



Two Council Bills Support Low-Income Workers

By David R. Jones
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The minimum wage in New York is \$7.25 an hour. That's about \$15,000 for someone working a 40-hour week for 52 weeks. With the federal poverty level for a family of three at \$18,310, that's poverty wages.

Living in New York City is expensive. And the economic situation for low-income Latinos is grim. The latest Community Service Society survey of New Yorkers, "The Unheard Third 2010," revealed that more than one in five low-income Latinos are unemployed. Thirty-eight percent report either losing a job or having their wages, work hours, or tips reduced.

Rents often account for more than half of the household income for many families in the city, especially those in the low-wage sector. In an attempt to raise wages above poverty levels, there has been a national effort recently to require businesses receiving public subsidies to pay their workers a "living wage."

Two bills that would lift up low-wage workers are now before the Council, the Fair Wages for New Yorkers Act supported by the Living Wage NYC Coalition of unions, nonprofits, and clergy, and the Good Jobs Bill supported by Local 32BJ of the Service Employees International Union. The Fair Wages bill would mandate a wage of \$10 an hour plus benefits or \$11.50 an hour without benefits for work on projects getting city subsidies. Even this bill would provide less than \$21,000 a year to a full time worker. The Good Jobs bill is for building service workers, for whom the standard wage in most large buildings is about \$20 an hour. It would guarantee prevailing wages at city subsidized developments.

The city's response to living wage legislation was to commission a highly suspicious \$1 million study to determine its impact on the city's economy. It is being conducted by an organization whose economists are known to oppose living wage and minimum wage laws.

But we already know the impact of a living wage on the economies of large urban centers. More than 45 cities have versions of living wage provisions. Recently, the Center for American Progress conducted a study of 15 cities across the country that have instituted living wage laws. The study compared the economic situation of these cities with a control group of 16 cities without living wage laws.

It found that the 15 cities implementing living wage laws had the same levels of employment growth overall as the comparable group of control cities. Employment in the low-wage industries most likely affected by the living wage laws was unaffected. The evidence demonstrates that raising job standards does not reduce the number of jobs in a city. This means that job growth does not have to come at the expense of job quality.

Considering the level of poverty in New York City – according to the Census Bureau more than one in five New Yorkers lives below the federal poverty level – an increase in wages for low-income workers would help by putting more money into the local economy and keeping people off the welfare rolls. The city spends about \$2 billion of taxpayer money annually to subsidize development. Yet the jobs created with these subsidies often pay poverty wages and no benefits. Low-wage workers have already borne the brunt of the recession. They should not have to live in poverty.

Thirty-six Council members are currently in favor of passing the Good Jobs bill and 29 members are in favor of the Fair Wages for New Yorkers Act. Mayor Bloomberg is opposed to what he calls government mandated wages. It would take 34 votes to override a mayoral veto. If that's what it takes, then so be it. Council members should stand up for their low-income constituents.

David R. Jones is president and CEO of the Community Service Society (CSS), the leading voice on behalf of low-income New Yorkers for over 165 years. For over 10 years he served as a member of the board of directors of the Puerto Rican Legal Defense and Education Fund. The views expressed in this column are solely those of the writer.