



Living Wage NYC

Our City. Our Lives. Our Future.

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Living Wage Study: A Stalling Tactic

EDC Hires Living Wage Opponents to Conduct Study

NEW YORK, NY -- The Living Wage NYC campaign announced today that it is condemning the city's rigged living wage study. The study, which was recently announced by the New York City Economic Development Corporation (EDC), is being spearheaded by Charles River Associates, a management consulting firm based out of Boston. Economists David Neumark and Daniel Hamermesh, who are among the nation's most vociferous opponents not just of living wage policies but even of the minimum wage, are part of the team.

"The EDC could have selected a balanced team of experts to give New Yorkers a fair-minded assessment of living wage policies," said Paul Sonn, policy co-director at the National Employment Law Project. "Instead, it is spending \$1 million in taxpayer money to hire economists who are already on record as consistent critics of living wage and minimum wage policies, and who are affiliated with a lobbying arm of the restaurant industry."

Hamermesh and Neumark are both strong critics of minimum and living wage policies and have ties to Richard Berman's Employment Policies Institute, a widely discredited pseudo think-tank, backed by the restaurant and beverage industry. As exposed by the *New York Times* in June, the Employment Policies Institute is one of a group of sham, industry-backed "research" organizations established by Berman. In addition to opposing minimum wage increases, Berman's groups work to weaken drunk driving laws and promote sales of soda and candy in public schools. See "Nonprofit Advocate Carves Out a For-Profit Niche," *New York Times*, June 17, 2010.

Neumark is the nation's leading anti-living wage researcher. Hamermesh has endorsed Neumark's research and has been publicly critical of even modest increases in the minimum wage. Neumark's living wage research has been criticized by other economists as "neither methodologically sound nor statistically or substantively robust."

"Using consultants who have already made up their minds shows that the EDC is not concerned with the economic development of all New Yorkers but the economic development of rich developers and big businesses that are not interested in helping their workers live sustainable lives," said Valery Jean, Executive Director of Families United for Racial & Economic Equality (FUREE). "The math is easy: to address the revenue crisis, you must provide living wages and health benefits for all."

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The EDC's study could hinder progress in enacting the Fair Wages for New Yorkers Act, which will guarantee that when the city gives businesses public subsidies, the jobs they create will pay at least a living wage. All workers employed at subsidized developments will be covered, including employees at retail stores located in subsidized shopping centers, concession workers at subsidized stadiums and cafeteria workers in subsidized office buildings.

“At a moment when our city sits at the center of the foreclosure and unemployment crisis, Mayor Bloomberg has chosen to spend a million dollars of the city's money to commission a study on how paying a living wage to the poor might affect the non-poor,” said Reverend Dr. Peter Heltzel, Director of the Micah Institute at New York Theological Seminary. “The million dollars being spent on the study could turn 174 minimum-wage jobs into full-time living-wage jobs for a year. It's time for New York to step up to the plate and heed the cries of its impoverished workers.”

More than 15 cities have enacted such legislation, and they have found that these policies create quality jobs for local residents without slowing growth. New York City is behind the times on this issue and, as a result, our publicly subsidized developments are keeping people in poverty-wage jobs, rather than providing them with opportunities to get ahead.

Living Wage NYC Coalition partners (in formation): Community Voices Heard; Families United for Racial and Economic Equality; Fifth Ave. Committee; Fiscal Policy Institute; Good Old Lower East Side; The Greater NY Labor Religion Coalition; Jewish Labor Committee; Make the Road NY; Drum Major Institute for Public Policy; Pratt Area Community Council Leadership Group; New York Annual Conference of the United Methodist Church; The Micah Institute at New York Theological Seminary; National Employment Law Project; Northwest Bronx Community and Clergy Coalition; Northwest Bronx for Change; NY Communities for Change; New York Annual Conference of the United Methodist Church; NY Jobs with Justice & Urban Agenda; Pratt Area Community Council Leadership Group; Retail Action Project; Retail, Wholesale and Department Store Union (RWDSU).