

## **Raise the State Minimum Wage**

As the United States continues to slowly dig itself out of the Great Recession, the problem of income inequality is only growing larger. And nowhere is this more apparent than in New York City. In 2011, the median income for the top fifth of earners in the city was \$223,285; for the bottom fifth, it was under \$9,000, a ratio of about 25 to 1.

One way to begin to narrow this widening income inequality is to raise the floor for low-wage earners. 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.

### **Poverty Wages**

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 poverty wages, around \$15,080 per year. The federal poverty threshold for a family of three is \$17,916. Seventeen percent of the full time working poor and 22 percent of the near-poor are African American.

In his annual State of the State Address last week, Governor Cuomo lent his support in favor of raising the state's hourly minimum wage from \$7.25 to \$8.75. It would be the first increase in the state's minimum wage since 2009, when it was raised 10 cents to \$7.25 to keep up with the federal standard. 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 is actually lower than the minimum wage in 1980. The minimum wage of \$3.10 in 1980 would be worth roughly \$8.70 today.

Governor Cuomo's address comes after a year in which Democrats 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.

Since 2002, the Community Service Society's annual "[Unheard Third](#)" survey has been tracking the hardships experienced by low-income New Yorkers to measure the degree to which they are able to meet their financial, food, housing, and health needs. In the latest survey, we found that among the working poor, 43 percent reported experiencing three or more hardships in the past year.

Among the hardships most commonly experienced by the working poor were 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, earning poverty wages.

## **Widespread Support**

New Yorkers have voiced strong and wide 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.

We applaud the governor's plan to increase the state's minimum wage. 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. New Yorkers strongly agree that it's time to give low-income workers a raise.

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

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