



Contact: Jeff Maclin
(212) 614-5538 (office)
(609) 558-4951 (cell)
E-mail: jmaclin@cssny.org

FOR IMMEDIATE RELEASE

Leader of New York's Foremost Anti-Poverty Organization Urges City Council to Pass Fair Wages for New Yorkers Act

New York, NY, May 12, 2011 – Creating more living wage jobs will help hundreds of thousands of low-income New Yorkers still struggling to feed their families, pay their rent and survive during these difficult economic times. Legislation requiring major businesses and developers that receive taxpayer-funded financial assistance to pay workers a fair wage is both a moral and economic imperative for the nation's largest city, and one that prides itself in creating opportunities for all its citizens.

That was the message delivered today by Community Service Society of New York (CSS) President and CEO David R. Jones in testimony submitted to the City Council's Committee on Contracts.

"It is reasonable to expect that full-time workers should earn wages that do not keep them trapped in poverty. However, this is precisely what happens for hundreds of thousands of those who work in low-wage jobs in New York City. This alone should be unacceptable. But it is downright objectionable for those wishing to conduct business with the benefit of city subsidies to receive public funds without offering a 'living wage' on their projects – a wage which would not leave their workers and their families living at or near the poverty level," said Mr. Jones in prepared remarks.

Committee members today heard testimony from a variety of speakers on the proposed "Fair Wages for New Yorkers Act" which would require all employers in developments that receive more than \$100,000 in city subsidies to pay workers \$10 per hour if the employer pays health care, and \$11.50 per hour if they do not.

Mr. Jones, whose organization has a 165-year history of fighting poverty and advocating for the economic advancement of low-income New Yorkers, made the following points underscoring the merits of passing living wage legislation:

- The "Fair Wages for New Yorkers Act" would not break any new ground since the city already has in place a living wage law that applies to specific classes of employees in

companies with city contracts. The new law would simply expand living wages to a larger number of eligible workers.

- Many other cities, including Los Angeles, San Francisco, Philadelphia, Cleveland, and Pittsburgh, have enacted living wage laws.
- An independent study by the Center for American Progress of economic data for 15 cities that enacted a living wage law and 16 cities without a living wage law found no negative impact on employment or a decrease in development projects in cities that enacted the law.
- Research by CSS shows that among full-time working poor New Yorkers, defined as living at or below 100 percent of the federal poverty level – less than \$18,000 for a family of three – 30 percent fell behind in rent or mortgage payments in the past year, 24 percent had their health care costs increase, 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. These statistics, along with additional data showing a majority of low-wage New Yorkers lack on-the-job benefits, such as paid sick leave, make a compelling argument for improving wages for workers on city subsidized projects.

Mr. Jones added: “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.”

In response to the findings of a recent report commissioned by the New York City Economic Development Corporation (NYCEDC) on living wage, Mr. Jones said: “With respect to the EDC report, there are approaches and findings that are potentially misleading. For example, the report uses as a base to determine wage and employment impacts the 2006 New York City minimum wage of \$6.75 instead of the current federal and city minimum of \$7.25 per hour — this approach will inflate any negative wage or employment impacts derived in the analysis. In addition, this report was commissioned by one of two entities charged with administering city subsidies for real estate development. This organization would be expected to have potentially long-standing relationships to those very businesses that would most likely be affected by a living wage proposal, making it less than an objective conduit for such a study.”

To obtain a copy of David Jones’s City Council testimony and response to the New York City Economic Development Corporation Report on living wage, please contact Jeff Maclin at jmaclin@cssny.org or 212.614.5338.

###

The Community Service Society has been the leading voice on behalf of low-income New Yorkers for 165 years and continues to advocate for the economic security of the working poor in the nation’s largest city.