

## Report of the Living Wage Committee of the LWVNY

December 7, 2015

Members of the committee are: Ann Converso (LWV Buffalo/Niagra); Carole Mehlman (LWV NYC); Lenore Schwager (LWV Cortland); Sara Wokan (LWV Broome/Tioga) and Barbara Thomas (LWV Saratoga), chair. Dare Thompson (President, LWVNY) participated ex-officio.

The Living Wage Committee was charged by the LWVNY Convention 2015 to determine what is an appropriate living wage for our state and its localities.

LWVUS has said that Leagues may take action on a living wage under the national position on Meeting Basic Human Needs that includes the statement "People who are unable to work, whose earnings are inadequate or for whom jobs are not available have the right to an income and/or services sufficient to meet their basic needs for food, shelter and access to health care." The position further states that, "one of the goals of social policy should be to promote self-sufficiency for individuals and families." Guidance from LWVUS requires that state and local leagues do the research necessary to determine what an appropriate wage is for their own community.

The committee further defined a living wage using the Buffalo/Niagara concurrence with the LWV Kansas position: *A living wage should provide sufficient income without government assistance, for food, clothing, housing, energy, transportation, health care, education, child care, and a small amount of discretionary income.*

**We recommend to the board of LWVNY that a living wage for localities in NYS can be determined by using either of the following calculators (or one that may in the future be developed which includes the same items), whichever has been updated most recently.**

Each of these calculators presents its findings of the costs involved in meeting basic human needs on a county-by-county basis, for families of different sizes and composition, and indicates the wage needed to meet those costs on an hourly, monthly and annual basis.

1. This is the link to the MIT developed calculator for a living wage, which is available by County in NYS: <http://livingwage.mit.edu> Originally done in 2004, it was updated in 2014.

2. The Self-Sufficiency standard developed by Empire Justice Center/NYS Community Action Association <http://www.selfsufficiencystandard.org/docs/New-York-State2010.pdf> especially pp. 57 to 89, which lists the self-sufficiency standard for different family configurations for each county, and expresses it on an hourly/monthly/annual basis. P 91 compares the self-sufficiency standard to the federal poverty rate.

Right at the moment the MIT calculator is most current, but as the years pass the Empire Justice Center/NYS Community Action Association one may be updated or recalculated and become the most current.

**We further recommend that the minimum wage, if set state-wide, be set no higher than, but close to, the living wage for a family consisting of one wage earner and 2 children,**

**in the county with the lowest living costs.** The League has long supported equal pay for equal work, and does not recommend that the minimum wage be set, or employers pay employees, based on the number of their dependents.

The committee recognizes that raising the minimum wage to become a living wage will require economic adjustments. We particularly note the difficulty that non-profits in the child care, health, mental health, elder-care and home-care fields (where many of their workers make very close to the current minimum wage) will face if the state does not increase its grants and reimbursements to keep pace. Some of this increase in state costs will be off-set by decreasing the need for government assistance to meet basic human needs.

Studies can be found to support positions on both sides of the issue of raising the minimum wage. The most positive result is the redistribution of dollars to lower wage workers reducing income inequality and shifting the cost of need for tax supported benefits to the private sector.

The raise in minimum wage has little or no effect on employment or hours and the increase in consumer costs is moderate and less in percentage than the wage raise. It does cause some additional shifts to technology, happening throughout the wage structure. It has some stimulus effect on the economy from the increased money spent on goods and services. It also reduces employee turnover saving employment and training costs.

(Sources: Forbes, US Dept of Labor, Harvard Kennedy School Shorenstein Center ).

Attachments to go to each LWFVNY Director\*:

Self-Sufficiency Standard Sheets for: Albany, Brooklyn, Broome, Hamilton, Monroe, Nassau, Niagara, Orleans, and Westchester Counties.

MIT Living Wage Calculator for: Albany, Brooklyn, Broome, Hamilton, Monroe, Nassau, Niagara, Orleans, and Westchester Counties.

Page 25 of Self-Sufficiency Standard 2010 (Comparison of Living wage and Federal Poverty Level

\*In the one official copy of this report for the LWFVNY file we attach (1) the complete Self-Sufficiency Standard for NYS 2010 and (2) A copy of the Introductory information on the MIT Calculator website and then the printout of the sheet for each of the counties in NYS.