

REPORT TO THE COMMUNITY: LIFTING WORKERS OUT OF POVERTY
NOV. 8, 2014

Good afternoon. My name is Jeff Nieznanski. I am an attorney with Legal Assistance of Western New York in Rochester. I spoke in session one about forms of worker exploitation. You have heard from low-wage workers about the challenges of surviving on the edge of financial ruin in session two this morning. We are here this afternoon to discuss what can be done.

The status quo in our community is unacceptable. 46% of our city's children are impoverished, more than double the national rate. 60 years after the US Supreme Court's landmark *Brown vs. Board of Education* decision, we live in a community highly segregated by race and class, and in a county containing both the best performing school district in the state and the worst performing school district in the state. The contrasts could hardly be more stark.

Rochester's poverty can be attributed more to stubbornly low wages, exacerbated by the loss of good paying manufacturing jobs, than to high unemployment. In fact, Rochester's unemployment rate of 5.9% in August was lower than the New York State rate of 6.4%, and the national average of 6.1%.¹

We are here today to present strategies to lift workers out of poverty. Before doing so, it is useful to note that tax breaks, as a strategy, have not worked. The Mercatus Center at George Mason University recently reported that New

¹ <http://www.deptofnumbers.com/unemployment/new-york/rochester/>, Oct. 27, 2014.

York State has five times more tax breaks than any other state, with almost 72,000 tax-subsidy deals worth \$21 billion.²

The core problem is that wages have been stubbornly stagnant for years. Economist Jared Bernstein reported that, “Absent more individual and collective bargaining power for the vast majority of workers who lack it, some of whom have college degrees, we will be hard pressed to turn these wage trends around. Such power is not the only determinant of wages, but it may well be the most important and the one most sorely lacking.”³

I am here today to speak about developing a worker center here in Rochester as a way to lift workers out of poverty, combat wage theft and other forms of worker exploitation.

Many government agencies charged with enforcing work rules are underfunded and understaffed. Labor laws designed to protect workers rights are instead used to undermine collective bargaining. Corporations like Wal-Mart continue to take advantage of weak US labor laws and inadequate labor law enforcement that fall far short of international standards.⁴

With only 5.8% of Rochester’s private sector labor force unionized, the remaining unrepresented private sector workers have limited knowledge of

²New York: King of corporate welfare?, <http://www.democratandchronicle.com/story/news/local/2014/10/17/new-york-corporate-subsidies/17457885/>, Joseph Spector, Oct. 18, 2014.

³ Profits Up, Wages Down: What Economics Has to Say, http://economix.blogs.nytimes.com/2014/01/27/profits-up-wages-down-what-economics-has-to-say/?_php=true&_type=blogs&_r=0, Jared Bernstein, Jan. 27, 2014.

⁴ Wal-Mart's Violation of US Workers' Right to Freedom of Association, <http://www.hrw.org/reports/2007/us0507/index.htm>, Carol Pier, May 2007.

their workplace rights. Aside from existing unions, there are no local organizations dedicated to supporting workers with workplace problems and with training about asserting workplace rights. It is time we use other approaches.

Among the more promising approaches are worker centers, which have grown from five centers in 1992 to at least 139 by 2005, located in over 80 U.S. communities across 32 states.⁵ “Worker centers are defined as community-based and community-led organizations that engage in a combination of service, advocacy, and organizing to provide support to low-wage workers.”⁶

Worker Centers are not unions and do not seek legal recognition to engage in collective bargaining. The primary tasks of Worker Center are training workers in exercising their legal right to concerted action, developing leaders among these workers, and in providing strong community support for these efforts.

Locally, a Worker Center can help alleviate Rochester’s poverty by helping low-wage workers improve their wages.

Representatives from ten organizations have recently formed a worker center here in Rochester. Known as People Organizing for Worker Empowerment and Respect, or by its acronym, POWER, our goals include:

- 1) Building trust and relationships among low-wage workers;

⁵ Worker centers: Organizing communities at the edge of the dream, <http://www.epi.org/publication/bp159/>, Janice Fine, Dec. 13, 2005.

⁶ *Id.*

- 2) Educating and training worker leaders on their rights at work and how to organize collectively;
- 3) Building capacity and membership in our organization; and
- 4) Increasing public awareness about the importance of improving conditions for low-wage workers.

Through partnerships with community groups and with individual outreach, we aim to create public awareness and community dialogue about workers' needs. We seek to focus this dialogue on making Rochester a high-road community, with increased worker empowerment as a way to reduce poverty. We plan to hold monthly forums of workers from different industries to collectively identify challenges and opportunities that they face.

Central to our plans is continuation of our Women's Committee, which recognizes and seeks to address the needs of women workers.

As a democratic organization, workers will decide what campaigns to pursue. There are three successful models that we can replicate here in Rochester that are worth considering.

The Tompkins County Worker Center in Ithaca, NY has 88 certified living wage employers.⁷ The living wage in Tompkins County was determined to be \$12.62 an hour with health insurance and \$13.94 without health insurance.

⁷ <http://www.tcworkerscenter.org/community/certified-employers/>, Oct. 30, 2014.

The appeal of this approach is that no legislation is required. Employers voluntarily seek to be certified as a living wage employer, and receive favorable publicity and the increased business that results from being a high road employer. Living wage employers show integrity and leadership in the community, and create a positive image in the minds of current and potential customers. Living wage employers strengthen relationships between staff and management, raise employee morale, productivity, and encourage employee loyalty.

If Ithaca, with a population of just over 30,000, can achieve 88 living wage employers covering almost 3000 employees, how many living wage employers can we find in Rochester, a city of 210,000 people? Our challenge is to find out.

Importantly, Rochester adopted a Living Wage Ordinance in 2001 by a unanimous vote of City Council with the support of the Mayor.⁸ It set minimum wage rates for employees of companies entering into contracts for services with the City of Rochester, and applies to contracts of \$50,000 or more.⁹ City Council passed this law to encourage employers to pay living wages in this community. The "living wage" rate is adjusted annually to keep up with inflation; the rate through June 2014, is \$11.47 for employees offered health insurance benefits and \$12.81 for those not offered these benefits.¹⁰ Expansion of this ordinance to include more workers could be a viable goal.

⁸ <http://www.cityofrochester.gov/article.aspx?id=8589937003>, Oct. 30, 2014.

⁹ *Id.*

¹⁰ *Id.*

We must address our wide local economic disparity if our community is to thrive. From 2006-2010, African Americans in the Rochester spent 51 percent of their income on rent, and Hispanics spent 55 percent.¹¹ The median household income for African Americans in the region was 52 percent that of white households.¹²

Another worker center model that we could pursue is that of the Los Angeles Black Worker Center. Their mission is to increase access to quality jobs; reduce employment discrimination, promote economic and racial justice, and and reduce inferior jobs in the black community.¹³ “The Los Angeles Black Worker Center partners with organizations, advocates, and industry leaders ... that have valuable information and opportunities for Black workers.”¹⁴ Worker center members gain access to job resources and training.¹⁵

Still another model we could adopt is from Vermont’s Worker Center. Their Put People First Campaign organizes for the right to dignified work, affordable childcare, education, housing, healthcare, healthy food, and a healthy environment.¹⁶

We have also seen how worker center and unions came together in New York City to pass a local law granting paid sick days. Effective April 1, 2014, the

¹¹ Blacks, poverty, and the future of Rochester, City Newspaper, Mary Anna Towler, <http://www.rochestercitynewspaper.com/rochester/blacks-poverty-andthe-future-of-rochester/Content?oid=2222285>, May 8, 2013.

¹² *Id.*

¹³ http://lablackworkercenter.org/?page_id=13, Oct. 26, 2014.

¹⁴ http://lablackworkercenter.org/?page_id=77, Nov. 1, 2014.

¹⁵ *Id.*

¹⁶ <http://www.workerscenter.org/parents>

law requires businesses with 20 or more employees to provide up to five paid sick days for those workers.¹⁷

In our city of poverty wages, we must use innovative high road approaches that fairly reward work. By doing so, we can discourage low road employers that subsidize their businesses at public expense, paying wages so low that their workers qualify for food stamps and Medicaid.

We should heed the words of President Franklin D. Roosevelt, who in 1933 said: “Throughout industry, the change from starvation wages and starvation employment to living wages and sustained employment can, in large part, be made by an industrial covenant to which all employers shall subscribe.”

A Worker Center is an important step toward lifting workers out of poverty and to a more prosperous Rochester. Thank you.

¹⁷ We Have a Deal!: Paid Sick Days Will Be Law in NYC, <http://rhrealitycheck.org/article/2013/03/29/we-have-a-deal-paid-sick-days-will-be-law-in-nyc/>, Sarah Jaffe, Mar. 29, 2013.