



## **New York's Workers Deserve a Living Wage**

By David R. Jones  
October 7, 2010

Mayor Bloomberg approved when Congress raised the minimum wage in 2007 for the first time in ten years. Now he is concerned about a "living wage" bill introduced in the City Council which would mandate a wage of \$10 an hour for work on projects receiving city subsidies. This seems like a contradiction considering that the city is in the process of reconfiguring a poverty level that will be more realistic than the outdated one used by the federal government since the 1960s.

Given a 35-hour work week, \$10 an hour will get a worker about \$18,000 a year, slightly less than the federal poverty level for a family of three. The push for a living wage has been a nationwide response to the federal minimum wage that was stuck at poverty levels for decades. From 1973 to 2007, the minimum wage fell 22 percent in real dollars. Conversely, during this time, corporate profits increased by more than 50 percent.

The minimum wage was an issue in the 1936 presidential race. Statutory minimum wages were first introduced nationally two years later by President Roosevelt. The law, the Fair Labor Standards Act, mandated a 25-cent-per-hour wage floor and a 44-hour work week ceiling for most employees. FDR said that outside of Social Security, the minimum wage law was "the most far-sighted program for the benefit of workers ever adopted."

Every time the minimum wage is increased, its critics and supporters have argued over its merits. Some say it destroys jobs by making it too expensive to keep workers. Others say that instead of killing jobs, the minimum wage increases productivity and boosts consumer purchasing power.

In July 2009, the federal minimum wage moved from \$6.55 an hour to \$7.25 an hour. This was the third and final increase since 2007 that has boosted the federal minimum wage from \$5.15 to \$7.25 an hour. In total, the extra \$2.10 translates into a yearly raise of some \$4,400 for a full-time minimum wage worker. This still cannot come close to lifting a family of three above the federal poverty line.

Considering the level of poverty in New York City – according to the Census Bureau almost one in five New Yorkers lives below the federal poverty level, including 28.1 percent of Latino New Yorkers – you would think that the mayor might like to see an increase in wages for low-income workers. This would help the city by putting more money into the local economy.

Although some might see an increased minimum wage or a living wage law in New York as aiding mostly people of color, I can remember a trip to the Bowery in my youth where every homeless man I saw was white. Of course, times have changed.

The city's economy has moved away from manufacturing to a service economy – securities, banking, insurance. These sectors of the labor market require higher education and more than basic skills. In the city's public school system that is overwhelmingly black and Latino, only about half of students graduate high school, few with a Regents diploma, a pipeline to good jobs or college.

The loss of factory jobs has occurred across the country. So has the proliferation of public school systems in large urban areas where students of color are often simply warehoused instead of educated. The result over time: In today's Bowery, most of the homeless, no doubt, are people of color, as is true across the city.

The living wage bill in the City Council requires either a wage of \$10 an hour plus health benefits or \$11.50 an hour without benefits. A majority of Council members support the bill. It should also have the mayor's support.

---

David R. Jones is president and CEO of the Community Service Society (CSS), the leading voice on behalf of low-income New Yorkers for over 160 years. For over 10 years he served as a member of the board of directors of the Puerto Rican Legal Defense and Education Fund. The views expressed in this column are solely those of the writer.