STATE OF NEW JERSEY

GOVERNOR PHIL MURPHY

ICYMI: PORT AUTHORITY BOARD APPROVES MINIMUM WAGE INCREASE FOR AIRPORT WORKERS

From the Port Authority of New York and New Jersey:

All workers at JFK, LaGuardia and Newark Liberty will earn minimum of \$19/hour by 2023

Initial increases set to take effect on November 1

TRENTON - The Port Authority Board of Commissioners today unanimously adopted an expanded minimum wage policy for JFK International, LaGuardia and Newark Liberty International airports that will bring the wages of thousands of airport workers to \$19/hour by 2023. The new policy will benefit the traveling public by reducing staff turnover and providing an experienced, well-trained, motivated workforce that can better assist in responding to an emergency, identifying security issues, operating equipment safely, and providing experienced customer service.

The policy adopted by the Board today will increase and ultimately align the wages of workers at the three airports, including a \$2/hour increase for workers at Newark beginning on November 1, 2018. This represents a nearly \$4/hour increase for workers at Newark Airport – primarily catering workers – who were not covered under the previous \$10.10 minimum policy.

The Board's action follows a period of extensive public input on the issue, including the receipt of nearly 800 written comments from workers, businesses, academic experts and elected officials. Throughout the process, the Port Authority posted all comments and provided the public with summaries of written comments. As part of its deliberative process, the Port Authority developed a comprehensive "Analysis and Justification", which explores issues surrounding the minimum wage proposal, including those raised during the public comment process and sets out the basis for the Board's action. The document also responds to four issues that were the subject of a supplemental 30-day comment period – tipped workers, health benefits offsets, "street pricing" and small businesses. The full report can be found here.

"While Washington does everything it can to chop away at workers' rights, New York continues to lead the way forward by raising the minimum wage to \$15 and fighting to ensure airport workers earn a decent living," **New York Governor Andrew Cuomo said**. "This campaign is about respect and paying a fair living wage for honest work in an industry that depends on its employees to safely operate some of the most important public facilities in our nation – our airports. In New York, we stand with workers and we will always serve as a beacon of progress and opportunity for all."

"I have long advocated for a living wage for airport workers at the Port Authority of New York and New Jersey. With today's vote, the agency has made it clear that they have heard the voices of approximately 40,000 airport workers who will be impacted by increased wages on both sides of the Hudson," **said New Jersey Governor Phil Murphy**. "While the Port Authority's decision to boost wages for workers is an important step toward a stronger and fairer economy that works for everyone, we cannot give up until all of New Jersey's workers earn a living wage. I am confident that Port Authority's decision to boost wages for airport workers will increase both morale and productivity, something that will hopefully inspire other employers to take similar steps."

"This is an historic day for the Port Authority. We'd like to express our sincere thanks to the nearly 800 people who submitted written comments, and the hundreds of airport workers who attended our meetings and shared their stories over the years," **said Port Authority Chairman Kevin O'Toole**. "Today's action will not only make a difference in the lives of airport workers but will enhance security and improve customer service at all of our facilities."

"There's no doubt that this new policy will greatly benefit the traveling public," **said Port Authority Vice Chairman Jeffrey Lynford**. "Better wages and benefits will result in significantly reduced staff turnover, allowing for better trained and observant employees who can assist in our overall security efforts as well as in emergency situations. It also will improve workplace morale and productivity."

"The safe and efficient operation of the Port Authority's airports hinges on a stable, motivated, engaged workforce which can enhance overall security efforts and assist customers in an experienced, knowledgeable and positive fashion," **said Port Authority Executive Director Rick Cotton**. "We believe this substantially improved minimum wage for airport workers will greatly reduce turnover, improve morale and develop better trained workers as critical contributors to airport operations and security in this post 9/11 world."

Under the new policy, workers at Newark would see their wages increase from the current \$10.45 to \$12.45 as of November 1, 2018 and to \$15.60 by September 1, 2019 – at which point they would be equal to the wages of workers at JFK and LaGuardia. Workers at the two New York airports currently earn a minimum wage of \$13 in line with New York State's minimum wage law, sponsored by Governor Cuomo in 2016. The wages at JFK and LaGuardia airports would rise to \$13.60 on November 1, 2018. New York's minimum wage goes to \$15 on January 1, 2019. Thereafter, the minimum wage of all airport workers would increase in parallel to \$15.60 on September 1, 2019 to \$16.20 in 2020, to \$17 in 2021, to \$18 in 2022 and to \$19 in 2023.

As part of its analysis, the Port Authority found that more than 30 percent of privately employed workers at Port Authority airports turn over every year, with the turnover rate having increased by 50 percent since 2010. Other airports, meanwhile, report turnover rates as low as 6 percent. The high level of turnover at Port Authority airports limits the ability of airport workers to play a critical security role at the airports.

In adopting the wage policy, the Port Authority anticipates that its actions will help reduce employee turnover, while increasing workers' job performance and creating a more stable workforce that will allow for an enhanced focus on safety and security. The agency believes that more experienced workers will be more knowledgeable about security processes and be better able to respond to emergencies at the region's major airports. A detailed examination of the connection between workforce turnover and airport security at major airports is presented in the "Analysis and Justification" memo and available here.

The expanded airport minimum wage policy complements the Port Authority's plans to overhaul all of the region's major airports, which collectively welcomed more than 132 million passengers in 2017. The Port Authority's airport redevelopment efforts include three major projects: 1) ongoing construction of the \$8 billion rebuild of a new LaGuardia Airport, 2) the new \$2.7 billion Terminal One at Newark Liberty International Airport which is now underway, and 3) the agency's plan to advance the JFK Vision Plan unveiled by Governor Cuomo in 2017 to transform JFK into a unified, world-class airport capable of accommodating anticipated growth in the coming decades.



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