LEGISLATIVE MEMORANDUM
February 19, 2016

Bill: Part K of the Education, Labor and Family Assistance; Article VII legislation

Subject: Minimum wage increase to $15 per hour for all occupations

Position: OPPOSE

The New York State Economic Development Council (NYSEDC) is opposed to Governor Cuomo’s proposal to increase the state’s minimum wage to $15 per hour.

A $15 per hour minimum wage would be 67 percent higher than the current wage and nearly double the federal minimum wage. And it would be the highest state minimum wage in the country.

A $15 per hour minimum wage would impact all sectors, including manufacturing, not just retail and tourism/hospitality industries.

A recent report by the Empire Center conservatively estimates that a $15 minimum wage would cost New York some 200,000 private-sector jobs. That can only worsen New York’s sustained population losses. The U.S. Census Bureau estimates that upstate New York had nearly 30 percent fewer people ages 25 to 34 in 2010 compared with 1990. Much of this exodus reflects pursuit of more and better jobs in other states. We need policies that enhance job creation, not make it even harder for employers to add workers.

New and young businesses create the most jobs – and they would be hit the hardest. Only 60 percent of all startups make it past the second year. A 67 percent wage hike for entry-level employees would make it more difficult for those businesses to survive to year three.

Border counties fear this proposal most. Pennsylvania ($7.25), New Jersey ($8.38), Connecticut ($9.15), Vermont ($9.15), Ontario ($7.98 in U.S. dollars) and Québec ($7.50 in U.S. dollars) all would enjoy a new competitive advantage, in addition to the advantage they have in taxes, workers’ comp, health care and electric costs.

There is renewed economic momentum and energy in many regions of the state. This proposal would slow or end that momentum and signal the global business community that the old New York is back.

We urge your opposition to this job-killing proposal.