

Testimony
Pennsylvania Committee of Labor and Industry
Pennsylvania Minimum Wage Increase
Tuesday, September 6, 2005

Varsovia Fernandez

Vice President of External Affairs, Congreso de Latinos Unidos, Inc.

Thank you Mr. Chairman and members of the committee; it is an honor and a privilege to testify before you today on the important topic of the minimum wage increase in Pennsylvania.

I serve as vice president of external affairs for Congreso de Latinos Unidos (Congreso), the largest and leading Latino social services and workforce development community-based not for profit agency in Pennsylvania. My testimony today is given on behalf of more than 21,000 low income clients facing employment barriers mostly due to low educational attainment, and low English proficiency. Most of our clients are women dependent on Temporary Assistance for Needy Families (TANF). Congreso operates one of three Employment Advancement and Retention Network centers servicing Philadelphia, which mission is to transition individuals from welfare to work and to support them over time to achieve higher wages and long term attachment to work. This support is provided by Congreso through a holistic approach that helps employment seekers address social issues such as behavioral health problems while receiving training such as customer service and computer skills. Congreso also established the first bilingual CareerLink center in the state, which has been operating successfully helping the underserved population residing in the Eastern North Philadelphia region, where we stand today. As of today, Calle Americana CareerLink has successfully placed over 748 individuals at an average rate of \$9.39 an hour. While this may seem a reasonable average placement rate to you, I ask that you stop for a moment and think of those workers who support a family and are placed at an hourly rate of \$5.50. As a conscientious person, I am certain you too would agree that it is impossible to escape this level of poverty; whatever the circumstances for these constituents are.

I had the pleasure to meet a Congreso Teen Pregnancy and Parenting Skills program teenage couple. I'll call them Maria and José to preserve confidentiality. José got Maria pregnant while attending High School; he was in 11th grade and Maria in 10th at the time. Confused as to what to do, but certain that they wanted to keep the baby Maria and José committed to being a family unit and to attend Congreso's programs which helped them find a job, learn how to

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care for their baby and continue their GED. I met them both for the first time at a weekend health fair where they volunteered at our table to promote healthier living. Later on I saw them in the elevator and asked them how things were going. He 17, she probably 16 and they have a beautiful 7 or 8 months healthy baby. There are three things I will never forget about my encounter with Maria and José. First, the look in his eyes and her smile as they proudly showed off the baby and told me how they were in the process of completing their GED while working. Second, the feeling in my heart when I thought it could be my daughter holding the baby; and last, I thought the support behind them must be sound for them to make it through such a challenging experience.

Mr. Chairman, and members of this committee, situations like this one are faced by teenagers every where in Pennsylvania. This is a typical example of a case where this well needed minimum wage increase would make a difference. The fact is that Maria and José may seem happy now while living with relatives, receiving public help and working part-time while they finish their high school equivalency. However, once they begin to experience the actual costs of running their own home and experience financial pressure, this couple will most likely not find a job that pays above poverty. It is this sort of unskilled, minimum wage workers who would benefit from a minimum wage increase.

I've brought with me today some Congreso customers. They are sitting here today because of the hope this proposed legislation is giving them. They are hoping that when they graduate from our English as a Second Language, Customer Service and Computer training programs in a few weeks they are able to find a job that will allow them to go off public assistance. A job that would truly help them make a difference in their neighborhoods; a job to enable them to buy something new and that would compensate for their early parenting, which for some started as it did for Maria and José.

We can all agree or disagree that a change in minimum wage may be a positive change for Pennsylvania's economy. Whether we choose to believe that a minimum wage increase will decrease employment or that it would fuel local economies, we must recognize that

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Pennsylvania's Hispanic and African American workers, our seniors working to supplement retirement income, single mothers trying to liberate themselves from welfare, and dislocated workers in general would enjoy the financial benefits of the proposed increase. The reason I know this is because I was one of those Hispanic hourly wage workers many years ago. A minimal increase in my hourly wage meant additional dollars to buy books, to save, or to better meet the basic needs of living. Today, I own a house in Montgomery County and have a child in college; and I tell you that while it isn't the sole reason why I enjoy this standard of living today, a better chance to succeed would not have been possible without the various hourly increases of the 1980's. It is worth noting that my then hourly wage employer did not only survive those increases, but today employs over 13,000 staff, mostly paid hourly. Also note that our Pennsylvania economy has continued its cycle.

Senator Scarnati, Congreso and its constituency are thankful you have brought this minimum wage increase debate to the forefront, and we are also thankful to Senator Tartaglione for her commitment to resolving this onerous problem in a manner that moves forward ideas and solutions in a simple, bi-partisan manner. We are thankful because Congreso's customer base that would benefit most from this minimum wage increase are constituents who live in the poorest neighborhoods in Philadelphia and who face serious employment barriers. Latinos in Philadelphia face numerous linguistic and cultural barriers to obtaining employment. According to the U.S. Census Bureau, 2003 American Community Survey over 43% of those who speak Spanish at home speak English less than "very well," which greatly inhibits their ability to obtain family-sustaining jobs in the Philadelphia job market. In addition to these language barriers, the Philadelphia Latino population exhibits a low level of educational attainment. A recent study by the Latino Workforce Development Taskforce indicates that 64% of adult respondents report not having a high school diploma or GED (Bartelt 2001), a much higher rate than the general 26% of individuals in the city of Philadelphia who do not have a high school diploma/equivalency or higher (U.S. Census Bureau, 2003 American Community Survey). These barriers contribute to the high unemployment rate for Latinos – overall, a total of 55.1% of Latinos are either unemployed or not in the labor force (Bartelt

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2001). These are the constituents Congreso initially places at minimum wage jobs. Many of which have college degrees from other countries and eventually, as they learn English move on to reasonable salaried jobs; many of which begin their own small business and employ others. A minimum wage increase would provide these constituents with a push to a greater contribution to Pennsylvania's economy.

Congreso is a social services and workforce development agency. It does not have the resources to engage in statistical economic analysis and therefore cannot provide scientific data to demonstrate how a minimum wage increase will affect poverty and impact the unemployment rate in Pennsylvania. However, based on 28 years of experience servicing low income customers day-to-day and dealing with issues such as teen pregnancy, drug and alcohol addiction, domestic violence, and at risk youth issues; and helping Eastern North Philadelphia residents find employment, we can tell you from practical experience that we understand how a minimum wage increase would help many low income families move away from welfare benefits. Congreso understands that allowing families earn a few more dollars a month would allow them to buy the proper amount of diapers they need to raise their child in a healthier environment. We understand that financial burden increases domestic violence at home and that opportunities to increase a client's income would better preserve his or her family structure. We understand the difference \$50 dollars can make to low income families in a monthly pay check, because it is our business to strengthen Latino families; Congreso knows what it takes to maintain a family. We know what it takes for a family to move from poverty to self-sustainability. We understand how to move a community out of poverty. Working multiple jobs which takes away time from the family is not a reasonable way to enhance a family's quality of life. A minimum wage increase would enhance the chance of Latino families becoming stronger and it would not only impact their quality of life by allowing them to buy the right foods and other basic things; but it would help them become better contributors to the state of Pennsylvania's financial health.

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As I've stated earlier on this testimony, I am not here to show you how a minimum wage increase will affect Pennsylvania's economic cycle; but to tell you the story of those who could not be here today; those who like Maria and José go to Congreso and other helpful organizations day in and day out trying to make the best of their lives. Those who understand and capitalize on the value that \$.0.50 an hour makes a bigger pay check for their families to eat better, to dress in clothes they bought, secure shelter and become better citizens of Pennsylvania. I am here for Americans following the promise to our American dream. I came here to ask of you to give serious consideration to a minimum wage increase.

Again, and on behalf of Congreso and its constituency I thank you for the opportunity to bring our voice to this, the Pennsylvania Labor and Industry committee.