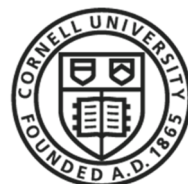


# NEW YORK STATE'S MINIMUM WAGE IS NOT KEEPING PACE WITH THE RISING COST OF LIVING

Modernizing the NYS Minimum Wage Could Lead to Widespread  
Increases in Earnings, Consumer Spending, and Jobs

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Note that all positions and statements contained in this document are those of the author and do not reflect the official positions of Cornell University or any of its academic units or Departments.

# What are the Federal and New York State Minimum Wages?

Almost nine decades ago, the U.S. Fair Labor Standards Act (FLSA) of 1938 established, among other things, the nation's first *minimum wage*.<sup>1</sup> This law institutionalized the idea that all American workers should be entitled to a baseline level of compensation for their labor (though, in practice, many workers have been and remain excluded from minimum wage protections;<sup>2</sup> likewise, American-controlled multinational businesses regularly bypass U.S. minimum wage laws by paying sub-living wages to workers abroad<sup>3</sup>).

Because it sets a floor for labor compensation, the minimum wage is seen as an essential policy tool for poverty reduction.<sup>4</sup> It is meant to guarantee that workers who perform labor in the formal economy earn enough to afford a decent standard of living. At present, however, the federal minimum wage performs neither of these functions. Rather than contributing to poverty reduction, the national minimum wage leaves full-time workers *below* the official U.S. poverty threshold.<sup>5</sup> And, instead of providing access to a decent standard of living, the National Low Income Housing Coalition cautions that “there are no states where minimum wage workers putting in 40 hours weekly can afford a modest two-bedroom rental. **A worker earning minimum wage must work an average of 104 hours per week...to pay for it.**”<sup>6</sup>

As of early 2024, the regular federal minimum wage sits at just \$7.25 per hour.<sup>7</sup> The minimum wage for tipped workers, such as food service professionals, is a shocking \$2.13 per hour.<sup>8</sup> The former value has been stuck in place for the past 15 years, while the latter has remained at its current level since 1996, when Congress agreed to freeze it to appease the powerful restaurant lobby.<sup>9</sup>

Recognizing the inadequacy of these federal levels, most states have adopted legislation to set higher minimum wages for their workers. Among the thirty states that now enforce above-federal minimum wages, Washington, DC's wage is currently (February 2024) the most generous, at \$17 per hour, followed by Washington state at \$16.83 per hour.<sup>10</sup> New York State (NYS) comes in just behind these jurisdictions, with a \$16 per hour minimum downstate (e.g., New York City, Long Island, and Westchester County) and a \$15 per hour minimum everywhere else.<sup>11</sup> Pursuant to legislative changes that were put forward and adopted in 2023, these figures are scheduled to increase by \$0.50 per hour each year for the next two years, such that, in January 2026, the downstate and upstate minimum wages will reach \$17 per hour and \$16 per hour, respectively.<sup>12</sup> Beyond 2026, the 2023 legislative updates mandate regular, annual increases to both the upstate and downstate minimum wages to keep pace with statewide levels of inflation.<sup>13</sup> However, these increases are only triggered so long as the statewide unemployment rate is stable or decreasing. Increases in the unemployment rate function as loopholes to prevent future minimum wage hikes.<sup>14</sup>



## Is \$17 Per Hour Enough to Live in New York State?

Having acknowledged the geographic provisions of New York’s minimum wage laws, which set different rates for downstate and upstate, the remainder of this data brief adopts the higher of the two wages (downstate) as something of a statewide target for the sake of simplicity. Stated alternatively, herein it is assumed that NYS is on course to implement a \$17 per hour minimum wage in the coming years. **Is that level of pay sufficient for a full-time worker to live in NYS?**

One way to answer this question is to engage with data on what a *living wage* is for a given NYS worker. Simply put, a living wage is “the minimum hourly amount that a full-time worker must earn to afford basic necessities.”<sup>15</sup> Whereas different researchers use different data and methods for computing a local living wage, arguably the most common and widely-used source for data on living wages is the MIT Living Wage Calculator.<sup>16</sup> Estimates from the MIT Calculator are generated with spending data that are published in established, national, publicly-accessible annual and semiannual surveys. Drawing on data for nine categories of “basic needs” spending – food, childcare, healthcare, housing, transportation, civic engagement, broadband Internet, miscellaneous items, and taxes – the MIT Calculator adds up the annual amount that a typical household would need to cover the costs of these items. The resulting sum represents a “basic needs budget” for a given household. Dividing that annual amount by 2,080 hours, or the approximate number of hours worked by a full-time employee in a calendar year, the MIT Calculator reports, for each county in the United States and for each state as a whole, the *living wage* associated with a basic needs budget.

Instead of reporting a single dollar figure, the MIT Calculator models basic needs budgets for a variety of household scenarios that depend on the number of adults, working adults, and children living in a household. Thus, the MIT Calculator does not give a single living wage for each location it covers; but a schedule of living wages for that location which illustrates how costs of living vary under different household circumstances.

For arguably the most basic household scenario – a single working adult with no dependents who lives alone (herein “single worker”) – the current (February 2024) release of the MIT Calculator suggests that the NYS target of \$17 per hour, which will not be achieved until 2026 under existing legislative provisions, is already, in 2024, *less than* a living wage for a single worker no matter where in NYS one lives.<sup>17</sup> The NYS County with the lowest current living wage for a single worker is Chautauqua in Western New York, where a full-time employee is estimated to need \$19.14 per hour to meet their basic needs.<sup>18</sup> The County with the highest living wage for a single worker is currently Putnam, for which the MIT Calculator reports that \$33.44 per hour (\$69,555 per year) is needed to meet the basic needs of one person.<sup>19</sup> For

NYS as a whole, the living wage for a single worker presently sits at \$26.86 per hour, or roughly \$55,900 per year.<sup>20</sup>

Based on the MIT data, then, **the NYS target minimum wage of \$17 per hour is not sufficient for a single worker to meet their basic needs anywhere in the State.** However, this reality is an emerging one that might not have been apparent to lawmakers in 2023, when the new NYS minimum wage laws were passed. Prior to systemwide February 2024 updates to the MIT Calculator, some 43 of New York’s 62 Counties were still linked to MIT living wages for single workers that fell at or below \$17 per hour.<sup>21</sup> The parts of the State where the single worker living wage was already *above* \$17 per hour in 2023 were the “downstate” counties of New York City (NYC) (Bronx, Kings, New York, Queens, Richmond) and Long Island (Nassau and Suffolk Counties); and the “upstate” counties of the Hudson Valley (Dutchess, Orange, Putnam, Rockland, Ulster, and Westchester) and Capital Regions (Albany, Rensselaer, Saratoga, Schenectady, and Schoharie), plus Tompkins County in the Southern Tier.

The bottom line is that, per the MIT Calculator, living wage levels – and, it follows, local costs of living – in NYS have increased dramatically in recent times. As already noted, the current MIT estimate for a statewide living wage for a single worker is up to \$26.86 per hour. In 2023, that figure stood at \$21.46 – a year-over-year increase of more than \$5 per hour (\$10,400 per year). Many county-level changes are even more extreme than this statewide jump. For example, compared to 2023, the current (February 2024) MIT living wage for a single worker in Hamilton County in New York’s North Country rose by \$7.93 per hour, an increase of roughly \$16,500 per year. With only a handful of exceptions, the living wage for a single NYS worker increased by between \$4 and \$8 per hour virtually everywhere across the State.<sup>22</sup>

Whether the cost of living for New Yorkers has actually increased as rapidly as these data suggest is beyond the scope of this brief. Likewise, readers who wish to know more about changes to the methodology of and ongoing updates to the MIT Calculator should engage with that resource directly.<sup>23</sup> For present purposes, what matters is that the apparent escalation in living wage levels across NYS have made it so that the State’s targeted \$17 per hour minimum wage is no longer an appropriate goalpost if the desire is to allow New York’s full-time minimum wage earners to escape from poverty and find their way into a decent standard of living. How, then, might the State modernize its minimum wage laws to achieve these goals?

### *Interlude: How Decoupling the Federal Minimum Wage from Worker Productivity Has Shortchanged America’s Lowest-Wage Workers*

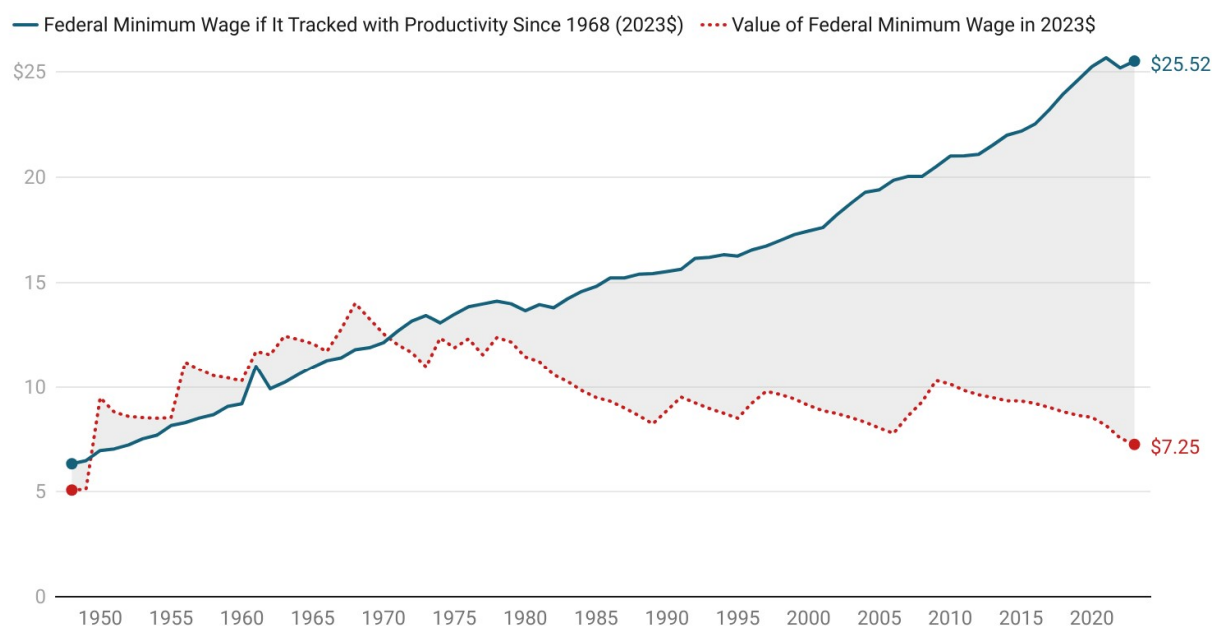
Whereas the NYS minimum wage has been slowly but steadily ticking up since at least 2013,<sup>24</sup> the most recent increase to the federal minimum wage occurred 15 years ago, in July



2009.<sup>25</sup> Prior to 1968, the federal wage floor in the United States was regularly updated and tracked reasonably well with economic productivity — meaning that as society produced more goods and services, adjustments to minimum wage ensured that workers earning that baseline level of income were able to purchase more goods and services over time. Since 1968, however, the relationship between productivity and minimum wage has not just been severed — it’s been inverting.<sup>26</sup>

As illustrated below, the real (inflation-adjusted) federal minimum wage in the U.S. has been stagnating, if not steadily dropping in value, since the late 1960s. Meanwhile, productivity has continued along an upward trajectory. If the pre-1968 connection between productivity and minimum wage kept its historical pace up to the present, then the federal floor for hourly earnings today would be nearly \$26 — about three-and-a-half times the current rate of \$7.25. The gap between the current value of the federal minimum wage and the value it would have taken on had remained coupled to productivity has never been greater than it is right now.

## A Half Century (and Counting) of Devaluing Minimum Wage Work in the United States



*All observations prior to 2021 come from Dr. Dean Baker's corrected (March 2022) estimates, which he reports in 2020\$. This graph converts those estimates into 2023\$ using the BLS CPI-U. Observations for 2021, 2022, and 2023 were generated by the Cornell ILR Co-Lab research team using respective year-over-year rates of change in nonfarm business sector labor productivity from the BLS. Note that Dr. Baker's original analyses relied on a slightly more sophisticated measure of changing labor productivity. The choice here to use publicly available BLS measures of year-over-year change in labor productivity to generate post-2020 estimates was made for simplicity.*

*Chart: @RustBeltGeo • Source: Dean Baker (for observations prior to 2021); BLS Major Sector Quarterly Labor Productivity and Costs (for Cornell ILR Co-Lab productivity-adjusted estimates for 2021-23); BLS CPI and CPI-U (for adjusting all figures to 2023\$) • Created with Datawrapper*

The takeaway from the preceding graph is this: deliberate policy choices, followed by deliberate neglect (recall that it has been 15 years since the last increase to the national



minimum wage), at the federal level have made it so that minimum wage workers no longer share in the annual productivity gains that they help to create. Tellingly, engaging the MIT Living Wage Calculator shows that if the national minimum wage were never decoupled from labor productivity in the late 1960s, and if the trends illustrated above were allowed to persist, then the productivity-based minimum wage today (estimated at \$25.52 per hour) would be a *living wage* for single New Yorkers everywhere but in the most expensive downstate jurisdictions (i.e., the five NYC boroughs plus Westchester and Putnam, and the two Counties of Long Island). In other words, **indexing the minimum wage to productivity appears to be an effective strategy for keeping workers out of poverty and in decent standards of living.** It is arguably for this reason that NYS lawmakers in both legislative chambers (re)introduced a bill in January 2024 that would, first, scale the statewide minimum wage to \$21.25; and, second, thereafter index the minimum wage to inflation and worker productivity.

## The New York State Raise the Wage Act

The NYS Raise the Wage Act, which is sponsored in the lower legislative chamber by Assembly Member Latoya Joyner<sup>27</sup> and in the upper chamber by State Senator Jessica Ramos,<sup>28</sup> is an act to “catch [the statewide minimum wage] up” to where it would be if it had been adjusted annually to keep pace with inflation and worker productivity since 2019.<sup>29</sup> The bill plans to achieve this goal by gradually lifting the statewide minimum wage to \$21.25, phasing that level in over a three-year period, and thereafter indexing the wage to annual inflation and labor productivity. In that way, ***the Raise the Wage Act seeks to intentionally reestablish the connection between economic output and minimum wage that was severed at the federal level roughly a half-century ago*** (see above).

The remainder of this brief leverages data from the Cornell ILR Wage Atlas<sup>30</sup> to estimate the potential impacts of the NYS Raise the Wage Act. Crucially, because the Act was first introduced during the 2022-23 NYS legislative session and then reintroduced in 2024 without altering the target wage (\$21.25), the authors perform similar analyses for three additional, alternative “Raise the Wage” targets: (a) \$22.12, which simply adjusts the \$21.25 figure for year-over-year inflation from 2022 to 2023; (b) \$25.52, which, as indicated in the graph above, would be the approximate federal minimum wage if the relationship between productivity and minimum wage was never broken; and (c) \$26.86, which is the current statewide MIT living wage for a single worker in NYS. The “null alternative” of \$17 per hour is evaluated alongside these various “Raise the Wage” alternatives.



# Data and Methods

## The Cornell ILR Wage Atlas

The Cornell ILR Wage Atlas for New York State was developed with data from three sources: (1) The MIT Living Wage Calculator; (2) The U.S. Census Five-Year American Community Survey (ACS) Public Use Microdata Samples (PUMS); and (3) The U.S. Bureau of Economic Analysis (BEA) Regional Input-Output Modeling System (RIMS II).<sup>31</sup> Although existing tools for studying earnings, such as the NYS Department of Labor’s (DOL’s) interactive Occupational Wages data visualization, allow users to find typical wages and wage ranges by job and labor market region in NYS, such tools do not offer opportunities to compare workers’ earnings to their respective *living wages*, nor do they allow one to explore and quantify wage disparities by factors like race-ethnicity, gender, age, or related demographic and household characteristics. The Cornell ILR Wage Atlas partially fills these gaps with tools that enable users — policymakers, advocates, grassroots organizations, researchers, planners, and economic development practitioners, among others — to identify disparities in earnings, and disparities in earning a living wage, by a host of demographic and geographic variables. As described in Appendix 2, U.S. Census Bureau ACS PUMS data power the bulk of these tools.

## Bureau of Economic Analysis Economic Multiplier Data

In January 2024, the research team that developed the Cornell ILR Wage Atlas obtained economic multiplier data for NYS from the Bureau of Economic Analysis’s (BEA’s) Type II Regional Input-Output Modeling System (RIMS II) program. These data, which were updated in 2023, report industry-level economic “multipliers that are used...to estimate the total impact of [an investment] on a region.”<sup>32</sup>

Stated another way, RIMS II data essentially allow decision-makers to get a sense for the total economic impact<sup>33</sup> that a given, industry-specific investment will have on the area where the investment is made. The RIMS II tables for NYS report a set of economic multipliers for roughly 60 “industry aggregations” that can be matched to self-reported industry data for workers in the PUMS.

## Estimating Economic Impacts

Economic impacts of raising the minimum wage are estimated for five different scenarios:

- **Null Alternative of \$17.00:** \$17 per hour wage targeted in existing state law;
- **Raise the Wage to \$21.25:** \$21.25 per hour minimum wage targeted in the 2022-23 NYS Raise the Wage Act, which was reintroduced to the NYS legislature for the 2023-24 session;



- **Raise the Wage to \$22.12:** \$22.12 per hour, which adjusts the \$21.25 target upward for year-over-year inflation from 2022 to 2023;
- **Raise the Wage to \$25.52:** \$25.52 per hour, or the approximate federal minimum wage if the relationship between productivity and minimum wage was never broken (see above); and
- **Raise the Wage to \$26.86:** \$26.86 per hour, or the current statewide MIT “living wage” for a single worker in NYS.

Drawing on data from the Cornell ILR Wage Atlas, the authors compute, for each alternative enumerated above, estimated changes to five impact variables:

1. Total number of NYS-based workers who stand to benefit from the increase;
2. Aggregate annual increases to the earnings of workers whose effective hourly wages are currently below the proposed (new) minimum wage;
3. Aggregate annual increases to earnings of all workers, combined (including both workers currently earning below the proposed minimum wage and the net change in earnings for all other workers); and
4. Net job creation to support the growth in consumer spending expected to result from increases in aggregate earnings.
5. Percentage of workers estimated to be earning at or above their MIT living wage.

The first of these variables is calculated in a straightforward manner. For each worker whose current effective hourly wage is estimated [by the Cornell ILR Wage Atlas] to be *below* the proposed/new minimum wage, the Atlas computes the difference between each worker’s current annual income and the annual income they would earn if their hourly wage were equal to the proposed wage. The worker’s self-reported hours worked and weeks worked are held constant. For example, if a worker represented in the PUMS data is associated with an effective hourly wage of \$15 per hour, and if that worker self-reported to the Census Bureau that they usually work 40 hours per week and 52 weeks per year, then the worker’s actual or observed annual income is: \$15 per hour X 40 hours per week X 52 weeks per year = \$31,200. For the first Raise the Wage Option (\$21.25), the worker’s annual income under the proposed new minimum wage becomes: \$21.25 per hour X 40 hours per week X 52 weeks = \$44,200. The worker’s annual income would therefore increase by \$13,000 per year under the first Raise the Wage alternative.

Analogous calculations are made for all sub-\$21.25/hour workers represented in the Wage Atlas, and the total change in earnings for all such workers are aggregated across all workers (variable #2) and by workers’ self-reported industries. This latter aggregation is used in concert with BEA RIMS II Type II multipliers to quantify expected changes in aggregate earnings for all workers. That is, by conceptualizing wage increases by industry as industry-specific “investments” into workers’ wages, the BEA multiplier data can be used to estimate expected net changes in earnings for all New Yorkers, not just those earning below the



proposed minimum wage.<sup>34</sup> Accounting for these induced effects (variable #3) offers a fuller picture of how a new minimum wage might ripple through the overall statewide wage distribution. Similarly, direct-effect employment multipliers from the BEA RIMS II Program are used to estimate the net change in jobs (variable #4) expected to occur as a result of the changes in aggregate earnings (and, thus, in consumer spending).<sup>35</sup> Finally, the authors compute the percentage of workers estimated to be earning at or above their respective MIT living wages (variable #5). Before moving on, it is important to note that all analyses assume a single-tiered minimum wage. Although it is possible to identify workers in the ACS PUMS dataset who report occupations that are *likely* to involve tipped compensation, there is no way to distinguish tipped employees from regular employees in the data.<sup>36</sup>

## Results: Raising the NYS Minimum Wage Could Lead to Widespread Increases in Earnings, Consumer Spending, and Jobs

Table 1 reports the topline estimates from estimating potential impacts of raising the NYS minimum wage to each of the five different levels described in the previous section.

**Table 1: Estimated Statewide Impacts of Raising the Minimum Wage Under Five Alternatives**

	<b>\$17.00</b>	<b>\$21.25</b>	<b>\$22.12</b>	<b>\$25.52</b>	<b>\$26.86</b>
Estimated Number of NYS Workers Below the Proposed Minimum Wage	2,247,646 (26.0% of NYS employees)	3,254,600 (37.6% of NYS employees)	3,406,614 (39.4% of NYS employees)	4,081,966 (47.2% of NYS employees)	4,343,144 (50.2% of NYS employees)
Change in Aggregate Earnings for Workers Currently Below the Proposed Wage	\$25.24 billion	\$49.10 billion	\$55.00 billion	\$81.31 billion	\$92.96 billion
Change in Aggregate Earnings for All NYS Workers	\$41.43 billion	\$80.59 billion	\$90.28 billion	\$133.47 billion	\$152.58 billion
Net Change in Jobs as a Result of Increases in Earnings and Consumer Spending	+38,837	+75,539	+84,618	+125,100	+143,013
% of All NYS Workers Estimated to Be Earning Their MIT Living Wage	55.0%	65.4%	66.3%	68.2%	69.2%

**Regardless of the proposal, raising the NYS minimum wage is expected to impact millions of New Yorkers, as well as put strong upward pressure on earnings, consumer spending, and jobs throughout the economy.** Readers who wish to dig deeper into these results and explore industry-level breakdowns are encouraged to visit the Cornell ILR Wage Atlas and use the “Raise the NYS Minimum Wage” tools on their own.<sup>37</sup> For now, observe that those wage proposals that are nearest to the productivity-adjusted wage of \$25.52 or the MIT living wage for a single worker (\$26.86) are expected to generate the largest benefits. By contrast, the existing NYS plan, which involves stepping the minimum wage up to \$17.00, is estimated to be the least impactful option. Only around one-quarter of NYS employees are estimated to earn below this level now. As such, raising the minimum wage to \$17 per hour is not expected to have much of an effect on the fraction of NYS workers earning at or above their MIT living wages.

Unlike the existing (null) alternative of \$17 per hour, the Raise the Wage Act target of \$21.25 per hour would create a near supermajority (65.4%) of workers in the NYS labor force who earn at or above their respective MIT living wages. The option stands to immediately benefit more than 3.2 million New Yorkers (37.6% of all employees), whose annual aggregate earnings could increase by roughly \$49.10 billion. Accounting for induced effects and consequent upward pressure on wages for all workers, aggregate earnings for the overall NYS labor force are estimated to grow by \$80.59 billion per year in this scenario. The resultant growth in consumer demand and spending is expected to support the creation of more than 75,500 net jobs throughout the economy.

If the Raise the Wage Act were to slightly adjust its target \$21.25 minimum to account for year-over-year (2022-23) inflation, in which case the minimum wage goal would be \$22.12 per hour, then each of the aforementioned expected impacts would modestly strengthen in magnitude. Roughly 200,000 additional NYS employees would presumably benefit from this proposal, which would potentially raise aggregate earnings for all workers by \$90.28 billion and support a net gain of nearly 85,000 jobs. Two-thirds (66.3%) of NYS workers would earn their customized MIT living wages under this option.

Under a \$25.52 per hour minimum wage, which is roughly the level the federal minimum wage would be at if the connection between worker productivity and the minimum wage were never severed (see above), more than 4 million New Yorkers (47.2% of employees statewide) would receive an instant pay increase. Total annual earnings for these workers are expected to increase by \$81.31 billion, with the impact on aggregate earnings for all workers in the NYS economy reaching \$133.47 billion. The growth in consumer spending ignited by this explosion in worker earnings is expected to net more than 125,000 jobs throughout the NYS economy. Arguably most importantly, whereas only around half of New Yorkers presently earn their MIT living wages,<sup>38</sup> a \$25.52 per hour statewide minimum wage would boost that number to 68.2% of the workforce.



Finally, if the NYS minimum wage were to reach the current (February 2024) statewide MIT living wage for a single worker (\$26.86 per hour), then ***more than half of NYS employees would experience an instant pay raise***. In all, the Cornell ILR Wage Atlas estimates that 4.34 million workers (50.2% of all employees) currently earn less than \$26.86 per hour and would thus be elevated to that level of pay. Such workers would see their annual aggregate earnings increase by an expected \$92.96 billion, with total aggregate earnings for all workers rising by an expected \$152.58 billion. The growth in consumer spending associated with these higher earnings is expected to support a net gain of roughly 143,000 jobs across the State – and nearly seven in ten NYS employees (69.2%) would find themselves earning at or above their custom MIT living wages. In stark contrast to the null alternative, this option – along with all three other Raise the Wage alternatives – forcefully move the statewide minimum wage to a level that reflects the current (significantly increased) costs of living across New York State.

## Conclusions and Implications

This brief began with the observation that the federal minimum wage has seemingly lost its power to lift workers out of poverty and into a decent standard of living. To fill this gap at the federal level, New York State (NYS) has taken noteworthy legislative measures to raise its statewide minimum wage on multiple occasions over the past two decades,<sup>39</sup> to the point where NYS has one of the highest wage floors in the nation. Despite this progress, however, both the current (\$16/hr downstate; \$15/hr upstate) and target (\$17/hr) minimum wages in NYS have failed to keep pace with fast-rising costs of living.

The Raise the Wage Act currently under consideration in the NYS Legislature understands this shortcoming. It accordingly proposes that NYS once again revise its minimum wage laws, this time to first increase the wage to a level that better reflects recent patterns of inflation and economic productivity; and then to index that higher wage to inflation and economic productivity moving forward, so that annual increases will ensure that minimum wage workers either keep their existing purchasing power or see that power grow with productivity.

As the analyses in this brief suggest, it appears that the only way to fix the minimum wage, so it once again performs its intended functions – namely, poverty reduction and rewarding full-time workers with a decent standard of living – is to follow the sort of path laid out in the Raise the Wage Act. The current approach of phasing in a near-status-quo \$17 per hour minimum wage and *then* making annual inflation adjustments fails to engage with the deeper problem of just how much the minimum wage has been devalued over the past half-century (see above). Whereas this existing approach still has the potential to directly benefit

around a quarter of NYS employees, and to increase earnings, spending, and jobs throughout the economy, these impacts are quite narrow in scope when compared to alternatives that intentionally aim to rectify the systematic devaluation of minimum wage work(ers). Moving toward the current statewide MIT living wage for a single worker (\$26.86 per hour), for example, would directly benefit more than half of all employees living in NYS – that is, literally *most* New Yorkers would experience pay raises under such an option, and nearly seven in ten workers would earn at or above their respective living wages.

The clear conclusion from these observations is that, if NYS is committed to ensuring that its lowest wage earners can afford a decent standard of living, as guaranteed by a *living minimum wage*, then the dual mandates of the Raise the Wage Act need to be undertaken in concert: (1) the statewide minimum wage must first be stepped up to a level that is at least somewhat close to a living wage for single workers; and (2) once that (near-) living wage level is reached, annual adjustments must be made to account for inflation and worker productivity. Whether the target (near-) living wage is \$21.25, the MIT suggestion of \$26.86, or some other value that accounts for the historic decoupling of the minimum wage and economic production (see above) is less relevant than the commitment to deliver on these dual mandates.

On that note, prior to closing this brief, it is necessary to emphasize that, even though all the options for raising the NYS minimum wage evaluated above are associated with expected net *increases* in earnings, consumer spending, and jobs, rapid minimum wage increases will undoubtedly have negative effects on some employers. Economist Dean Baker is worth quoting at length on this point:

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*[A productivity-adjusted minimum wage] is useful as a thought experiment for envisioning what the world might look like today, but it would not be realistic as policy for local, state, or even national minimum wage without many other changes to the economy. A minimum wage [of \$23 or more] would almost certainly lead to large-scale unemployment, and that would be true even if it were phased in over five or six years.*

*The problem is that we have made many changes to the economy that shifted huge amounts of income upward, so that we cannot support a pay structure that gives workers at the bottom \$46,000 a year... we have restructured the economy in ways that ensure a disproportionate share of income goes to those at the top. If the bottom half or 80 percent of the workforce got the same share they got 50 years ago, we would have an enormous problem with inflation.<sup>40</sup>*

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Baker’s analysis is a reality check: the intentional decoupling of the minimum wage and productivity in the late 1960s, and the accompanying devaluation of minimum wage work(ers), has been essential to the (re)production of income inequality in this country – and it is equally essential to ensuring that gains in economic productivity flow to the actors and institutions who have the power to use those gains in ways that reinforce rather than upend the existing, unequal economic order.

Efforts to undo that legacy of inequality will almost certainly require taking actions that bring about short-term hardship in various segments of the economy. Yet, as the analyses in this brief imply, the return for those short-term challenges will seemingly be a stronger, more equitable economy, where the vast majority of workers earn their living wages and the minimum wage returns to its former glory as a formidable mechanism of poverty reduction.

Economist Michael Reich’s recent investigations of the NYS minimum wage offer a hopeful take on this possibility. When he and his colleagues first analyzed the 2016 proposal to scale the NYS minimum wage up from \$9 per hour to \$15 per hour, the authors predicted that the gradual increase would have no detrimental effects on job growth in the State. In what was simultaneously a reflection on those predictions and a new, analogous analysis of the current Raise the Wage Act proposal for a \$21.25 minimum wage, Reich produced convincing empirical evidence that his team’s 2016 prognostications about the \$15 wage were correct, and that “the proposed further increases to \$21.25 will raise pay of low-wage workers and not reduce the number of jobs in New York.”<sup>41</sup>

Together with the results presented in this data brief, Reich’s analyses suggest that ***raising the NYS minimum wage to a level that intentionally accounts for the historic devaluation of low-wage work is not only an equitable – and urgent, considering fast-rising costs of living – policy, but a practical one that could lead to net increases in earnings, consumer spending, and jobs throughout the economy.*** By passing something like the Raise the Wage Act, NYS has the potential to become a model “living wage state” to which the rest of the nation can aspire.

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**ILR Buffalo Co-Lab**

**ILR Ithaca Co-Lab**



## Appendix 1: Regional Breakdowns

Tables 2 through 11, below, reproduce the findings from Table 1 for each of NYS's ten Regional Economic Development Council (REDC) regions. Note that these REDC-level estimates may not sum to the statewide totals in Table 1, due both to rounding and because all regional-level measures are generated using the statewide RIMS II Type II tables for NYS. Crucially, when conducting economic impact analyses, it is best practice to use multipliers for the *specific* geographic region under investigation. Thus, to generate regional estimates that are as accurate as possible, it would be helpful to obtain REDC-level Type II multipliers from the BEA. Unfortunately, RIMS II datasets are not freely available to the public. Each regional file costs \$275 to purchase. This project, and the Cornell ILR Wage Atlas project in general, does not currently have funds for purchasing data. The authors were only able to obtain statewide (NYS) RIMS II data from the BEA. As such, whereas statewide impact estimates will be reasonably reliable, regional estimates may end up being slightly inflated. As such, readers should exercise an appropriate level of caution when reviewing the tables below.

### Capital Region

The Capital Region REDC consists of eight counties: Albany, Columbia, Greene, Saratoga, Schenectady, Rensselaer, Warren, Washington. Results for this region are shown in Table 2.

**Table 2: Estimated Capital Region Impacts of Raising the Minimum Wage Under Five Alternatives**

	<b>\$17.00</b>	<b>\$21.25</b>	<b>\$22.12</b>	<b>\$25.52</b>	<b>\$26.86</b>
Estimated Number of Workers in the Region Below the Proposed Minimum Wage	135,586 (26.8% of employees)	195,515 (38.8% of employees)	207,823 (41.0% of employees)	248,094 (49.0% of employees)	264,618 (52.2%)
Change in Aggregate Earnings for Workers Currently Below the Proposed Wage	\$1.42 billion	\$2.83 billion	\$3.19 billion	\$4.79 billion	\$5.49 billion
Change in Aggregate Earnings for All Workers in the Region	\$2.33 billion	\$4.65 billion	\$5.24 billion	\$7.86 billion	\$9.02 billion
Net Change in Jobs as a Result of Increases in Earnings and Consumer Spending	+2,199	+4,399	+4,953	+7,431	+8,526
% of All Workers in the Region Estimated to Be Earning Their MIT Living Wage	68.3%	68.3%	72.6%	79.8%	79.8%



## Central NY Region

The Central NY Region REDC consists of five counties: Cayuga, Cortland, Madison, Onondaga, Oswego. Results for this region are shown in Table 3.

**Table 3: Estimated Central NY Region Impacts of Raising the Minimum Wage Under Five Alternatives**

	<b>\$17.00</b>	<b>\$21.25</b>	<b>\$22.12</b>	<b>\$25.52</b>	<b>\$26.86</b>
Estimated Number of Workers in the Region Below the Proposed Minimum Wage	103,432 (30.6% of employees)	150,477 (44.5% of employees)	156,924 (46.4% of employees)	186,574 (55.2% of employees)	197,389 (58.4% of employees)
Change in Aggregate Earnings for Workers Currently Below the Proposed Wage	\$1.01 billion	\$2.06 billion	\$2.32 billion	\$3.48 billion	\$4.00 billion
Change in Aggregate Earnings for All Workers in the Region	\$1.67 billion	\$3.39 billion	\$3.82 billion	\$5.74 billion	\$6.59 billion
Net Change in Jobs as a Result of Increases in Earnings and Consumer Spending	+1,560	+3,162	+3,565	+5,362	+6,156
% of All Workers in the Region Estimated to Be Earning Their MIT Living Wage	63.1%	72.2%	73.0%	76.0%	76.9%

## Finger Lakes Region

The Finger Lakes Region REDC consists of nine counties: Genesee, Livingston, Monroe, Ontario, Orleans, Seneca, Wayne, Wyoming, Yates. Results for this region are shown in Table 4.

**Table 4: Estimated Finger Lakes Region Impacts of Raising the Minimum Wage Under Five Alternatives**

	<b>\$17.00</b>	<b>\$21.25</b>	<b>\$22.12</b>	<b>\$25.52</b>	<b>\$26.86</b>
Estimated Number of Workers in the Region Below the Proposed Minimum Wage	166,267 (30.8% of employees)	239,912 (44.4% of employees)	251,961 (46.6% of employees)	301,405 (55.8% of employees)	319,660 (59.1% of employees)
Change in Aggregate Earnings for Workers Currently Below the Proposed Wage	\$1.68 billion	\$3.43 billion	\$3.86 billion	\$5.79 billion	\$6.64 billion
Change in Aggregate Earnings for All Workers in the Region	\$2.76 billion	\$5.63 billion	\$6.34 billion	\$9.50 billion	\$10.90 billion
Net Change in Jobs as a Result of Increases in Earnings and Consumer Spending	+2,590	+5,275	+5,939	+8,904	+10,217
% of All Workers in the Region Estimated to Be Earning Their MIT Living Wage	63.1%	67.8%	72.7%	76.7%	79.1%



## Long Island Region

The Long Island REDC consists of two counties: Nassau and Suffolk. Results for this region are shown in Table 5.

**Table 5: Estimated Long Island Region Impacts of Raising the Minimum Wage Under Five Alternatives**

	<b>\$17.00</b>	<b>\$21.25</b>	<b>\$22.12</b>	<b>\$25.52</b>	<b>\$26.86</b>
Estimated Number of Workers in the Region Below the Proposed Minimum Wage	282,436 (21.2% of employees)	409,068 (30.8% of employees)	430,937 (32.4% of employees)	525,969 (39.6% of employees)	561,409 (42.2% of employees)
Change in Aggregate Earnings for Workers Currently Below the Proposed Wage	\$3.07 billion	\$5.95 billion	\$6.67 billion	\$9.96 billion	\$11.43 billion
Change in Aggregate Earnings for All Workers in the Region	\$5.03 billion	\$9.76 billion	\$10.95 billion	\$16.34 billion	\$18.77 billion
Net Change in Jobs as a Result of Increases in Earnings and Consumer Spending	+5,020	+9,735	+10,918	+16,300	+18,715
% of All Workers in the Region Estimated to Be Earning Their MIT Living Wage	51.9%	65.9%	65.9%	65.9%	65.9%

## Mid-Hudson Region

The Mid-Hudson REDC consists of seven counties: Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster, Westchester. Results for this region are shown in Table 6.

**Table 6: Estimated Mid-Hudson Region Impacts of Raising the Minimum Wage Under Five Alternatives**

	<b>\$17.00</b>	<b>\$21.25</b>	<b>\$22.12</b>	<b>\$25.52</b>	<b>\$26.86</b>
Estimated Number of Workers in the Region Below the Proposed Minimum Wage	244,737 (23.9% of employees)	351,518 (34.4% of employees)	365,471 (35.7% of employees)	437,144 (42.7% of employees)	464,871 (45.4% of employees)
Change in Aggregate Earnings for Workers Currently Below the Proposed Wage	\$2.83 billion	\$5.39 billion	\$6.02 billion	\$8.83 billion	\$10.07 billion
Change in Aggregate Earnings for All Workers in the Region	\$4.56 billion	\$8.68 billion	\$9.70 billion	\$14.22 billion	\$16.22 billion
Net Change in Jobs as a Result of Increases in Earnings and Consumer Spending	+4,351	+8,293	+9,265	+13,579	+15,491
% of All Workers in the Region Estimated to Be Earning Their MIT Living Wage	54.7%	63.8%	63.8%	67.2%	67.2%



## Mohawk Valley Region

The Mohawk Valley REDC consists of seven counties: Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster, Westchester. Results for this region are shown in Table 7.

**Table 7: Estimated Mohawk Valley Region Impacts of Raising the Minimum Wage Under Five Alternatives**

	<b>\$17.00</b>	<b>\$21.25</b>	<b>\$22.12</b>	<b>\$25.52</b>	<b>\$26.86</b>
Estimated Number of Workers in the Region Below the Proposed Minimum Wage	64,063 (32.5% of employees)	93,745 (47.5% of employees)	98,900 (50.1% of employees)	117,284 (59.5% of employees)	124,636 (63.1% of employees)
Change in Aggregate Earnings for Workers Currently Below the Proposed Wage	\$0.71 billion	\$1.39 billion	\$1.56 billion	\$2.33 billion	\$2.66 billion
Change in Aggregate Earnings for All Workers in the Region	\$1.17 billion	\$2.30 billion	\$2.58 billion	\$3.83 billion	\$4.38 billion
Net Change in Jobs as a Result of Increases in Earnings and Consumer Spending	+1,090	+2,144	+2,407	+3,578	+4,091
% of All Workers in the Region Estimated to Be Earning Their MIT Living Wage	61.5%	74.5%	74.5%	75.6%	79.9%



## New York City Region

The New York City REDC consists of five counties: Bronx, Kings, New York, Richmond, and Queens. Results for this region are shown in Table 8.

**Table 8: Estimated New York City Region Impacts of Raising the Minimum Wage Under Five Alternatives**

	<b>\$17.00</b>	<b>\$21.25</b>	<b>\$22.12</b>	<b>\$25.52</b>	<b>\$26.86</b>
Estimated Number of Workers in the Region Below the Proposed Minimum Wage	918,346 (24.9% of employees)	1,335,515 (36.2% of employees)	1,394,671 (37.9% of employees)	1,671,547 (45.4% of employees)	1,781,919 (48.4% of employees)
Change in Aggregate Earnings for Workers Currently Below the Proposed Wage	\$11.04 billion	\$21.15 billion	\$23.63 billion	\$34.63 billion	\$39.49 billion
Change in Aggregate Earnings for All Workers in the Region	\$18.12 billion	\$34.72 billion	\$38.79 billion	\$56.84 billion	\$64.81 billion
Net Change in Jobs as a Result of Increases in Earnings and Consumer Spending	+16,984	+32,542	+36,354	+53,274	+60,749
% of All Workers in the Region Estimated to Be Earning Their MIT Living Wage	50.0%	61.9%	61.9%	63.2%	64.2%



## North Country Region

The North Country REDC consists of seven counties: Clinton, Essex, Franklin, Hamilton, Jefferson, Lewis, St. Lawrence. Results for this region are shown in Table 9.

**Table 9: Estimated North Country Region Impacts of Raising the Minimum Wage Under Five Alternatives**

	<b>\$17.00</b>	<b>\$21.25</b>	<b>\$22.12</b>	<b>\$25.52</b>	<b>\$26.86</b>
Estimated Number of Workers in the Region Below the Proposed Minimum Wage	54,524 (34.8% of employees)	76,692 (48.9% of employees)	79,667 (50.8% of employees)	93,776 (59.8% of employees)	98,490 (62.8% of employees)
Change in Aggregate Earnings for Workers Currently Below the Proposed Wage	\$0.59 billion	\$1.16 billion	\$1.30 billion	\$1.92 billion	\$2.18 billion
Change in Aggregate Earnings for All Workers in the Region	\$0.97 billion	\$1.91 billion	\$2.14 billion	\$3.16 billion	\$3.60 billion
Net Change in Jobs as a Result of Increases in Earnings and Consumer Spending	+897	+1,760	+1,973	+2,908	+3,313
% of All Workers in the Region Estimated to Be Earning Their MIT Living Wage	58.0%	68.3%	71.5%	71.5%	77.7%

## Southern Tier Region

The Southern Tier REDC consists of eight counties: Broome, Chemung, Chenango, Delaware, Schuyler, Steuben, Tioga, Tompkins. Results for this region are shown in Table 10.

**Table 10: Estimated Southern Tier Region Impacts of Raising the Minimum Wage Under Five Alternatives**

	<b>\$17.00</b>	<b>\$21.25</b>	<b>\$22.12</b>	<b>\$25.52</b>	<b>\$26.86</b>
Estimated Number of Workers in the Region Below the Proposed Minimum Wage	88,614 (33.8% of employees)	126,317 (48.2% of employees)	131,978 (50.4% of employees)	154,442 (58.9% of employees)	163,323 (62.3% of employees)
Change in Aggregate Earnings for Workers Currently Below the Proposed Wage	\$0.93 billion	\$1.84 billion	\$2.06 billion	\$3.04 billion	\$3.48 billion
Change in Aggregate Earnings for All Workers in the Region	\$1.50 billion	\$2.96 billion	\$3.32 billion	\$4.90 billion	\$5.60 billion
Net Change in Jobs as a Result of Increases in Earnings and Consumer Spending	+1,413	+2,787	+3,126	+4,621	+5,275
% of All Workers in the Region Estimated to Be Earning Their MIT Living Wage	62.2%	72.3%	72.3%	75.2%	79.9%



## Western New York Region

The Western New York REDC consists of five counties: Allegany, Cattaraugus, Chautauqua, Erie, Niagara. Results for this region are shown in Table 11.

**Table 11: Estimated Western New York Region Impacts of Raising the Minimum Wage Under Five Alternatives**

	<b>\$17.00</b>	<b>\$21.25</b>	<b>\$22.12</b>	<b>\$25.52</b>	<b>\$26.86</b>
Estimated Number of Workers in the Region Below the Proposed Minimum Wage	189,641 (30.7% of employees)	274,841 (44.5% of employees)	288,282 (46.6% of employees)	345,731 (55.9% of employees)	367,112 (59.4% of employees)
Change in Aggregate Earnings for Workers Currently Below the Proposed Wage	\$1.96 billion	\$3.90 billion	\$4.38 billion	\$6.55 billion	\$7.52 billion
Change in Aggregate Earnings for All Workers in the Region	\$3.24 billion	\$6.43 billion	\$7.22 billion	\$10.80 billion	\$12.38 billion
Net Change in Jobs as a Result of Increases in Earnings and Consumer Spending	+3,048	+6,054	+6,805	+10,171	+11,662
% of All Workers in the Region Estimated to Be Earning Their MIT Living Wage	64.3%	73.1%	76.7%	77.7%	79.1%

## Appendix 2: Additional Details on Data and Methods

### ACS PUMS Data

Whereas data from the Bureau of Labor Statistics, which NYS DOL uses in its Occupational Wages dashboard,<sup>42</sup> provide up-to-date information on *work* in the United States, they do not offer much information on *workers*. Arguably, the premier data source for learning more about the demographic and socioeconomic characteristics of the latter is the Census Bureau's ACS.<sup>43</sup> The ACS is a rolling survey that asks each respondent about their occupation, income, and many other demographic, employment, and housing-related questions. ACS data come in three "vintages": (1) one-year, (2) three-year, and (3) five-year. The different vintages reflect different compromises between geographic precision, data accuracy, and data currency. Namely, whereas one-year ACS estimates are always the most current (insofar as they are published annually), they are generally the least accurate. This accuracy issue stems from the fact that one-year estimates are derived from relatively small samples. The one-year program therefore only publishes data for larger geographies (i.e., places that meet a minimum population threshold), where economies of scale in sampling make it possible to obtain sufficient sample sizes in the course of a single year. For lower population geographies like small counties, towns, villages, or neighborhoods, the ACS combines annual survey responses into multi-year increments to generate usable sample sizes. Because the vintage with the widest time increment (five years) brings together the largest number of responses (i.e., the largest sample sizes), five-year estimates tend to have the highest reliability of all ACS estimates, meaning that they can be provided for all geographic units from fine resolution census block groups and tracts (often proxies for neighborhoods) up to counties and beyond. The price paid for that added reliability is currency, as the data are collected over a longer time horizon.

The point of the preceding paragraph is that to study attributes of *workers* across NYS, five-year ACS estimates unlock the greatest number of possibilities and should therefore have the most value. As such, unless otherwise noted, all ACS data used in this brief come from the most recent publicly available five-year estimates (2018-22).

That being said, ACS data are aggregated to political or statistical geographic units to protect the privacy of survey respondents. The Census Bureau uses a standard approach for publishing these aggregated data, so that metrics are reported consistently across the nation. While both privacy protection and standardized reporting protocols are invaluable, one byproduct of these practices is that they limit one's ability to analyze and describe workers' economic conditions in nuanced ways. For example, standardized reports of ACS data do not reveal how wages differ by race-ethnicity or gender for people in the same occupation. Moreover, although the ACS does include median income by generalized economic industry among its standard outputs, these conventional data do not allow analysts to examine intersections between earnings, occupation, and demographic characteristics. Thus, standard ACS data products have limited utility for building detailed profiles of the workers in a given place.

Fortunately, a powerful, but less common, product of the ACS program makes it possible to overcome some of these challenges. The ACS Public Use Microdata Samples (PUMS) "enable data



users to create custom estimates and tables...that are not available through ACS pretabulated data products. The ACS PUMS files are a set of records from individual people...with disclosure protection enabled so that individuals...cannot be identified.”<sup>44</sup> In other words, ACS PUMS datasets contain anonymized records for individual survey respondents – the data are not aggregated.

The rich person- (worker-) level information contained in PUMS records allows researchers to construct detailed pictures of worker and economic conditions for numerous locations across the United States. With respect to geography, however, to protect respondents’ privacy, PUMS data are not provided at conventional “small area” units of analysis like census tracts or even places (e.g., towns and villages). Instead, the finest resolution geographic units to which individual respondents can be linked are called Public Use Microdata Areas, or PUMAs. The decision to use PUMS data to analyze worker characteristics, then, involves a trade-off between geographic and informational resolution. By sacrificing the geographic resolution that comes with standard ACS products (which are published for small areas like census tracts), it is possible to gain a wealth of new information on the intersections between occupation, industry, income, demographic characteristics, and socioeconomic status. The Wage Atlas makes this trade-off and reports detailed information about workers’ wages at the PUMA level of analysis.<sup>45</sup>

## Hourly Wage Calculations

Respondents to the long-form ACS provide four key pieces of information that allow for estimates of their *effective* hourly wages: (1) wage or salary income in the past twelve months; (2) self-employment income in the past 12 months; (3) weeks worked during the last twelve months; and (4) usual hours worked per week during the past twelve months.

Unfortunately, the way these data are recorded do not allow for straightforward computations of a worker’s hourly wages. In the first place, self-reported hours worked often include uncompensated hours and/or hours worked outside of one’s regular job in the form of self-employment. Second, up until 2019, the number of weeks a survey respondent reported working was collected into bins (e.g., 40 to 47 weeks, 48 to 49 weeks, 50 to 52 weeks). Therefore, one cannot simply divide annual earnings by weeks worked by usual hours worked. To overcome this issue, the Cornell ILR Wage Atlas relies on a new ACS PUMS feature that began in 2019, which reports the exact number of weeks that a person reported working. From the sample of New York State residents who were surveyed between 2019 and 2022, the Wage Atlas team computed the average number of self-reported weeks worked in each of the previous (pre-2019) “bins” used by the ACS. The results were as follows: (1) average of 52 weeks worked in bin 1; (2) 48 weeks in bin 2; (3) 42 weeks in bin 3; (4) 33 weeks in bin 4; (5) 21 weeks in bin 5; and (6) 6 weeks in bin 6. These averages were applied to workers surveyed during 2018, the only pre-2019 portion of the ACS sample, according to their respective bin. Next, for workers who report that they work for an employer, workers’ employment income was defined as their income earned through wages, salaries, and tips. For workers identifying as self-employed, employment income was defined as income earned through self-employment. Finally, for each worker, the worker’s total employment income was adjusted to 2022\$ using Census Bureau-provided adjustment factors. These figures were then inflated to 2023\$ using the Minneapolis Federal Reserve Bank’s online calculator, to account for the record inflation (and coincident upward pressure on wages) that occurred over the course of 2022. Finally, each worker’s effective wage was computed as:



$$\text{Hourly Wage (2023\$)} = [(\text{Total Employment Income (2023\$)} / \text{Weeks Worked}) / (\text{Hours Worked} + (1.5 * \text{Overtime Hours Worked}))],$$

where *Hours Worked* is a self-reported value between 0 and 40, and *Overtime Hours Worked* is a self-reported value defined as: (1) 0, for workers whose self-reported hours worked are less than or equal to 40; or (2) (*Hours Worked* – 40) for workers whose self-reported hours worked exceed 40.

Because of self-reporting, some workers inevitably have “effective” hourly wages that are less than state and local minimum wages; however, these effective wages still offer a useful proxy for studying patterns of wages as reported by workers.

The final point in the preceding paragraph is an important one. Most existing tools for studying occupational wages rely exclusively on employer-side data. One feature that gives the monthly BLS Employment Situation<sup>46</sup> reports their power and increases their reliability is that they supplement employer-side data with data obtained directly from workers (households). By using PUMS data, the Wage Atlas therefore brings data that are self-reported by workers into a space where employer-reported data has mostly stood alone.

## Living Wage Calculations

Next, because records in the PUMS dataset are people, and not geographic areas, it is possible to know exactly what a worker’s household composition is — i.e., the PUMS provides data on the number of adults in a household, the number of adults who are employed, and the number of children. In addition, the PUMS data report the Public Use Microdata Area (PUMA) in which a worker lives. With a handful of exceptions, PUMAs fall wholly within, or coincide with, county boundaries in New York State.

In February 2024, the Wage Atlas team collected county-level data from the MIT Living Wage Calculator. From there, the Cornell team matched each worker from the PUMS dataset to their individual living wage based on: (1) their PUMA of residence<sup>47</sup>; (2) the number of adults in their household; (3) the number of those adults who work; and (4) the number of children in the household. If a worker reported having more than three children in their household — the maximum number of children considered by the MIT Living Wage Calculator — then they were assigned the living wage from the MIT Calculator associated with three children. In other words, the final column in the MIT Calculator matrix (for three children) was treated as “three or more” children. Analogous decisions were made when considering the number of adults and working adults in a worker’s household.

Using this approach, each New York State worker represented in the PUMS was assigned a personalized living wage based on where they live and who lives in their household. Thus, it becomes possible to compare each worker’s *effective wage* (from self-reported data) to the *living wage* associated with their geography and household circumstances. That comparison is the basis for how the Wage Atlas is able to estimate who does and does not earn a living wage.



# Notes

- <sup>1</sup> U.S. Department of Labor. "History of Federal Minimum Wage Rates Under the Fair Labor Standards Act, 1938 – 2009." <https://www.dol.gov/agencies/whd/minimum-wage/history/chart>
- <sup>2</sup> Allegretto, Sylvia, and David Cooper. "Twenty-Three Years and Still Waiting for Change." *Economic Policy Institute*, 2014. <https://www.epi.org/publication/waiting-for-change-tipped-minimum-wage/>
- <sup>3</sup> Harvey, David. *A brief history of neoliberalism*. Oxford University Press, USA, 2007.
- <sup>4</sup> Weaver, Russell. (2022). "The Raise the Wage Act Could Lower Housing Cost Burden and Advance Racial Equity." *High Road Policy* 2(1): 1-14. <https://ecommons.cornell.edu/items/9c0781f1-537b-4135-8eaa-a13d1138f172>
- <sup>5</sup> Cooper, David. "The Minimum Wage Used To Be Enough To Keep Workers Out Of Poverty—It's Not Anymore." *Economic Policy Institute Blog*. (December 4, 2013). <https://www.epi.org/publication/minimum-wage-workers-poverty-anymore-raising/>
- <sup>6</sup> Barnes, Adam. "You have to work more than 100 hours a week to afford a two-bedroom rental on minimum wage: report." *The Hill* (June 15, 2023). <https://thehill.com/business/4052150-you-have-to-work-over-100-hours-a-week-to-afford-a-one-bedroom-rental-on-minimum-wage/> (emphasis added).
- <sup>7</sup> <https://www.dol.gov/agencies/whd/minimum-wage/history/chart>
- <sup>8</sup> <https://www.dol.gov/agencies/whd/state/minimum-wage/tipped>
- <sup>9</sup> Barber, William J. "The Racist History of Tipping." *Politico*. (July 17, 2019). <https://www.politico.com/magazine/story/2019/07/17/william-barber-tipping-racist-past-227361/>
- <sup>10</sup> National Conference of State Legislatures. "State Minimum Wages." <https://www.ncsl.org/labor-and-employment/state-minimum-wages>
- <sup>11</sup> "New York State's Minimum Wage." <https://www.ny.gov/new-york-states-minimum-wage/new-york-states-minimum-wage> (accessed 20 February 2024).
- <sup>12</sup> "New York's Minimum Wage: Overview." <https://dol.ny.gov/minimum-wage-0> (accessed 20 February 2024).
- <sup>13</sup> Hogan, Bernadette. "New laws take effect on Jan. 1, including minimum wage increase." *Spectrum News*. (December 21, 2023). <https://ny1.com/nyc/all-boroughs/politics/2023/12/22/new-laws-take-effect-on-jan-1-including-minimum-wage-increase>; Note, however, that all changes to NYS minimum wage law have retained a two-tiered system that allows for tipped workers to be compensated at lower rates. See: <https://dol.ny.gov/minimum-wage-0>
- <sup>14</sup> Williams, Timothy. "New York legislative Labor Committee chairs renew effort for minimum wage parity between upstate, downstate." *Spectrum News*. (Marh 4, 2024). <https://spectrumlocalnews.com/nys/central-ny/politics/2024/03/01/new-york-lawmakers-renew-effort-for-minimum-wage-parity-bill>
- <sup>15</sup> Weaver, Russell and Ian Greer. "What is a Living Wage? Explaining how to find and understand an area's living wage." Cornell University ILR School Center for Applied Research on Work (CAROW) Policy Lab. (January 16, 2024). <https://www.ilr.cornell.edu/carow/carow-policy/what-living-wage>
- <sup>16</sup> Glasmeier, Amy K. "Living Wage Calculator," Massachusetts Institute of Technology, 2024. <https://livingwage.mit.edu/states/36/locations>.
- <sup>17</sup> *Id.*
- <sup>18</sup> Glasmeier, <https://livingwage.mit.edu/counties/36013>.
- <sup>19</sup> Glasmeier, <https://livingwage.mit.edu/counties/36079>.
- <sup>20</sup> Glasmeier, <https://livingwage.mit.edu/states/36>.
- <sup>21</sup> Weaver, Russell. "Release Notes for Current (February 2024) Version." *Cornell ILR School Wage Atlas*. <https://blogs.cornell.edu/livingwage/about-the-atlas/#new>
- <sup>22</sup> *Id.*
- <sup>23</sup> MIT Living Wage Calculator. "What is a living wage and how is it estimated?" <https://livingwage.mit.edu/pages/methodology>
- <sup>24</sup> "History of the General Hourly Minimum Wage in New York State." <https://dol.ny.gov/history-minimum-wage-new-york-state>
- <sup>25</sup> "History of Federal Minimum Wage Rates Under the Fair Labor Standards Act, 1938 – 2009." <https://www.dol.gov/agencies/whd/minimum-wage/history/chart>
- <sup>26</sup> Baker, Dean. "CORRECTION: The Productivity Adjusted Minimum Wage Would Be \$21.50 in 2020 and \$23 in 2021." Center for Economic and Policy Research (CEPR) Blog. (March 16, 2022). <https://cepr.net/correction-the-productivity-adjusted-minimum-wage-would-be-21-50-in-2020-and-23-in-2021/>
- <sup>27</sup> [https://assembly.state.ny.us/leg/?default\\_fld=&bn=A02204&term=2023&Summary=Y&Actions=Y&Text=Y&Floor%26nbspVotes=Y#A02204A](https://assembly.state.ny.us/leg/?default_fld=&bn=A02204&term=2023&Summary=Y&Actions=Y&Text=Y&Floor%26nbspVotes=Y#A02204A)

[https://assembly.state.ny.us/leg/?default\\_fld=&leg\\_video=&bn=S01978&term=2023&Summary=Y&Actions=Y&Memo=Y&Text=Y](https://assembly.state.ny.us/leg/?default_fld=&leg_video=&bn=S01978&term=2023&Summary=Y&Actions=Y&Memo=Y&Text=Y)

<sup>29</sup> *Id.*

<sup>30</sup> Weaver, Russell. (2024) [2023]. *Cornell ILR Wage Atlas*. Cornell University ILR School. Available at:

<https://blogs.cornell.edu/livingwage>.

<sup>31</sup> *Id.*, at: <https://blogs.cornell.edu/livingwage/about-the-atlas/>

<sup>32</sup> <https://apps.bea.gov/regional/rims/rimsii/>

<sup>33</sup> Total economic impact in the sense of the *direct* impacts of the investment plus the *indirect* impacts that the investment generates (e.g., investing in a new retail establishment will directly increase economic activity in the retail sector, but it will also generate impacts in connected industries – e.g., local gasoline or food sales should raise as more customers travel to the new retail destination, etc.). These *total* impact estimates are available as “Type II” estimates from the RIMS II tables. Type I estimates look only at direct impacts.

<sup>34</sup> Increases in total earnings were estimated using current (2021) Type II direct-effect earnings multipliers for NYS from the Bureau of Economic Analysis (BEA) RIMS II Program (see RIMS II User Guide, at p. 3-7). Regional-scale estimates may not sum to reported statewide totals due both to rounding and because regional results still draw on state-level multipliers.

<sup>35</sup> Job creation numbers were estimated using current (2021) Type II direct-effect employment multipliers for NYS from the Bureau of Economic Analysis (BEA) RIMS II Program (see RIMS II User Guide, at p. 3-7). Regional-scale estimates may not sum to the statewide total due both to rounding and because regional results still draw on state-level multipliers.

<sup>36</sup> See Weaver (2022) for a discussion of the two-tiered minimum wage system and why moving to a single-tier is a “high road” policy that should accompany New York’s efforts to modernize its minimum wage laws.

<sup>37</sup> Weaver, Russell. (2024) [2023]. “Get to Know Minimum Wage Workers and Set a New NYS Minimum Wage.” *Cornell ILR Wage Atlas*. Cornell University ILR School. Available at: <https://blogs.cornell.edu/livingwage/set-a-new-minimum-wage-for-nys/>

<sup>38</sup> Weaver, Russell. (2024) [2023]. “Calculate the Probability of Earning a Living Wage.” *Cornell ILR Wage Atlas*. Cornell University ILR School. Available at: <https://blogs.cornell.edu/livingwage/calculate-probability-of-earning-a-living-wage/>

<sup>39</sup> “History of the General Hourly Minimum Wage in New York State.” <https://dol.ny.gov/history-minimum-wage-new-york-state>

<sup>40</sup> Baker, Dean. “CORRECTION: The \$23 an Hour Minimum Wage.” *CEPR Blog*. (August 19, 2021). <https://cepr.net/the-26-an-hour-minimum-wage/>

<sup>41</sup> Reich, Michael. (2023). “The Economic Effects of a \$21.25 Minimum Wage in New York by 2026.” *Center on Wage and Employment Dynamics at the University of California - Berkeley*. <https://irle.berkeley.edu/publications/irle-policy-brief/the-economic-effects-of-a-21-25-minimum-wage-in-new-york-by-2026/>

<sup>42</sup> <https://dol.ny.gov/occupational-wages-0>

<sup>43</sup> <https://www.census.gov/programs-surveys/acs>

<sup>44</sup> <https://acsdatacommunity.prb.org/discussion-forum/f/forum/1141/u-s-census-bureau-releases-2017-2021-acs-5-year-pums-files-and-variance-replicate-estimate-tables-and-data-products-for-118th-congress>

<sup>45</sup> See the release notes for the current version of the Atlas with respect to PUMAs:

<https://blogs.cornell.edu/livingwage/about-the-atlas/#new>

<sup>46</sup> [Employment Situation](#)

<sup>47</sup> See the release notes for the current version of the Atlas with respect to PUMAs:

<https://blogs.cornell.edu/livingwage/about-the-atlas/#new>

