

Building a Ladder to Jobs and Higher Wages

A Report by the Working Group on New York City's Low-wage Labor Market

In September, 1998, a diverse group of policy analysts from government and non-profit organizations, representatives from business and labor, job training specialists, and scholars from CUNY, Hofstra, and the New School began regularly meeting in Manhattan to discuss the persistent problems of the city's large low-wage population and to seek a fresh set of practical policy ideas for remedying these problems. Dubbed the Working Group on New York City's Low-Wage Labor Market, this group was convened by the Community Service Society of New York, the Office of the New York City Comptroller and the Office of the New York State Comptroller. Over the course of the next two years, they worked to produce a report that presents a wide-ranging set of recommendations for public sector policy making in City Hall and Albany to expand economic opportunity for participants in the city's low wage labor market. The full report details a host of practical steps that can be taken to create more jobs, expand training and educational opportunities, and ensure that work is a path out of poverty. This executive summary provides an overview of the major findings and recommendations of the full report (available online at: www.buildingaladder.org).

Jobs and pay have long been at the top of the public agenda. Recently the stakes have gotten higher. Public policy - most notably, the adoption of an employment-based welfare system - is making new demands on the New York City labor market. More people need jobs and more of these jobs ought to pay family-supporting wages. Approximately one-quarter million adult recipients remain on the city's public assistance rolls and most are expected to make the transition from welfare to work. As they enter the labor market they join the competition along with school leavers, immigrants, and other members of the working poor in the hunt for a decent job. Is the city's labor market up to the challenge of providing an opportunity for living wage employment to all who want and are now expected to work?

From afar there would seem to be little reason to worry. New York City's welfare rolls are one-half of what they were in 1995 and payroll employment has been posting record gains since 1996. More city residents are working. Yet, a closer look reveals cause for concern. *More people are working, yet unemployment rates remain high.* In the first six months of 2000 the New York City unemployment rate stood at 5.9 percent, well above both the national average (4.0 percent) and the 5.0 percent the city achieved in 1988.

More people are working, yet a relatively small share of working-age New Yorkers are employed. The proportion of city residents 16 through 64 years old with a job was 63.6 percent in 1999, 10.3 percentage points below the national average of 73.9 percent.

More people are working but many more are employed in low-wage industries. From 1989 to 1999, employment in industries whose average annual wage is less than \$25,000 grew by 81,000. Over the same period, employment in industries whose average wage was between \$25,000 and \$50,000 (the next rung up the wage ladder) fell by 66,300.

More people are working but real wages have yet to recover to their pre-recession highs. Median inflation-adjusted earnings declined from the late 1980s through the mid-1990s, and are still 6.1 percent below their 1988-1989 level. For workers who depend on the low-wage sector of the economy, real wage declines have been even more dramatic. Over the same period, weekly earnings tumbled by 14.7 percent, for example, for workers in less-skilled service occupations.

More people are working, yet more people are struggling to make ends meet. The poverty rate for New York City's working families with children jumped from 11.0 percent in the late 1980's to 19.2 percent in the late 1990's. Families that include at least one

worker now constitute nearly half (47.3 percent) of the city's poor families with children. Measured by this report's standard of income adequacy, 150 percent of the federal poverty line, nearly one-third (32.9 percent) of New York's working families do not have a sufficient income.

This report is the product of The Working Group on New York City's Low-Wage Labor Market. Its purpose is not simply to argue that the glass of the city economy is half empty. Our goal, rather, is to spark discussion, *and action*, to address the shortcomings in the labor market just described. The Group set out to present a wide-ranging set of recommendations to expand economic opportunity for participants in the city's low-wage labor market. The reader will find in the chapters that follow a host of practical steps that can be taken to create more jobs, expand training and educational opportunities, and ensure that work is a path out of poverty. Our expectation is that many of the report's recommendations will become legislative proposals in the years to come. We are confident that both the public and our political leadership will focus on these issues if they are presented with sensible, well-thought-out proposals that can bring tangible improvement to the city's residents.

The scope of our work is ambitious. The Working Group has charted a broad direction for public policy. While we would urge the reader to see the report's proposals as a coherent whole, the Group recognizes that no matter how persuasive our case, government can not do everything at once. We also acknowledge that decision-makers and voters will prioritize among our proposals and other pressing civic concerns that we do not address, such as public education.

Costs are central to priority setting. The detailed proposals outlined in the report estimate costs when possible, and attempt to identify existing or new revenue streams that could pick up the tab. Successful policy making is mindful of whether the public is getting its monies worth. Unsuccessful policies are never a bargain. We honor that simple truth by including proposals that scrap money-wasting policies with initiatives that spend money wisely.

Smart policy making also recognizes the difference between short-term savings and long-term costs. Job training and job creation programs may be expensive, but if they foster steady work they can keep people from long-term reliance on New York State and City funded Safety Net Assistance, the public assistance program that will serve those who exhaust their five year time limit to the 50 percent federally funded Family Assistance system. Smart policy making can also see where a more ambitious and comprehensive approach can save money because it establishes coherence and builds connections between policies. Workforce preparation programs and economic development efforts are a clear example of where the separate pieces of labor market policy can be more intelligently integrated.

The Working Group focused on four basic needs:

- ◆ Generating job opportunities for low-income New Yorkers
- ◆ Preparing people for living-wage jobs
- ◆ Making work a path out of poverty
- ◆ Providing a humane safety net
- ◆

The report examines a variety of the issues in each of these areas in the four chapters that make up the main body of the report. Together, the chapters construct a comprehensive approach to better achieve genuine economic development, an economy in which growth provides a basis for expanding opportunity for all New Yorkers.

We begin with recommendations on how to best foster growth so that the lowest end of the market develops along with the rest of the city. The second set of recommendations focuses on workforce preparation in the context of the changing job market and suggests how current policy opportunities can create a better match between worker supply and employer demand. Third, we move to a discussion of how to provide public support to low-wage workers so that more families can meet basic needs and move out of poverty through work. Finally, we recognize that even with a healthy economy and enough living-wage jobs, there will be some people who, either temporarily or permanently, cannot work. Our final set of recommendations therefore addresses how to ensure that an adequate safety net is in place.

Generating Job Opportunities for Low-Income New Yorkers

The place for heavy lifting in the area of job creation must be the private sector. However, a healthy private sector depends on an effective public sector. Strategic investments in physical infrastructure and key institutions are essential to providing capacity for growth in the private sector and expanding the job opportunities for low-wage workers. Well-crafted regulations and program

initiatives can also provide incentives for private sector job creation and create the environment necessary for sustainable growth over the long term. To fulfill the public sector's responsibilities in job creation, state and local economic policy needs to perform a complex balancing act. It needs to strengthen the underlying foundations of the economy—natural resources, physical infrastructure, and workforce capabilities. At the same time, government also needs to provide public services and maintain reasonable cost structures. Development policy should support the leading sectors of the economy, while maintaining a diversified economic base that can withstand business cycle fluctuations, changes in the global marketplace and provide a broad array of job opportunities for a workforce with diverse skills. A balanced approach to economic development would first enhance the productivity and competitiveness of the city's economy. The recommendations presented below have three overarching themes: 1) to enhance general productivity by building such foundations as a qualified workforce, adequate infrastructure, effective governance and quality of life; 2) to sustain growth over the long-term. Economic growth that excessively depletes natural resources, damages the environment, fails to maintain physical infrastructure or widens social divisions undercuts prospects for future growth and development, and 3) to improve collaboration between New York City and its neighboring jurisdictions. Competition for jobs between the city and its suburbs creates a climate that inhibits collaboration on transportation improvements, land use policies, export promotion and other activities that can benefit the entire region.

Infrastructure investments, along with industry and neighborhood-level economic development policies are at the core of our recommendations. Taken together they would contribute to a balanced, diverse, and sustainable prosperity that would generate more and better jobs for workers with less than a college degree.

WHAT ABOUT EDUCATION?

Without question, quality education is fundamental to improving opportunities for those relegated to, or heading towards, the low end of the labor market. Literacy, numeracy, and problem-solving abilities are increasingly important for careers that lead to higher pay and benefits. Therefore, the quality of New York City's public schools and access to higher education are central to the future of low-income New Yorkers and their children.

However, education alone will not solve the problems of poverty and low-wage work. Rising education and skill levels without sufficient job growth will still result in high unemployment and depressed wages. A high school diploma or even a college degree cannot guarantee a job at a good wage when there are not enough of these jobs available. Already, rising poverty rates among New Yorkers with high school and college educations indicate that the demand side of the equation cannot be ignored.

For these reasons, and because education reform has become a high priority for a broad range of public officials and civic activists, the Working Group focused its recommendations on a critical, but far more neglected, set of policy concerns for low-wage workers.

Implement a Public-Private Strategy to Develop Key Industry Sectors

1. ***Redirect economic development expenditures to programs that support a broad range of industry sectors with both small and large businesses.*** Although the majority of New Yorkers work for small companies, a disproportionate amount of economic development dollars flow to a few large firms that threaten to leave the city. Other cities have achieved greater success through strategic investments in whole industries, such as funding research on market trends for the sector, creating research centers at local universities or business incubators for start-up firms. In nearly every example, comprehensive strategies were developed by the top levels of government in partnership with leaders in the private sector.
2. ***Create and support strong industry support organizations*** to assess and prioritize the needs of their sector and involve the industry in the design and delivery of economic development services. Industry-specific development corporations, trade associations, industry-union partnerships and informal industry organizations are in the best position to insure that programs are responsive to industry needs and implemented effectively. One means of strengthening and expanding the city's network of industry intermediaries is to create a competitive grant program to support existing industry organizations and encourage the formation of new intermediaries. Public resources can help leverage private funding to replicate the success of organizations like

the Garment Industry Development Corporation, the New York New Media Association, the New York Software Industry Association or the Greenpoint Manufacturing and Design Center.

3. ***Establish Industrial Districts that will support the development of manufacturing clusters.***

With a quarter million jobs and a large number of growing, profitable firms, manufacturing is a particularly important source of living-wage job opportunities for workers in the low-wage job market. However, a shortage of affordable industrial space and the expansion of commercial and residential uses in industrial areas is forcing many firms to close shop or leave the city. Special industrial districts in parts of Long Island City, industrial areas near the Brooklyn waterfront, and other active manufacturing areas can provide a focus for integrated strategies that combine zoning protections, infrastructure improvements and industrial development incentives. Cities such as Chicago, which has developed a manufacturing strategy that is focused on designated industrial corridors, can provide models for a New York strategy.

4. ***Connect new technology and commercial centers to the low-wage workforce.*** Growing technology and office industries, encouraged by efforts such as the city’s Digital NYC program and the Group of 35 convened by Senator Charles Schumer, provide an opportunity to establish thriving employment centers outside of Manhattan’s Central Business District. These technology and commercial activities can be a rich source of job opportunities for the low-wage workforce if combined with planning and workforce strategies that connect employment centers to communities and lower-skill workers. These strategies should include:

- Land use regulations and marketing programs that cluster activities in a few “borough downtowns” that minimize the displacement of manufacturing and affordable housing, and that maximize their accessibility to the low-wage workforce.
- Community design and infrastructure enhancements that connect commercial centers to adjacent neighborhoods.
- Creation of Special Assessment Districts, in which a portion of the increased tax revenues resulting from the conversion of industrial to commercial space is earmarked for the development of industrial space or affordable housing in nearby locations.
- Employment programs that effectively train and place low-income job seekers with technology and office firms relocating to the outer boroughs.

Provide the Infrastructure Capacity for Sustainable Growth

1. ***Implement capital plans that give priority to three critical needs—transportation, schools and housing—that will expand the capacity for growth and help attract and retain a competitive workforce.*** While there are extensive capital needs across a broad range of activities, these areas command particular attention. Congestion on subways and highways and the lack of affordable housing threaten to put a choke hold on the region’s economy, while safe, modern classrooms are a prerequisite for educating tomorrow’s workforce. Immediate priorities include adopting a sound financial plan to implement the MTA’s new five-year capital plan, increasing funding levels for school construction, and a renewed commitment to low and moderate-income housing in the City’s capital budget.

2. ***Adopt efficiency improvements and debt reduction measures to expand the fiscal capacity for infrastructure investments.*** As

<p>SUPPORTING STRATEGIES</p> <ul style="list-style-type: none">✓ <i>Establish a Council for the 21st Century</i>, with leadership from the top levels of both the public and private sectors, to develop strategic priorities and provide program coordination and technical assistance.✓ <i>Link key sectors with the city’s higher education system.</i> Over a hundred post-secondary institutions in the five boroughs can play a much larger role in partnering with technology, production and service industries to enhance product research and workforce skills.✓ <i>Revise the NY State Economic Development Zone legislation</i> to give zones a strategic focus and more effective tools. Reforms should include the adoption of comprehensive, sector-based development plans where potential exists, expanded outreach to small businesses, and improved monitoring and enforcement provisions to insure that tax credits result in the creation of new jobs.

SUPPORTING STRATEGIES

- ✓ ***Provide resources for community planning and development*** to help neighborhoods benefit from new infrastructure projects. Flexible grants and loans to develop community plans, exploit new business opportunities, train for new employment opportunities and assist displaced businesses and residents can help insure that low-income New Yorkers benefit from infrastructure investments.
- ✓ ***Develop industry, union and community programs to improve minority/female representation in construction trades.*** Both the expansion of successful programs in New York City and the replication of model programs from other regions can improve access to well-paying careers for many low-wage workers.

recommended by the New York City Comptroller, these include implementing a modest pay-as-you-go capital program, using a portion of city and state budget surpluses to retire outstanding bonds, establishing an Infrastructure Improvement Fund to pool “one-shot” revenue sources, and expanding the State Revolving Loan Fund to include projects other than drinking water and clean water projects. Other ideas, such as alternative school schedules to maximize the use of existing classroom capacity, should be explored to reduce the need for new infrastructure.

3. ***Identify dedicated revenue sources for infrastructure improvements.*** To the extent possible, service improvements should be funded with revenue sources that are paid by constituents who derive a benefit from the expenditure and who can most afford to pay. Potential sources that meet these criteria include a regional transportation tax that would replace the outgoing commuter tax and fund new subway and commuter rail services, paying for new facilities by capturing a portion real estate values that increase as a result of the facility, and increased bridge and tunnel tolls during peak periods of auto use. The latter would not only provide revenue for alternative services, it would also reduce congestion by diverting some drivers to other times of the day.

Preparing People for Living-Wage Jobs

Worker training should be a “win-win” deal for both sides of the labor market. Employers benefit from added worker productivity and workers benefit from more job opportunities and from higher wages. But publicly funded worker training programs have often fallen short of this promise. In many cases, this is because workforce development programs have operated independently of the needs of local employers, and have not been integrated into local economic development policy. New York’s implementation of the recently enacted Workforce Investment Act provides an opportunity to create a workforce development system that is responsive and effective, even though the City’s first year allocation of \$124 million is somewhat less than was made available under the Job Training Partnership Act.

The Workforce Investment Act (WIA) is not the only significant source of job training funds. With the passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, the welfare system has come to place considerably more emphasis on moving people into the workforce. While reforms in New York City have resulted in a large reduction in the welfare rolls and a corresponding increase in participation in the labor market, there is considerable room for improvement in how effectively the system functions to prepare people for self-sustaining jobs.

Making the Workforce Investment Act Work

1. ***Ensure that the system focuses on clients.*** ***The Workforce Investment Board*** (WIB) should commit to providing individual assessments of eligible participants, and evaluate their education and training. The Memorandum of Understanding between the WIB and one-stops should describe the expected provision of individual assessments, including those for education and occupational skills training. Vouchers should be adequate to cover the costs of training and clients should not have to raise the difference.
2. ***Provide a “bridge” to the new system.*** Test the voucher system before universalizing it; the State should work with providers and others to define special populations; community-based organizations should be permitted to provide services during the first year.

3. **Fund effective skills upgrading programs.** The State should look to proven worker skills upgrading programs, such as the Consortium for Worker Education and the Garment Industry Development Corporation, for models in expanding training for incumbent workers. These programs work because they bring together workers and employers to design appropriate training. For incumbent worker training programs to be effective, strong safeguards must be in place and rigorously enforced to guard against misuse of funds.

Making Welfare an Effective Work Preparation System

1. **Individualize skill development.** Work activities should be tailored to the needs and capabilities of individuals receiving public assistance, in contrast to the “one-size-fits-all” workfare approach currently being pursued. This more case-oriented approach should be coupled with greater monitoring of individual progress in order to enhance job retention.
2. **Support higher education.** As legislation that has recently passed both houses of the state legislature permits, more education activities, such as college work-study, should be allowed to count as work activity.
3. **Implement and expand community jobs programs.** Real work at real jobs helps people obtain the work experience and skills they need to move into unsubsidized employment. The New York City Council first passed and then overrode the Mayor’s veto of the Transitional Employment Program - legislation that would use TANF funds to provide 12-month transitional employment opportunities for welfare recipients. The Mayor should implement the law. In addition lawmakers in Albany should expand and improve the design of the New York State Wage Subsidy Program.

WHAT’S ENOUGH TO LIVE ON?

Nearly everyone agrees that the national poverty threshold is no longer an appropriate measure of income adequacy. The federal government has not updated the poverty line to reflect the changes in household income, consumption, and expenditure patterns that have occurred since the poverty level was created in the early 1960s. Additionally, the poverty threshold does not take into account the above average cost of living in places such as New York. For example, in New York City, using the amounts specified by the US Department of Agriculture’s Low Cost Food Plan and by the US Department of Housing and Urban Development’s Fair Market Rents, the cost of food and housing alone equals the national poverty level amount.

What would be a better standard? A clear consensus has yet to emerge. We use 150 percent of the poverty level as our standard. In 1999, this standard specified annual incomes of \$12,360 for a one person household, \$16,590 for two person families, \$20,820 for three-person families, and \$25,050 for four-person families.

Making Work a Path Out of Poverty

Despite the strong pace of private sector job growth and rising labor force participation rates, an alarming number of families in New York City are unable to earn enough to achieve an acceptable standard of living. The problems these families face fall into two broad categories. First, there are inadequate social supports that enhance the capacity of low-wage workers - particularly single parents - to sustain employment. The lack of affordable, quality child care and health insurance coverage make holding a job a difficult challenge. Work is not possible if a parent does not have a reliable child care provider. Uninsured workers are disproportionately low-income workers. They are sometimes forced to return to welfare in order to obtain health care coverage through Medicaid. With more and more parents working, required to work and/or desirous of work, public policy must ensure adequate, affordable child care and health care coverage. The State and the City need to build on the important steps taken by the State in both areas in the 2000-2001 State budget.

A second challenge is inadequate income from work. More people are working but their wages remain low, often too low to enable them to lift their families above the poverty level. A growing number and proportion of New York City workers have wages that leave them well below an adequate living standard. Government action to raise living standards has yet to fully respond to this problem. The federal minimum wage has been eroded over the past 30 years and is now 27 percent below its 1968 level. Pay must be adequate to provide an effective incentive to work. Paychecks, along with wage supplements such as earned income tax credits, must be sufficient for workers to provide an adequate and acceptable standard of living.

Making Work Feasible

1. To facilitate work and genuinely support the parenting responsibilities of low income New Yorkers, ***the City and the State should further improve the availability, affordability and quality of child care*** by:
 - further increasing the number of subsidies available, including on a sliding fee scale for families with household incomes up to 275 percent of the poverty level for a family of four,
 - funding new construction and renovation of child-care centers,
 - funding improved compensation for child-care workers to encourage recruitment and retention, and linking funding for professional development to improved compensation,
 - establishing a refundable City child-care credit equal to the state credit.
 - ensuring the implementation of the recently passed City legislation that increases the inspection of the homes of City-funded family child-care providers.

SUPPORTING STRATEGIES

- ✓ To help facilitate the transition to work, ***the City should ensure access to food stamp and Medicaid benefits*** for households whose cash assistance is terminated.
- ✓ ***The City should ensure the fair administration of public assistance supports*** by: providing welfare applicants clear and accurate information about benefits and facilitating their application; initiating a “Customer Service Review” to avert wrongful case terminations, and revamping the enforcement of work participation rules to foster the acquisition of skills and the enhancement of employability.
- ✓ ***The City and State should institute mechanisms to track the implementation of policies that affect the welfare eligible population.*** Periodic evaluations of program effectiveness should be conducted by independent, outside experts and include outcomes for those deterred from applying for as well as former recipients of public assistance.

2. ***Assure adequate funding for the State’s Health Care Reform Act of 2000 that established Family Health Plus***, a much-needed initiative to broaden health insurance coverage through Medicaid. The State should fully access federal funding and permanently assume the local government responsibility for program expenses related to Family Health Plus. The State should use the same financial eligibility levels (250 percent of poverty) for all adults (those with and without dependent children) as for children. All legal immigrants should also be covered.
3. ***The City should effectively implement the Mayor’s recent commitment to increase Medicaid and Family Health Plus enrollments by 900,000 persons.*** This initiative should help extend health coverage to many low-income workers.

Rewarding Work

1. To begin to restore the value of the minimum wage and to more effectively reward work, ***the State should raise its minimum wage to \$6.75 an hour*** and, to prevent its erosion relative to the general rise in wage levels, annually index its value using changes in the State’s average weekly wage level. Elected officials in Albany should complete the effort begun in the 2000 legislative session when the Assembly passed just such an increase, a majority of state senators co-sponsored a companion bill, and the Governor voiced his support for raising the state minimum wage. Ten states now have a minimum wage above the federal \$5.15 hourly minimum. Five states have minimum pay standards at \$6.00 an hour or higher and by January 2001, Massachusetts will be at \$6.75 an hour.
2. To supplement the wages of low-income workers, ***New York City should follow the lead of the State, which has steadily improved the State’s EITC, and create an EITC against its own personal income tax equal to 20 percent of the federal EITC.*** The State and the City EITCs should not be contingent on the receipt of TANF or other non-general fund sources.

Provide a Humane Safety Net

Even if all the recommendations outlined above were implemented, there would still be a need for a humane social safety net. Employment-based approaches to the problems of low-income families are usually superior to others, but they cannot serve everyone's needs all of the time. There will always be people in need of public assistance. Some have disabilities (or are caring for people with disabilities) that do not rise to the level of eligibility for the federal Supplemental Security Income (SSI) program, but that realistically preclude them for competing for, obtaining, and retaining a job. Others will need cash assistance on a transitional basis between jobs (if they do not qualify for unemployment insurance) or other changes in life circumstances. Finally some continuing and cyclical unemployment is inevitable. Unemployment Insurance, public assistance, food stamps, and Medicaid are essential (albeit inadequate) supports for these New Yorkers. Our recommendations would put more people to work, at higher wages, but "ending welfare" is not a realistic goal.

1. The Unemployment Insurance (UI) system does not measure up to the demand of a changing economy and the public policy environment. ***New York State should follow the lead of several other states in modifying its unemployment system to:***
 - Increase benefit levels for low-wage workers;
 - Establish a dependent allowance as part of UI benefits;
 - Base eligibility on hours worked, not earnings, so as not to discriminate against low-wage and part-time workers;
 - Allow unemployed workers who are seeking part-time employment (often because of family obligations) to qualify for benefits;
 - Change the Extended Benefits trigger to make it easier for the long-term unemployed to obtain extended benefits during times of high unemployment;
 - Expand access to the UI system through such measures as immigrant-friendly services and by providing for representation of UI claimants as part of a larger outreach and education effort.

The New York State welfare grant should provide recipients an income at least equal to that of the federal Supplemental Security Income program. The welfare grant has not been increased since 1990. It is woefully inadequate. As a first step, ***the State should make up for the effects of inflation by restoring the grant to its 1990 value relative to the federal poverty guidelines*** and indexing the grant to insure that its purchasing power remains intact.

2.

SUPPORTING STRATEGIES

- ✓ ***Give policy makers tools to make decisions about training programs.*** Conduct periodic job -vacancy surveys to define areas of unmet labor need.
- ✓ ***Make sure the new system is properly evaluated.*** More sophisticated performance measures, long-term evaluation studies, and strong oversight of WIA will better ensure an effective workforce development system.
- ✓ ***Ensure that One-Stop Job Centers are an effective tool for matching people to jobs.*** Maximize linkages with local and suburban businesses to use the One-Stops as providers of an applicant pool.

SUPPORTING STRATEGIES

- ✓ *The City should expand the scope of its "living-wage" law* to include more workers employed by City contractors, include the provision of benefits in its calculation, and extend the law to firms receiving City economic development subsidies.
- ✓ *Since the earned income disregard can be an effective work incentive when properly structured, the State should make several improvements, including:* increasing the standard deduction to \$200; simplifying the percent disregard factor at 50 percent rather than having it indirectly based on the relationship between the welfare level and the poverty level; extending its application to single individuals.
- ✓ *To ensure that workers receive the compensation and protections to which they are entitled,* the State should improve the enforcement of minimum wage, overtime pay, and health and safety laws by: increasing the budget for enforcement agencies; encouraging private enforcement of wage and hour requirements; allowing private enforcement of health and safety laws; assisting small companies in achieving compliance and remaining competitive without undercutting labor standards.
- ✓ *The State should further pay equity by making it illegal to pay different wages for "equivalent" work.*

Conclusion

The above recommendations provide a comprehensive and feasible approach to policy which uses a variety of means available to strengthen the low-wage labor market. Some recommendations call for new policies, but many focus instead on making the most of new opportunities, such as the Workforce Investment Act, to provide the kind of service and training needed to lead people to permanent employment at livable wages. Others call for a redirection and rethinking about strategic planning, and some of our recommendations outline ways to make existing systems work better. Taken together, they address the problems facing low-wage workers: job availability, adequate skills, health and childcare, earning enough to sustain a family, and protection during periods of unemployment.

All of these proposals are made within the context of the realities of New York City's economy and the current array of policies affecting the low-wage sector, and build on shifts in the policy environment that maximize the opportunities arriving with those shifts. Our major caution is to not become complacent during our economic boom when so many are doing well. Many of the people who provide the labor foundation of our economy are not faring well, and now is the time to prepare for the next phase of the economic cycle, when problems that seem "invisible" to some of us during good times become a crisis. Private and public sector leaders have a responsibility to plan ahead.

This executive summary appears in the full report: Building a Ladder to Jobs and Higher Wages: A Report by the Working Group on New York City's Low-Wage Labor Market. Copyright © 2000 by Community Service Society. Published by permission of the Community Service Society. The full report can be downloaded from www.buildingaladder.org.

REGIONAL LABOR REVIEW, vol. 3, no. 2 (Spring/Summer 2001): 22-31.

© 2001 Center for the Study of Labor and Democracy, Hofstra University.

The Working Group

Executive Committee:

Mark Levitan, Ph.D., Senior Policy Analyst, Community Service Society of New York, Chair of the Working Group.

Christopher Jones, Director, Economic Programs, Regional Plan Association

John Tepper Marlin Ph.D., Chief Economist, Office of the New York City Comptroller

James A. Parrott, Ph.D., Deputy Director and Chief Economist, Fiscal Policy Institute

Marcia VanWagner Ph.D., Chief Economist, Office of the New York State Comptroller

Rodney Alexander, Director, Institute for Business Trends Analysis

Borough of Manhattan Community College/CUNY

Ellen Amstutz, Senior Policy Analyst, Community Service Society of New York

Deborah E. Bell, Director of Public Policy, District Council 37, AFSCME, AFL-CIO

Heather Boushey, Ph.D., Economist, New York City Housing Authority

Timothy Casey, Esq., MPA, Director, Department of Policy, Advocacy & Research

Federation of Protestant Welfare Agencies, Inc.

Gregory DeFreitas, Ph.D., Professor of Economics and Director, Center for the Study of Labor & Democracy,

Hofstra University

Christine D’Onofrio, Ph.D., Senior Analyst, Division of Finance, New York City Council

Maurice Emsellem, Public Policy Director, National Employment Law Project

Adam Friedman, Executive Director, New York Industrial Retention Network

Don Friedman, Senior Policy Analyst, Community Food Resource Center

David R. Howell, Ph.D., Professor and Chair, Urban Policy and Analysis Program, Milano Graduate School,

New School University

Mark Levinson, Ph.D., Chief Economist and Director of Policy, Union of Needletrades, Industrial and Textile

Employees (UNITE).

Neil Scott Kleiman, Director, Center for an Urban Future

Jack Krauskopf, President, Corporation for Supportive Housing

Sheila Maguire, Senior Program Director, Public/Private Ventures

Joe McDermott, Executive Director, Consortium for Worker Education

Thomas L. McMahon, Senior Vice President, New York City Partnership and Chamber of Commerce

Donald W. Menzi, Ph.D., Director, New York City Regional Education Center for Economic Development

John Mollenkopf, Ph.D., Professor of Political Science and Sociology, Director, Center for Urban Research, CUNY

Graduate Center

Carol O’Cleireacain, Ph.D., Nonresident Senior Fellow, Center on Urban and Metropolitan Policy, The Brookings

Institution

Cathy Ruckelshaus, Litigation Director, National Employment Law Project