

Minimum-wage hike would aid economy

By **Mark S. Jaffe**

Our mission at the Greater New York Chamber of Commerce is to improve the business climate and quality of life in New York. And raising the minimum wage will do just that.

That's right — a minimum-wage increase will improve our business climate, not hurt it. It will help local businesses grow and prosper. And it will improve the quality of life for New Yorkers.

The Greater New York Chamber serves 25,000 business and civic leaders. Our members know a minimum wage increase is overdue.

Our members tell us that \$7.25 is not a fair starting wage. Employees can't make it on \$7.25 an hour. That comes to just \$15,080 for full-time, year-round work. Why should any cashier, security guard, cook, health aide or any other worker be paid so little by their employer? They should not.

Workers need more money in their pockets to make ends meet. But the money doesn't stay there. It goes right back into businesses as workers buy groceries and other necessities. Raising the wages of workers with the least income is a vital way to boost consumer spending and inject millions of dollars into the state economy, which our businesses need to

keep the recovery going.

Workers are often the face of the business. When workers aren't constantly struggling and stressed about how to pay for transportation, how to pay rent, how to keep the lights on and so forth, they are more productive and attentive. They are more committed to the business instead of constantly seeking another job.

If minimum-wage increases were determined by who had the most expensive, powerful lobbyists, the minimum wage would never go up. Some businesses (including retail and fast-food outlets) are accustomed to paying the lowest wages allowed by law. It is time they take into account that the federal minimum wage is not adjusted for the cost of living by region. Moreover, federal and state increases have been so irregular that the value of the minimum wage has been severely eroded by inflation.

Eighteen states have raised their minimum wages above the federal level of \$7.25. Many of them have much lower costs of living than New York. Ten states index their minimum wages to inflation so they don't keep falling behind the cost of living.

For minimum wage opponents, it's never the right time to raise the minimum wage. They will block it as long as possible, claiming businesses will

be hurt by an increase whether the economy is booming or bad.

The majority of New York's small businesses pay above \$7.25 now and so do large businesses such as Costco. They show every day how fair wages are part of a smart business strategy — boosting worker productivity, reducing turnover, improving customer service and building their business and our economy for the long haul.

Last month, the state Assembly passed a bill that would increase the minimum wage to \$8.50 per hour, while also providing for yearly adjustments to the minimum wage based on changes in the cost of living.

Let's cut through the rhetoric. If Costco and other chamber members can pay a starting wage of \$11 an hour, there is no reason Walmart, Target and all employers can't pay at least \$8.50 in our state.

New York's minimum wage would be nearly \$11 now if it had kept up with the cost of living since 1970, when the state minimum peaked in value. It's time for minimum-wage opponents to stop pretending businesses can't afford to pay a starting wage of \$8.50, which is still lower than the value of the minimum wage that businesses paid four decades ago.

It's also time for the state Senate to listen to the majority of New Yorkers and get a law passed that will help our poorest workers and state economy.

Jaffe is president and CEO of the Greater New York Chamber of Commerce (www.NY-chamber.com).

