

Tompkins County Minimum Wage Campaign Fact Sheet



What is the Tompkins County Minimum Wage Campaign?

Our proposed campaign is to establish a local minimum wage for Tompkins County that is a Living Wage. (A Living Wage is the minimum amount of income and resources required to meet a person's basic needs.) It would be enforced by the NYS Department of Labor and be the required minimum wage for all people working within Tompkins County. On June 26, 2015, Alternatives Federal Credit Union announced an updated Tompkins County Living Wage which is \$14.34/hour.

Why Do You Want to Raise the Minimum Wage to a Living Wage?

Tompkins County is really two counties. While a portion of the population thrives, many more face low wages, growing inequality, erosion of middle-class jobs, housing costs through the roof and the institutionalization of a low-wage service economy. This is a serious economic challenge not only for the one-third to one-half of the population not receiving a Living Wage but also for the entire community. Our Workers' Center has struggled with these problems for years. **There is a sustainable and sure solution and that is raising the minimum wage to a Living Wage. This will benefit low-wage working families as well as the entire economy of the County.** Around the country many are recognizing this reality and enacting higher local minimum wages. These efforts improve jobs and the economy without hurting business growth. Vote after vote and poll after poll shows that such policies are backed by large majorities of citizens and voters.

How Can Employers Get Away With Paying Such Low Wages?

They can pay such low wages because state and federal government have failed over the last 40 years to maintain a minimum wage that is a Living Wage, prevent wage theft, update rules related to overtime exemptions and strengthen the rights of workers to organize. As labor standards have eroded allowing profitable corporations to pay chronically low wages, taxpayers are footing the bill for the social services that that workers paid less than a Living Wage need to live. "The low-wage business model has essentially turned public aid into a form of corporate welfare." (NYTimes 5/1/15) Our own government must act to raise the minimum wage and make it a Living Wage. With neither the federal nor the state governments acting to make this happen, local government needs to step in.

Can the County even do that? Establish a minimum wage that is higher than the State minimum wage?

Unlike in other states, New York State law does not allow a city or a county to raise the minimum wage unless it is also approved by the State legislature. So while other localities in many other states have a one-step process, here in New York it is a two-step process. The first step is for the County to enact a local law establishing a County minimum wage that responds to local conditions and local desires. As we see in states and localities that have adopted Living Wage laws, it is likely that such a law would phase in the new living wage over a 4 or 5-year period. But none of this would take effect until a Home Rule request from the County requesting authority to enact such a local minimum wage is approved by the State legislature.

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Won't Raising the Minimum Wage So Much Be Economically Disruptive?

Because the minimum wage increase would be phased in over a 4 or 5 year period business will have ample time to plan for the increase to a Living Wage. Lower wage employers will achieve even more stability as the higher wage reduces turnover and increases productivity. Between 2013 and 2015 the NYS Minimum Wage went up 21% with very little if any “economic disruption.”

Doesn't increasing the minimum wage result in layoffs/job loss?

Most studies show and most economists agree that it does not. A study recently in Los Angeles concluded that raising the minimum wage there to \$13.25/hour (from \$9) would provide a significant economic stimulus with negligible job loss. And according to the USDOL: *A review of 64 studies on minimum wage increases found no discernible effect on employment.* It is also important to remember that the vast majority of low-wage jobs in Tompkins County are in large businesses in retail, food service and hospitality industries that are tied to their locations and unlikely to be viable in other locations outside the County.

How Does the Community Benefit from Raising the Minimum Wage?

The community benefits in many ways. Here are a few.

1. Boosting wages has a huge and positive effect on the lives of families in the community giving them the resources to purchase better housing, better and more food, better transportation, reducing stress.
2. The increased money in the pockets of low-wage workers is spent immediately within the community boosting business, increasing the demand that drives economic growth. A 2011 [study](#) by the Chicago Federal Reserve Bank examined 23 years of household spending data and found that every dollar increase for a minimum wage worker resulted in \$2,800 in new consumer spending by his or her household over the following year.
3. The educational and life chances for low-income children improves considerably bringing benefits to the community as well as to the children. One example of this research found that each additional \$3,000 in annual income in early childhood is associated with an additional 135 hours of annual work as a young adult and an additional 17 percent in annual earnings.
4. As more families get paid a Living Wage there is less need for social services. This reduces county expenditures at the same time as spending by low-wage workers booms driving up sales taxes. Both factors help ease pressure on the property tax rate. Because so many low-wage workers are eligible for programs like Medicaid, TANF, food stamps and EITC (including about half of all fast food, home health care and child care workers), this costs US taxpayers over \$150 billion each year, which is effectively a transfer from our pockets to mostly large and wealthy companies to subsidize their low wages and subsequent profits.
5. There are important benefits to business owners. A higher wage results in more satisfied workers who are more productive. A higher wage decreases shirking on the job, absenteeism, and job turnover, ultimately lowering costs. Go to this excellent article in Entrepreneur Magazine, Why Paying a Living Wage Is Smart Business: <http://www.entrepreneur.com/article/246112>

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Please consider becoming a Member of the Tompkins County Workers' Center as we ramp up on our campaign to ensure that every single worker in Tompkins County is paid a Living Wage! We welcome Membership Dues and gifts of all amounts and only ask that you give as generously as you can.

\$5 \$10 \$25 \$50 \$100 \$200 \$500 \$1,000 Other, please specify

Name _____ Address _____

Phone _____ Email _____

Would you consider becoming a Monthly Sustainer? _____

Mail to: Tompkins County Workers' Center, 115 The Commons, Ithaca, NY 14850 or go to website:
www.TCWorkersCenter.org

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