

Remarks of John Meyerson: Member of PA Dept. of Labor and Industry Minimum Wage Advisory Board and Consultant on Legislation and Political Action UFCW 1776 to PA Senate Labor and Industry Committee

May 5th, 2015 Harrisburg

Good Morning Senators my name is John Meyerson, First I'd like to thank Chairwoman Baker and Chairwoman Tartaglione for the opportunity to address the committee at this hearing. I am here today as a member of the Department of Labor and Industry's Minimum Wage advisory Board but I must make it clear that I am not speaking for the entire board. The board's makeup is diverse and mandated by the state minimum wage act. By statute the board consists of three members picked by the labor community, three by the business community and three by the administration to represent the general public. With that make up in mind I'm sure that you will understand that no one person can represent all of those diverse points of views and while I will not pretend to speak for everyone I believe that the testimony that I'm presenting today reflects the opinions of the majority of the board members.

I am happy to be here today with this prestigious panel to address this important issue. This hearing today is being held in the Capitol of Pennsylvania, the city of Harrisburg which like so much of our great Commonwealth still bares the scars of every economic recession that has not led to a full recovery. We can see in this community and throughout our Commonwealth that even as the economic markets have recovered and unemployment inches up wages have been left behind causing more Pennsylvania families to try to do more with less.

You will undoubtedly be hearing from testifiers who will be able to give you all the statistics related to this problem and just like on our advisory board many will see an increase in the minimum wage as part of the solution to the problem of poverty and wage stagnation and others will not. You will hear numbers and statistics that will appear to be contradictory, but to those of us in Labor and the most of community this is not a statistical problem but a human crisis. The PA Department of Labor and Industry's Minimum Wage Advisory Board is directed by statute to prepare an annual report for the General

Assembly which puts a face on Pennsylvania's low wage workers. Every year we see the buying power of those making the minimum wage deteriorate. Simply put PA's Minimum Wage in 2015 will no longer keep a family of two above the federal poverty line.

It breaks my heart to see that our neighbors are struggling but worse it damages our Commonwealth's economic recovery.

There is no doubt in the public's mind that its time for an increase in the minimum wage. Let's look at what I believe that we need to do.

- 1) Increase the minimum wage to at least \$10.10/hour in no more than two years.
- 2) Establish a cost of living escalator to prevent wages from being degraded by inflation. Representative Kim had the delicious idea of using the same formula that is used by the General Assembly to calculate their COLA.
- 3) Eliminate the tipped minimum wage. The tipped subminimum wage is easily abused as shown in the recent federal court ruling and in any case not

provided service workers with a steady income that has a hedge against inflation.

4) Revoke the local preemption which prevents local jurisdictions from passing ordinances which would raise the minimum wage above the State's minimum.

5) Increase enforcement and fund the increased cost by increasing fines and penalties against scofflaw employers not taxing the general citizenry.

Most of these principals are encompassed in Senator Tartaglione's package of bills which we would hope that this committee will consider and send to the Senate floor.

A comment on the issue of preemption in many areas \$10.10 is not going to be enough to keep residents out of poverty which is why we also need the elimination of local preemption. If it takes \$15/hour to live in Philadelphia and there is the political will to pass an ordinance establishing a \$15/hour in Philadelphia the Commonwealth of PA should not preempt such a move. The same thing goes for the cities of Pittsburgh and Allentown or the counties of Montgomery or Erie. Where

there is a will and the votes to pass a higher minimum wage those jurisdictions should be allowed to do it.

Finally, this is not just something we need to do for the low wage worker. Raising the minimum wage will benefit every person in this Commonwealth. Every company and worker who produces, or sells goods will see a higher demand for their products. Every business and employee who provides services will feel the increase in the demand for their services. Tax collections will go up as wages increase. Public or private everyone will benefit when low wage workers earn more money.

When low wage workers are given the opportunity to make more money they will spend it, not in Switzerland or the Bahamas but here in Harrisburg and communities all around the Commonwealth. They will spend the money locally and they will spend it immediately creating economic opportunity for businesses and creating good jobs in the neighborhoods that need them the most.

Again thank you for your time. I am happy to answer any questions now or as the debate continues to proceed.