



Do New Yorkers Know the Minimum Wage?

Results from a Spot Survey of Employers and Workers in New York City

Based on responses from a spot survey conducted in January and February 2006, many employers and the large majority of workers in New York City do not know how much the minimum wage is in New York State. These results generally mirror those of an earlier survey conducted in January 2005, with slight increases in the percent of respondents who knew the minimum wage. While not strictly representative, the results indicate a widespread lack of knowledge about one of the core laws governing wages in the workplace. The findings suggest the need for greater public education, especially of small employers and workers.

Findings

On January 1st of this year, New York State’s minimum wage increased from \$6.00 per hour to \$6.75, and the minimum wage for tipped workers increased from \$3.85 per hour to \$4.35. These changes were 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.

In order to assess whether information about the minimum wage increase is reaching low-wage workers and their employers, the Brennan Center for Justice worked with the New York Immigration Coalition and the New York Community Leadership Institute to conduct a spot survey. (The methodology is described in greater detail below.)

	Percent of those surveyed who knew correct minimum wage, New York City, February 2006
Employers (sample size = 138)	
Independent stores	36%
Chain stores	68%
Restaurants	17%
Workers (sample size = 104)	
Workers in low-income neighborhoods	18%

The findings were as follows:

- 36% of managers/owners 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. **Chain stores** were much more likely (68%) to state the correct minimum wage, which appears to be due to information they receive from their company’s human resources departments. The January 2005 survey, which did not differentiate between independent and chain stores as this year’s survey did, found that only 33% of employers knew the correct minimum wage. Thus, while the results demonstrate a higher level of knowledge of the minimum wage among chain store employers, a significant knowledge gap remains.

- ❑ 17% of **restaurant** owners/managers knew the correct minimum wage for tipped workers such as waiters and bartenders, essentially unchanged from 15% in the January 2005 survey. (The minimum wage for tipped workers is \$4.35 per hour, provided that their average hourly wage including tips is at least \$6.75 per hour.)
- ❑ 18% of **workers** in low-income neighborhoods knew the correct minimum wage, compared to 14% in January 2005.

The spot survey reveals a lack of knowledge of New York’s new minimum wage, indicating that additional public education is needed. Outreach to low-wage workers is particularly important, given that the vast majority surveyed were unaware of the new minimum wage. Educational efforts should target small independent employers, since they are least likely to know the minimum wage and are most likely to pay workers at or around the minimum wage.

Survey Methodology

This was a spot survey resulting in a convenience sample of low-wage workers and employers, rather than a statistically representative random sample. Therefore, the survey results should be read as giving a general picture of the extent of knowledge of the minimum wage in New York City, with the understanding that specific estimates may be less precise than would result from a random sample. That said, every effort was made to minimize sampling bias by systematically sampling across the main dimensions that could influence knowledge of the minimum wage (such as geography, industry, and firm size).

Specifically, the survey sampled a diverse range of businesses in Manhattan, Brooklyn, Queens, and the Bronx, with sample sizes roughly proportionate to borough size. The survey of employers was conducted by canvassing commercial strips. The worker survey was conducted at rush-hour outside subway stops in low-income neighborhoods. The resulting samples captured low-wage workers and employers in a wide range of industries, including restaurants, grocery stores, fast food establishments, hair salons, pharmacies, as well as electronics, office supply, and clothing retail stores.

MINIMUM WAGE INCREASES ENACTED BY THE NEW YORK STATE LEGISLATURE IN 2004

For all workers	For workers receiving tips
\$6.00 per hour on and after January 1, 2005	\$3.85 per hour on and after January 1, 2005
\$6.75 per hour on and after January 1, 2006	\$4.35 per hour on and after January 1, 2006
\$7.15 per hour on and after January 1, 2007	\$4.60 per hour on and after January 1, 2007

RESOURCES FOR EMPLOYERS AND WORKERS

New York State Department of Labor
212.352.6700
<http://www.labor.state.ny.us/>

MFY Legal Services
212.417.8700
<http://www.mfy.org/>

New York State Attorney General, Labor Bureau
212.416.8710
<http://www.oag.state.ny.us/labor/index.html>