

Report calls for raising the minimum wage

By [Karen DeWitt](#)



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November 16, 2012. A union funded think tank finds that New York has the greatest income disparity in the nation. The Fiscal Policy Institute says that trend continues, with the top 1% gaining more financial resources, while the middle class is falling behind and the numbers of the poor are growing.

The report finds New York State has the greatest difference between the richest and poorest citizens in the nation, with New York City at the epicenter, partly due to the higher than average salaries of Wall Street workers. The author of the study, Fiscal Policy Institute's James Parrott, says a trend that's existed for several years has worsened with the recession.

"We should be worried," said Parrott, who says we are experiencing the weakest economic recovery since 1945.

Parrott says New York's economy was based on a shaky foundation, with the housing bubble and related boom, before the current recession.

Fiscal Policy Institute, which is funded by unions and other progressive leaning groups, also documents the continuing relative decline of wages in the middle class over the past several decades. The median income for New Yorkers, when the higher salaries of Wall Street are taken out, is around \$63,000 a year. The report estimates that if growth of middle class incomes had continued over the past three decades at the same rate as

they did from World War Two until around 1980, then New York's median income would be closer to \$75,000 or \$80,000.

"We no longer have a growing middle class with rising living standards," Parrott said.

Those on the bottom rungs of the economic ladder are stagnating, the report finds. The state's overall poverty rate is unchanged since 1980, but poverty has been increasing in upstate cities like Buffalo, Rochester and Syracuse, as people with any wealth have moved to the suburbs. 50% of children in those cities now live below the federal poverty level, says Parrott.

"That's pretty horrendous, " said Parrott.

The Fiscal Policy Institute report recommends one key policy change that could help the poorest families, raising the minimum wage.

The union financed think tank also recommends, not surprisingly, that collective bargaining should be strengthened as well as other worker rights to enable negotiations for higher wages.

They do not however, want to change the state's tax structure to impose additional taxes on the wealthy. Governor Cuomo and the legislature have already extended an income tax surcharge on millionaires.

The Innovation Trail is a collaboration between Six upstate New York public media outlets, led by **WXXI**, along with **WBFO/WNED**, **WRVO**, **WSKG**, **WMHT** and **North Country Public Radio**. The initiative, funded by the Corporation for Public Broadcasting (CPB), will help the public gain a better understanding of the connection between technological breakthroughs and the revitalization of upstate New York's economy. Reports will focus on research, development, education, funding, and policy issues around emerging fields like energy, information technology, biotech, nanotech, and photonics.