

Wage Hike At Risk Due to Lack of Awareness

For Immediate Release

Monday, February 27, 2006

Contact Information:

Annette Bernhardt, Brennan Center for Justice,
917 445-0410

Dorothee Benz, Brennan Center for Justice,
212 998-6318

Milan Bhatt, New York Immigration Coalition,
212 627-2227x233

Alex Navarro, Working Families Party,
917 502-0651

Wage Hike At Risk Due to Lack of Awareness

Spot surveys of more than 100 employers and 100 workers in New York City show that many still don't know that the minimum wage increased on January 1, 2006.

Greater outreach to employers and workers is needed.

New York, NY — Two years into the state's three-step minimum wage increase, low-wage workers and employers still do not know the correct minimum wage, according to a [new report](#). In response, the Brennan Center for Justice, the New York Immigration Coalition and the Working Families Party called on the State Department of Labor to step up public education efforts to ensure that low-wage workers get the raises they are entitled to. New York's minimum wage increased

from \$6.00 an hour to \$6.75 on January 1, 2006, the second step in a three-step increase enacted in 2004 to raise the state's minimum wage above the federal level of \$5.15 per hour.

During the past month, the Brennan Center worked with several organizations to conduct spot surveys of both employers and workers in New York City, and found that:

- Out of 104 workers surveyed, only 18% knew the correct minimum wage.
- Out of 138 employers surveyed:
- Only 36% of independent stores knew the correct minimum wage. These are typically smaller employers who account for the majority of low-wage jobs in the city.
- While a larger proportion (67%) of chain stores knew the correct wage, these employers account for fewer low-wage jobs.
- Only 17% of restaurants knew the correct minimum wage for tipped workers.

The New York State Department of Labor, which is responsible for enforcing the minimum wage law, has publicized the minimum wage increase on its web site and has said that it is sending notices to all employers in New York State. But this outreach does not seem to be reaching many low-wage workers or their employers.

“New Yorkers’ knowledge of the minimum wage is in bad shape, and we haven’t seen much improvement during the last year,” said Annette Bernhardt, Deputy Director of the Brennan Center for Justice at the NYU School of Law. A similar survey conducted in January 2005, when the first step went into effect, found that 14% of workers, 33% of employers, and 15% of restaurant owners/managers knew the correct minimum wage.

The surveys were conducted in Manhattan, Brooklyn, Queens, and the Bronx. The employer surveys were conducted by canvassing

commercial strips and the worker surveys were conducted at rush-hour outside subway stops in low-income neighborhoods. The coalition said that while the resulting samples were not statistically representative, they did capture a wide range of businesses – including restaurants, groceries, fast food establishments, hair salons, pharmacies, as well as electronics, office supply, and clothing retail stores.

“Workers are supposed to be getting a raise, but that can’t happen if the information is not out there,” said Dan Cantor, executive director of the Working Families Party, the labor and community-based party that led the campaign to raise the minimum wage in 2004. “Passing a law only gets us half the way there. Figuring out how to make it actually hit the ground is just as big a challenge.”

The survey did not reveal how many employers are violating the law by paying less than the minimum wage, but the lack of awareness raises questions about compliance.

“How can we be confident the minimum wage is being enforced in New York State when so many employers and workers don’t even know how much it is?” said Milan Bhatt of the New York Immigration Coalition, which is launching an initiative called the “Campaign to End Wage Theft.”

The survey also found that managers/owners of independent stores knew the correct minimum wage at a much lower rate (36%) than managers at chain stores (68%). “It’s no mystery why chain stores are better informed,” added Bernhardt of the Brennan Center. “They have Human Resource departments who make sure they know the law. The problem is that small businesses don’t have HR departments, which is why the State Department of Labor needs to step up its outreach efforts to these employers in particular.”

Low wage workers whose employers do not comply with the new

minimum wage are legally entitled to receive unpaid wages (also known as "back wages"). In addition, the State can seek civil and criminal penalties from employers who violate minimum wage laws.

The organizations called on the Department of Labor to increase its outreach efforts to both employers and workers. Possible strategies include running Public Service Announcements on TV and radio; sending targeted mailings to industries most likely to employ low-wage workers; and deploying additional field investigators to ensure compliance with the new minimum wage.

To read the results, click [here](#) for a copy of the full report.

The following organizations are also available to speak about how this problem is playing out in their communities:

- Artemio Guerra, Fifth Avenue Committee, (718) 930-9068
- Saru Jayaraman, Restaurant Opportunities Center of New York (212) 343-1771
- Andrew Friedman, Make the Road by Walking, (718) 418-7690
- Nahar Alam, Andolan, (718) 426-2774
- Oscar Paredes, Latin American Workers Project, (917) 513-8757
- Dimple Abichandani, South Brooklyn Legal Services, (718) 237-5500 – not yet confirmed