations on data from New York State Department of Labor, Current Employment Statistics, Historical Employment by Industry, Data for New York City. <http://labor.ny.gov/stats/cesemp.asp>
5. New York State Department of Labor, Long-Term Industry Employment Projections, 2008-2018, New York City. <http://labor.ny.gov/stats/lproj.shtm> Note that the Labor Department does not break out fast-food restaurants from overall food-service industry.
6. New York State Department of Labor, Long-Term Occupational Projections, New York City. <http://labor.ny.gov/stats/lproj.shtm>

*www.fastfoodforward.org*

*info@fastfoodforward.org*

*TWITTER*

*@fastfoodforward*

*FACEBOOK*

*facebook.com/fastfoodforward*



**THE COUNCIL**  
**THE CITY OF NEW YORK**

Panel 1

Appearance Card

[ ]

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

in favor  in opposition

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

(PLEASE PRINT)

Name: ROSKI GRULLON

Address: 931 Fox St NYC

I represent: Fast Food Forward

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

**THE COUNCIL**  
**THE CITY OF NEW YORK**

Panel 1

Appearance Card

[ ]

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

in favor  in opposition

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

(PLEASE PRINT)

Name: Gregory Reynolds

Address: 373 Broadway

I represent: Fast Food Forward

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

**THE COUNCIL**  
**THE CITY OF NEW YORK**

Panel #1

Appearance Card

[ ]

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

in favor  in opposition

Date: 6-27-13

(PLEASE PRINT)

Name: Joseph Barrera

Address: 87-50 116<sup>th</sup> Street

I represent: NYCC (Fast Food Forward)

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

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



**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_  
 in favor  in opposition

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

(PLEASE PRINT)

Name: TERRENCE BRUMMEL  
Address: 464 New Jersey Ave Blyn NY 11207  
I represent: COMMUNITY CONCERNS NETWORK  
Address: 846 Utica Ave Brklyn 11203

**THE COUNCIL  
THE CITY OF NEW YORK**

Panel 1

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_  
 in favor  in opposition

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

(PLEASE PRINT)

Name: Linda Archer  
Address: 880 Boynton Ave. Bx. N.Y. 10472  
I represent: Fast Food Campaign  
Address: \_\_\_\_\_

**THE COUNCIL  
THE CITY OF NEW YORK**

Panel 4

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_  
 in favor  in opposition

Date: 6/27/13

(PLEASE PRINT)

Name: Apostle Guillermo Martin  
Address: 449 A HOMPOE ST  
I represent: The Workers (Fast Food)  
Address: \_\_\_\_\_

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

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

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

in favor  in opposition

Date: 6/27/13

(PLEASE PRINT)

Name: Elise Gould

Address: Economic Policy Institute

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

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

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

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

in favor  in opposition

Date: 6/27/13

(PLEASE PRINT)

Name: Maureen Kelleher

Address: 2125 Broadway, Room 4114 CI

I represent: For Food Workers

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

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

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

in favor  in opposition

Date: 27 June 2013

(PLEASE PRINT)

Name: Constance M Razza

Address: 802 Kent Ave Brooklyn, NY

I represent: Center for Popular Democracy

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

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

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

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

in favor  in opposition

Date: June 27, 2013

(PLEASE PRINT)

Name: DORIAN WARREN  
Address: 155 Central Park West, NYC 10025  
I represent: Columbia University  
Address: 420 W. 118th

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

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

in favor  in opposition

Date: 6/27/13

(PLEASE PRINT)

Name: JONATHAN WESTIN  
Address: 2-4 NEVINS ST.  
I represent: NYCC  
Address: 2-4 NEVINS ST.

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

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

in favor  in opposition

Date: 6/27/13

(PLEASE PRINT)

Name: Rev. Cheri Kroon  
Address: 890 Flatbush Ave, Flatbush Reformed Church  
I represent: Fast Food Workers  
Address: \_\_\_\_\_

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_  
 in favor  in opposition

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

(PLEASE PRINT)

Name: Francisco Garcia (Maria Canela)

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

I represent: Make the Road NY

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

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_  
 in favor  in opposition

Date: June 27, 2013

(PLEASE PRINT)

Name: Tsedeye Gebreselassie 10078

Address: 75 Maiden Lane Suite 601 NYC

I represent: National Employment Law Project

Address: 25 West

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_  
 in favor  in opposition

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

(PLEASE PRINT)

Name: Stephen Cha-Kim

Address: 888 Manhattan Ave #3R

I represent: Brooklyn, NY -  
Make the Road NY

Address: 301 Crove St. Brooklyn, NY 11237

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

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

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

in favor  in opposition

Date: 6/27/13

(PLEASE PRINT)

Name: MORRIS HEYNE'S

Address: 61 PC 1200 DEAN ST BLDG 11296

I represent: CLERGY NETWORK

Address:

**THE COUNCIL  
THE CITY OF NEW YORK**

panel 1

Appearance Card

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

in favor  in opposition

Date:

(PLEASE PRINT)

Name: ANASTACIA IORDA

Address: 871 BROOK BRUNTS

I represent: Fast Food Forward

Address:

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

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

in favor  in opposition

Date: 6/27/13

(PLEASE PRINT)

Name: Richard Blum

Address:

I represent: The Legal Aid Society

Address: 199 Water St. NY NY 10038

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

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

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

in favor  in opposition

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

(PLEASE PRINT)

Name: Heather Hart behalf of CM Eugene

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

I represent: Council member Mathieu Eugene

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

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

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

in favor  in opposition

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

(PLEASE PRINT)

Name: HAZEL N. DUKES

Address: 1065 AVE OF AMERICAS

I represent: NAACP NEW YORK STATE

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

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

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

in favor  in opposition

Date: 6/27/13

(PLEASE PRINT)

Name: KIRSTEN JOHN FOLY

Address: 529 HOUSTON AVE

I represent: NATIONAL ACTION NETWORK

Address: 200

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

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

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

in favor  in opposition

Date: 6/27/13

(PLEASE PRINT)

Name: SKIP ROSEBORO

Address: 23 Pulaski St

I represent: NYCC

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

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

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

in favor  in opposition

Date: 06-27-2013

(PLEASE PRINT)

Name: MIGDALIA WALDONADO

Address: 91-24 89th Street

I represent: CLPA

Address: JFK Airport

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

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

in favor  in opposition

Date: 06/27/13

(PLEASE PRINT)

Name: GRACE SITA

Address: JFK

I represent: AIR SERV

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

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

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_  
 in favor  in opposition

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

(PLEASE PRINT)  
Name: Shenita Simon  
Address: 131 Belmont Ave  
I represent: Fast Food Forward  
Address: \_\_\_\_\_

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_  
 in favor  in opposition

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

(PLEASE PRINT)  
Name: Prince Jackson  
Address: 120-20 147<sup>th</sup> St Jamaica NY  
I represent: IFK Airport workers  
Address: IFK Int Airport

**THE COUNCIL  
THE CITY OF NEW YORK**

Panel 1

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_  
 in favor  in opposition

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

(PLEASE PRINT)  
Name: Kean Joseph  
Address: 1752 Sterling Pl  
I represent: fast Food Forward  
Address: \_\_\_\_\_



**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_  
 in favor  in opposition

Date: 6/27/13

(PLEASE PRINT)

Name: Philip J. Dent  
Address: 22-41-98<sup>th</sup> Street East Elmhurst  
I represent: Air Serv  
Address: JFK Air Port

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

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_  
 in favor  in opposition

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

(PLEASE PRINT)

Name: RAHMAN BAKSH  
Address: 105-17 LIBERTY Ave. OZONIC PARK.  
I represent: JFK WORKERS.  
Address: JFK AIR PORT.

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

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

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

in favor  in opposition

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

(PLEASE PRINT)

Name: Josh Kellermann

Address: 50 Broadway 29<sup>th</sup> FL NY

I represent: ALIGN

Address: same

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

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

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

in favor  in opposition

Date: 6/27/13

(PLEASE PRINT)

Name: Rahul Saxena

Address: 275 7<sup>th</sup> Ave, NY, NY

I represent: Restaurant Opportunities Center of NY

Address: 275 7<sup>th</sup> Ave, NY, NY

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