Assembly Bill 9148: Key Facts on New York’s Minimum Wage

- Assembly Bill 9148 would raise New York’s minimum wage from $7.25 to $8.50, and index it to inflation so that it automatically adjusts to keep pace with rising costs of living.

- At $7.25 per hour, New York’s current minimum wage is just $15,080 for a full-time, year-round worker.

- Eighteen states and the District of Columbia have higher minimum wages than New York. This includes neighboring Connecticut ($8.25), Massachusetts ($8.00) and Vermont ($8.46). Even much lower-cost-of-living sunbelt and Midwest states like Florida, Arizona, Ohio, Illinois, and Montana have higher minimum wages than New York. In Washington State, the minimum wage is $9.04 – nearly $2 higher than New York.

- Unlike New York, ten states automatically update or “index” their minimum wages each year to keep pace with the rising cost of living.

- If New York’s minimum wage had kept up with inflation over the past forty years, it would be approximately $10.80 per hour today. New York’s minimum wage has only gone up 10 cents in the last five years.

- According to the Fiscal Policy Institute, raising New York’s minimum wage to $8.50 per hour would benefit over 1 million New York workers – just over 11% of New York workers. The overwhelming majority (84 percent) of workers who would benefit are adults.

- The minimum wage is becoming more and more important for our economy, since more workers are spending their careers in low-wage jobs. As detailed in an analysis by the National Employment Law Project, while the jobs lost during the recession were disproportionately in mid-wage occupations like manufacturing and construction, those that are now growing are concentrated in low-wage fields like restaurants, retail and home health care. As a result, more families are relying on low-wage and minimum wage jobs to make ends meet.

- Raising the minimum wage promotes economic growth by putting money in the pockets of working families who spend it immediately on necessities at local businesses. For example, the very small increases in the minimum wage that took effect in eight states on January 1, 2012 as a result of those states’ indexing laws will generate an additional $366 million in GDP and create the equivalent of more than 3,000 full-time jobs, according to an analysis by the Economic Policy Institute.

- A stronger minimum wage also reduces economic inequality. New York State has the greatest gap between rich and poor in the United States.

- And the most rigorous research over the past 15 years, including studies comparing job growth trends in neighboring counties across state lines with different minimum wages, have found that higher minimum wages do not result in job losses. Importantly, this research shows that these trends are the same even for minimum wage increases implemented during weak economic periods, such as the 2009 federal minimum wage increase.

- Contrary to myth, the minimum wage is chiefly about large corporations, not mom and pop businesses. The majority of low-wage workers are, in fact, employed by large chains, not small mom-and-pop businesses.

- And in retail, New York’s largest low-wage industry with 269,000 employees, the data show that large chains are paying substantially less than smaller retailers – on average, a stunning 23% less according to an analysis by the Fiscal Policy Institute.

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