

La Nueva Mayoría

By David R. Jones



A Living Wage for Publicly Subsidized Jobs

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Hundreds of thousands of New Yorkers who work in low-wage jobs are trapped in poverty. Someone working 35 hours per week for 50 weeks at minimum wage - \$7.25 an hour - earns roughly \$13,000 a year. For a family of two with one breadwinner, those earnings place that family below the federal poverty line of about \$14,700 per year.

The City Council has proposed legislation - the Fair Wages for New Yorkers Act - which would require developers receiving public financial assistance of \$100,000 or more to ensure that jobs created as a result of their projects pay at least \$10 per hour to workers with employee benefits or \$11.50 an hour to workers without benefits. Workers earning these wages would hardly be flush: a wage of \$10 an hour converts to about \$17,500 a year.

An analysis prepared last November for the Center for American Progress examined 20 years worth of economic data for 15 cities that enacted living wage laws and 16 cities without living wage laws. The study determined that requiring developers who receive city subsidies to ensure that jobs created offered living wages had no negative impact on employment.

The study addressed two of the most common criticisms leveled by opponents against a living wage: (1) that it will scare away potential developers as well as businesses in general, and (2) fewer jobs will be created than otherwise would have been in the absence of a living wage law. In Los Angeles, the living wage law has not stopped developers from queuing up for projects involving, for example, the Staples Center or big box retail outlets such as Costco.

The study findings showed that not only does a living wage have no significant negative impact on employment in areas which have mandated it for subsidized developers, but it also doesn't scare away companies in general due to fears of having to offer employees higher wages. In the case of San Francisco, a living wage mandate for airport workers did not have an impact on overall employment levels.

The city spent \$1 million for a report that contends that a living wage law would result in the loss of thousands of jobs, especially low-skilled jobs. The report was put out by an organization whose consultant

economists have been critical of living wage and minimum wage laws in the past and have worked against raising the minimum wage. This is an example of people making \$500 an hour - or whatever outsized fee their consultants were paid - determining that others should not make \$10 an hour.

My organization, the Community Service Society (CSS), in its annual survey of New Yorkers, "The Unheard Third," revealed that among full-time working poor New Yorkers, workers making less than \$18,530 for a family of three, 30 percent fell behind in rent or mortgage payment in the past year, 20 percent could not afford to fill a prescription, and 15 percent had not gotten medical care because of a lack of money or insurance.

A second CSS report showed that a majority of low-wage workers do not have on-the-job benefits such as paid sick leave. The city should require that wages as well as benefits are improved for workers on projects which are made possible by the support of New York City taxpayer dollars.

Without fair wages, costs for basics like food and health care can easily get passed along to taxpayers when low-wage workers are forced to seek public benefits such as food stamps or Medicaid coverage for their children. The result can be a "double-dip" to taxpayer dollars, first in the form of developer subsidies, second in the form of public assistance to workers paid insufficient wages by subsidized developers.

More than 45 cities around the country have living wage laws. It's time for us to require fair wage guarantees for jobs created at developments getting public subsidies. The Council should pass the Fair Wages for New Yorkers Act.

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.