

Working Group on Jobs, Wages and Benefits

Wednesday, October 14, 2016 Notes

Items

1. Call to Order
 - a. Mr. Hawkins calls meeting to order; informs present members that meeting will begin with presentations, as there is no quorum
2. Announcement of a Quorum
 - a. There was not a quorum for this meeting; no votes were taken
3. Vote to Approve Meeting Agenda
 - a. There was not a quorum for this meeting; no votes were taken
4. Old Business
 - a. Approval of Minutes from Wednesday, September 28th, 2016
 - i. There was not a quorum for this meeting; no votes were taken
5. New Business
 - a. Mr. Hawkins introduces first presenter:
 - i. Our first presenter, Dr. Harry Holzer is a Professor of Public Policy at the McCourt School of Public Policy at Georgetown University. He is also currently an Institute Fellow at the American Institutes for Research, a Nonresident Senior Fellow at Brookings, a Senior Affiliate at the Urban Institute, and a Research Affiliate of the Institute for Research on Poverty at the University of Wisconsin at Madison.
 - b. Dr. Holzer presents
 - i. Dr. Holzer's presentation, Protecting Workers and Jobs in the Washington DC Labor Market, focused on:
 1. The DC labor market
 - a. Demand-side: employers and jobs
 - i. Highly bifurcated: high wage industries and low wage, service industries
 - b. Supply-side: workers and skills
 - i. Large African American and Latino population
 - ii. 6% unemployment
 2. Likely tradeoff between worker supports and jobs
 - a. Benefits to workers vs. reduced employment
 3. DC labor regulations: existing/pending, under discussion
 - a. Comparison to surrounding jurisdictions
 4. Impact of minimum wage
 5. Impact of ban the box and marijuana tests laws
 - a. 2 recent studies show ban the box reduces hiring of less educated males
 6. PFL
 - a. Other states vs. DC

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- i. DC proposed is an outlier
 - ii. DC Labor Market
- 7. Discussion of other approaches
 - a. Education/training
 - b. EITC
- 8. Questions:
 - a. Upcoming tax changes that are beneficial for businesses, but PFL may offset these; what are your thoughts on the upcoming changes?
 - i. Broad tax cuts could be offset by PFL; hard to imagine a tax cut deep enough to cover cost of PFL; Labor costs are separate from tax reductions
 - b. Hard to find data that businesses will leave based on worker friendly policies; do you see businesses leaving?
 - i. Cumulative cost raises on employers are more likely to have an impact than one benefit
 - c. How to make retail / hospitality workers able to afford living in the District?
 - i. Affordable housing; improving worker skill sets; working w/employers to provide employees training
 - d. PFL is a proactive policy; why is it better for the government to handle costs on back end?
 - i. I support PFL; higher take up rates w/high wage replacement means costly; it's about balancing costs
 - 1. Business community proposal: economists do not typically prefer mandates
 - e. What is the threshold at which benefits harm the employer?
 - i. No exact answer; cumulative impact of benefits
 - f. What range of PFL benefits seem reasonable?
 - i. In isolation, 6-8 weeks seems reasonable
 - g. Who do these benefits impact?
 - i. Don't want to structure a benefit for just DC residents; doing so might incentivize employers to leave
 - ii. Best targeted at low income residents
 - h. How do we create a structure of benefits that assist the workforce?
 - i. EBRI; different employees want different things
 - i. Is there a state that has looked at benefits innovatively?
 - j. Most minimum wages employees not poor; how do you arrive at that?

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- i. Teenagers, young college graduates, second earners are common minimum wage earners
 - k. Thoughts on vocational training?
 - i. Not a fan of the name. We want high quality training to link with employment.
 - l. If you were going to phase in PFL, how would you do that? What data points would you follow?
 - i. NY is doing phased approach; lots of surveys; what is happening in between
 - ii. Deputy Mayor Snowden: Our second presenter, David Cooper, is a Senior Economic Analyst and the Deputy Director of EARN, the Economic Analysis and Research Network at the Economic Policy Institute.
 - 1. Mr. Cooper presents
 - a. Mr. Cooper's presentation covered
 - i. Current and proposed DC policies
 - ii. Studies of the of the impact of minimum wage increases
 - iii. Worker impacted by the minimum wage
 - iv. Cost of paid sick leave
 - v. Paid leave
 - vi. Growth in DC vs. surrounding areas
 - 2. DC is uniquely positioned to be at the forefront of some of these progressive, worker friendly policies
 - 3. Questions
 - a. If it's all positive for the business community, why are they not doing it on their own?
 - i. Businesses often fall to the lowest common denominator
 - b. If magic wand what would you do?
 - i. Federal minimum wage, federal paid sick days
 - c. Short term, long term will district growth slow?
 - i. DC weathered the recession well; will that continue, I hope so
 - ii. Raising the minimum wage can stimulate depressed areas
 - d. What would you say about phasing in benefits?
 - i. Phasing in is a possibility
 - e. How to spur business creation in underrepresented areas?
 - f. How to build up low barrier job opportunities?
 - i. Targeted programs to increase low barrier jobs
 - g. Build up benefit package and stimulate job?

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- h. Businesses will not come if target population not in the area?
 - i. Who will be impacted by \$15 minimum wage?
 - j. Besides what was presented today; other suggestions of policies to explore?
 - i. All monies set aside for development should look at community benefit of development
 - k. Moderate increases to min wage have little to no impact on business; can we extrapolate from that a moderate PFL package will be similar?
 - i. Yes
- iii. Discussion of Presentations
6. Adjournment

DRAFT