

# Down to Business: New push for ‘living wage’ sparks debate

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In New York City, lawmakers are making another run at a bill to require payment of a “living wage” to workers employed at projects built with city incentives. The impetus? Numbers released last month by the Census Bureau that show more people living in poverty.

The legislation, introduced last year as the Fair Wages for New Yorkers Act, has been tweaked a bit to narrow the number of companies that would be affected, the New York Times reported this week. But one group pushing for the measure, the Living Wage NYC Coalition, predicts it’s enough of a change to break the stalemate on the bill, which has been opposed by business interests and the Bloomberg administration.

The proposal would prescribe wages for workers at businesses taking space at commercial sites developed with city financial assistance: \$10 an hour with benefits or \$11.50 an hour without benefits. This so-called living wage — more than the state’s \$7.25-an-hour minimum wage — amounts to about \$20,000 a year.

A 2008 study by the Brookings Institution put the number of communities then with living-wage laws at 140 — including many, like the city of Albany, where living wages were required at companies providing services under contract to the municipalities.

But setting wages for jobs at properties that benefit from taxpayer assistance is another matter entirely — and a controversial one at that. Two years ago, when then-Gov. David Paterson issued a “discussion draft” on legislation to reform the state’s industrial development agencies, the Business Council of New York State Inc. criticized provisions that would require living wages at all IDA-financed projects with 100 or more workers. The council, the state’s largest business lobby, said the proposal would “destroy” IDAs, especially upstate, where they were a “critical economic development tool.” The bill never made it out of committee.

But the economy has run roughshod over many New Yorkers since the Great Recession. About one in seven workers in the state is unemployed, underemployed or has given up looking for work, says the Fiscal Policy Institute, a liberal-leaning think tank in Latham. Meantime, the Census Bureau reported that 2010 saw a rise in poverty rates here as well as nationwide. Locally, the percentage of families with incomes below the poverty line rose to 14.5 percent in Rensselaer County, from 11 percent in 2009; to 13.7 percent in Albany County, from 11.9 percent a year earlier; to 11.3 percent in Schenectady County, from 11 percent in 2009; and to 6.2 percent in Saratoga County, from 5.6 percent a year earlier.

Should that data make the case, then, for paying living wages at, say, the new 135,000-square-foot Target store that will be built soon at the former Kmart Plaza in Glenville? Financial assistance from the Schenectady Metroplex Development Authority is aiding the project.

*Study: Men faring better in 'recovery'*

Metroplex Chairman Ray Gillen said he was “reluctant” to be drawn into the living-wage debate but maintained that wages are one of the criteria economic development groups routinely weigh when considering incentives.

He said some projects are important for the number and kinds of jobs that result, like well-paying ones at the new General Electric Co. battery plant in Schenectady, while others may have greater community interest, like the Target store on Route 50, which will remove blight at a very visible commercial corner.

“We like the ability to consider ... the impact of the project,” Gillen said, rather than having mandates that are “going to unnecessarily tie our hands.”

“In this economy,” he added, “every job is important.”