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Gale A. Brewer, Borough President

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Testimony to the New York State Fast Food Wage Board
June 26, 2015**

My name is Gale Brewer and I am the Manhattan Borough President. I would like to thank the members of the New York State Fast Food Wage Board – Mayor Byron Brown, Kevin Ryan, and Mike Fishman, as well Acting State Labor Commissioner Mario Musolino for affording me and members of the public the opportunity to offer testimony in support of raising the minimum wage for employees in the fast food service industry to \$15 an hour.

I am proud to support this momentous proposal to increase wages for fast food workers because I believe that all hard-working New Yorkers deserve to earn a fair income. The current wage for many of New York’s 180,000 fast food industry employees, is simply unjust, averaging just \$8.50 an hour for entry level positions. This amounts to about \$16,920 annually – but only for those who are able to secure 40 hours of work per week, which is still well below the poverty line for a family of three and only \$1,010 above the line for a family of two. It has left too many deserving individuals and families battling poverty. They face a monthly struggle to pay rent, afford food and transportation costs, and maintain adequate access to health and wellbeing resources.

The title “fast food worker” refers to employees who prepare food and serve customers in limited service restaurants - establishments where customers pay for food before eating. However, this one title does not encapsulate just one type of worker. In fact, according to statistics from the Quarterly Census of Employment and Wages (QCEW) program, New York State fast food workers are impressively diverse. Nearly half (50.5%) are women, about a fifth (21.3%) are between the ages of 25 and 34, and 70.5% are white; 14.4% African American; 11.5% Asian and 17.0% Hispanic. Additionally, a large portion of employees hold an advanced degree: 20.1% a Bachelor's Degree or Higher; 27.2% an Associate's Degree/Some College. Though the industry cannot be summarized by one demographic, it is largely comprised of some of our most vulnerable economically disadvantaged populations.

New York State’s recent adjustment to minimum wage standards was a positive step. But employees in the fast food industry, especially residents in New York City, where the cost of living is higher than other parts of the state, remain at risk. The current law to raise the minimum wage to \$9 an hour by December 31, 2015 is simply not enough to pull workers out of poverty. The fast food industry has simultaneously experienced remarkable job growth and expansion since 2000 while unfairly keeping wages stagnant. Specifically, employment nearly doubled in the industry from 2000-2014, creating huge profits and salary



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rewards for top officers, while wages for entry level workers increased just 0.3 percent since 2000 after adjusting for inflation.

Very low wages have a ripple effect on public expenditures. Recently, Commissioner Musolino reported that 60 percent of all fast food workers have at least one family member receiving public assistance. Moreover, New York's public benefits spending per fast food worker is one of the highest in the nation among other states that exhibit large payments for public assistance, including California and Texas, according to researchers at University of California Berkeley's Center for Labor Research and Education. Taxpayers contribute about \$700 million of their dollars to fund assistance programs such as Medicaid for these underpaid workers. Allowing employees to earn a higher wage will increase industry productivity, and decrease dependency on public assistance agencies, and lower their costs.

In summary, raising the minimum wage for fast food workers to \$15 an hour will benefit tens of thousands of industry employees, our local economy, and New York State taxpayers. It is past time for New York to ensure that fast food workers - our fellow hardworking New Yorkers - are able to not just merely survive, but to earn a decent living and independently support themselves and their families.