

Public hearing to consider the impacts of increasing minimum wage
May 5, 2015



**Testimony of the
Service Employees International Union Local 668**

**Presented to the
Pennsylvania Senate Labor and Industry Committee
on May 5, 2015**

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**By
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Chairwoman Baker, Minority Chairwoman Tartaglione, and members of the State Senate Labor and Industry Committee, please accept this testimony on behalf of the Service Employees International Union Local 668.

SEIU Local 668 represents nearly 20,000 health and human services workers, including those who work as employment and youth counselors, social workers, corrections and probation officers, ChildLine and 911 operators, drug and alcohol counselors, and court employees, among others. Approximately half of our members are employed by the Commonwealth, and the remainder work for municipal, county, and private employers across the State. Our members are a diverse group of individuals, of varying ethnicities, political affiliations, and beliefs, but they are united by their dedication to serving your constituents – the people of Pennsylvania.

While we are a Local Union of the larger Service Employees International Union (SEIU), and as such committed to the ultimate goal of \$15 an hour for all workers, we strongly advocate for viable economic advances that improve the lives of workers in Pennsylvania and across the nation. We further support a minimum wage increase as part of Governor Wolf's holistic budget proposal that begins to rebuild the backbone of Pennsylvania - its working families. For years, we've seen the promise of our Commonwealth, and the American Dream itself, undercut by corporate special interests and ideological extremism. Governor Wolf has introduced a budget that not only invests in our schools, but also creates jobs that pay. Raising the minimum wage is part of that crucial equation.

Still some legislators play games with the lives of our Commonwealth's working class, introducing poverty wage bills like SB610 or SB714. We stand united with Pennsylvania's Labor Movement, advocacy organizations, and members of the communities we serve against attacks on the workers of Pennsylvania, and for transformational progressive leadership that strengthens working families. We have seen in Governor Wolf's budget proposal the change Pennsylvania needs, and we are determined to support those policies aligned with that proposal.

We represent many men and women who make less than \$10.00 an hour, who must choose between groceries or their children's school field trips. We represent members who make just over \$10.00 an hour, who have suffered significant economic struggles. Many of these members have shared details with me, and questioned the very notion that with hard work and time, one can improve one's circumstances. The fundamental premise of the American Dream, which is built on a belief of meritocracy, with a foundation of equal access and opportunity, is undermined by the extreme economic inequality of recent decades.

We represent approximately 4,300 members who provide public assistance to Pennsylvanians across the State. Time and again, I hear from caseworkers who process applications from Pennsylvanians working 40 hours or more per week. These are working men and women with children struggling to get by on minimum wage retail and fast food jobs. These are working men and women who, in these challenging economic times, must rely on the generosity of others to supplement their \$2.13 an hour tipped minimum wage. These are working men and women for whom a previous encounter with the criminal justice system has made them unattractive to employers other than those who pay minimum wage, many of them struggling to provide for their own families. These are our seniors, without sufficient retirement savings, contending with not only living expenses, but also rising healthcare costs.

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In his efforts to rebuild Pennsylvania's economy, Governor Wolf has spoken out about closing tax loopholes for corporations, such as the lack of an extraction tax on Marcellus Shale, and the Delaware tax loophole. Raising the minimum wage closes a third loophole: the welfare subsidies we give low wage employers who rely on taxpayer dollars to subsidize their employees. Members of the Committee have doubtlessly seen the outrageous media coverage in 2013 of a McDonalds hotline that helped workers apply for public assistance, or the equally appalling press accounts of the fast-food company's employee guide to budgeting on a minimum wage. And whether through formal or informal practice, reliance on taxpayer dollars to subsidize low wage workers is the norm among low wage employers. Walmart, lauded in the corporate world for the breathtaking scope of its data intensive, supply chain management practices, cannot have been oblivious to the fact that significant numbers of its workers rely on public assistance. In 2013, a study released by the U.S. Committee on Education and the Workforce, "Walmart on Tax Day: How Taxpayers Subsidize America's Biggest Employer and Richest Family," revealed that the multi-billion dollar corporation costs taxpayers between \$900,000 and \$1.7 million per store. In Pennsylvania, there are more than 100 Walmart locations alone!

A relatively new study, "The High Public Cost of Low Wages Poverty-Level Wages Cost U.S. Taxpayers \$152.8 Billion Each Year in Public Support for Working Families", from the University of California's Berkeley Center for Labor Research and Education, shows that taxpayers pay \$153 billion a year in benefits to families where at least one person works. Half of our State's federal public assistance allocation – some \$4 billion dollars, in Pennsylvania go to working families. We spend half of our State budget for Medicaid/CHIP and TANF on working families. The Center for American Progress, in their 2014 study, "The Effects of Minimum Wages on SNAP Enrollments and Expenditure" concluded increasing the minimum wage to \$10.10 would save taxpayers nearly \$4.6 billion per year on food stamp benefits alone. In Pennsylvania, that would mean SNAP enrollment declines of between 150,000 and 176,000 residents!

Numerous studies detail the benefits of raising the minimum wage. Economists can tell you about these better than I can. But I would like to highlight just one more that the members of the Committee have likely seen: the Keystone Research Center's recent report, "Giving the Local Economy a Boost: The Impact of Raising the Pennsylvania Minimum Wage to \$10.10 Per Hour by County". It shows that 1.2 million Pennsylvanians would receive a raise if the minimum wage was raised to just \$10.10. The survey data used to come to this conclusion indicated that between 23% and 30% of these workers have children. At the low or high end, we are talking about **hundreds of thousands of Pennsylvanian children** that would benefit from an increase in the minimum wage. Unfortunately, we know that for far too many, the economics of childhood shape the choices of adulthood, in often-indelible ways. Moreover, we see the effects of the confluence of social injustice with the effects of extreme economic inequality in the recent unrest in cities like Ferguson, MO and Baltimore, MD. Governor Wolf has spoken about investing in schools. By raising the minimum wage, we have a chance to invest in our children by improving the lives of children in households headed by low-wage workers.

This economic policy proposal is more than just numbers to hundreds of thousands of Pennsylvanians. For many, it is a prescription for renewed faith in the American dream. For advocates who are low wage workers themselves, it is restored faith in the democratic system that has worked for far too long against their interests. As a former human services worker, recently elected to represent the interests of 20,000 other human services workers, my intent is

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to illustrate the real impact of a minimum wage not only on the daily lives of Pennsylvania's most vulnerable, but also on the hearts and minds of your constituents.

Last June, I, and the members of SEIU Local 668, stood in the halls of Harrisburg to advocate for raising the minimum wage. We will stand fast in our efforts until all adult Pennsylvanians enjoy a living wage. I must commend the many advocates inside the Capitol who have been staunch supporters of this effort. I must especially commend Senator Tartaglione for having the vision and moral courage to file SB195 this legislative session, and similar bills in previous sessions.

On behalf of the membership of SEIU Local 668, I ask that you consider not only the economic implications of raising the minimum wage, but the human aspects as well. I ask that you consider an increase in the minimum wage in the context of Governor Wolf's transformative plan for Pennsylvania. We have the opportunity to improve the future of our State – if we can muster the political will and collective moral courage to do so. Let's raise the wage, and build a brighter tomorrow.

Thank you for the opportunity to submit written testimony.