



By David R. Jones January 24, 2013

The Minimum Wage Should be Raised

In New York City, over 110,000 full-time, year round workers are living in poverty and another 360,000 are among the near-poor with household incomes between 100 percent and 200 percent of the federal poverty level. It is not difficult to figure out how this could be the case. A full-time year round worker making the minimum wage earns around \$15,080. The federal poverty threshold for a family of three is \$17,916. Fifty percent of the full time working poor and 45 percent of the near-poor are Latino New Yorkers.

In his annual State of the State Address, Governor Cuomo lent his support in favor of raising the state's hourly minimum wage from \$7.25 to \$8.75. New York's minimum wage is currently lower than 19 states and the District of Columbia. Adjusted for inflation, the value of the current state and federal minimum wage of \$7.25 an hour is actually lower than the minimum wage in 1980. The minimum wage of \$3.10 in 1980 would be worth roughly \$8.70 today.

The governor's address comes after a year in which members in the state legislature proposed an increase to \$8.50 an hour with annual adjustments each year for inflation. It is estimated that raising the hourly minimum wage from \$7.25 to \$8.50 would benefit more than one million residents in the state, including over 350,000 New York City workers who currently make less than the proposed new minimum wage. The governor's proposal will not immediately lift all of the working poor out of poverty, but it is the most sensible place to start.

Low-wage workers are not only falling further behind those with higher incomes, but too many are struggling to get by and support their families despite working full-time jobs. The Community Service Society's annual "<u>Unheard Third</u>" survey has been tracking the hardships experienced by low-income New Yorkers. In the latest survey, we found that among the working poor, 43 percent reported experiencing three or more hardships in the past year – including falling behind in rent or mortgage payments, postponing getting medical care or filling a prescription because of a lack of money or insurance, and often skipping meals because there wasn't enough money to buy food.

These are not people on welfare. These are New Yorkers working full time.

New Yorkers have voiced strong and widespread support for raising the state minimum wage. According to CSS's "Unheard Third" poll - the only survey of low-income opinion in the nation - 88 percent of New Yorkers favor an increase to \$8.50 an hour, with adjustments each year for inflation. Seventy-eight percent strongly support raising it, a stance that cuts across all income levels and party affiliations.

Opponents are sounding the usual alarm bells about how the increased cost for business would harm the economy and small businesses. However, the widespread support of a minimum wage increase recognizes the reality that, far from hurting small businesses, an infusion of cash into the pockets of those who will spend it will actually boost the economy.

Help for low-income working families is long overdue. When the economy collapsed during the latest recession, the government stepped in to bail out the financial institutions that were largely responsible for the crisis. However, those among the hardest hit by the recession, low-wage workers with reduced hours and job insecurity, are still waiting for a little help.

CSS's policy brief, "The Case for Raising New York State's Minimum Wage," is available here.

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