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As the hourly minimum wage moves toward \$15 across New York State, some say the fight for a decent living is far from over.

By Barbara Prempeh

Eseka Nyamaa will never forget the moment she received her first college acceptance letter. It was one of the happiest days of her life.

Nyamaa, then 17, was walking home toward her Bronx apartment after a long day at school. It was five p.m. when she went to her mailbox, pulling out a thick white envelope from Utica College in upstate New York. Opening it quickly, she read the first word, “Congratulations,” and knew what it meant: She had gotten into her first-choice school.

But her excitement turned into anxiety about supporting herself in college, she recalled five years later, in 2019, a few months after graduating with a B.A. in sociology.

“I knew it was time for me to take matters into my own hands and help myself,” said Nyamaa, getting ready for her eight-hour shift as a transportation aide at a hospital in Albany, where she is now pursuing an M.A. in social work at the University of Albany. At the time, she says, she felt an obligation not just to meet college expenses but also to set an example for her two younger siblings. So, she took on a job at a Modell’s sporting goods store in the Bronx for \$8.75 an hour.

At the Albany hospital, Nyamaa now makes \$14 an hour, about two dollars over the current minimum wage of \$11.80 in upstate New York. Taking on these shifts is her only way to make ends meet while attending an academic program that requires a lot of her time. But that \$5.25-per-hour pay increase from a few years ago is not enough, she says, and her 30-hour-a-week schedule takes a toll. “I get home at 11 p.m. from work most nights and end up having to stay up extra hours to study for my exams the next day,” she said, getting ready for work in the three-bedroom apartment she shares with two other college students.

Back in New York City, Susannah Koteen, 47, owner of the Lido Harlem Restaurant on 116th Street and Frederick Douglass Boulevard, takes reservations over the phone during a busy lunch hour, the restaurant’s 30 tables almost full. Koteen has been in the restaurant business since she was 15 years old, when she began waiting tables and bartending. After graduating from college, she moved to Harlem with the hope of doing what she loved the most -- combining her passion for food and hospitality.

Recently, however, the restaurant, decorated with poster-sized black-and-white photos of the Northern Italian beach that gives the place its name, has been confronted with a problem: New York City’s official minimum wage of \$15 an hour, an increase that took effect at the end of 2019.

As of 2020, New York City’s minimum wage is \$15 an hour for businesses with more than 11 workers and \$13.50 for businesses with 10 or fewer employees. Tipped food service workers as of December 31, 2018, are paid \$10 an hour, an amount that will be kept the same until December 31, 2021.

Like many other small-business owners, Koteen says, for now she is keeping the restaurant solvent by cutting back her employees' hours, raising menu prices a bit and making sure no one works overtime. Still, she says, she worries she will have to close the Italian eatery, which employs 40 people. Fifteen of them work on a typical shift.

Nyamaa's and Koteen's stories illustrate what's behind the divided narrative concerning the city's and state's increased minimum wage, which came about following the "Fight for \$15" campaign mounted by low-wage workers starting in 2012. For Nyamaa, the increased salary still isn't enough to survive on. She is in debt and anxious, she says. For Koteen, the new mandated wage represents a threat to her lifelong dream of owning – and expanding -- a successful, growing restaurant.

And the minimum wage battle goes beyond New York's city and state borders. As New York City becomes one of the first in the nation to mandate hourly pay of \$15 for all businesses, both political parties are grappling with the wage issue in the upcoming state and federal elections. The Democratic presidential candidates on the campaign trail and during televised debates have put workers' demands for a \$15 federal hourly minimum wage front and center, as Senate Republicans and the White House oppose the push.

President Trump has made multiple contradictory statements about the current federal minimum wage, which has been \$7.25 an hour since 2009. In 2016, he endorsed raising it to \$10 an hour. Since then he has not addressed the issue. But a few years ago, his top economic adviser, Larry Kudlow, told The Washington Post that even the \$7.25 wage floor is a "terrible idea" and that increasing it would be "silly" because small businesses would face higher payroll costs. The Republican-dominated Senate, meanwhile, has made it clear in this election year that the Raise the Wage bill, passed by the Democratic-dominated House has no chance in their chamber.

Meanwhile, activists continue to rally around the country for higher minimum wages – including a \$15 federal hourly minimum. The movement says no matter who wins the race for both the White House and Congress, their fight for \$15 -- or even a higher minimum -- will continue.

"If it doesn't happen at a federal level, we will continue the fight locally," said Gabby Seay, director of political action at 1199SEIU United Healthcare Workers East, a leading union advocate for \$15 an hour. "Elected officials on a state and federal level and our next president will have to find a way to make Americans feel secure in whatever jobs they do."

AS SHE STRUGGLES to make ends meet in Albany, Nyamaa says that any lack of progress toward an even higher minimum wage would be a setback for her – as a graduate student in upstate New York and as a Bronx native hoping to move back to the city to work. In Albany, as in the rest of New York State outside of New York City, annual increases will continue until the rate reaches \$15 an hour. In 2021, that annual increase will be published, based on a determination by the state's Division of Budget, which will determine the rate using economic indices, including the Consumer Price Index.

“I was always told to do well in school and work really hard and that eventually I’d make more money to live a decent life,” she said, remembering her youthful, optimistic times. Now she believes that the American dream has eluded her.

“Right now,” she said, her current hourly pay of \$14 does not help her enough with what she calls her “adult responsibilities.” These include her monthly bills: \$600 in rent, \$355 toward her undergraduate student loans, a \$70 mobile-phone charge, \$150 in groceries, \$100 for personal-care items, \$40 for trips back home to the Bronx, and \$200 she sends to family in Ghana, where she was born.

At the end of each month, she says, she is left with just \$66 after paying her bills, even though she occasionally picks up part-time shifts at a small homeless agency, delivering food for \$11 an hour. Given the cost of living in New York City, Nyamaa says, she worries she will never be able to return to the Bronx, even with the \$15 minimum wage.

Her fear is not unfounded. Some labor experts and advocates suggest that in New York City even the new wage standard is not high enough to ease the city’s affordability crisis.

A study published in October 2018 by City Harvest, a nonprofit that aims to feed more than 1.2 million New Yorkers who are food-insecure, measured the income city residents need to afford housing, food, transportation, health care and childcare. The authors used a tool called the Self-Sufficiency Standard, which measured incomes against current prices as reflected in the Consumer Price Index.

The study found that two in five New York City households—more than 905,000 households and over 2.5 million people – don’t have enough income to cover the common necessities. For example, the authors wrote, a single parent with one school-age child would need to make \$51,180 a year to pay for those necessities. This amounts to an hourly wage of \$24.23 in a 40-hour workweek, whereas \$15 an hour in a 40-hour work week translates to an annual salary of \$31,200.

“All this data shows that in reality people are getting low pay, and it's causing people to now fight for their dignity and fair share for the work that they do,” said Diana Pearce, who created the Self-Sufficiency Standard in the mid-1990s, when she was director of the Women and Poverty Project at Wider Opportunities, an organization that advocates for women’s access to high-wage jobs and for improved economic opportunities for girls.

Housing costs are a particular problem for New York City residents. The median rent for a one-bedroom apartment in New York City is about \$2,870 a month, according to the Curbed New York, while the median monthly rent for a one-bedroom apartment in the Highbridge section of the Bronx, where Nyamaa grew up, comes to \$1,525. This means that the single parent used as an example in the City Harvest report would be spending nearly two-thirds of their after-tax income for rent, a percentage far above the so-called 30 percent rule, which was proposed by the Housing and Urban Development Act in 1968.

“In places like New York, we should keep up with the cost of living. People should have a living wage wherever they are,” said Cynthia Estlund, a law professor at New York University who specializes in labor and employment law.

New York’s affordability crisis is part of what prompted “Fight for \$15” organizers – many from the childcare, home healthcare, airport and fast-food industries -- to rally in the streets of New York City eight years ago, when the state minimum wage matched the decade-old \$7.25-an-hour federal minimum.

FOR SMALL-BUSINESS OWNERS, the minimum wage jump comes on top of other New York City challenges: rising commercial rents, customers moving to online commerce and the ordering-and-delivery apps that compete with full-service restaurants.

Before the most recent wage rise, to \$15 to an hour, the New York City Hospitality of Alliance, which represents restaurant and nightlife establishments, conducted a survey that looked at the rising labor costs from November to December 2018 to investigate how the city’s restaurants will address increased labor costs.

The survey found that 87% of the 574 responding restaurants planned to increase their prices prior to the minimum wage bump; since then many businesses have changed their prices based on the entire increase of their expenses.

“It may result in customers dining out less or spending less per visit,” said Andrew Rigie, the group’s executive director. He added that price-sensitive customers may also go online to post more negative comments or complaints about restaurants that raise their prices, further causing a change in customers responses.

The city’s big restaurant chains, like Panera Bread, Applebee’s and McDonald’s, can better absorb the costs stemming from the \$15 minimum wage or can use automation or tech solutions to hire fewer people.

At her Lido Harlem Restaurant, however, Koteen says she is already having problems with the \$15-an-hour wage for non-tipped employees such as line cooks, dishwashers and cashiers. “The issue is, if you have all the wages go up, you now have people demanding more and you have to be fair,” she said. She adds that she believes in paying her workers fairly. “Already my servers make well over \$24 to \$25 an hour with tips,” she said.

She believes in paying her workers fairly, she says, but the new \$15-an hour minimum for her non-tipped workers has stretched her resources to the limit. “I’ve had to cut back hours while also being careful not to give anyone more than 40 hours a week,” she said. What’s more, she’s had to take a step back on the plans she had to open another restaurant because the higher wage adds to other risks faced by independent restaurants in the city

These include high commercial rents, the popularity of food delivery apps and other regulations such as frequent restaurant inspections. “At this point as a business owner you’re doing what you can to stay open,” said Koteen. “New York City is an unfriendly place for small businesses, and I

think they take us for granted. You are now seeing more empty storefronts because owners can't keep up."

But while restaurant owners like Koteen and the New York Hospitality Alliance see the new minimum wage as a problem for small businesses, at least one study has reached a different conclusion.

Prior increases in the minimum wage have resulted in restaurant growth in parts of the city, according to a study co-authored by James Parrott, director of economic and fiscal policies at the Center for New York City Affairs at The New School. The report, "New York City's \$15 Minimum Wage and Restaurant Employment and Earnings," jointly conducted by the center and the New York-based National Employment Law Project, was published in August 2019, before the \$15-an-hour law took effect. It concluded that previous increases in the minimum wage have made the city's dining businesses grow, despite restaurateurs' fears.

Specifically, the study found that from 2013 to 2018, where wages rose an average of 15% to 23% for the lowest paid workers, sales increased at full-service restaurants, along with the purchasing power of New York City residents. In 2018, as the "Fight for \$15" movement continued, the city's minimum wage had reached \$13.50 an hour.

"The minimum wage has expanded the pool of consumers and given people purchasing power, specifically in eating out," said Parrot. At the same time, he acknowledged that "things will go out of fashion and restaurants will have to adapt, not only to rising wages but also competition."

Advocates for a higher minimum wage join those who say more purchasing power translates into more spending at restaurants and other small businesses – in New York and elsewhere.

"Some say that there will be a loser in the end, but in reality, it's a win-win situation," said Terrence Wise, a McDonald's worker in Kansas City, MO, who is a union leader in the Fight for \$15 organization. "If you pay me more, I can put that same money back into businesses. I can buy my kids shoes. I can even go to the movies, and this will all boost the economy," he said.

AS THE FIGHT-FOR-\$15 movement has spread to other cities and states, the results have been uneven.

Some large companies like Amazon and Walmart have already increased the minimum wage for their employees to well above that \$7.25-an-hour federal minimum. In 2018, Amazon announced it would raise its minimum wage to \$15 an hour for all of U.S. employees. Walmart's minimum wage for employees is \$11 an hour. Walmart's CEO, Doug McMillon, has said the average compensation, including benefits, is \$17.50.

But minimum-wage laws among cities and states vary widely. As of today, the minimum wage in Washington, D.C. is \$14 per hour and will increase to \$15 per hour by July 1. In Seattle,

employees now earn a minimum wage of \$16.39 an hour if they work in large companies and chains. Employees who work at smaller companies and chains earn \$15.75 per hour.

Such increases may get many workers above the poverty line in those localities. But other states have seen smaller wage raises. In Missouri, for example, the minimum wage just went from \$8.60 to \$9.45 an hour – not enough of a rise, say advocates for higher wages.

“I’ve worked in fast food for two decades, and the quality of living on this wage hasn’t been satisfactory,” said Wise, the McDonald’s worker and union leader in Kansas City. “Although we see several cities who have taken action on increasing their minimum wage, we are still not satisfied.”

Lawmakers in Virginia have officially passed a bill that would raise the state’s minimum wage to \$12 an hour over three years. Alabama, Louisiana and Mississippi have yet to adopt a state minimum wage law, meaning their legal wage minimum is at the low federal level.

Larry Kudlow, the Trump Administration’s top economic adviser, has cited regional cost-of-living differences to explain state-by-state wage differences and to argue against a federal minimum wage. But advocates for a higher minimum say low wages hurt workers even in lower cost-of-living areas.

“In Virginia, where the minimum wage is \$7.25 per hour, it’s still not enough, even though the cost of living is relatively low,” said Seay, the political action director at 1199SEIU United Healthcare Workers East. “Compromising the minimum wage based on a specific region doesn’t matter because no one can survive working full time on a \$7.25 hourly wage.”

And many advocates of minimum wage increases raise another issue, pointing out that unlike countries like France and New Zealand, the U.S. has failed to match federal and state minimums with the Consumer Price Index, which is currently at 2.3% for all urban consumers. Only 17 states have their minimum wages indexed to inflation. (New York is not one of them.) According to the Economic Policy Institute, a nonprofit often described as presenting liberal views, if the federal minimum wage had been adapted to account for inflation, low-income workers would be earning double what they earn today and would be spending more on locally owned businesses.

The wide disparities among state minimum wage laws has prompted a growing focus on the federal minimum wage. Congress first passed a federal minimum wage law in 1938 under the Fair Labor Standards Act. The act, passed after many European countries had already implemented such laws, also banned child labor and set an hourly wage of 25 cents and a maximum workweek of 44 hours.

Today, the focus is on an hour \$15 minimum wage at the federal level, where the current minimum has been stuck at less than half that amount.

“Overall, the federal minimum wage has less buying power than it did years ago and it’s affecting millions of people,” said Chris Lu, the U.S. Deputy Secretary of Labor during the

Obama Administration. “The economy is supposedly strong, but Americans are just basically getting by, and it’s a problem that will have to be addressed in the presidential campaign.”

According to the non-partisan Congressional Budget Office, a \$15-an-hour federal minimum by 2025 would increase the wages of 27 million workers and cut the number of people below the poverty line by over 1 million. The downside, the agency says: Nearly 4 million people could lose their jobs.

The Heritage Foundation, the conservative thinktank, highlighted such possible losses in a July 2019 fact sheet. A federal \$15 minimum wage, it argued, would lead to significant unemployment and cause low-income workers and their families to suffer from lack of career advancement and fewer employment opportunities. Such a wage rise, it said, will also hurt small businesses, the so-called mom-and-pop shops that hire low-income workers and support local economies.

Some economists take issue with this conclusion. “Most studies of increases to the minimum wage show that they do not have the negative consequences on employment levels that traditional economic perspectives might predict,” said John Mollenkopf, a political science professor and director of urban research at the City University of New York Graduate Center. “They may cause prices to rise, however, given that the wage base of employers increases. Some employers might feel pinched because of this.”

The idea of a nationwide \$15-an-hour minimum has become prominent, reaching both Congress and the current Presidential campaign.

In July, the U.S. House of Representatives passed the Raise the Wage Act, which calls for a \$15-an-hour federal minimum wage by 2025 and interim wage jumps until then. The bill if agreed upon is expected to boost pay for a total of up to 30 million people. However, its victory was short lived. Shortly afterward, Senate Majority Leader Mitch McConnell tweeted that “research shows that hiking the minimum wage to a \$15 would kill jobs and depress the economy at a time when it’s thriving for the American people. We are not going to be taking that up in the Senate.”

That position is echoed by spokespeople for the small-business sector. According to a February 2019 press release by the National Federation of Independent Business Research Center, a nonprofit that works on behalf of small business owners and opposes what it considers undue government regulation, if the bill becomes law, there would be approximately 1.6 million fewer jobs in the U.S. in 2029. The NFIB adds that in particular, small businesses would be hurt by the bill as a result of not being able to absorb the costs of minimum wage, further causing a negative effect on employment.

It is likely that no minimum wage increase will pass Congress until Democrats regain control of the Senate – control that is also at stake in this year’s general election. As the races heat up, almost all of the Democratic presidential candidates – from so-called moderates like former Vice President Joe Biden, mayor Pete Buttigieg and Sen. Amy Klobuchar to self-identified progressives like Senators Elizabeth Warren and Bernie Sanders -- have voiced strong support for a \$15-an-hour federal minimum as they cite inequalities in the Trump economy.

This issue is so central to positions taken by Democratic candidates that several have been confronted about lapses in their support for \$15 an hour as they campaign.

Pete Buttigieg received a number of boos at a Fight for \$15 march in South Carolina. A number of activists questioned his stance, pointing out that he was not always for raising the minimum wage to \$15 an hour and that some wages in South Bend, Indiana, where until recently he was mayor, are less than \$15 an hour. Bernie Sanders, too, has been questioned over his support of The Fight for \$15 following reports from a number of his campaign organizers that were being paid \$13 per hour.

Activists in The Fight for \$15 movement say they are prepared for either Republican or Democratic victories in the White House and Senate this election year. “Regardless of whoever takes over we have to stay organized and connected,” said Wise, the McDonald’s worker and labor activist in Kansas City. “We have to continue to put pressure on the federal government and show them that it’s time for workers to be taken care of no matter what industry you’re in.”

In Albany, Nyamaa, too, is looking at what will come next. “For now, I will take what I can get,” she said. “Eventually I will need more pay. As I get older, bigger responsibilities will follow. I just want to be able to provide for myself and my family.”

And leaders in the Fight for \$15 say their recent victories aren’t the endpoint in their game plan, no matter the outcome of the 2020 elections.

“Our next agenda is to build power and have a collective front. This isn’t just fighting for a minimum wage; it’s a social justice issue,” said Wise, the Kansas City activist. “While \$15 is not enough, it’s the floor and we need to start somewhere. We wouldn’t be rich, but it would give people the opportunity to not have to skip bills or avoid putting meals on their tables.”