Good Afternoon Mayor Brown, Chairman Ryan, Secretary Fishman, and Members of the New
York State Fast Food Wage Board. My name is Dr. Erin McDonald - I am here today on behalf
of Ana Oliveira and The New York Women’s Foundation as The Foundation’s Director of
Strategic Learning. The New York Women’s Foundation champions the creation of a just
working environment for low-income and under-resourced women and families through many
angles ranging from funding ROC New York to champion restaurant workers wage rights to
supporting A Better Balance’s landmark policy change successes to create safe and fair working
conditions and sick leave for all in New York City. This work among a multitude of other
catalytic funding examples has led us to understand that a $15 per hour minimum wage is
beyond crucial to support the immediate and long-term economic security of fast food workers
and their families.

It is an honor to appear before you to support an opportunity for collective action to create
increased economic security for over 57,000 fast food industry workers in New York City. In
the last two public hearings – and again today – you have directly heard the poignant experiences
and important insights of a small number of these workers who felt empowered to come and
represent thousands of others who do not have the ability or resources to be present. These are
perspectives that I cannot better convey. Instead, I am here to bolster their stories by speaking
about why making this change is so critical for women and families and WHAT we know
WORKS to support increasing the economic security and stability of low-wage and often
marginalized workers – including fast food workers. I speak from the perspective of a
philanthropic partner that has been deeply committed to the challenges of low-income and under-
resourced communities of New York City for over 28 years. As a public foundation we are
deeply committed to advancing the economic security of under-resourced women, girls, and
LGBTQ communities. We have the honor of holding the trust and deep partnership with over
316 local community-based organizations in New York City working to actualize the vision of a
better life and opportunities for low-income women, families, and communities. In this role –
we have been movement builders and catalysts for small organizations with big ideas to grow
into local, national, and international forces for critical change. My testimony today is grounded
in the voices of the millions of women and hundreds of powerful local organizations we have
supported – voices we work hard to engage in order to gain their insights and knowledge about
what change is needed to make lasting and substantive improvements in their economic security.
We know that many of the women supported by our funding to expand their life horizons are a
part of the 40,000 women who hold low-wage fast-food jobs – together comprising 70% of all
fast food workers in New York City.

I would like to make three points to support your deliberations regarding increasing the
minimum wage for fast food workers to $15 per hour.
First, fast food jobs do not pay a wage that allows a worker to meet the basis needs of daily life, yet, fast food jobs are by far the biggest source of job growth in New York State and New York City in the last decade of recovery following the Great Recession. Between 2010 and 2013 alone, New York City saw a 30% increase in the number of fast food jobs versus only a 3% increase in other areas of private sector employment. However, with a median hourly pay of only $8.90 an hour in NYC, the growth in fast food jobs is one of the reasons that poverty has risen sharply during the recovery and many more New Yorkers now live precariously unable to make ends meet – while desperately trying. New York City has a record number of working poor—one out of every 10 in New York City works, but can’t earn enough to lift their family earnings above the poverty line. The rapid increase in fast food employment is a strong contributor to this condition. While 75% of New York City fast food workers are earning $9.25 an hour or less here, the average hourly pay needed for a single parent with one dependent child to meet only basic needs in New York City is $30 an hour – a number that falls short of the basic standard by $22 per hour, by $176 per day, and by $45,000 per year for full time – numbers woefully short of being able to even get by at a minimum. The average annual wages in the fast food industry are $19,000 in Manhattan, $14,000 in Staten Island, and $15,000 in Brooklyn – numbers that have not increased through the open market powers since 2012 and numbers far below the federal poverty line.

Fast food workers who decide to brave the significant hurdles to seeking public support have been forced to request assistance in the form of food stamps, Medicaid, and public subsidies. The irony is that while 60% of fast food workers actually receive this assistance – a larger number should benefit from support as many workers still live under the federal poverty line but have been determined not to be ‘poor enough’ to qualify for this critical assistance. This paradox, to which many others have also testified, effectively traps workers and their families in a perpetual catch-22. Yet they continue to work day in and day out at the current poverty wages with no additional assistance and unsurprisingly, limited ability to get by, let alone pursue hopes for greater opportunities and personal dignity. Therefore, the single most important way for NYC to immediately take a step towards reducing its widening income polarization is to make sure that more workers can earn enough to rise out of poverty and pay their own way.

Secondly, the myth that fast food jobs are predominantly part-time entry-level positions largely for teens can no longer be accepted. This is no longer the case. Studies and testimony make blatantly evident that the majority of fast food workers have relatively high degrees of education and are not youth. Thirty-eight percent of adult fast food workers nationally have some college or greater and when adding in high-school graduates the number reaches 84% of all fast food workers. The majority of fast food workers in New York City and nationally are over the age of 25 years old – with a median age range of 25 to 54. The reality is many fast food workers in New York City are from communities with little to none other employment options and the persistent recession in their economically depressed communities results in a lack of opportunities that makes fast food jobs one of the only viable possibilities. We know that fast food jobs do not require specialized training or credentials and therefore these jobs are an important solution for many individuals who need immediate employment and income in the face of not having the resources, skills, or interest to pursue specialized training and employment at this time. This fact does not detract from the value of the service they are providing and it
certainly does not mean that fast food workers may be paid at a wage that is less than livable. Instead, it is a critical opportunity to understand that pay at this low level fails to support the great majority of workers and their ability to have the resources, time, and access to seek opportunities for training, credentials, and advanced employment. Instead, the inconsistent and seeming rareness of full time hours forces individuals to take on multiple low-wage jobs to make ends meet, to experience stress and job loss while seeking to ensure the safety and care of children, and to be unable to commit to training and advancement programs that require consistency and attendance. The sum total of these complex moving pieces results in fast food workers grasping at straws every month as they try to address immediate needs through crisis strategies in constrained environments that constrict their capacity to have the time, mental space, and resources to consider longer-term opportunities that would provide greater wages and supports. This ultimately creates what we have seen today—an employment cycle that is not merely restrictive, but actually creates greater harms.

Thirdly, NYC needs a $15 minimum wage to act as a pathway and catalyst for greater strides, including access to a range of supportive benefits. Benefits are critical and should be available universally for all types of employment. And yet, even in cases where employees need the greatest support resulting from demanding work, long hours, and little pay – these supports are most times denied. Even today, 7 out of 10 or 82% of all fast food jobs are structured to fall well below full time – a status resulting in greater provision of employment benefits. Further, 87% of these jobs do not provide any type of employer health benefit. This results in an inability for workers to build savings, access health services that ensure wellbeing, and receive paid time off from work. Workers are largely penalized for taking care of themselves and receive the burden of having to pay out of pocket or deny self-care because they cannot cover the cost at an $8 per hour wage and fear job loss. Yet we know benefits can work and there is some promise on the horizon as one national fast food company has taken a step off the curb. Just a few days ago, Chipotle announced they are taking the next step forward and offering paid sick days and paid vacation to all employees – including entry-level workers. More companies need to follow Chipotle’s lead but we cannot expect them to get there on their own. Securing $15 an hour is an essential first step towards catalyzing an overdue dialogue about the relationship between wage equity, health and family and community stability. Support from local and state legislatures is an essential piece of this puzzle, the groundwork of which we can begin together today, with the decision to raise the minimum wage.

Applying a gender lens further evidences the need for supportive benefits and highlights the greater complexity experienced by women, who are the great majority of fast food employees and are also disproportionately the sole caretakers and income generators for single headed families in New York City. A total of 40% of all single female headed households in New York City live in poverty, which has both short and long-term implications for the women and their dependents. Among women working in the fast food industry – poverty is much greater if one considers the fact that over 75% make $9 per hour or less. When we establish a poverty wage of less than $15 per hour as the foundation for a family’s livelihood, and layer upon it a lack of employment benefits to care for personal and family health, a lack of full time employment, unstable hours, and a dependence on public assistance to get by – we have built the most unstable and unlivable house possible. We have the choice to declare that this is not the house any person in a just society should be allowed to live in. We have the opportunity to step forward
to join other cities like Los Angeles and Seattle to make the right decision that we would demand for ourselves and therefore should demand for all people. New York should be a place of safe and just employment for all.

I am here not just to speak about the challenges and complexities but to speak about why we know an increase in the minimum wage would substantively increase the economic security of under-resourced and low-income women and families. We know that a minimum wage of $15 per hour provides more immediate resources which increases an individual’s ability to act autonomously and make ends meet for basic costs; enables workers to better support the basic needs of themselves and their families including the resource to purchase more nutritious food; allows workers to secure stable child care; and increases resources to access health resources. A wage of $15 per hour is a start and critical first step – but it cannot be the end and the sole antidote. As stated before, while $15 per hour is considered a livable wage – it will not raise families out of poverty. It will advance beyond helping people make ends meet to contribute to building a just society where all workers are valued through a fair wage and experience greater human dignity and the ability to address their basic needs. Beyond these critical basic needs, this increase creates opportunities for individuals to consider saving for longer-term economic security and opens potential doors to consider further training and skill development to advance their careers.

While we know a greater minimum wage is the first step, it cannot be the last. In concert, we must support businesses to create fair work environments that bolster the value of a fair wage. We know what works to achieve this vision for New York City is the presence of stable working hours, full-time employment for interested workers, employer benefits, paid sick and family leave, safe working conditions, and support through resources and/or flexibility to enable interested employees to access programs for greater transferable skills and education that may result in advanced career opportunities.

No, the answer to the question we are wrestling with today is not complicated. Your decision to help fast food employees is not merely to shift how much people see on their pay check each week. Rather, this decision is about your commitment to increasing the stability and vitality of low-wage workers and their families for now and years to come.

---