

1 BEFORE THE NEW YORK STATE SENATE
2 STANDING COMMITTEE ON LABOR

3 PUBLIC HEARING

4 TO REVIEW OF LOCAL MINIMUM WAGE PROPOSALS:

5 S.4919, S.5914, S.6455, S.6516, S.6537, and A.8767
6 -----

7 Legislative Office Building
8 Van Buren Hearing Room A - 2nd Floor
9 181 State Street
Albany, New York

10 June 2, 2014
10:00 a.m. to 12:00 p.m.

11 PRESIDING:

12 Senator Diane J. Savino
13 Chairwoman
14

15 PRESENT:

16 Senator Jose R. Peralta (RM)

17 Senator Bill Perkins

18 Senator Gustavo Rivera

19 Senator James Sanders, Jr.

20 Senator Daniel Squadron

21 Assemblyman Brian Kavanagh
22
23
24
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1 SENATOR SAVINO: We are awaiting
2 Senator Peralta.

3 And, we want to make sure we have everyone
4 who's participating or testifying. Make sure you
5 have your name on the list, or see my trusty
6 assistant.

7 I say this all the time, but then people go
8 ahead and read the whole thing: If we can get to
9 potential questions, because I think that's what
10 we'll want to hear.

11 Let's wait a few minutes.

12 Talk a amongst yourselves, and we'll get
13 started very soon.

14 Thank you.

15 [Pause in the proceeding.]

16 [The hearing resumed, as follows:]

17 SENATOR SAVINO: We're having a bicameral
18 hearing this morning. We're being joined by
19 Assemblyman Brian Kavanagh.

20 Senator Peralta has arrived, and so we're
21 going to get started with this hearing on -- there's
22 several pieces --

23 First of all, I'm Senator Diane Savino.
24 I represent the 23rd Senate District, which is
25 South Brooklyn and parts of Staten Island.

1 And I am the current Chair of the Senate
2 Labor Committee.

3 And currently in the Labor Committee there
4 are several pieces of legislation that address the
5 issues of minimum wage, local control of minimum
6 wage, or raising the minimum wage above what is
7 currently the state minimum.

8 So in an effort to kind of shed some light on
9 some of these issues, we thought it was a good idea
10 to hold a hearing here of the Senate Labor
11 Committee, to examine the different bills that are
12 currently before us, and see if we can arrive at a
13 way to define what should be the proper floor for
14 the state of New York, including its various
15 localities, and what can we do to make sure that
16 that floor does not become that ceiling.

17 It is no mystery to anyone that I have always
18 believed very strongly in the labor movement.

19 I believe the union movement is the best way
20 to improve terms and conditions for employees. And
21 organizing should always be one of our ultimate
22 goals as we examine labor, wage, and hour policy.

23 So with that being said, I'm going to
24 introduce my colleague Senator Peralta, who's going
25 to make an opening statement, followed then by

1 Senator Bill Perkins, and Senator Gustavo Rivera.

2 I have reminded them all, we only have the
3 room till noon, and we really want to hear what you
4 guys have to say.

5 But, take it away.

6 SENATOR PERALTA: Thank you, Senator Savino.

7 As a Ranking Member of the Labor Committee,
8 I'm happy to be here today to participate in this
9 incredibly important forum.

10 The issue that we're discussing today is
11 whether the State should give local governments the
12 authority to set a higher minimum wage within their
13 own boundaries.

14 I'm going to start today's hearing by noting
15 that we shouldn't need to have this discussion
16 today, for two reasons:

17 One, it's been just over a year since the
18 State passed the minimum-wage hike into law in last
19 year's budget, but this conversation remains all too
20 necessary.

21 Last year we adopted a minimum-wage increase,
22 that over 3 years will get the minimum wage to \$9 an
23 hour.

24 That's a lower and slower minimum-wage hike
25 than many of the options that have been put forward

1 by the Senate Democratic Conference, the Assembly
2 Majority, and the Governor.

3 At the same time, last year's minimum-wage
4 increase failed to raise the minimum wage for
5 tip-workers, failed to provide automatic
6 cost-of-living adjustments to the minimum-wage rate
7 in the future, and even gave away millions of
8 dollars to subsidize the minimum-wage hike for
9 businesses that hire young employees, with a tax
10 reimbursement.

11 The other reasons we shouldn't need to have
12 this conversation is that today's discussion is
13 generally about empowering local communities to
14 decide the minimum wage for their own borders.

15 In a state with such a proud tradition of
16 home rule, it's an unfortunate happenstance that the
17 court of appeals determined in the 1960s that
18 local governments cannot raise the minimum wage
19 themselves.

20 And let's be clear:

21 Today's conversation isn't just about the
22 minimum wage.

23 It's even about whether local governments can
24 set specific labor standards for contractors who
25 benefit from local tax dollars.

1 Last year, New York City's living-wage law,
2 which applies only to certain contractors doing
3 business with the City, was thrown into jeopardy by
4 a State Supreme Court judge based on the same
5 1964 case.

6 It's for both of these reasons that the
7 legislation we're discussing today is so important.

8 Empowering local governments to set the
9 minimum wage within their own borders will promote
10 broader labor protections, raise the living
11 standards of millions of New Yorkers, and ensure
12 that political gridlock in Albany doesn't get in the
13 way of a raise for hard-working low-wage workers,
14 some who are here today.

15 If enacted, the legislation in front of us
16 today would give 3 million low-wage workers a raise,
17 a real raise, compared to last year's deal.

18 And this legislation has the added benefit of
19 giving the state flexibility to set different
20 standards that take into account the 43 percent
21 difference in the cost of living between the least
22 and most expensive parts of our state.

23 I know that I speak on behalf of the members
24 of the Senate Democratic Conference when I say that
25 we support this proposal, and look forward to

1 providing the votes necessary for its passage.

2 I'm happy to be a part of today's discussion,
3 and I'll be listening closely to our esteemed
4 panelists.

5 Thank you very much.

6 [Applause.]

7 SENATOR SAVINO: Senator Perkins.

8 SENATOR PERKINS: Thank you very much.

9 I want to especially thank you,
10 Senator Savino and Senator Peralta for convening us
11 today.

12 It's a very, very important occasion, and I'm
13 very pleased we are convened here today, because
14 that means it's not too late to establish a
15 living-wage rate and empower municipalities to
16 establish minimum-wage standards that reflect local
17 needs this session.

18 I commend my colleagues in the
19 Senate Democratic Conference, including
20 Leader Stewart Cousins and Senator Squadron, for
21 being absolute champions of thoughtful proposals
22 that will allow for higher minimum wages at local
23 option, independent of living wages by large,
24 predominant, and well-heeled interests.

25 This is one of those rare public-policy

1 discussions that not only feels right in your head
2 and your heart because you are empowering
3 communities and practically helping to lift families
4 out of poverty, but also makes sense with respect to
5 the rationality and statistical demonstration.

6 New York State Labor Law is clear.

7 As a matter of public policy, it holds that,
8 quote, employment of persons at sufficient rates of
9 pay threatens the health -- insufficient rates of
10 pay threatens the health and well-being of the
11 people of this state, and injures the overall
12 economy, end quote.

13 The current minimum-wage ceiling constitutes
14 an insufficient rate of pay for many, when reviewed
15 in light of the overall cost of living, including
16 the individuals who I represent in the
17 30th Senatorial District.

18 Furthermore, I would argue that the current
19 minimum wage also -- is also insufficient in other
20 areas of the state, represented on the dais here
21 today, including Brooklyn, Staten Island, Syracuse,
22 Rochester, Long Island, and Queens.

23 Establishment of a living wage with regard to
24 certain sectors of our economy, married with local
25 control over minimum wages across our state, is a

1 broad and equitable approach that will forever end
2 the current cannibalization of low-wage workers in
3 the Empire State by greedy corporate interests.

4 Thank you.

5 [Applause.]

6 SENATOR SAVINO: Senator Rivera.

7 SENATOR RIVERA: Thank you, Senator Savino.

8 I represent a district in the Bronx, the
9 33rd District. It has about 318,000 people. The
10 median income is about \$25,000 a year in 2014.

11 I am very glad that we're having this
12 conversation.

13 I'm very glad that I'm here with my
14 colleagues in the Democratic Conference who have
15 always stood up to a -- for a robust minimum wage.

16 And I'm looking forward to an evidence-based
17 discussion, since there's always -- we are always
18 accused of just being this far-left fringe that
19 speaks without knowing.

20 And this is why it's very important to have
21 folks that do know what they're talking about.

22 Maybe we don't; but, certainly, you do.

23 So I am looking forward to hearing from you,
24 from hearing from the workers here, and, most
25 importantly, fighting to make sure we can get this

1 done this year.

2 Thank you.

3 [Applause.]

4 SENATOR SAVINO: Thank you.

5 We're going to proceed with our first panel.

6 Before us on the policy panel are:

7 Ken Jacobs, chair of the Labor Center at
8 University of California;

9 Valerie Ervin, served on the
10 Montgomery County, City of Maryland;

11 Erik Retting, northeast outreach manager of
12 Small Business Majority;

13 Michael Kink, executive director of the
14 Strong Economy For All Coalition, and, many other
15 endeavors;

16 Tsedeye --

17 I can never say your last name.

18 -- Gebreselassie, staff attorney at the
19 National Employment Law Project;

20 And, Paul Sonn, general counsel at the
21 National Employment Law Project.

22 So I guess we will start with Ken.

23 MICHAEL KINK: Sorry, Senator.

24 Tsedeye and I, we're going to present a brief
25 PowerPoint first.

1 SENATOR SAVINO: Oh, okay.

2 MICHAEL KINK: Sorry if it wasn't clear.

3 SENATOR SAVINO: So then we'll start with
4 Tsedeye, and Michael Kink, first.

5 Take it away.

6 MICHAEL KINK: Thank you so much, Senator,
7 for the opportunity to testify here.

8 We're happy that you will be able to hear
9 from experts, from faith leaders, from workers
10 themselves, on this effort to use both public-sector
11 and private-sector power to raise wages for workers,
12 with a combination of government action and
13 unionizing action.

14 It's one of the most exciting things that's
15 happened in a long time in this area, and we're
16 happy to be here in Albany to talk about it.

17 The fact that we're dealing with here is that
18 New York has the worst income inequality in the
19 country. We have the biggest division between the
20 rich and the poor of any other state.

21 [PowerPoint presentation begins.]

22 MICHAEL KINK: And, if you look at the shift
23 in just the last several decades, we've seen a
24 dramatic increase in incomes for the top 1 percent,
25 while the bottom half of the population has actually

1 gone backwards.

2 We're also dealing with the fact that the
3 New York economy is only growing low-wage jobs.

4 Net, you know, this is the only area where
5 jobs are growing.

6 We're losing high-wage jobs, we're losing
7 medium-wage jobs, but we are gaining low-wage jobs.

8 So we're proud that the New York economy is
9 gaining jobs, but the types of jobs that we're
10 gaining often don't pay people enough to
11 get out of poverty.

12 One in three workers now in New York is
13 working in low-wage jobs.

14 Women have been hit harder by this low-wage
15 economy. They're a majority of low-wage workers,
16 they're a majority of fast-food workers. And women
17 workers are 30 percent more likely than men to be
18 paid low wages.

19 There's a lot of reasons for that, but the
20 fact is, that's the economy that we have right now.

21 Low-wage workers are also no longer
22 teenagers. Right?

23 That is a popular impression.

24 The fact is, that more and more adults are
25 working low-wage and fast-food jobs.

1 70 percent of fast-food workers are the main
2 earners for their families.

3 2.8 million adult New Yorkers work low-wage
4 jobs, and that's a lot of folks that need support.

5 The bigger picture here is that we have
6 corporate profits at an 85-year high and worker
7 wages at a 65-year low.

8 So, the economy is generating a lot of money
9 for corporations. Right?

10 We've all seen corporations sitting on
11 multi-billion-dollar pools of profits.

12 McDonald's last year made \$6.3 billion, one
13 company.

14 Workers, on the other hand, are barely
15 getting by or going backwards.

16 We've also seen taxpayer subsidies directly
17 to these companies.

18 We did a report with other researchers from
19 UC Berkeley last summer that showed that New York
20 taxpayers are spending \$700 million a year on
21 supports for fast-food workers alone.

22 There's a lot of other categories of low-wage
23 workers; but, specifically, for the fast-food
24 industry: McDonald's, KFC, Pizza Hut, Wendy's.

25 You saw the stories about McDonald's

1 encouraging their workers to apply for food stamps.

2 That is subsidized by New York taxpayers to
3 the tune of \$700 million a year.

4 Now, the bosses in these big companies are
5 doing very well.

6 Right?

7 Fast-food CEOs are among the highest-paid
8 workers in America. Their average pay is
9 \$23 million a year, and their pay has gone up
10 400 percent since the year 2000.

11 Fast-food workers are among the lowest-paid
12 workers in America. Their average pay is about
13 9 bucks an hour, and it's gone up .3 percent since
14 2000.

15 Right?

16 So the CEOs have gone up 400 percent in the
17 last 14 years. The workers have stayed flat.

18 We saw the 50th anniversary of the March on
19 Washington last summer. They were marching for a
20 \$2.00 minimum wage, which was subsequently achieved.

21 That would be \$13.39 today.

22 That's what Dr. Martin Luther King, that's
23 what the leaders of unions from around the country,
24 were fighting for.

25 We have always been working -- unions,

1 faith leaders, community groups, workers
2 themselves -- for the kind of wage that will lift
3 people out of poverty.

4 And that what's we're fighting for today.

5 So, I think I'll turn it over to
6 Tsedeye Gebreselassie to talk in more detail about
7 our philosophy.

8 [Applause.]

9 TSEDEYE GEBRESELASSIE, ESQ.: Thanks, Mike.

10 So not only -- just to continue directly off
11 of what Mike was saying, not only are higher minimum
12 wages crucial in this economic environment that's
13 characterized by stagnant and declining wages and
14 this explosion in low-wage job growth, they're also
15 immensely popular. They're the most popular
16 political policy that you can think of, with strong
17 majorities, including Republicans, in support of
18 raising the minimum wage.

19 But despite all this; despite the economic
20 need for it, despite the popularity of it, minimum
21 wage increases continue to be very difficult to win
22 both on the federal and state level.

23 Before the last increase that was -- the
24 much-welcome increase that was passed in New York
25 last year in the state's minimum wage, the last time

1 the State voted to raise the minimum wage was in
2 2004. So it was a very long time.

3 And on the federal level, the minimum wage
4 has been \$7.25 an hour since 2009, which means that
5 every year that goes by, workers are, effectively,
6 seeing a pay cut because the cost of living is going
7 up but the minimum wage is not.

8 So the question for us now is: How can we
9 boost paychecks and raise wages in New York?

10 And we think that one of the best ways to do
11 it is to give localities across the state the power
12 to enact minimum wages that are higher than the
13 state level.

14 It's something that's supported, not just by
15 the economic evidence, as others on this panel will
16 talk about in a second, but also broadly supported
17 by the public all over the state in every region of
18 the state.

19 The consensus is that the statewide minimum
20 wage should be a floor; it should not be a ceiling.

21 And we've seen, I mean, there has been an
22 explosion in activity on the state and local level
23 to raise the minimum wage.

24 My colleague Paul Sonn will talk a little bit
25 about some of the campaigns that are happening right

1 now.

2 I just want to mention, Seattle, there's an
3 "APPROVED" stamped over that because that city just
4 finalized a deal last week to enact a \$15-an-hour
5 citywide minimum wage that will apply --

6 [Applause.]

7 TSEDEYE GEBRESELASSIE, ESQ.: That's right.

8 That is just a year and a half after many of
9 the workers in this room started to go on strike to
10 demand better pay and higher wages.

11 And it's happening in Seattle.

12 We want it to happen in New York, but we are
13 constrained, you know, under our current system.

14 The other thing that I just wanted to point
15 out is that, these local campaigns to raise the wage
16 on the local level, they also have an effect on
17 building momentum towards statewide increases. And
18 we've seen that happen in states that have used this
19 power.

20 In California, for example, San Jose became
21 the most recent state [sic] to enact a city
22 minimum-wage law back in 2012, to \$10 an hour. Just
23 a year later, the state followed suit.

24 In New Mexico, Albuquerque, back in 2006,
25 which covers about 25 percent of the state, enacted

1 a minimum wage of \$7.50 an hour.

2 A year later, the State went from \$4.25, to
3 \$7.25, an hour.

4 And I'll leave Maryland to my colleague
5 Valerie who can talk about the effect of local
6 minimum wage in the state of Maryland.

7 So that's my final message: It's time to
8 raise the wage, and keep raising it everywhere
9 across New York.

10 Thank you.

11 [Applause.]

12 SENATOR SAVINO: So who wants to go next?

13 Before you start, we're being joined by
14 Senator James Sanders.

15 [Applause.]

16 KEN JACOBS: Thank you for inviting me today.

17 I'm Ken Jacobs, the chair of the UC Berkeley
18 Center for Labor Research and Education;

19 And along with Michael Reich and
20 Miranda Dietz, co-editor of the book "When Mandates
21 Work: Raising Labor Standards at the Local Level,"
22 that looks at the empirical evidence about what's
23 happened when local jurisdictions have both raised
24 the minimum wage and done other labor-standards
25 policy.

1 This presentation draws both, from our book,
2 and research we carried out from the city -- for the
3 City of Seattle as they were in their deliberations.

4 And I'm going to talk briefly about what
5 cities and counties have done to date in setting
6 local minimum-wage standards; the research of the
7 impact on those laws, using mainly San Francisco as
8 a case study; and finish with some lessons and
9 conclusions.

10 So, nine cities and counties have passed,
11 across the board, minimum-wage laws to date.

12 Another three have industry-targeted laws,
13 generally in the hotel industry.

14 And, Seattle's proposed \$15-an-hour minimum
15 wage, as mentioned, was passed out of committee last
16 week, and will be voted on the full city council
17 tonight.

18 And laws are under consideration in a range
19 of other cities, as mentioned.

20 So what do we know about the impact of those
21 laws?

22 The oldest of the laws, San Francisco and
23 Santa Fe, are fairly well-studied.

24 So looking at San Francisco, you have, uhm --
25 the minimum wage is currently \$10.74 an hour. But

1 on top of that, there is an additional requirement
2 for employers to meet minimum health-spending
3 standards.

4 So for large employers, that's \$2.44 an hour.

5 So the effective minimum compensation for a
6 large employer in San Francisco, and that's 100 or
7 more, is a little over \$13 an hour.

8 And California minimum wage is going up,
9 overall, to -- San Francisco's minimum wage is
10 currently 34 percent above the state.

11 The state is going up to \$10 an hour, and
12 San Francisco is now discussing a higher increase.

13 So if we look at the impact, the minimum-wage
14 law has had its intended effect. It's put
15 \$1.2 billion extra in the pockets of low-wage
16 workers in San Francisco over the last decade.

17 And this slide compares the earnings for the
18 bottom 10 percent in San Francisco with the rest of
19 the Bay Area counties.

20 So what you see is, in 2003, earnings at the
21 bottom 10 percent were the same in San Francisco as
22 the rest of the Bay Area counties.

23 In the rest of the Bay Area, as in the rest
24 of the United States, wages at the bottom were
25 stagnating, and then declined when the

1 Great Recession hit.

2 In San Francisco you can see, in 2004, after
3 the law went into effect, raises at the bottom went
4 up, and then they stayed up because of indexing.

5 So by 2012 you have a large gap, as
6 San Francisco went up and stayed there, and what's
7 happened in the rest of the surrounding areas, in
8 terms of wages for low-wage workers.

9 So what happened to employment and the
10 economy?

11 If we look at overall employment in
12 San Francisco and the surrounding areas, I don't
13 have that slide, but the lines are very similar.
14 The patterns follow very, very closely in terms of
15 job creation in San Francisco and the surrounding
16 counties.

17 If we look at the restaurant industry where
18 you have a high concentration of low-wage workers
19 and labor is a relatively high share of total
20 operating cost, that's employment in the surrounding
21 counties in that period, and that's San Francisco.

22 San Francisco actually goes up a little
23 faster than the surrounding counties.

24 In -- my colleagues have tested this data
25 using a variety of methods and controls to check for

1 various -- what could be causing this, and they came
2 back with the same conclusion, that the minimum wage
3 did not hurt employment or economic growth in
4 San Francisco.

5 And studies of Santa Fe have found similar
6 results.

7 And this really mirrors the national
8 research.

9 Colleagues at Berkeley and UMass Amherst
10 looked over a 16-year period, across state border
11 lines, because we found all these changes in state
12 minimum wages.

13 So they looked at the counties on either side
14 of the border, and looked at restaurant growth, and
15 said: Okay, has there been any difference in
16 employment growth across those county borders?

17 And, so, this is all across the
18 United States; and, again, they found the same
19 results, that there's no measurable impact on
20 employment.

21 There's a massive new synthesis of the
22 minimum-wage research over the last 20 years by
23 Belman and Wolfson, and they said, again, effects of
24 minimum wage on employment are vanishingly small and
25 not statistically significant even in the most

1 generous tests.

2 So I think that's really how economists
3 are -- more and more, are viewing the situation
4 today.

5 So how are costs absorbed?

6 Right?

7 If we don't affect employment, what does
8 happen?

9 One is -- and I'll go through this quickly,
10 and then if there are questions, we can go into it.

11 But, there is very strong evidence of -- that
12 minimum wage has reduced turnover. And, turnover is
13 costly to employers.

14 And, so, about 20 percent of the total costs
15 of the minimum-wage increase is saved through the
16 reduction in turnover and related costs.

17 There's strong evidence on improved firm
18 performance.

19 We -- studies have found performance
20 improvements in a range of areas, including worker
21 performance, morale, customer service, absenteeism,
22 lower grievances, better equipment maintenance, less
23 equipment damage.

24 That also has -- all of those have costs to
25 employer -- and savings for employers.

1 But, increase in minimum wages are partially
2 passed through in the form of slightly higher
3 prices. And that's, mainly, you see it in the
4 restaurant industry. It's pretty negligible in
5 other sectors.

6 Generally, there was a study done by the
7 Federal Reserve in Chicago, Aaronson [ph.], and
8 found, every 10 percent increase in the minimum wage
9 is about a .7 percent increase in restaurant prices.

10 Pretty small.

11 26 percent increase in the minimum wage in
12 San Francisco led to a 2.8 percent increase in
13 full-service restaurants. A little more in
14 limited-service restaurants.

15 And then the final -- and the reason they can
16 do that is, it's a rule that's across the board.

17 A lot of restaurants say, Well, we won't be
18 able to compete.

19 But since everyone has to follow the same
20 rules, they are able to pass through some of it in
21 prices without suffering a competitive disadvantage.

22 And then the evidence around profits is
23 really unclear. It hasn't been well-studied.

24 We don't seem to see any impact on profits in
25 the United States.

1 They have seen some in England.

2 So, in conclusion:

3 Local minimum-wage laws are smart economic
4 policies, in that they reflect the local economic
5 diversity within states and address local economic
6 needs.

7 The appropriate minimum wage in New York City
8 and in Utica just aren't going to be the same.

9 And that's true with San Jose, California, in
10 the Central Valley of California.

11 Japan has long recognized this. And there's
12 a 30 percent higher minimum wage in Tokyo and Osaka
13 than there are in many of the other areas of the
14 country, because that reflects the differences in
15 economic conditions and differences in costs.

16 And, it's important to see that the local
17 minimum wage is really a complement, not a
18 substitute for state and national standards.

19 So as mentioned earlier, after San Francisco
20 and San Jose showed that a \$10 minimum wage was
21 workable, the State has now decided to increase to
22 that level, and most cities are going up.

23 And, so, I think that the general notion has
24 been proposed recently, as I understand by the
25 Governor, in terms of raising the state standard,

1 \$10.10, and indexing, while then allowing room for
2 cities to move, that's smart economic policy.

3 Local minimum-wage laws are an effective
4 policy to improve the income of low-wage workers, as
5 mentioned. And they really do have their intended
6 effects.

7 And I think that's the important thing, in
8 terms of really benefiting low- and middle-income
9 families.

10 And it's important to note that the wage
11 stagnation and decline is not just a question for
12 the lowest-wage workers.

13 Sometimes we hear people say, Well, minimum
14 wages are ill-targeted because not all the workers
15 are in poverty.

16 That's true, but, wages have stagnated or
17 declined for the bottom 60 percent of workers in the
18 United States in the last decade.

19 So to the degree this also helps the
20 middle-income families, that's also a positive
21 economic outcome.

22 And then, as noted, there's really no
23 discernible effect on employment from these laws.
24 And we discussed how they're -- how those costs are
25 absorbed.

1 So, that's the -- I'd be happy to answer any
2 questions when we're all done.

3 SENATOR SAVINO: When we get to the -- the
4 rest of the panel, then we'll have questions for
5 you.

6 [Applause.]

7 SENATOR SAVINO: Valerie.

8 VALERIE ERVIN: Thank you very much.

9 Good morning, Chairwoman Savino and members
10 of the Committee.

11 Thank you for the opportunity to submit
12 testimony this morning.

13 I'm Valerie Ervin, and I'm a former two-term
14 member of the Montgomery County Council, a home-rule
15 county located outside of the District of Columbia
16 in the state of Maryland.

17 I'm also, currently, the executive director
18 of the Center for Working Families.

19 So I'm going to cut to the chase because
20 many --

21 [Applause.]

22 VALERIE ERVIN: -- the speakers who have come
23 before me have laid out the context for why we're
24 here, and what I'm going to talk about is my
25 experience as a legislator.

1 So prior to the coming to the Center for
2 Working Families this past January, I was one of
3 three co-sponsors of a regional minimum-wage bill
4 that covered Prince Georges County in Maryland;
5 Montgomery County, also in Maryland; and the
6 District of Columbia.

7 The sponsors of the bills in all three of
8 these jurisdictions believed this was our
9 opportunity to move a working-family agenda forward
10 because we knew that pending legislation at the
11 federal level had almost no chance of moving ahead.

12 And, so, while we shared in common -- what we
13 shared in common was a higher cost of living in our
14 area, that was a huge hurdle for working families.

15 Montgomery County, where I was a legislator,
16 has something known as a "self-sufficiency standard"
17 for a family that measures the amount of income that
18 is needed to meet basic needs without public
19 assistance or private assistance.

20 This standard takes into consideration the
21 cost of housing, child care, food, health care,
22 transportation, taxes, and other miscellaneous
23 expenses.

24 This self-sufficiency standard from
25 Montgomery County indicated the amount needed to

1 make ends meet for one adult, one preschooler, and
2 one school-aged child, and that amounted to
3 \$36.90 per hour; or, \$77,933 annually; or,
4 421 percent of the federal poverty level.

5 A single adult would need to make \$17.07 an
6 hour to meet basics needs.

7 The minimum wage for Maryland, which passed
8 during this year's legislative session, is being
9 raised to 10.10 an hour, but we know that 10.10 is
10 still not enough.

11 The bill sponsors in all three jurisdictions
12 decided to move legislation in our respective
13 councils at the same time.

14 In fact, we moved the bill through committee
15 within days of each jurisdiction's committee votes
16 and final action.

17 The end result, even though hard-fought in
18 each of our chambers, moved the possibility forward
19 of passing a minimum-wage bill in Annapolis during
20 the recent 90-day legislative session in Maryland.

21 In fact, Governor Martin O'Malley made the
22 passage of a 10.10 minimum-wage bill his number one
23 priority.

24 We know that without the coalition that we
25 established through our local legislative authority,

1 we would not have been able to change the debate
2 that created a statewide minimum wage in Maryland.

3 Still, those who oppose any increase in the
4 minimum wage will claim that business cannot afford
5 modestly higher wages for their employees, even as
6 the evidence makes clear that businesses that pay
7 fair wages ultimately benefit from reduced turnover,
8 as you've already heard, and higher worker
9 productive.

10 Also, contrary to common perceptions of
11 low-wage workers, the vast majority are not
12 teenagers.

13 We heard that already.

14 We estimate that only 10 percent of the
15 workers earning less than \$12 per hour in my county
16 are teenagers.

17 About 44 percent are between the ages of 20
18 and 34; 33 percent are between the ages of 35 and
19 44; and 13 percent are actually 55 or older.

20 Other workers earning less than \$12 per hour
21 in Montgomery County, 55 percent are women.

22 The majority of these workers has at least
23 some college education, and just less than one-third
24 has children.

25 About 17 percent of these workers also work

1 full-time, although about 60 percent of them work
2 less than 20 hours a week.

3 Those who speak about widespread job loss and
4 negative impact on small businesses, I need to
5 challenge your claims on that.

6 The minimum wage has been raised in this
7 state and others around the country many times.

8 There have also been several increases in the
9 federal minimum wage, and in none of these cases
10 that we see the doomsday scenario of job and
11 business loss laid out by some.

12 In fact, the real strain on economic growth
13 in today's economy stems from the decision made by
14 many national food chains and big-box retailers to
15 inflate their profits by paying rock-bottom wages,
16 which is siphoning of money out of local communities
17 and impoverishing the customer base needed to
18 sustain economic growth, while at the same time
19 experiencing record profits.

20 We know that 10.10 isn't enough, and we are
21 seeing the emergence of local wage ordinances as a
22 way to generate momentum for further state action
23 and as a corrective for urbanized regions with a
24 standard of living higher than the state as a whole.

25 The legislation before you would be a huge

1 step forward in strengthening the self-determination
2 of local jurisdictions based on the local realities
3 in each of them.

4 They can decide best the appropriate wage for
5 their constituents.

6 By an enacting this legislation, we can
7 ensure that all of New York's working families are
8 able to support themselves no matter where they live
9 in the state, and pursue the person dream of
10 opportunity for all of its citizens.

11 Thank you for the opportunity.

12 [Applause.]

13 SENATOR SAVINO: Thank you.

14 Before we move forward we've, been joined by
15 Senator Daniel Squadron.

16 And I think --

17 [Applause.]

18 SENATOR SAVINO: [Unintelligible] has a fan
19 club.

20 And I've been informed that Senator Sanders,
21 who got here a little after we started, would like
22 to make an opening statement, so, please, be brief.

23 SENATOR SANDERS, JR.: No, no. I'm going to
24 be so brief, that I'm going to wait until everyone
25 is finished, and then I'll speak --

1 SENATOR SAVINO: That's why you're my
2 favorite Senator.

3 [Laughter.]

4 SENATOR SANDERS, JR.: She tells that to all
5 of us.

6 UNKNOWN SPEAKER: [Not on video.]

7 I know, she told that to me, too, so I don't
8 know what to tell you.

9 SENATOR SAVINO: Depends on -- I'm fickle.
10 It depends on the moment.

11 You're my favorite senator right now.

12 And now we're going to hear from
13 Erik Retting, from -- northeast outreach manager,
14 Small Business Majority.

15 ERIK RETTING: Well, thank you.

16 Good morning, Chairwoman Savino and members
17 of the Committee.

18 Thank you for having me here today to discuss
19 this important -- the importance to small-business
20 owners of allowing local wage authorities to set an
21 increase in their own minimum wage.

22 A raise up in New York legislation that would
23 allow cities and counties to enact higher local
24 wages above the state's minimum wage would help
25 ensure New York's wage structure makes sense for

1 local economies.

2 What's more, it's strongly supported by our
3 small-business community.

4 New York has the highest level of income
5 inequality in the nation, with roughly 3 million
6 low-wage workers living here in the Empire State.

7 The current \$8 minimum wage, which amounts to
8 about sixteen thousand six hundred and forty
9 thousand dollars -- \$16,640 annually, and even the
10 \$9 wage set to take an effect in 2016, is not enough
11 for workers in high-cost areas to afford basic
12 living costs.

13 New York entrepreneurs support granting wage
14 authority to localities because it would help
15 address our severe income inequality while giving a
16 much needed boost to low-wage workers and the
17 economy.

18 A recent scientific opinion poll released by
19 Small Business Majority found two-thirds of New York
20 entrepreneurs agree cities and counties in the state
21 should set and increase their own minimum wage above
22 the state's to ensure it makes sense for local
23 economies.

24 Now, our poll found about 74 percent of
25 New York small-business owners support raising the

1 minimum wage and adjusting it annually to keep pace
2 with the cost of living.

3 Small employers believe increasing the
4 minimum wage will enhance consumer spending, which
5 can increase the demand for small firms' goods and
6 services, and boost their businesses' bottom lines,
7 while strengthening the economy.

8 The nearly half of respondents say raising
9 the minimum wage would help make their business more
10 competitive because competitors wouldn't be able to
11 undercut them on labor costs.

12 About three-fourths of New York
13 small-business owners agree increasing the minimum
14 wage will not only help the economy, it would make
15 low-income consumers more likely to spend money,
16 driving up demand for small businesses' goods and
17 services.

18 Finally, more than two-thirds believe
19 increasing the minimum wage would help decrease
20 pressure on taxpayer-financed government assistance
21 that's needed to make up for low-wages, as it would
22 help people afford basic necessities that might
23 otherwise be out of their financial reach.

24 By letting city and county authorities set
25 and increase their local minimum wage to ensure it

1 meets the needs for the cost of living in their
2 area, more New Yorkers will have more money to spend
3 at small businesses.

4 This will help them create jobs, which
5 strengthens the economy overall.

6 The bottom line is, that New York's
7 small-business owners support allowing cities and
8 counties to raise their minimum to compensate for
9 the cost of living, because it's good for business,
10 workers, and the economy.

11 We hope you will strongly consider
12 small-businesses' strong support as you consider
13 this legislation.

14 Thank you again for your time and energy on
15 this important issue.

16 SENATOR SAVINO: Thank you.

17 [Applause.]

18 SENATOR SAVINO: Finally, from Paul?

19 PAUL SONN, ESQ.: Yeah.

20 SENATOR SAVINO: Okay.

21 Another PowerPoint? Okay.

22 I like the PowerPoints.

23 I have a short attention span.

24 PAUL SONN, ESQ.: Thank you.

25 Good morning, Chairwoman Savino and members

1 of the Committee.

2 Thanks for the opportunity to testify.

3 I'm Paul Sonn, with the National Employment
4 Law Project.

5 As you know, this weekend, the Governor
6 announced his support for a hybrid minimum-wage
7 package that would make very significant progress
8 towards raising the wage floor broadly across the
9 state, while allowing latitude for local variations
10 to address varying local conditions.

11 It had three components:

12 One was, a -- raising the statewide minimum
13 wage to \$10.10 an hour;

14 The second is, then indexing it for
15 inflation;

16 And the third is, allowing localities to go
17 higher, with a 30 percent ceiling on how much higher
18 they could go.

19 I will briefly touch on the first two
20 elements, and then mostly discuss the third one
21 which has been the subject of the great, as sort of,
22 discussion and debate.

23 On the first element, it's barely been one
24 year since we worked with you, Senator --
25 Chairwoman Savino, on raising New York's minimum

1 wage.

2 But, already, New York's \$9 package, which
3 hasn't been phased in entirely, has been leapfrogged
4 by most of the other high-cost, sort of, coastal
5 states -- or, many of the other high-cost coastal
6 states.

7 You know, 10.10 -- or, \$10 and change, as the
8 Governor's proposed, is really the new benchmark for
9 comparable states.

10 Five states in the past year have already
11 raised they're minimum wages to that level:
12 California; Connecticut and Vermont, our neighbors;
13 Maryland; and Hawaii.

14 The next couple of months, Maryland and
15 Illinois are expected to do the same -- I mean,
16 Massachusetts, rather, and Illinois, are expected to
17 do the same.

18 And, finally, actually, California, which was
19 the first to start this way, which was already going
20 to ten, they went -- they're going back and raising
21 the state minimum wage to \$13 an hour. And that
22 passed --

23 [Applause.]

24 PAUL SONN, ESQ.: -- that passed the
25 California Senate last Thursday, and is now going to

1 the Assembly, and possibly the Governor.

2 So, the \$10 benchmark is a very reasonably,
3 even modest, benchmark for a high-wage state like
4 New York.

5 On the second element, cost-of-living
6 indexing, it's a key reform, or commonsense reform,
7 to make sure the minimum wage doesn't erode in value
8 every year.

9 Thirteen states now have annual
10 cost-of-living indexing.

11 Since we worked with you last year, that's an
12 increase of three states that have gone -- have
13 adopted it in the last year: New Jersey, Minnesota,
14 and Michigan.

15 Michigan was just last week, and it is the
16 first Republican majority legislature to adopt
17 cost-of-living indexing.

18 It's actually a commonsense reform that many
19 voices in the business community back, as giving
20 them predictability, you know, the ability to plan
21 for and absorb regular, you know, modest wage
22 increases.

23 And that's why, you know, everyone, from
24 Mitt Romney, to a wide range of business groups,
25 back indexing.

1 But the second -- the third element is this
2 issue of local -- allowing local minimum wages,
3 local variation.

4 And which -- our organization has worked with
5 most of the cities and counties across the
6 United States that have adopted higher local minimum
7 wages, going back more than ten years.

8 This slide shows the trend.

9 You'll see it started -- actually, I think
10 the first one was really in D.C. in '92.

11 But then it -- a decade ago, in
12 San Francisco, and Santa Fe, New Mexico.

13 A few more jurisdictions, until you get to
14 this year. And there are, now, a total of 15 --
15 there are -- 2 laws have already been enacted, and
16 there are 15 more being proposed.

17 It really -- this is clearly the year that
18 this local minimum-wage idea has gone mainstream.

19 You know, President Obama called for action
20 by mayors to raise the minimum wage locally in the
21 State of the Union.

22 Mayor Rahm Emanuel in Chicago has convened --
23 you know, a moderate has convened a task force to
24 hammer out a Chicago minimum wage.

25 And now Governor Cuomo has thrown his support

1 behind the idea in a -- in a certain hybrid form.

2 We are also seeing that the -- and I should
3 say, also, it's not just, sort of, liberal states.

4 We see San Diego is proposing a higher
5 minimum wage.

6 And Oklahoma City actually moved to enact a
7 higher city minimum wage, until the Tea Party
8 Governor there and the legislature kind of stepped
9 in to block them.

10 The other key element is kind of parallel to
11 the more robust levels we're seeing for state
12 minimum-wage bills. The dollar values for these
13 city minimum wages is really going up substantially.

14 Back a decade ago, they were in the
15 7-to-10-dollar range.

16 Just last year, they were mostly in the 10 or
17 11 range.

18 Now the proposals we've seeing span all the
19 way up to \$15 an hour, as you heard in Seattle.

20 And the next slide shows you a chart of the
21 proposals currently being pushed around the country.

22 There are -- a bunch of the high-cost cities
23 are pushing \$15 minimum wages. And then some other
24 jurisdictions are pushing lower levels.

25 The Governor's proposal to raise the state to

1 10.10, and then allow localities to go up to
2 30 percent higher, which would translate to
3 13 and change, really is a moderate proposal that
4 would fall in the middle of the pack of what other
5 jurisdictions are proposing across the country.

6 So, I'm just going to turn to the -- kind of
7 the policy pros and cons, and what we really feel
8 are the driving forces behind these local minimum
9 wages, which may strike some observers as surprising
10 that you would attempt to regulate minimum wages at
11 the local level.

12 So I think one of the -- the key factor
13 driving, we believe, most jurisdictions are -- is
14 addressing regional differences in living costs and
15 economic conditions.

16 And the number one place you're seeing local
17 minimum wage is being pushed are the kind of
18 high-cost regions:

19 The -- the D.C. and Maryland suburbs which
20 are, you know, very -- you know, much higher cost of
21 living than the eastern shore;

22 Silicon Valley, San Francisco, and San Diego
23 in California, much higher cost of living;

24 Seattle in Washington.

25 But it's really -- it's not just those areas.

1 We're actually seeing them also in small
2 cities like Davis, California, that has identified
3 the growth of low-wage jobs as a real issue locally.
4 Most of those jobs are linked to that location.
5 Their jobs tied to the -- it's a college town, tied
6 to serving the consumer base there. So they're
7 pushing a higher minimum wage.

8 And even rural areas, like Las Cruces,
9 New Mexico, are pushing higher minimum wages.

10 And that goes to the -- the second reason
11 that I think a lot of the localities are pushing it,
12 is to build momentum for state minimum-wage
13 increases.

14 You heard from other panelists about how, in
15 California, New Mexico, Maryland, they've played a
16 key role in moving the economic viability of higher
17 state minimum wages building momentum.

18 You know, once the minimum wage goes up
19 locally, there's less -- businesses in that part of
20 the state are less opposed to a statewide increase.

21 But the other place you see it is in places
22 where, you know, maybe there's a -- if the -- where
23 a governor is perhaps blocking minimum-wage
24 increases, or there's gridlock and the state isn't
25 able to act regularly to raise the minimum wage,

1 cities are stepping in to act.

2 And that's what we're seeing today in Maine
3 and New Mexico, where you have Tea Party governors
4 who are blocking minimum-wage increases, and we're
5 seeing localities, including rural ones, like
6 Las Cruces, New Mexico, or Santa Fe County,
7 New Mexico, acting to raise the minimum wage.

8 So one of the -- I'd say that we can maybe
9 segue into the Q&A, but one of the key questions
10 I wanted to address is, you hear questions raised
11 about the workability of having varying local
12 minimum wages by jurisdiction; whether it's really
13 just too burdensome or not manageable for the
14 business community.

15 And I think we don't have to predict, you
16 know, this. This is -- we have, now, a full decade
17 of experience with local minimum wages.

18 And I think there are, maybe, three factors
19 which have -- are explained why it really has not
20 proven unworkable.

21 The first is, as a practical matter, it
22 really is a limited number of cities and counties in
23 each state that typically use this power; those that
24 really feel they have distinctly different economic
25 circumstances that really necessitate going much

1 higher than the state level.

2 It's really been, you know, a relatively
3 small number of jurisdictions in each state, and it
4 hasn't been a, you know, crazy quilt of varying
5 standards.

6 The second is, and as illustrated by the
7 Maryland suburb/D.C. model, there really are -- both
8 there are good opportunities to do regional minimum
9 wages that really -- that minimize variation.

10 New York is actually lucky that it has --
11 New York counties have full regulatory authority.

12 Some states' counties don't that have.

13 They are very sensible regional units for
14 enacting the higher minimum wages.

15 But, also, there's the possibility that we
16 saw in D.C., of pairs and trios of counties banding
17 together and acting in tandem.

18 You could imagine Suffolk and Nassau, perhaps
19 doing that. Maybe Westchester and Rockland, maybe
20 the Albany-area counties, if they thought a higher
21 wage made sense.

22 And then, really, the third and final factor
23 I'd note, is we don't have to -- we actually already
24 have experience with varying local standards in
25 other policy areas. Actually, the minimum-wage

1 areas is not really an unusual one where local
2 policy is restricted.

3 New York is generally a broad, liberal state.
4 Localities have broad policymaking authority.

5 For example:

6 Around paid-sick-days legislation;

7 Human-rights legislation to protect against
8 discrimination against the unemployed or persons
9 with criminal records.

10 And we see there's some variations, some
11 localities. You know, New York City, Ithaca,
12 Buffalo, some of the major suburban counties, will
13 use that power. But, it hasn't resulted in an
14 unmanageable array of differing standards.

15 So, maybe I'll wrap up there, and we can
16 segue to the Q&A.

17 Thank you for the opportunity to testify.

18 SENATOR SAVINO: Thank you.

19 [Applause.]

20 SENATOR SAVINO: Before we go to questions,
21 did you want to comment now, or you want to --
22 you'll wait?

23 SENATOR SANDERS, JR.: Sure, sure.

24 SENATOR SAVINO: Go ahead.

25 SENATOR SANDERS, JR.: If I can get this

1 thing to work.

2 Ah, it is working. I like working.

3 Thank you, Madame Chair.

4 It's good that you did this hearing.

5 It's good that we join on a Monday morning,
6 where we gather with the usual suspects who are on
7 the side of the angels.

8 Every time I see a barricade, where we're
9 trying to do something positive, I usually see the
10 same people.

11 So I'm glad of that.

12 I also understood that, when New York State
13 was proposing its \$9 minimum wage over three years,
14 that it wouldn't work.

15 And, of course, I could not support that; and
16 could not and did not support that one.

17 I'm glad that the Governor has agreed to my
18 bill.

19 [Applause.]

20 SENATOR SANDERS, JR.: It was refreshing to
21 hear our Governor propose the very bill that I had
22 proposed some months ago.

23 My only difference is, I didn't put this
24 30 percent cap that he's speaking about.

25 But, I look forward to working with him, and

1 I think that the sooner we get to it, the better.

2 But I am disturbed, Madame Chair.

3 I am disturbed that California, "California,"
4 as worthy as the left coast is, how can they do
5 better than the Empire State?

6 [Applause.]

7 SENATOR SANDERS, JR.: We have a patriotic
8 duty in the Empire State not to be undone by
9 California. And we should take this to heart.

10 Thank you very much, Madame Chair.

11 SENATOR SAVINO: I'm going offer a potential
12 explanation.

13 California has twice as many people than
14 New York, and twice as many people to annoy in their
15 legislature.

16 [Laughter.]

17 SENATOR SANDERS, JR.: But our people are
18 twice as annoying.

19 [Laughter.]

20 [Applause.]

21 SENATOR SANDERS, JR.: Yeah!

22 SENATOR SAVINO: Just remember,
23 Senator Sanders said "you're all annoying."
24 I didn't.

25 UNKNOWN SPEAKER: [Not on video.]

1 Should we start the rally now?

2 SENATOR SAVINO: Yes.

3 [Laughter.]

4 SENATOR SAVINO: I do have a couple of --
5 first of all, thank all of you for this really
6 informative testimony.

7 And I wish other members of the Legislature
8 were here to listen to it because, as we talk about
9 minimum wage, and then many of you are involved in
10 last year's efforts to raise the minimum wage, and
11 in the 2004 -- actually, no.

12 2004 was the culmination of a 5-year campaign
13 to raise the minimum wage in New York State. And at
14 the time it was as contentious, and we heard the
15 same arguments from people then that we heard last
16 year, and we'll always continue to hear, one that
17 you all refute, their argument, over and over, with
18 your analysis and your testimony.

19 But what we now have is something we didn't
20 have then: we have other states to look at.

21 And so I think it's more important than ever
22 that we look at the effect of what the various
23 minimum-wage proposals have had, whether or not
24 indexing has affected other counties, whether or not
25 local control and indexing is the way to go.

1 And I think we have a treasure trove of
2 information that we can work with now.

3 But there's a couple of points I wanted to
4 make.

5 First, I love all the PowerPoints.

6 I love this one [holding up a diagram]. This
7 is my favorite one --

8 [Applause.]

9 SENATOR SAVINO: -- because of the two faces.

10 But what's interesting to note in here, and,
11 again, I'm going to put on my union hat, the
12 difference between labor density in the
13 private-sector employment during this time frame and
14 now cannot be ignored.

15 There's a 25 percent reduction in labor
16 density in private-sector employment, which has, in
17 many ways, contributed to wage stagnation, certainly
18 wage depression.

19 Over the course of that time, though, I think
20 government has stepped in, and rightfully so, to
21 examine some of our public-welfare policies, to see
22 to it that we don't allow families to continue to
23 fall further into poverty, increasing eligibility
24 for support services, things like food stamps,
25 things like Medicaid, or as we created Family Health

1 Plus and Child Health Plus, to take public dollars
2 and put them in.

3 In many respect, though, I think we -- the
4 unintended consequences, that we have almost
5 incentivized employers to depress wages and keep
6 them low because we are making up the difference.

7 I'm not suggesting that we should change
8 that, because we do need to take our public dollars
9 and put them where they belong. But, somehow, we
10 have got to stop, you know, sending a message to the
11 Walmarts and the large corporations that it's okay
12 to pay your workers the lowest rate that you have to
13 because the government is going to make up the
14 difference.

15 That's a policy that we need to --

16 [Applause.]

17 SENATOR SAVINO: I know my colleagues have a
18 lot of questions, and I want you to get to them, but
19 there's, like, a couple of points I wanted to ask
20 about; particularly, Valerie, your experience as a
21 legislator in Maryland.

22 So, you know what it's like to try and get a
23 minimum-wage bill done.

24 Because, in a state where you have, you know,
25 regions where some are poorer than others, there's

1 no one who can argue that New York City is an
2 expensive place to live. Westchester's an expensive
3 place to live. Nassau, Suffolk, are expensive
4 places to live.

5 It's not the same as Buffalo. It's not the
6 same as, you know, pick another county upstate.

7 And so the challenge for us as we try and
8 craft a policy is: How do you answer the concerns
9 of the small businesses in those parts of the state
10 that see any attempt to change the minimum wage as,
11 you know, driving them out of business?

12 And so, when you did it in Maryland, what was
13 the experience there?

14 And -- you know, and do we have something
15 that we can point to and say, See, all of the
16 concerns, that the small businesses said that
17 they're going leave the county and go somewhere,
18 isn't true?

19 That it's not going to cause businesses to
20 close.

21 That, you know, local control is better,
22 because I --

23 Who talked about local control?

24 Somebody.

25 No, home rule.

1 Home rule, exactly.

2 We're a home-rule state, so we do have those
3 experiences on home rule. It's not a foreign
4 concept to us.

5 What it's -- we just need better arguments,
6 so that we can answer the questions when people
7 throw up their hands and say the world will end and,
8 you know, we're all going to go out of business.

9 VALERIE ERVIN: Well, I appreciate the
10 question because, as a legislator, just like all of
11 you, there was a lot of fear on my body of
12 nine Democrats about the backlash from the business
13 community, which actually didn't occur.

14 I think what we were witnessing, was we were
15 on the tail end of a national move forward on
16 minimum wage. It was almost as if it was
17 inevitable.

18 But I think what really helped us pass this
19 legislation, was that D.C. and Prince Georges County
20 and Montgomery County together in the region, we
21 wrote the legislation. It was exactly the same in
22 all of our communities.

23 And, so, once we were able to get over the
24 hurdle of the fear that some legislators had about
25 the political backlash that could occur with

1 supporting this kind of legislation, it just sort of
2 took off on its own.

3 As a matter of fact, the legislature in
4 Annapolis, the members of the House and the Senate
5 were watching this very closely, because they knew
6 that the governor was going to take a hard look at
7 sponsoring the legislation at the statewide -- at
8 the state.

9 And, so, it was kind of surprising to us that
10 the business community did not come out in full
11 force and fight this legislation.

12 It was almost -- they were almost silent.

13 SENATOR SAVINO: It's interesting, because
14 I remember when we were doing the discussion on the
15 minimum wage here, I attended a Chamber of Commerce
16 breakfast. And the leaders of the Chamber of
17 Commerce were vehemently opposed to raising the
18 minimum wage.

19 But I just threw it out to the room of -- it
20 was about 250 business owners: How many of you here
21 pay the minimum wage?

22 Only two people raised their hand.

23 VALERIE ERVIN: Which is this most
24 fascinating piece of this conversation, in that, the
25 business community, especially local small

1 businesses, they've been paying way more than the
2 minimum wage for a very long time.

3 And, as taxpayers, I think the big argument
4 for minimum wage is that people are tired of
5 subsidizing big-box stores and corporations that pay
6 the least amount to their employees as they can,
7 because, as you just laid out beautifully, we're
8 paying for it with tax dollars anyway on the other
9 end.

10 And so that argument sort of --

11 [Applause.]

12 SENATOR SAVINO: I have two more questions.

13 With respect to the localities and states
14 where they've done -- where they began the process
15 of raising the minimum wage on a local level, do you
16 find that counties around the county that acts
17 first, do you see them beginning to play catch-up;
18 where initially they resist, and then does it -- it
19 kind of spreads?

20 PAUL SONN, ESQ.: That's exactly what's
21 happened.

22 For example, in New Mexico, we've seen,
23 first, Albuquerque raised its minimum wage. Then
24 Bernalillo County, which surrounds it, did the same.
25 Santa Fe -- the city of Santa Fe raised its minimum

1 wage. And Santa Fe County surrounding it, which
2 goes way out into rural areas, actually.

3 So -- and -- so, yeah, that's exactly what's
4 happened.

5 And in the Bay Area, California, you've seen,
6 there's a whole -- actually, there's a longer list
7 of cities.

8 There are, now, a whole ton of California
9 cities are -- you know, are exploring, you know.
10 And they're kind of roughly doing it in the sort of
11 parallel -- you know, the parallel Maryland fashion
12 of, you know, similar wage levels.

13 So, uhm -- so, yeah, you know, I think --
14 SENATOR SAVINO: How do you prevent, then --
15 one of the concerns that I've heard is that, well,
16 let's say New York City raises their wage, pick a
17 number, \$12 an hour, \$15 an hour, but the
18 surrounding counties don't go along with that.

19 How do you prevent low-wage workers seeking
20 employment from coming into that job market,
21 potentially displacing the very workers we're trying
22 to help in the city of New York?

23 Or is there no way to mitigate against that?

24 PAUL SONN, ESQ.: There's no way entirely.

25 But I was just talking last week with

1 UFCW 400, which is the D.C. area, kind of,
2 grocery-workers union. And they were actually --
3 they were concerned about this, because their
4 contract covers Virginia, Maryland, and D.C., and
5 there was part of -- you know, a bunch of their
6 stores were covered, and a bunch weren't. And they
7 weren't sure whether there would be a lot of, you
8 know, pressure to transfer.

9 And it's -- you know, they found, partly,
10 that workers -- there is some mobility. Workers are
11 more mobile than businesses. But also because of,
12 commute times and commute expense, they're actually
13 seeing fewer requests to transfers than they
14 thought.

15 And so it's -- they're finding it's not
16 really -- it's -- that the -- it's -- you know,
17 there's some complication, but it's not that
18 disruptive.

19 And the main thing they're seeing, as a
20 union, is they were having trouble making any real
21 wage gains for their workers at the entry level.

22 You know, all the negotiation was over
23 benefits. You know, and the -- that the -- the
24 frontline workers were making barely more than
25 minimum wage.

1 So they are delivering, for the first time,
2 very substantial minimum -- you know, pay gains for
3 their entry-level workers, because the minimum wage
4 went from 8.25 -- 8 to -- it's going up to 11.50.

5 So they are -- you know, feel that it's a
6 really useful complement to their organizing.

7 And it also helps --

8 MICHAEL KINK: It also helps to the contrary.

9 SENATOR SAVINO: That's -- well, that was one
10 of the -- the final point I was going to ask you
11 about.

12 Some unions, like UFCW, their
13 collective-bargaining agreements have language that
14 speaks to minimum wage, so there's -- that's one of
15 the issues that they've raised.

16 Whatever we do, we have to be careful that we
17 don't do something that abrogates an existing
18 collective-bargaining agreement or
19 collective-bargaining pattern that has been
20 longstanding.

21 So we just need to keep that in mind.

22 PAUL SONN, ESQ.: Yeah.

23 So, yeah -- so some of them do reference,
24 I guess it would be an interpretive question, how
25 that contract is interpreted; whether it's

1 referencing the new local minimum wages.

2 But the UFCWs in -- you know, in California,
3 in Maryland, have found that it's -- you know,
4 there's some complication, but, on balance, they
5 find it hugely beneficial for improving standards in
6 their industries. And, also, for making sure that
7 the higher-paying union employers aren't undercut by
8 the competition.

9 There's a -- you know, basically, it raises
10 the floor that they can then bargain up from.

11 SENATOR SAVINO: Thank you.

12 [Applause.]

13 Senator Peralta.

14 SENATOR PERALTA: Thank you, Senator Savino.

15 So, if we were to adjust for inflation, the
16 cost of living, what should the minimum wage be in
17 New York City?

18 SENATOR SAVINO: She said 36 bucks.

19 I'm, like -- I don't think we earn \$36 an
20 hour.

21 PAUL SONN, ESQ.: If it was adjusting for
22 inflation, it would be, you know, more like 12ish,
23 whatever.

24 But, you know, if you really adjusted to keep
25 track -- keep up with productivity gains, to keep up

1 with the real cost of living, and to match what
2 other high-cost cities are doing, you would do
3 \$15 an hour.

4 And, so -- which is, you know, we think is
5 really economically realistic in New York.

6 We're seeing other cities are pushing it.

7 And, you know, long term, you know, something
8 like that, is -- you know, should be the goal.

9 But the Governor's proposal is very
10 significant progress in that direction, and is --
11 would really make a tremendous difference both on
12 the statewide and for localities.

13 [Applause.]

14 SENATOR PERALTA: So, seeing the PowerPoint
15 presentation, and the fact that I heard that the
16 average CEO makes \$23 million, CEO salaries have
17 increased 400 percent since 2000, while workers'
18 salaries -- did you say 3 percent?

19 UNKNOWN SPEAKER: [Not on video.]

20 .3 percent.

21 SENATOR PERALTA: .3 percent.

22 Thank you for clarifying that.

23 -- .3 percent, I am surprised, and very
24 saddened, that we're not talking about the repeal of
25 the minimum-wage-reimbursement tax credit, since the

1 minimum-wage reimbursement -- the
2 minimum-wage-reimbursement tax credit was given to
3 big-box stores look Walmart, KFC, McDonald's, so
4 they can hire -- they can continue to hire
5 teenagers.

6 And what we've heard was, what, over
7 80 percent of workers -- minimum-wage workers are no
8 longer teenagers? Is that correct?

9 UNKNOWN SPEAKER: [Unintelligible.]

10 SENATOR PERALTA: So, basically, we're giving
11 big-box stores an incentive to keep teenage workers,
12 so they can maintain their tax credit.

13 And fortunately for us, one of the big-box
14 stores, Walmart, was on record, just last year,
15 saying that they're not going to take the
16 minimum-wage tax credit.

17 So if they're not going take the
18 minimum-wage-reimbursement tax credit, why should we
19 not repeal it?

20 Because what some of the estimation is, it's
21 estimated that, for the first year, it's going to
22 cost us 35 million, and the next three years, it
23 will cost us around 65 million per year.

24 So that's money that can go back into --
25 putting it into increasing the minimum wage.

1 So that's something that I wanted to put on
2 record, because it's very important that we see what
3 we're doing here.

4 This agreement that was passed sends the
5 wrong message: That, on one end, we're trying to
6 increase minimum wage to \$9 an hour after a 3-year
7 period; but at the same time, we're going to give
8 big-box stores all these tax credits so that we can
9 maintain hiring teenagers and put, unfortunately,
10 these individuals, 80 percent of which are over the
11 age of 21, out of work.

12 So that's something I just wanted to put into
13 the record.

14 [Applause.]

15 SENATOR SAVINO: That's it?

16 Our Assembly crasher.

17 [Laughter.]

18 ASSEMBLYMAN KAVANAGH: I appreciate the
19 opportunity to make a special guest appearance here,
20 a rare appearance, at the Senate Committee hearing.

21 Just a quick question:

22 You know, we've got a lot of different, and
23 from my view, very positive proposals on the table
24 at this point.

25 From the perspective of the panelists, what

1 is more important as a reform we can do now?

2 Assuming we have a 10.10 statewide wage,
3 should we -- is indexing, going forward, more
4 important, from your perspective; or is giving
5 localities a significant ability to have a
6 differential?

7 MICHAEL KINK: Well, I'm going to go forward
8 and say both, and have to say both.

9 [Applause.]

10 MICHAEL KINK: You know, indexing would be a
11 tremendously valuable gain for workers across
12 New York.

13 And, the ability to respond to local cost of
14 living, the precedent that New York should move to
15 being one of these states that sees more higher and
16 more frequent increases in minimum wage for workers,
17 that is equally important.

18 So I think, in both ways, we're setting
19 important standards for going forward for where the
20 state needs to be.

21 And we're responding, as Senator Savino said,
22 to the historic changes here.

23 Right?

24 We're doing things, that take all the
25 low-wage jobs that we're creating, make them better

1 jobs, and work both with government and with
2 unionization. Right?

3 These people are organizing unions. Right?

4 These things work together.

5 And so having government at your back, with
6 indexing and local wage authority, and, the workers
7 working together to organize and unionize,
8 tremendously valuable.

9 [Applause.]

10 TSEDEYE GEBRESELASSIE, ESQ.: I would just
11 say, you know, indexing, it's important to keep in
12 mind, it's -- all it does -- I mean, it's a
13 wonderful reform, but it just maintains the real
14 value of the current minimum wage; so it,
15 effectively, makes sure that 10.10 remains 10.10 as
16 the cost of living goes up.

17 So you need local wage control because you
18 need those localities that have much higher cost of
19 living to be able to go above the 10.10.

20 [Applause.]

21 VALERIE ERVIN: One final comment: And the
22 regional wage in Montgomery and Prince Georges
23 County, we did not index, it did not pass.

24 It did in D.C.

25 And it did not pass the state of Maryland,

1 which is a huge mistake, moving forward, because now
2 we -- what we've done is just, essentially, told
3 workers to tread water for a while, because those
4 gains are going to be lost.

5 So we're going to go back and fight for
6 indexing, next year.

7 [Applause.]

8 ASSEMBLYMAN KAVANAGH: I'm going to push my
9 friends on the panel a little bit here.

10 You know, we have a long tradition in this
11 state of not indexing; and, instead, periodically
12 revisiting this question.

13 I have been a long proponent of indexing,
14 I favor it.

15 I don't quite understand the mysterious
16 reasons it is such a big lift, but it has been a big
17 lift in the past.

18 If we raise the wage to 10.10 an hour now,
19 statewide, and, we give what is currently floating
20 around there, I have a bill -- I've been pushing a
21 bill for a 25 percent differential --

22 There's now a proposal, over the weekend, for
23 a 30 percent differential.

24 -- if we do that now, if we have to choose,
25 say, between doing a local differential now, and

1 indexing, so that a couple of years from now this
2 catches up with inflation again, are you folks
3 really sticking with those are equally important
4 goals?

5 PAUL SONN, ESQ.: Absolutely.

6 I mean, 10.10 just isn't enough for the
7 high-cost regions of the state.

8 And, you know, frankly, we can come back and
9 raise the state minimum wage again.

10 You know, it's -- you know, New York -- it
11 would be good if New York -- if the State did it a
12 little more regularly, like Connecticut and
13 Massachusetts do, but, you know, the regional
14 variation is -- makes -- you know, it would be a --
15 you know, make a \$3-an-hour difference for the
16 workers of New York.

17 That's tremendous.

18 You know, right now, places like, you know,
19 San Diego, and, you know, actually, you know, the
20 minimum wage in, you know, Santa Fe County,
21 New Mexico, are higher than in New York City, and
22 are higher than 10.10 an hour.

23 We really need a way to get above 10.10 for
24 New York City.

25 [Applause.]

1 MICHAEL KINK: And, you know, as Ken said,
2 and we should let Ken talk a little bit, Tokyo,
3 Osaka, I mean, that's what we're talking about in
4 New York.

5 We're talking about world-class cities with
6 companies making historically high profits. There's
7 an ability to pay these wages.

8 And moving us in this direction forward is --
9 you know, is historical.

10 We've got to do that.

11 KEN JACOBS: Just one other thing on
12 indexing: Indexing both makes sense for workers and
13 for businesses.

14 SENATOR SAVINO: And for the Legislature,
15 too.

16 KEN JACOBS: And the -- right, all the way
17 around. There's a logic here.

18 SENATOR SAVINO: Takes us out of this
19 process.

20 KEN JACOBS: Right, yeah.

21 Because, for workers, what indexing means, is
22 that they stay up with -- as inflation goes up.

23 And so what we've seen historically is, the
24 declining value of the minimum wage, you have,
25 basically, the standards go down, and then you get

1 these jumps back up when it goes back to the
2 legislative process.

3 So that's -- also, obviously, that has
4 impacts on the legislative process.

5 But what it means for firms, is rather than
6 being able to plan on a slow, steady increase, they
7 go through this constant thing of, you know, things
8 go down, and then they have these larger jumps all
9 at once. And that's not good for business planning,
10 as well.

11 So indexing is smart for workers, smart for
12 government, and smart for businesses.

13 [Applause.]

14 MICHAEL KINK: The one other thing that
15 I would add for the record, is that Seattle has a
16 lower cost of living than New York City does, and
17 they're at \$15 already.

18 So getting us to the point where we can start
19 to meet the very high cost of living in
20 New York City and the metro-area suburbs, where we
21 can work on a regional basis, like they did in
22 Maryland and other parts of the state, to do it
23 across patterns.

24 And that, Senator Savino, is the thing we've
25 been hearing from legislators from other parts of

1 the state, saying, Well, we're a little scared about
2 just doing it in this city or county.

3 But if it were a broader pattern, like it was
4 in Maryland, where we could do it across the metro
5 area, that would start to make real good sense.

6 And if we're indexed, it's predictable for
7 business.

8 [Applause.]

9 SENATOR SAVINO: Thank you.

10 Next is Senator Perkins.

11 SENATOR PERKINS: Yeah, two quick questions,
12 Ms. Ervin.

13 So, your governor came on board and that was
14 useful.

15 What brought him to Jesus, so to speak?

16 [Laughter.]

17 VALERIE ERVIN: Well, since I'm in New York,
18 maybe I can answer that question.

19 SENATOR PERKINS: Sure. Be frank.

20 VALERIE ERVIN: He's running for president,
21 and it was a good political move.

22 I'm just, like, being honest.

23 But I thought it was really important that he
24 did that, even though, in Maryland, at the end of
25 the day, the bill passed: 10.10, with no indexing,

1 and tip-wage earners got capped.

2 So we have a lot of work to do in Maryland,
3 still.

4 SENATOR PERKINS: Thank you very much.

5 The other question that I had is:

6 So, our government is now is moving in the
7 right direction, someone said.

8 Exactly -- explain what that means, and how
9 much more do we have to go?

10 PAUL SONN, ESQ.: Well, again, the other
11 high-cost cities are proposing \$15 an hour.

12 That's what Chicago is proposing, LA is
13 proposing, San Francisco is proposing, Seattle.

14 New York City is at the top of the, you know,
15 cost of living for global cities in the U.S.

16 If any metro economy could justify a
17 \$15 minimum wage, it's New York City.

18 So that's -- the Governor's proposal, though,
19 is very substantial progress.

20 It would get you us to be 13 and change,
21 assuming you did all the parts of it: 10.10
22 statewide, 30 percent higher for the metros.

23 So that's -- that's very, very substantial
24 progress. And -- but -- and we'd keep working
25 towards the long-term goal of a -- of a, ultimately,

1 higher and sustainable minimum wage for places like
2 New York City.

3 MICHAEL KINK: And I will say, Senator, you
4 know, there is something to the fact that we have
5 not previously been one of these states that's
6 allowed localities to set their own wages.

7 Having a way to step forward to address these
8 local concerns, to show that it works, and then,
9 potentially, to move forward after that, is a big
10 step, right, if we get to 10.10, 13.30.

11 These folks are still working for \$15 in the
12 union. They are not going to stop fighting, and
13 we're not going to stop supporting them until that
14 happens.

15 [Applause.]

16 MICHAEL KINK: But, as that kind of hybrid
17 model to sort of set a corridor, where we have a
18 good statewide increase, we have indexing, and then
19 we begin to respond to local cost of living, that
20 puts us on a path to where we're actually responsive
21 in getting towards the wages where we need to be.

22 [Applause.]

23 SENATOR PERKINS: Thank you very much.

24 And I want to thank the Working Families
25 Party for the work they've done towards this end.

1 SENATOR SAVINO: They didn't get here yet.

2 I do see them in the room, though.

3 Senator Rivera.

4 SENATOR RIVERA: Thank you, Senator Savino.

5 Again, thank you for being here, and thank
6 you for bringing all the information that you're
7 bringing to us.

8 I've always been a supporter of raising the
9 minimum wage. I believe it will have a positive
10 effect.

11 Certainly on the folks that live in my
12 district, it will be immediate.

13 However, there are many folks that are not in
14 this room that are opposed to it, and we hear the
15 usual pushback.

16 And so I wanted to take the time, I don't
17 know if, Mr. Jacobs, I don't know if I call you
18 "Dr. Jacobs"?

19 KEN JACOBS: Mr. Jacobs.

20 SENATOR RIVERA: Mr. Jacobs?

21 Because you spoke like a Ph.D., so I -- and
22 as --

23 KEN JACOBS: I work with lots of economists.

24 [Laughter.]

25 SENATOR RIVERA: So -- that is exactly why

1 I wanted to narrow down some of the comments that
2 you made, and actually ask specific questions about
3 how the -- you know, how the opposition usually
4 frames this.

5 As somebody who's -- you know, I'm not a
6 full-blown academic. I came originally to New York
7 to do a Ph.D., but I don't have one.

8 But, obviously, you deal with a lot of them,
9 and this is some of the facts that you deal with on
10 a daily basis.

11 Just to read a short -- just a sentence,
12 which I think that you will have heard many, many
13 times, or read many, many times:

14 "The belief that increasing the minimum wage
15 is socially beneficial is a delusion. It is
16 shortsighted and ignores evident reality.

17 "Workers who retain their jobs are made
18 better off, but only at the expense of unskilled,
19 mostly young workers who either lose their jobs or
20 can't find the job at the legal minimum."

21 That is one of the types of arguments.

22 Obviously, we're not going to have a long
23 academic conversation, but I want you to kind of dig
24 down into that a little bit, particularly
25 considering the numbers that you were talking about,

1 that you discussed earlier.

2 KEN JACOBS: Sure.

3 That is a longstanding contention. And that
4 comes from this basic idea that a thinking of labor
5 as purely -- when they look at the supply-and-demand
6 curve, they think of it as, Well, if you raise the
7 cost, then the demand is going to go down.

8 Except, you also have to look -- think about
9 the supply side that of equation, and that's been
10 long known within economics, because, if you also
11 have -- people aren't widgets.

12 If you raise the cost of this pen, the pen
13 will write the same way.

14 If you raise the cost of labor, labor
15 performance changes.

16 You have reductions in turnover. People stay
17 at the job longer. Again, they work harder. All of
18 those other factors that I mentioned earlier, in
19 terms of absenteeism, et cetera.

20 So that's an important impact that spreads
21 throughout how -- in terms of what those results
22 are, which means that you can't just say, in theory,
23 cost goes up, demand goes down. You have to
24 actually look at the empirical evidence.

25 And what's happened over the last 20 years,

1 since David Cardinel [ph.] and Krueger did a famous
2 study looking at fast-food restaurants on the other
3 side of the New Jersey-Pennsylvania border after a
4 minimum-wage increase in New Jersey, is there's been
5 a massive amount of empirical evidence, really
6 looking at these questions, and looking at it --
7 both, in terms of restaurant employment, and looking
8 at it in terms of teen employment.

9 So, again, the biggest thing we've had
10 recently, these large national studies that look at,
11 every time there's a different state minimum wage,
12 you can look right across county borders.

13 And that includes some places that are urban
14 areas across the border, and some places that are
15 rural areas across the board.

16 Right?

17 The Idaho-Washington line.

18 And so you can look at, Well, what happened
19 to teen employment on both sides of those borders?
20 Did it change?

21 And the answer is, you don't see an impact.

22 And there's a very significant amount of
23 research that really has changed the perceptions.

24 So there was a survey of top economists done
25 by -- out of the University of Chicago. And I think

1 it was something, like, the -- only 15 percent
2 thought that the harm of a minimum wage was greater
3 than the good.

4 I mean, that position has gotten smaller and
5 smaller among economists, as the empirical evidence
6 has just been so overwhelming on the other side,
7 that those negative impacts have not appeared at the
8 levels of minimum wages that we've seen in the
9 United States today.

10 [Applause.]

11 SENATOR RIVERA: Two more -- thank you for
12 that.

13 Two more questions that deal directly, again,
14 with the data that you crunch and look at every day.

15 As far as the age of these workers, what is
16 the -- and I know that we mentioned it before, but
17 I want to also again get it on the record, as far as
18 the breakdown of what -- who these folks are, and
19 what their ages are.

20 KEN JACOBS: There's been a significant shift
21 in who makes up the low-wage workforce over the last
22 30 to 40 years.

23 And so, again, when you look at sort of who
24 are workers earning less than 10.10 an hour, or
25 \$12 an hour, the low-wage workforce are

1 overwhelmingly adults. They, on average, provide
2 more than half of their family's income.

3 So, this is not a question of teenagers
4 working for extra money.

5 It's a question of people who -- and even
6 where you've got teenagers working for extra money,
7 many of them are in low-income households and they
8 contribute to their household's survival.

9 So, in general, what we're talking about here
10 is workers who are contributing an important part of
11 their family's income, who are, in the vast
12 majority, adults.

13 [Applause.]

14 SENATOR RIVERA: And, lastly --

15 KEN JACOBS: Oh, and just one other thing
16 that adds in on the "teenage" question, because
17 I think this is really important, is we've looked at
18 the cost of college tuition going up and up, and the
19 issue of student debt becoming a bigger and bigger
20 issue.

21 The fact that 18- or 19- or 20-year-olds
22 would earn more money is an extremely positive
23 thing, if faced in terms what their economic
24 pressures are, as well.

25 [Applause.]

1 SENATOR RIVERA: And, lastly, related to the
2 time frame that folks working these jobs, another --
3 quoting from -- what I quoted earlier, by the way,
4 was an editorial from "Forbes Magazine." Again,
5 shocked that they would say something like that.

6 I'm going to quote from a report from the
7 Cato Institute, that -- when it's stating the
8 conclusions, basically, making this whole argument.

9 But a lot of graphs -- there's a lot of
10 graphs here. I'll show them to you later, and maybe
11 you can explain them to me.

12 But the conclusion, in one part, it says:

13 "In the American economy, low-wages are
14 usually paid to entry-level workers, but those
15 workers usually do not earn these wages for extended
16 periods of time."

17 So I wanted to actually get -- drill down on
18 that particular issue, considering, again, many of
19 the folks I represent, this is not they're reality.

20 KEN JACOBS: So, if you look at that in the
21 perspective of, low-wage jobs in the low-wage
22 industries have extremely high turnover. Right?

23 So right in the restaurant industry, your
24 turnover rate's over 30 percent a year.

25 Well, what's happening there is not that

1 people are then going from that job to a
2 higher-paying job. They're going to another
3 low-wage job with -- generally, within that
4 industry, but where they can get just a tiny bit
5 more.

6 Because people are so desperate, what you
7 have is a lot of movement within these low-wage
8 occupations.

9 So when you raise the wages, you get that
10 sharp decrease in turnover.

11 We did a study, looking at the San Francisco
12 International Airport after higher labor standards
13 were set in that airport. And this was in 2000.

14 You saw security screeners at the time were
15 earning very low-wages. They were contracted-out
16 jobs, and turnover was 100 percent a year.

17 After that, the wage increase went into
18 effect. It dropped 80 percent points. It went down
19 to 20 percent a year immediately. And that created
20 significant savings, and also has important
21 improvements around safety and security.

22 So I think the idea, when we look at this and
23 say, Well, people stay in these jobs a short time;
24 they stay in the jobs a short time because the
25 result of that is that turnover, but they are not

1 moving up the economic ladder.

2 SENATOR RIVERA: Thank you so much again
3 for --

4 [Applause.]

5 SENATOR RIVERA: You certainly deserve all
6 those applauses.

7 Thank you so much for all of you, for the
8 that work you're doing.

9 And, we look forward, again, to continuing to
10 work with you, to make sure that this happens as
11 soon as humanly possible [unintelligible] this year.

12 Thank you.

13 [Applause.]

14 SENATOR SANDERS, JR.: Thank you,
15 Madame Chair.

16 I do want to point out another fallacy that
17 the "Forbes" article, and articles like that, are
18 not really speaking of; and that, of course, is the
19 multiplier effect of paying low-wage workers more
20 money.

21 These workers are not as inclined as
22 high-wage workers to put their money into hedge
23 funds.

24 The hedge fund that they are looking for is
25 called "survival." It's called "making sure that

1 their family survives."

2 So that multiplier effect, indeed, can create
3 more jobs in those very communities that we speak
4 of.

5 I also wanted to point out, a question has
6 arisen of our Governor's belated turn towards this
7 question.

8 And some may say that there was something
9 political about it, but I don't see that at all.

10 I believe that the Governor was sitting down
11 at his house late at night, and was catching up on
12 some old reading, and he grabbed my bill, and he saw
13 my bill, and he saw that these three points, and he
14 said, You know what?

15 SENATOR PERKINS: [Not on video.]

16 I see the light.

17 SENATOR SANDERS, JR.: He saw the light and
18 said, Sanders makes sense, and I'm going to go with
19 every single thing that he said months ago.

20 And I think it's just a question of timing,
21 and he saw the light. And I commend him for it.

22 And I urge him that I have other bills that
23 he should look at while he's doing these things.

24 Thank you very much.

25 [Laughter.]

1 [Applause.]

2 SENATOR SAVINO: That was not a question so
3 much as a comment.

4 SENATOR SANDERS, JR.: Oh?

5 SENATOR SAVINO: No, that's okay. We only
6 have about another hour.

7 SENATOR SANDERS, JR.: My question is, Will
8 he get to my other bills?

9 SENATOR SAVINO: Okay.

10 [Laughter.]

11 SENATOR SAVINO: Senator Squadron.

12 And then we're going to move to the workers,
13 because we really do want to hear from them.

14 Thank you.

15 SENATOR SQUADRON: Thank you.

16 Thank you very much.

17 A couple of questions, just for the panel.

18 To start, thank you all for coming and for
19 answering our questions.

20 You talked about the need to sort of, both,
21 index and have local control.

22 Is there a statewide number that you think is
23 the appropriate statewide minimum wage?

24 SENATOR SAVINO: He answered that already.

25 PAUL SONN, ESQ.: The 13 that California is

1 proposing, you know, would be good.

2 I mean, New York, comparable economy.

3 They're proposing that for the
4 Central Valley, for everywhere, statewide.

5 There's no reason New York couldn't have the
6 same.

7 [Applause.]

8 SENATOR SQUADRON: And what about for
9 New York City; either New York City five boroughs or
10 New York City region?

11 UNKNOWN SPEAKER: [Not on video.]

12 15.

13 UNKNOWN SPEAKER: [Not on video.]

14 He's answered it.

15 UNKNOWN SPEAKER: [Not on video.]

16 He's answered it.

17 SENATOR SQUADRON: Thank you.

18 Thank you, all.

19 [Laughter.]

20 SENATOR SQUADRON: So, presumably, if we got
21 to those numbers, then indexing would be an
22 appropriate way to solve this.

23 You wouldn't need local control any further
24 if you started from that baseline.

25 Is that fair to say?

1 MICHAEL KINK: Well, you know, I think one of
2 the questions you've seen, particularly in
3 New York City, is occasional explosions in housing
4 costs. Right?

5 Having the ability to respond to local
6 pressure is important.

7 And, also, you know, I think we're -- we got
8 policy experts.

9 We also have people that have worked on these
10 campaigns. Right?

11 That the flexibility that comes from a
12 statutory structure that allows localities to move,
13 to respond, and then to make the case on a statewide
14 basis, is smart. Right?

15 And I think that, when and how you get to an
16 appropriate level, you know, will we get there all
17 the way at once?

18 We probably won't. Right?

19 We're going to have to do this in steps.

20 So I think that's why we're saying both are
21 important, to achieve the gains, to back them up
22 with indexing, but then to allow those local cost
23 differentials to continue to have something where
24 you can respond as government.

25 SENATOR SQUADRON: You know, because it's an

1 interesting point, both the 13 and the panel's
2 answer of \$15, because New York City actually does
3 calculate its own poverty rate.

4 The Center for Economic Opportunity has a new
5 calculation that takes into account -- relatively
6 new, that takes into account costs -- the true cost
7 of living in New York City, the true take-home pay
8 of folks.

9 And for a family of four in New York City,
10 under this level, you're really, you know, not at
11 the poverty line until you're over 30,000 -- \$31,000
12 a year, for a family of four.

13 And I think that's telling, in two ways:

14 One is, that New York City does have, in
15 fact, its own index, that's a different index. It
16 takes into account some of the peculiarities that
17 Paul Sonn and others spoke about.

18 You think, and then you answered, sort of,
19 13, based on the California example.

20 Do you think that 13 and 15 are appropriate
21 because they're tied to some baseline?

22 Objectively, how can we know, moving forward,
23 sort of, what the wage should be?

24 What's either the value or the economics of
25 what, you know, real work should pay for folks?

1 Because I don't believe it's homelessness and
2 hunger and the inability to support yourself, and
3 certainly to support a family.

4 PAUL SONN, ESQ.: Well, that's a good
5 question.

6 So, one frequent benchmark that, you know,
7 economists have used for where a robust minimum wage
8 should be is somewhere on the order of 50 or -- to
9 60 percent of median wage.

10 And if you do that for high-cost regions of
11 the country, like New York City, the Bay Area,
12 Seattle, it comes out to approximately 15 bucks an
13 hour. It's somewhere in the 14-to-16-dollar-an-hour
14 range, depending.

15 So that's -- that's one good metric, you
16 know, sort of, economic principle for the \$15 wage,
17 which, you know, frankly, emerged from the fast-food
18 campaign as their organizing demand, but is -- we
19 think (a) you know, is defensible based on economic
20 principle, (b) we have evidence of industries in
21 cities, transitioning low-wage industries or whole
22 economies, up to wages close to that level.

23 As Ken explained, San Francisco is already at
24 13.18 or so, if you combine their wage and
25 health-benefit standard. The economy hasn't

1 suffered.

2 Washington, D.C. has a security-guard minimum
3 wage at 16.50. It went into effect in 2008. No
4 evident, you know, ill-effects on the commercial
5 real-estate industry.

6 So, we haven't experienced -- and, actually,
7 in New York, most people don't know it, for home
8 health-care workers, they've transitioned the wages
9 and benefits up to 14.09 over the past few years.

10 So it's been done, and so there's a good
11 principle for the 15 range.

12 And, statewide, yeah, there's -- it's -- you
13 know, something, you know, in the 12-, 13-dollar
14 range would also make sense.

15 SENATOR SQUADRON: But the calculation
16 [unintelligible].

17 So -- and let me just try to understand.

18 So we're talking about New York City doing
19 some pretty, you know, the hyper-liberal Bloomberg
20 administration actually came up with that, for that
21 calculation, and -- you know, and it's -- and it's
22 sort of being accepted. You know, there's talk
23 about applying it at the federal level.

24 Gets you to about \$15 an hour for a
25 family of 4, if you're working full-time, never take

1 a day vacation, you work every single hour you
2 possibly can to work full-time.

3 The difference between what we have now, and
4 that, about \$16,000 a year, and about \$30,000 a
5 year, has to be made up somewhere. Right?

6 That's a calculation that takes into account,
7 the need to feed yourself and a dependent; you need
8 to clothe yourself; you need to get to and from
9 work; for yourself and your child, the need to have
10 an actual home outside of a shelter.

11 And, who makes up that difference when that
12 wage isn't paid?

13 KEN JACOBS: We've done a lot of research.

14 The public does make up a good part of the
15 difference -- a part of the difference when the wage
16 isn't paid.

17 I mean, it does mean that people live in
18 poverty. They live in worse conditions.

19 SENATOR SQUADRON: So you're just talking
20 about some of the --

21 KEN JACOBS: But in terms of --

22 SENATOR SQUADRON: -- some of the costs to
23 everyone?

24 KEN JACOBS: Sure.

25 We know that -- we did research last year,

1 looking at, over 50 percent of fast-food workers
2 received some sort of public assistance.

3 And that's true, not just for part-time
4 workers, but it's true for full-time workers, as
5 well.

6 So when you look, across the board, there is
7 some very significant public support for the
8 low-wage workforce, in terms of food stamps,
9 Medicaid.

10 SENATOR SQUADRON: So if you're making, like,
11 \$16,000 a year, and you have a child, who's paying
12 your health costs?

13 KEN JACOBS: The public.

14 SENATOR SQUADRON: Okay.

15 And what about food; food stamps, food
16 subsidies?

17 KEN JACOBS: Taxpayers.

18 SENATOR SQUADRON: Okay.

19 And if you're not able to maintain your home
20 in New York City because, \$16,000 a year, it's not
21 possible to pay rent anywhere, and you do end up in
22 a shelter, who pays the shelter costs?

23 MICHAEL KINK: The public.

24 And you're seeing a majority of people in
25 homeless shelters now, working.

1 SENATOR SQUADRON: Right -- I'm sorry.
2 Was that, the majority of people in homeless
3 shelters today have jobs?

4 MICHAEL KINK: Yeah, absolutely. Right.
5 And there have been several reports by the
6 Coalition for the Homeless about how the
7 demographics of the homeless population include
8 large, large numbers of low-wage workers.

9 SENATOR SQUADRON: Okay.
10 So, in other words -- and by the way, which
11 companies are most likely to pay wages less than
12 \$10?

13 PAUL SONN, ESQ.: I mean, the lion's share,
14 you know, depending on what measure, what
15 definition, of "large employer" you use, somewhere
16 between, you know, sort of, 53 percent and
17 66 percent of the low-wage jobs are at large
18 companies; many of them, the major national retail
19 and fast-food chains. They are really --

20 SENATOR SQUADRON: Like, what do you mean,
21 "retail"?

22 Give me an example.

23 PAUL SONN, ESQ.: I mean, the big-box retail
24 stores, Target and Walmart, and the like. And then
25 the fast-food chains; McDonald's, Burger King.

1 SENATOR SQUADRON: Okay, so -- just so
2 I understand:
3 So, when the minimum wage is \$8, or even \$9,
4 there's a cost to that.
5 There's a cost, in terms of people's own
6 experience, and the workers we're about to hear
7 from.
8 There's also a cost to everyone.
9 So, in other words, I and you and everyone
10 else is subsidizing McDonald's and Walmart for
11 paying people to stay in poverty?
12 PAUL SONN, ESQ.: Yep. Exactly right.
13 SENATOR SQUADRON: So what is the economic
14 argument for having all of us, everyone else who's
15 working hard and doing their best, pay Walmart and
16 McDonald's back for these wages, instead of just
17 setting a standard?
18 UNKNOWN SPEAKER: [Not on video.]
19 We'll take that as a rhetorical question.
20 SENATOR SQUADRON: No, is there an argument?
21 I mean, you're probably the wrong people.
22 I probably have to wait for the back end to
23 find out what the argument is, but, give it to me
24 and then defend it.
25 KEN JACOBS: I mean, the arguments always do

1 come down to this question, of whether or not you
2 think there's an employment effect.

3 If you don't -- if you've looked at the
4 evidence and you don't think there's an employment
5 effect, then there isn't a good argument to go in
6 that direction.

7 In fact, we did some research that was
8 reported on NPR, where we looked at:

9 If Walmart was to increase wages so that a
10 single mother with a child no longer needed food
11 stamps, that was, what was it, \$13.67 an hour; and,
12 if it was passed on to -- costs to consumers, what
13 would it mean to cost of consumers?

14 And it turns out, it raised the box of
15 them -- the cost of a box of macaroni and cheese by
16 less than a penny.

17 So, in that sense, you really do have the
18 capacity, especially when we're talking the retail
19 sector.

20 The -- because wages are only 10 percent of
21 operating costs, on average, across the board, in
22 the retail sector, that's what they are in the
23 big-box, the overall price impacts are extremely
24 small.

25 So the impacts for the workers are very

1 large, enough to pull people up so they don't need
2 public support to make ends meet, while the costs
3 are extremely small and spread across the income
4 spectrum in the ways that have very little impact.

5 SENATOR SQUADRON: And, of course, then you
6 see, for example, Costco paying 2 1/2 times, nearly,
7 what Walmart pays --

8 KEN JACOBS: In-N-Out Burger --

9 SENATOR SQUADRON: -- and charging,
10 essentially, the same price for its goods?

11 KEN JACOBS: That's right.

12 And you can see In-N-Out Burger pays much
13 higher wages than McDonald's or the other --

14 SENATOR SQUADRON: And sells a better burger.

15 [Laughter.]

16 SENATOR SQUADRON: The only way in which
17 California outpaces New York, period, is
18 In-N-Out Burger.

19 Uhm, that might not have been appropriate for
20 me to say.

21 Let me just ask a final question, and this is
22 a serious question:

23 So -- and we're about to hear from the
24 workers.

25 But, when the State says, Look, if you work,

1 you're going to get 8 bucks an hour, you know, even
2 if we're talking about it, still, it's single digits
3 an hour, the state and the federal government will
4 make up the difference, what message does that send
5 to folks in terms of the value of work?

6 What -- if someone is a single parent, or has
7 an hour commute to and from work, or anything,
8 what's the argument to make to someone with an
9 \$8 wage, versus, for example, a \$15 wage, on the
10 value of work?

11 And is there any research on what message
12 people do take about the value of work when they're
13 basically told: Look, your life is really publicly
14 subsidized. It's not really your work wage that's
15 the most significant thing in your life?

16 KEN JACOBS: I think it's a good question to
17 ask some of the workers later.

18 When I -- I've had this -- I haven't seen
19 research on it, but talking to workers and having
20 this conversation, people do feel like they're
21 devalued.

22 And I think that is an important message to
23 say, that if you work -- the issue of -- for people
24 who are working, should earn enough to survive and
25 support their families.

1 SENATOR SQUADRON: Thank you.

2 MICHAEL KINK: I would also say that that
3 frame emphasizes the historical aspect of this
4 change. Right?

5 During the period of unionization and better
6 wages after World War II, the society had a broader
7 respect for workers. Government and unions worked
8 together to create the biggest middle class the
9 world had ever seen.

10 What we're talking about now is a
11 twenty-first-century version of that.

12 We've got to get government back on the sides
13 of workers. We've got to support their efforts to
14 organize and unionize. And, both the private sector
15 and the public sector need to work together to move
16 people forward.

17 [Applause.]

18 SENATOR SAVINO: Thank you, Michael.

19 So, I guess we're expecting Andrew Cuomo to
20 become the new FDR.

21 [Laughter.]

22 SENATOR SAVINO: I'm serious.

23 SENATOR SQUADRON: Thank you all very much.

24 SENATOR SAVINO: Who is a former member of
25 the New York State Senate, by the way.

1 We're now going to hear -- actually, we're
2 going to go out of order.

3 We were, first, going to hear from the
4 members of the clergy, but, we really want to hear
5 from the affected workers who are here from the
6 worker panel.

7 Frankie Tisdale --

8 [Applause.]

9 SENATOR SAVINO: All right, you don't have to
10 clap for all of them.

11 Of course, I want to thank the panel, and
12 I imagine you're going to stick around.

13 But, these are the workers, so let's wait and
14 clap for them at the end.

15 Frankie Tisdale, Alfredo Franco,
16 Whitney Ortega, Guillermo Worker, and
17 Selena Alvarez.

18 Now we can clap.

19 [Applause.]

20 SENATOR SAVINO: That's what it says.

21 Oh?

22 Oh, see, there's no comma in my list here.

23 It looks like his name is Guillermo Worker.

24 [Laughter.]

25 Oh!

1 And Reverend Que is also going to join
2 us.

3 Maybe I should put my glasses on.

4 UNKNOWN SPEAKER: [Not on video.]

5 We have clergy and workers.

6 SENATOR SAVINO: Oh, good. Clergy and
7 workers together, that's the way it should be.

8 So, first, we're going to hear from
9 Whitney Charles, who is an employee with
10 Yum! Brands.

11 [Applause.]

12 SENATOR SAVINO: You've got to pull it close
13 to you.

14 WHITNEY CHARLES: Good morning, members of
15 the State Legislature.

16 As you introduced me, my name is
17 Whitney Charles. I am a cashier at a Yum! Brands
18 store in Penn Plaza in New York City.

19 I've been working in fast-food for
20 approximately three years now, and I'm still
21 making -- well, I just recently started making
22 the 8.

23 I was making 7.75, and then, just recently,
24 made the 8.

25 It's very tough.

1 Like, I currently live with my mom who is a
2 single parent, and with my younger brother who is
3 18.

4 I help her out. I pay rent, you know, \$200 a
5 month.

6 I'm also a student.

7 So between, you know, school expenses and
8 Metro cards, and other basic necessities, it's,
9 like, I'm spending a lot a month. So it's, like,
10 about 800 a month, to 900 a month.

11 So, with what I'm getting, \$8 an hour, it's
12 not enough to pay for everything, so I have to --
13 I find myself making sacrifices.

14 Like, for example, last week, I had to choose
15 between, you know, buying a Metro card.

16 You know, I couldn't buy the Metro card.

17 So, I had to ask some of my workers, you
18 know, Can I get a swipe?

19 Or, in the morning time -- I hope I'm not
20 incriminating myself -- I would have to hop the
21 turnstile, or, you know, try to find -- you know,
22 so, it's very hard.

23 It's very -- you know?

24 So I -- personally, I feel like there's no
25 reason why I should be going through this, because,

1 I mean, I'm working for a billion-dollar
2 corporation. You know, so it's -- it's -- it's
3 just -- you know, it's not good.

4 So that's why, you know, as a New Yorker,
5 passing the local wage bill would be incredible.

6 It would make a difference, a huge
7 difference.

8 Thank you.

9 [Applause.]

10 SENATOR SAVINO: Thank you.

11 Next is Alfredo Franco who works for
12 Domino's.

13 TRANSLATOR [Spanish to English]: And I'll be
14 translating.

15 SENATOR SAVINO: Okay.

16 ALFREDO FRANCO: [Speaking in Spanish.]

17 TRANSLATOR [Spanish to English]: Good
18 morning, members of the New York State Legislature.

19 Thank you for the opportunity to share my
20 story with you today.

21 My name is Alfredo Franco, and I work for
22 Domino's in Washington Heights.

23 I make \$6.40 an hour, plus tips, when I make
24 deliveries; and \$8 an hour when I work inside the
25 store.

1 This is not enough to survive and support my
2 wife and two kids.

3 Each week I am forced to decide what
4 necessity I can afford to buy them.

5 ALFREDO FRANCO: [Speaking in Spanish.]

6 TRANSLATOR [Spanish to English]: My company,
7 Domino's, pays me as little as they're legally
8 allowed.

9 And I'm here today to tell you 7 or 8 dollars
10 an hour isn't enough, which is why it is so
11 important that you give New York and other cities
12 the power to raise the minimum wage before the end
13 of the session.

14 I have to feed my family and put a roof over
15 their head now, not next year.

16 [Applause.]

17 ALFREDO FRANCO: [Speaking in Spanish.]

18 TRANSLATOR [Spanish to English]: My
19 co-workers and I went on strike in New York City and
20 more than 150 cities around the country to demand
21 \$15 an hour and a union.

22 We know President Obama, the Pope, and most
23 New Yorkers think the minimum wage should be raised.

24 The time is now for the Senate and the
25 Assembly to act and pass this historic law.

1 Thank you.

2 [Applause.]

3 SENATOR SAVINO: Next, Frankie Tisdale, who
4 works for KFC.

5 FRANKIE TISDALE: Good morning, Senators.

6 My name is the Frankie Tisdale.

7 I'm 26 years old, and I'm a father of two.

8 I'm an employee at KFC, where I work, and
9 live, in Brooklyn.

10 And, I have a college degree, but it's
11 difficult to find work in my field right now, so
12 I have to settle for working at KFC, where
13 I struggle, making \$8 an hour.

14 Sometimes I earn an annual salary of less
15 than \$10,000 a year, which, it's hard for me to
16 provide shelter for my family.

17 I live with my father.

18 Sometimes I bring home less than \$175 a week.

19 I also have to provide for government
20 assistance to feed my family, which is limited
21 because they have a status quo on how much I can get
22 to feed my family.

23 And, my kids is growing. It's hard for me to
24 support them. Like, buy school supplies and
25 clothing for them to, like, progress in their

1 education.

2 And I feel I sacrifice everything, and put so
3 much into working for so little, to get nothing in
4 return.

5 I'm a parent, and I can barely afford health
6 insurance for my family, life insurance for my
7 family, or even have a bank account for a rainy day
8 or in case of emergency.

9 And, like, it's so much -- it's little
10 security.

11 And it's also a stress, and it's demeaning to
12 me as a man, like, having a family. Like, I can't,
13 like, support them properly.

14 And then, also, teach my kids a valuable
15 lesson. Like, why work an honest living and get
16 paid so little, when you could go another route and
17 make fast money, and risk, like, getting in trouble
18 and going to jail.

19 So, that's another thing; like, minimum wage
20 really does nothing for Black communities, and
21 that's why crime is so high.

22 I'm here to, like, maybe we can get better --
23 something better on our honest day living.

24 [Applause.]

25 SENATOR SAVINO: Who else do we have?

1 Salina?

2 No.

3 Who else is -- we have Reverend Que.

4 Reverend Que?

5 I thought we had more workers.

6 REVEREND QUE ENGLISH: Well, so many touching
7 stories, I'm almost wondering, like, are we in
8 America, or are we really in the great state of
9 New York, listening to some of these stories.

10 My name is Reverend Que English. I am the
11 co-founder of the New York City Clergy Roundtable.

12 I'm also the co-founder of the Bronx Clergy
13 Roundtable.

14 We have the largest coalition, with over
15 500 partners.

16 And I'm here representing the many clergy
17 that couldn't be here today.

18 We are a large interfaith coalition standing
19 behind this movement, and have been with them since
20 the beginning, on numerous movements.

21 On March 31, 1968,
22 Reverend Dr. Martin Luther King posed the question,
23 of whether America could stand idly by and not be
24 concerned with its own, as well as the surrounding
25 world's poverty.

1 He stated that, "The God of history will
2 judge us specifically on how we treated the least of
3 these. Did we ensure that they had enough to eat,
4 clothes to wear, and sufficient housing?"

5 The question Reverend King proposed in 1968
6 is the same question that I propose to you today:

7 Can you in Albany stand idly by and not be
8 concerned with the suffering of our brothers and
9 sisters all throughout the state?

10 The answer is, unequivocally, no.

11 3 million New Yorkers did not have enough --
12 do not have enough money to sufficiently provide for
13 themselves and their families.

14 "3 million."

15 Every day we walk by the homeless, the
16 hungry, the unemployed, too many shelters, a daily
17 basis.

18 And this is the reason why this bill is so
19 important, because you have the power to change the
20 course that we're on.

21 Many of us can easily put a balanced meal on
22 our tables, and some even afford to go out; yet,
23 many of us, as faith leaders, receive knocks on the
24 door for food, with mothers, and sometimes fathers,
25 with children in strollers, unfed and unkept.

1 Yes, we know, as faith leaders, we, too, must
2 do our part, and rightfully so, to take them down to
3 the corner bodega or to the nearest grocery store to
4 purchase milk for their children and food for the
5 family.

6 And we must realize it's not because they're
7 lazy. It's simply because the wage scale is unjust.

8 We have members in our congregations that
9 have to work multiple jobs to make ends meet. And
10 if they are working, they are not spending time with
11 their children.

12 So what's happening to our children?

13 What is our future generation going to look
14 like long after we're gone?

15 We as faith leaders have witnessed the tears
16 on Sunday mornings, the working families that return
17 to shelters, the families that are without.

18 The working person in my congregation who is
19 on the brink of eviction, not because he isn't
20 working, not because he isn't responsible, but
21 because he is living off of poverty wages.

22 We all, including government, corporations,
23 and community leaders, have a moral duty to ensure
24 that all human life is valued and respected.

25 One way to do this is through the designation

1 of wages, as all human labor has dignity.

2 Ensuring that wages are at a level in which
3 people can afford the basic necessities, and more,
4 is part of that moral duty.

5 I am here today because I find that
6 government and corporations are not living up to
7 this moral duty.

8 The question becomes: Why have we allowed
9 New York State to have the worst income inequality
10 in the nation?

11 "To have the worst income inequality in the
12 nation?"

13 You hear all the time how one bill is more
14 important than the next, but, I don't know if
15 there's any other bill that, by not signing it, will
16 keep us with this reality.

17 The other questions become: Why are we
18 allowing multi-million- and -billion-dollar
19 corporations, who are receiving tax subsidies from
20 our state, to pay our workers such poverty wages?

21 When other cities and counties around the
22 country are raising their minimum wage, why is ours
23 still \$8 per hour, with a dollar increase of \$9 per
24 hour expected by 2016?

25 So the State-designated \$8-per-hour minimum

1 wage is not an adequate minimum wage, as mentioned,
2 for all municipalities in the state.

3 \$11,000 per year, we just heard the gentleman
4 said ten, just isn't enough to pay bills, much less
5 save for a brighter future.

6 The result of such a low minimum wage, are
7 that our hard-working New Yorkers and their families
8 are forced to live in poverty. And poverty
9 contributes to the things we see on a daily basis,
10 from increase in crime, violence, gun violence,
11 deaths, domestic violence, poor education, truancy,
12 sexual trafficking, and the list goes on.

13 These hard-working New Yorkers are forced to
14 choose, in many cases, between food and housing,
15 which both should be their basics rights.

16 The only just solution to this grave
17 injustice, and I mean it's a grave injustice, is to
18 allow each municipality the authority to set their
19 own minimum wage.

20 This will result in the reduction of our
21 state's gross income inequality, as well as help to
22 alleviate poverty.

23 In conclusion, what we're asking you to do
24 here today is to take the step in the right
25 direction.

1 We won't see the results we need to see until
2 we do things differently.

3 And while we know we don't always do it
4 right, and if we haven't gotten it right on the
5 state level from the results we've heard today, then
6 why not attempt to get it right on a municipality
7 level?

8 [Applause.]

9 REVEREND QUE ENGLISH: With this bill, you
10 have not only an opportunity, but a moral obligation
11 to, support legislation that will help to alleviate
12 poverty in this entire state.

13 I strongly encourage you to support this
14 bill.

15 Thank you.

16 [Applause.]

17 SENATOR SAVINO: Thank you, Reverend.

18 ELIZABETH GLASSANOS: Hello. My name is
19 Beth Glassanos.

20 I'm here with FOCUS Churches of Albany.
21 We're a coalition of seven different churches right
22 here in Albany, and many other affiliate faith
23 communities.

24 Just up the street, State Street, and also on
25 Chestnut Street, we operate one soup kitchen, as

1 well as, we have a food pantry.

2 Our soup kitchen, every day, 140 people show
3 up in need of a hot meal.

4 These are men, women, children, seniors.

5 Right now about 20 percent of the folks
6 coming through are veterans.

7 Our food pantry serves approximately
8 300 families each month, and folks come through the
9 door because they need groceries.

10 They are in fear that they cannot provide for
11 themselves and their children.

12 They come because they have stagnate and
13 insufficient wages that they are earning in
14 minimum-wage and low-income jobs.

15 Just as I was on my way, I found this in my
16 folder.

17 This is a New York State publication, and we
18 distribute it in some of our programs, as well as
19 some of you might distribute it in some of your
20 programs.

21 It says, "Are you working but having a hard
22 time making ends meet?"

23 And, so, you see that this is happening on a
24 federal level, on a state level, public benefits are
25 shrinking.

1 The so-called "safety-net programs" are no
2 longer a Band-Aid.

3 We're an ongoing support to families who are
4 in need on an ongoing basis.

5 When we opened, we opened in 1984, there was
6 an expectation that we would be temporary.

7 30 years later, we're still going strong.
8 And, we do not foresee any change.

9 10,700 children in Albany County are
10 "food-insecure."

11 This is a term defined by the USDA as
12 insecure or insufficient access to adequately
13 nutritious food.

14 FOCUS, our organization, has made minimum
15 wage a central issue in our advocacy plan.

16 Why?

17 Because we know the hunger is not caused by
18 scarcity of food. Grocery stores are stocked with
19 food. There's plenty to go around for everybody.

20 But, food is completely out of reach for
21 people who don't have money in their pockets.

22 We stand together with our colleagues and our
23 friends here, our workers, in support of raising the
24 wage in such a way that is consistent with local
25 economies and the cost of living.

1 The poverty wage that we have right now has
2 not kept up with inflation.

3 Our livelihoods may be growing in quality as
4 our income grows, improving our residential and
5 nutritional and educational stability.

6 But, meanwhile, this is not the case for so
7 many others.

8 The poverty wage translates to \$18,720 a year
9 for somebody who's working full-time.

10 As you heard earlier, that's not the case for
11 most people. They're earning much less.

12 So I always like to throw this in, because
13 I'm a social worker, in addition to -- that's my
14 trade, in addition to what I do over at FOCUS.

15 And what we learn in social work is, a
16 fundamental understanding, is Maslow's hierarchy.

17 Most people have heard of it.

18 Food is a basic need.

19 We need food to be well-nourished, and to
20 reach our full potential. And we need the resources
21 to access food.

22 And so I'm asking you, of course, you must
23 support this bill.

24 We must get people the support that they need
25 to be meet absolutely basic fundamental needs.

1 Thank you.

2 [Applause.]

3 SENATOR SAVINO: Thank you.

4 First, I want to thank all of out for your
5 testimony.

6 And just to clarify, there's several bills
7 that we're currently looking at.

8 And in the end, probably, we'll wind up with
9 six.

10 There are six current bills before the
11 Senate Labor Committee that address issues,
12 everything from raising the minimum wage, allowing
13 local control, indexing it, combining it,
14 targeting --

15 UNKNOWN SPEAKER: [Unintelligible.]

16 SENATOR SAVINO: Right, targeting just one or
17 two particular industries.

18 And that's kind of what we're trying to
19 solicit information here today.

20 I want to actually speak -- questions for
21 some of the workers themselves.

22 I notice each one of you said that you're --
23 I think most of you have either been to school or
24 you're in school, and you're working at the same
25 time.

1 On average, Whitney, how many hours a week
2 are you working at Yum! Brands?

3 WHITNEY CHARLES: On average, I would say
4 about 20 hours a week at work.

5 SENATOR SAVINO: Uh-huh.

6 WHITNEY CHARLES: And the rest in school.

7 SENATOR SAVINO: And you -- you're actually a
8 college graduate.

9 And what did you get your undergrad degree
10 in?

11 FRANKIE TISDALE: Medical assistant,
12 associates.

13 SENATOR SAVINO: And you're not able to find
14 employment.

15 See, I think the reason I'm asking this is,
16 one of the other issues that I'm very concerned
17 about is, we're also spending a disproportionate
18 amount of money on job-training programs.

19 And the real question is: Are they
20 effective, and are we training anybody for any real
21 jobs?

22 My guess is, we're probably not putting our
23 money where it should go.

24 We've invested billions over the past
25 15 years --

1 [Applause.]

2 SENATOR SAVINO: -- and federal TANF money,
3 in an effort to "reduce" [indicating] -- what was
4 it, we were going to change welfare as we know it.

5 And we all know that welfare rolls are lower
6 now, but we're not necessarily sure that we place
7 people in real employment.

8 That's going to be next thing that I look at,
9 certainly not here today, because we want to make
10 sure that we give people skills, so that they can
11 translate that into a career path, not just
12 subsidizing low-wage work, which is important.

13 I do notice you all have a T-shirt on, and
14 I love the T-shirt. "Stick Together. \$15 an hour
15 in a union."

16 So, which union is organizing you guys?

17 UNKNOWN SPEAKER: [Not on video.]

18 32 BJ.

19 SENATOR SAVINO: 32 BJ.

20 Have you all signed cards?

21 You have.

22 That's excellent.

23 Has there been any elections held at any of
24 the various restaurant chains that you're working
25 in?

1 Has there been any effort to trigger an
2 election?

3 Anybody can answer that question.

4 Not yet?

5 UNKNOWN SPEAKER: [Not on video.]

6 Not yet.

7 UNKNOWN SPEAKER: [Not on video/no
8 microphone.] It's very difficult, too, because the
9 whole fast-food restaurant is so transient.

10 SENATOR SAVINO: Uh-huh.

11 UNKNOWN SPEAKER: [Not on video/no
12 microphone.] It's kind of hard. By the time we get
13 people to actually agree to be unionized,
14 [unintelligible], they've moved on.
15 [Unintelligible], or whatever the case may be.

16 So it's kind of hard to pin that down.

17 SENATOR SAVINO: Is there any effort to track
18 retaliatory efforts by the industry against workers
19 who are exercising their constitutional right to
20 organize?

21 UNKNOWN SPEAKER: [Not on video/no
22 microphone.] Yes, there is.

23 SENATOR SAVINO: I would be interested in
24 someone sharing that with me at a later point in
25 time.

1 Organizing is the key to improving standards
2 for workers, period.

3 [Applause.]

4 SENATOR SAVINO: And I don't say that --
5 I don't say that to negate anything that the
6 Legislature does.

7 Obviously, I'm a member of the Legislature,
8 but legislatures come and legislatures go.

9 And we saw what happened in Wisconsin a few
10 years ago, where a legislature overturned a historic
11 right to collective bargaining for public-sector
12 workers.

13 Working people should never depend solely on
14 the legislature.

15 That's what the union movement is about.

16 So that's my -- my plug for labor.

17 And now I'm going to turn it over to my
18 colleagues.

19 SENATOR PERALTA: Thank you, Senator Savino.

20 I want to echo the sentiments of
21 Senator Savino in terms of joining a union.

22 It's very important that you stick together.

23 And there are going to be days that you're
24 going to feel like it's not worth it.

25 But believe me, when it's all said and done,

1 it will be worth it.

2 So, stick together.

3 And I understand that the transient issue is
4 big. But, talk to your colleagues, talk to your
5 co-workers; inform them of the importance of
6 sticking together, because they can't break you if
7 you're all together.

8 [Applause.]

9 SENATOR PERALTA: I also want to thank the
10 clergy for testifying today, because I want to thank
11 you for all you do. And, day in and day out, I know
12 it's very rigorous work.

13 And the fact that you're -- that you've come
14 out and you support this cause is very important.

15 But more importantly, I want to thank the
16 workers.

17 UNKNOWN SPEAKER: [Not on video.] Yes.

18 [Applause.]

19 SENATOR PERALTA: Consider yourself role
20 models and heros. That's what I consider you,
21 because you have a choice. And you have the choice
22 of being out there -- as you mentioned, of being out
23 there and living the fast-life and doing something
24 that you shouldn't be doing.

25 But what you're doing is, you're doing it the

1 right way.

2 You are showing your children, more, the
3 importance and the value of hard work.

4 Even though you're not getting paid today,
5 enough, you will get paid enough down the road,
6 because we're going to ensure, on our side, that we
7 work hard to pass, and increase the minimum wage.

8 And even though 10.10 is not enough, we're
9 going to continue to push so it gets higher, because
10 you understand, you have to show your children, and
11 your family, that what you're doing is the right
12 thing.

13 And, I am truly honored to hear your story
14 and your commitment and your struggle, because it
15 was once said: Without struggle, there is no
16 progress.

17 And believe you me, there will be progress.

18 [Applause.]

19 SENATOR PERALTA: Because you're talking to
20 the individuals who will continue to push to make
21 sure that we have progress in New York State.

22 So thank you so much.

23 You are role models. You are heroes.

24 [Applause.]

25 SENATOR SAVINO: Questions?

1 Senator Squadron.

2 SENATOR SQUADRON: First of all, thank you so
3 much for testifying.

4 I know that, in addition to the headache of
5 coming up here and waiting around, and hearing all
6 of us, you also are risking your employment,
7 unfortunately, by speaking here.

8 And the threats and the examples that you've
9 seen from other folks who have lost their well-being
10 for speaking out, has to be looming large.

11 And I want you to know that everything
12 Senator Savino and Senator Peralta say, is true:

13 You should never be punished for speaking out
14 and for protecting your rights.

15 And, if you are, you know of anyone who is,
16 let me know, let each of us know individually, and
17 we will -- luckily, that is already against the law.
18 And we will make sure that the law comes down on
19 those folks.

20 [Applause.]

21 SENATOR SQUADRON: I do want to ask, though,
22 the same question that I asked previously, which is:

23 You know, you're in school, and trying to do
24 your best. And, obviously, you're working for very,
25 very few dollars.

1 What does that say, what do people in your
2 life say, about work?

3 What is the value -- what does it say about
4 the value of work, and of all of the cost and
5 exhaustion and risks that you take by going to work?

6 If -- you know, do you have friends and
7 acquaintances who don't do it, who don't work?

8 Do you have a sense of, sort of, how much
9 your work is valued?

10 And does it ever just feel like it's not
11 worthwhile?

12 FRANKIE TISDALE: Yes.

13 I have a lot of peers that would rather not
14 get a job because it pays so little. It has no
15 benefits.

16 So, why get -- why be employed, when you
17 could do this and make better money doing it?

18 So -- and that's about it.

19 SENATOR SQUADRON: So what do you say to
20 them?

21 So why do you keep going it?

22 Why do you work hard?

23 FRANKIE TISDALE: Yeah, but I work hard
24 because I realize I have a family. I'm trying to
25 teach them a lesson. A valuable lesson.

1 [Applause.]

2 SENATOR SQUADRON: Anyone else?

3 WHITNEY CHARLES: Well, personally, I keep
4 doing it because of all of the local workers behind
5 me.

6 Like, they've been a huge inspiration to me.

7 Like, when you are consistent and dedicated
8 to make a change, it will happen, especially when
9 you stick together.

10 Like, I recently just came on board with
11 this, you know, "passing the local bill" movement.

12 And, the events that I've been to have just
13 been so overwhelmingly, like, positive. I've soaked
14 it all in. And it's just -- it's really, really --
15 it makes me happy to see, when people stick
16 together, for a movement. Like, break that glass
17 ceiling, you know, for a change.

18 [Applause.]

19 WHITNEY CHARLES: So, I would like to say,
20 thank you, again, to these, you know, fellow
21 coordinators behind me, because they really are
22 inspirational.

23 SENATOR SQUADRON: Thank you.

24 [Applause.]

25 SENATOR SAVINO: We have some more workers

1 joining the panel.

2 ALFREDO FRANCO: [Speaking Spanish.]

3 TRANSLATOR [Spanish to English]: My -- you
4 know -- you know, it's not very valuable because I'm
5 making so little, so my family doesn't really value
6 the work that I do. Of course not.

7 SENATOR SQUADRON: Thank you all very much.

8 And thank you for sticking with us.

9 [Applause.]

10 SENATOR SQUADRON: Because we need people to
11 do. And it's our job, and the job of organizing,
12 and the labor unions, and the government, to make
13 sure that it does have the value it deserves.

14 And I want you to know that we do value your
15 work greatly, and the fact that you're sticking with
16 us.

17 So, thank you.

18 [Applause.]

19 SENATOR PERALTA: Guillermo?

20 [Speaking Spanish.]

21 ALFREDO FRANCO: Alfredo.

22 SENATOR PERALTA: Oh, Alfredo.

23 [Speaking Spanish.]

24 SENATOR SAVINO: Thank you.

25

1 We have some more workers.

2 SELENA ALVAREZ [ph.]: [Speaking Spanish.]

3 TRANSLATOR [Spanish to English]: My name is
4 Selena Alvarez [ph.].

5 Thank you, Senators, for having me here
6 today.

7 I pray to God every day for you all.

8 I'm the [unintelligible] member of the
9 church, and I am going to tell you my story.

10 I came from Mexico five years ago, for a
11 better future. And since I arrived here, I worked
12 in various restaurants in the city of New York,
13 because, in my country, I used to own my own
14 restaurant.

15 SELENA ALVAREZ [ph.]: [Speaking Spanish.]

16 TRANSLATOR [Spanish to English]: So, in many
17 of the restaurants that I have worked throughout
18 New York City, I always get paid the minimum wage.

19 This is not enough to support my family.

20 Sometimes I have to work two restaurants in
21 order to support myself and my family, because
22 minimum wage in New York City is not enough.

23 Right now I live in a two-bedroom apartment,
24 with three other families, my 20-year-old son,
25 because I cannot afford to pay for one-bedroom

1 apartment for myself.

2 SELENA ALVAREZ [ph.]: [Speaking Spanish.]

3 TRANSLATOR [Spanish to English]: I know many
4 other families are going through the same situation.

5 We need to raise the minimum wage in
6 New York City to live with respect and dignity.

7 SELENA ALVAREZ [ph.]: [Speaking Spanish.]

8 TRANSLATOR [Spanish to English]: So we want
9 to make sure that New York City is able to raise the
10 local wage, so that we can fight.

11 And, anything less than \$15 the hour in a
12 city that's as rich as New York is unacceptable.

13 Thank you.

14 SELENA ALVAREZ [ph.]: [Speaking English.]

15 Thank you.

16 GAJAIMO ORTEGA [ph.]: [Speaking English.]

17 I speak only in Spanish.

18 She help me.

19 SENATOR SAVINO: That's okay.

20 GAJAIMO ORTEGA [ph.]: [Unintelligible.]

21 [Speaking Spanish.]

22 TRANSLATOR [Spanish to English]:

23 [Unintelligible] thank you the Labor Senate
24 Committee for allowing me the opportunity to share
25 my story.

1 I would also like to thank the
2 [unintelligible] of New York, the organization of
3 which I'm a member from, for inviting me to very
4 important hearings.

5 My name is Gajaimo Ortega [ph.], and
6 I migrated from my county, like many other people,
7 to one of the most expensive cities in the whole
8 country, for a hopes of a better future for myself.

9 My experiences in this county, in terms of
10 the workforce, has been very difficult.

11 I'm a hard-working man who has been willing
12 to pick up any job that comes my way.

13 Why work, and work? I can't seem to get
14 myself out of poverty.

15 GAJAIMO ORTEGA [ph.]: [Speaking Spanish.]

16 TRANSLATOR [Spanish to English]: Currently,
17 I work for a baking company in Brooklyn, New York.
18 In this factory, I use my hands to make a bread for
19 people to eat.

20 While I enjoy baking, I cannot enjoy my life
21 outside of work. My pay of only \$300 per week does
22 not go far enough to cover even the most basic needs
23 that one has.

24 As a single man, I have to cover all my costs
25 for rent, food, transportation, clothing, and other

1 necessary expenses.

2 Money is so tight, that I ran a
3 [unintelligible] with no kitchen. I eat out of a
4 microwave in one of the richest cities in America.

5 GAJAIMO ORTEGA [ph.]: [Speaking Spanish.]

6 TRANSLATOR [Spanish to English]: In addition
7 to my core expenses, I scrap up the little that
8 I have to send money away to my mother in Mexico.
9 Over the past years, her health has worsened,
10 leaving her to count on my dollars to cover her
11 medication.

12 I don't know how to pull this off, but, every
13 day, I wake up nervous about how my next month's
14 expenses will get covered.

15 Everything around us is going up in cost.

16 If my paycheck does not follow, I will be
17 left with nothing.

18 GAJAIMO ORTEGA [ph.]: [Speaking Spanish.]

19 TRANSLATOR [Spanish to English]: For that
20 reason, I say here, urging you to raise up New York.

21 I've been failed by my federal government who
22 set up federal minimum wage of 7.25 the hour.

23 I have been failed by my state government who
24 set a state minimum wage of \$8 the hour, going up to
25 only \$9 the hour by 2016.

1 [Unintelligible] my local governments to do a
2 better for me, and raise my minimum wage to a living
3 wage.

4 [Applause.]

5 GAJAIMO ORTEGA [ph.]: [Speaking Spanish.]

6 [Speaking English] Thank you so much,
7 everybody. God bless you.

8 [Applause.]

9 TRANSLATOR [Spanish to English]: There are
10 3 million other New Yorkers like me who go to work
11 every day and we live below the federal poverty
12 line.

13 Many of them have children. I can't imagine
14 the suffering that one feels when you can't buy your
15 kid a spring coat, or can't send them to a summer
16 camp, or, God forbid, can't put food on their table.

17 Raise up New York for all of us.

18 Thank you.

19 [Applause.]

20 SENATOR SAVINO: Thank you.

21 I want to thank all of you for your
22 testimony, and all of the panels that participated
23 in this hearing. And, of course, my colleagues who
24 sat through the whole thing on this very important
25 issue.

1 As I said earlier, we had the room till
2 twelve.

3 Well, we got 12:25.

4 I do have to -- we do have to end the
5 hearing, though, at this point.

6 If there are any other people who wanted to
7 offer testimony, or have it, please, give it to my
8 trusty assistant, Barbara O'Neill.

9 This is going to be an ongoing discussion for
10 the very lengthy period of time we have left in this
11 legislative session, which is, uh, 2 1/2 weeks.

12 Plenty of time.

13 Right, Senator Sanders?

14 And Senator Sanders, who didn't get to make
15 his opening statement, will now make it as a closing
16 statement, as we bring this Senate Labor Committee
17 hearing on wage control to a close.

18 Thank you, everyone.

19 [Applause.]

20 SENATOR SANDERS, JR.: I was struck by the
21 eloquence of the panel, where, there's something
22 called "the ring of truth."

23 The ring of truth, and that you can hear it.

24 If you keep your ears open and your mind
25 open, you will hear what is true, and what is not

1 true.

2 So I am very glad and honored that you were
3 kind enough to keep it real in Albany, and, perhaps,
4 bring the real to Albany.

5 Would you be kind enough to translate.

6 [Translators translate English to
7 Spanish.]

8 SENATOR SANDERS, JR.: Work must pay, and
9 honest work has dignity.

10 This we teach our children, not just with our
11 voices, but with our lives, where we have to show
12 that there is another way, a harder way, but a way
13 that we want our children to live in, because, we
14 want our children to live.

15 [Applause.]

16 [Translators translate English to
17 Spanish.]

18 SENATOR SANDERS, JR.: The Koran -- since
19 there were religious people here, the Koran says
20 that the belly of the rich is never full.

21 Now, I refuse to believe that.

22 And I also refuse to believe that government
23 is powerless, and there's nothing that we can do and
24 nothing that we will do. And, on these things, we
25 must act.

My colleagues who have been here, who have put in many hours, our Chair who called a hearing, all of these folk are committed to addressing this issue.

And there are other good people up here.

All are committed to addressing this issue.

A personal place to you, is that I personally will stay on this issue, and -- until we bring as much justice as Albany has to offer.

[Applause.]

SENATOR SANDERS, JR.: Thank you for coming up, that long pilgrimage, and thank you for keeping it real in Albany.

[Applause.]

SENATOR SANDERS, JR.: Thanks to our Chair
and my colleagues.

(Whereupon, at approximately 12:18 p.m., the public hearing held before the New York State Senate Standing Committee on Labor concluded, and adjourned.)

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