Legislation Details (With Text)

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Title:	Resolution calling upon the New York State Wage Board to recommend, and the Commissioner of Labor and the Governor to establish a living wage rate of $15 for large fast food restaurant employees				
Sponsors:	Mark Levine, Margaret S. Chin, Laurie A. Cumbo, Corey D. Johnson, Andy L. King, Rosie Mendez, Donovan J. Richards, Ydanis A. Rodriguez, Deborah L. Rose, Helen K. Rosenthal, I. Daneek Miller				
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Proposed Res. No. 279-A

Resolution calling upon the New York State Wage Board to recommend, and the Commissioner of Labor and the Governor to establish a living wage rate of $15 for large fast food restaurant employees

By Council Members Levine, Chin, Cumbo, Johnson, King, Mendez, Richards, Rodriguez, Rose, Rosenthal and Miller

Whereas, According to New York Communities for Change, there are over 50,000 fast food workers in New York City; and

Whereas, New York City is the 16th most expensive city in the world to live in and the most expensive city in the United States, according to a 2015 *Cost of Living* study by Mercer, a global consulting company; and

Whereas, Given the high cost of living, New York City workers need a higher minimum wage in order to keep pace with other workers around the country and to address the serious income inequality that exists in New York City; and

Whereas, Governor Andrew Cuomo signed legislation in 2013 to incrementally raise the minimum wage in New York State, first from $7.25 to $8 per hour at the end of 2013, then to the current level of $8.75 on December 31, 2014 and then to $9.00 at the end of 2015; and

Whereas, The Governor launched the "Fight for Fair Pay" campaign in March 2015 to support his proposal that would bring the minimum wage to $10.50 statewide and $11.50 in New York City; and

Whereas, The Governor proposed to increase minimum wages of fast food workers through his executive powers, after the state Legislature rejected the proposal; and

Whereas, Under New York State law, the Wage Board can suggest changes to the minimum wage in a specific industry or job classification if it finds that wages are insufficient to provide for the life and health of workers within that industry or classification; and

Whereas, On May 7, 2015, The Governor gave instructions to convene a Fast Food Wage Board to investigate and make recommendations on whether to increase the minimum wage in the fast food industry; and

Whereas, Mayor Bill de Blasio submitted written testimony to the state's Wage Board stating, "The people are demanding higher wages. They are not requesting it, or begging for it. They are demanding it. And since we live in a democracy, I think it's best for all of us in positions of leadership - including those on the Wage Board - to heed their call"; and

Whereas, Before taxes, a full time minimum wage worker in New York State earning $8.75 per hour, working 40 hours a week, 52 weeks a year, will earn $70 per day, $350 per week or $18,200 per year; and

Whereas, Full-time employment in the fast food industry still leaves families under the federal poverty line, while according to a 2014 NELP study, an average family comprising such workers in New York City would need to earn $15.30 to $16.90 per hour to be self-sufficient; and

Whereas, Minimum wage fast food workers in New York City would be helped by the establishment of a separate and higher minimum wage rate for employees of fast food employers; and

Whereas, According to economic research, a higher minimum wage would likely increase spending on

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locally produced goods and services by workers benefiting from such increased wages, which in turn would likely produce greater demand, spur small business development, help stimulate the local economy and sustain economic growth; and

Whereas, According to the United States Bureau of Labor Statistics (USBLS), as of May 2014, the average fast food worker made $9.23 per hour; and

Whereas, the USBLS also found that in 2014, the average fast food worker in the New York City Metropolitan area made $10.14 per hour; and

Whereas, According to the USBLS, the national average salary for fast food workers is approximately $19,000 per year, while in New York City, according to the low wage worker activists, the average fast food worker's annual salary is about $11,000; and

Whereas, According to news reports, the average CEO of a fast food company was paid $23.8 million in 2013, or more than 1,000 times what most of their employees make; and

Whereas, The minimum wage for fast food workers across the nation has increased just 0.3 percent since 2000, while the earnings for the average fast food CEO are up 400 percent since 2000; and

Whereas, According to the 2014 Quick Service Restaurants ranking of fast food restaurants, McDonald's, Subway, Starbucks, Wendy's, Burger King, Taco Bell, Dunkin' Donuts, Pizza Hut, Chick-Fil-A and KFC are the nation's top earners; and

Whereas, The corporations that own many fast food restaurants which employ these low wage workers continue to see revenue growth, to the tune of $551 billion globally in 2014; and

Whereas, According to Fast Food Forward, a group that seeks to highlight the wage related issues of the fast food restaurant workers, many of these fast food workers are adults in full time positions seeking to support their families with the wages earned from their fast food jobs; and

Whereas, According to a collaborative report released in 2005 by the Community Development Project of the Urban Justice Center, the Brennan Center for Justice at New York University Law School and the

Community Service Society, there are social costs to low wage jobs; and

Whereas, According to the report, low wage workers in the food industry lack job security which leads to an increased reliance on unemployment insurance and social assistance programs such as welfare, housing subsidies and child care subsidies; and

Whereas, These programs are administered by local, state and federal governments but funded by tax payer dollars; and

Whereas, In 2004, the University of California, Berkeley Center for Labor Research and Education released a study estimating that California taxpayers pay $10 billion annually in hidden costs associated with wages that perpetuate poverty earned by 2 million families; and

Whereas, The study found that in California, the majority of public assistance (over 25 percent or $5.7 billion) that went to working families was received by families whose workers were earning less than $8 per hour; and

Whereas, The study further asserted that by creating conditions that essentially force workers to rely on and participate in social programs rather than providing essential benefits, fast food restaurants are, in effect, receiving an indirect public subsidy while placing profits over the livelihood of their workforce; and

Whereas, According to a statement from Governor Andrew Cuomo to the Wage Board, in New York State, 60 percent of fast food workers are in families enrolled in at least one type of public assistance program and are twice as likely as other families to be receiving public assistance, costing taxpayers an estimated $700 million annually; and

Whereas, If operators of fast food restaurants paid their workers a family sustaining wage that would allow them to support their families without relying on public benefit programs, the monies used to fund those programs could be reallocated to other anti-poverty and health programs; and

Whereas, Workers first staged a strike demanding a $15 per hour wage at a McDonald’s in New York City on November 29, 2012; and

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Whereas, On May 15, 2014, fast food workers in approximate 150 cities staged a one-day strike demanding a $15 per hour rate, according to news reports; and

Whereas, Thousands of protesters from New York to Los Angeles marched and campaigned on Tax Day, April 15, 2015 calling for $15 per hour wage; and

Whereas, The Wage Board can make a difference in the lives of over 50,000 fast food workers and their families' lives by increasing the minimum wage for such workers to $15; and

Resolved, That the Council of the City of New York calls upon the New York State Wage Board to recommend, and the Commissioner of Labor and the Governor to establish a living wage rate of $15 for large fast food restaurant employees.

MWC/SR
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7/10/15