

Equitable Development Toolkit

Living Wage Provisions

Updated August 2002

What Is It?

Philosophy

The basic philosophy behind the living wage movement is that someone working full time should not be poor.

What's wrong with the mainimum wage?

Living wage provisions are a response to the declining real value of the minimum wage.

Living wage strategies promote wages and benefits sufficient to lift workers out of poverty. The implementation of living wages is advanced through ordinances that require public investment to adhere to living wage guidelines. Living wage provisions require that local governments should not award contracts to, or subsidize only those employers that pay livable wages. As such, living wage provisions generally apply to companies that have service contracts with city or county government or those that receive certain forms of financial assistance from the government. Some communities have successfully combined living wage and local hiring agreements in large economic development projects in their neighborhoods.

Living wage provisions require hourly wages that are at least equal to federal poverty thresholds. Many ordinances also require employers to provide access to health care as part of the living wage regulation, either by directly supplying health care coverage or through increased wages.

There are more than 60 [living wage ordinances](#) in place nationwide and over 75 campaigns underway in cities, counties, states, and on college campuses. Living wage requirements can be won through legislation (city councils, county boards, or state legislatures), or by ballot initiative. Both avenues require a coordinated campaign with broad based support.

An Idea Whose Time Has Come

The first successful living wage provision passed in 1994 in Baltimore, Maryland. The city adopted an ordinance requiring city contractors to pay their employees at least \$6.10, indexed annually. Since then, community, labor, and religious coalitions have fought for and won similar ordinances in over 60 cities. The highest wage currently exists in Santa Cruz at \$11 an hour with benefits, \$12 without. **Living Wage Ordinances Around the Nation**

Why Use It?

Living wage provisions are part of an overall effort to revitalize communities through lifting the wage floor and providing leverage at the local level to address growing income inequality. Higher wages and benefits improving living standards for workers and their families, foster workforce stability, and increase the municipal tax base.

In low-income communities, the adoption of a living wage provision reduces the need for government to provide safety net services to people whose earnings cannot meet their basic needs.

The Progressive Los Angeles Network (PLAN)

PLAN is an alliance of activists, organizers, researchers, and policy makers that are creating a public policy agenda for the Los Angeles region. PLAN has developed a 21-Point Agenda to create a more equitable, livable, and democratic City of Los Angeles. The agenda includes: Creating more living wage jobs Building more affordable housing Promoting smart growth land use.

Source: PLAN's 21-Step Agenda

Insufficient Minimum Wage

You get what you work for?

Had the minimum wage kept pace with productivity gains since 1968, \$5.15 would be \$11.20 today Source: [EPI](#)

The current federal minimum wage is \$5.15 per hour. It produces 30 percent less purchasing power than it did at its peak in 1968. While Congress is considering an increase in the minimum wage to \$6.25 an hour, this rate would still be insufficient to avert poverty. While Congress remains unwilling to raise wage levels above the poverty line, living wage campaigns have advanced this rate hike at the local level.

Failure of the Minimum Wage

The Economic Policy Institute indicates the following evidence that the minimum wage is failing low income families and individuals:

- Between 1979 and 1992 the declining real value of the minimum wage contributed to:
- 22% of the growth in wage inequality between men at the 90th percentile of the wage scale and men at the 10th percentile of the wage scale
- 42% of the growth in wage inequality between women at the 90th percentile of the wage scale and women at the 10th percentile of the wage scale.

Taking the High Road

Without living wage laws, governments contribute to the creation of poverty-level jobs when they hire low-paying sub-contractors or give tax breaks and subsidies to businesses without any guarantee that the jobs will pay a decent wage. The situation is exacerbated in urban core communities, where public budgets are strained and more people live in poverty. Here, local governments face pressure to meet their budgets by lowering the cost of services. This often leads to terminating public sector union jobs at decent wages in

favor of contracts to the lowest bidder. Living wage provisions reverse this downward trend by encouraging employers and governments to take the high road to quality jobs and the long-term health of a community.

Advantages of Living Wage Provisions

Living wages benefit families and communities by:

- **Alleviating poverty.**
- **Imposing accountability.** Requires public money to fund a minimum standard of living.
- **Helping to build a community-wide wage floor.** Wage standards on public contracts and services create upward wage pressure on other private sector employers who must compete for workers.
- **Expanding health benefits .** Currently, most low-wage jobs do not provide any health benefits.
- **Reducing the strain on government services** Living wage provisions reduce the need for government provision of healthcare, and housing subsidy.
- **Stimulating the economy .** Increased wage provisions expand purchasing power in the community.

Living wage ordinances succeed across the country:

- **Other areas with living wage provisions**

For a list of living wage provisions around the country, [click here](#).

Michigan: In March 2001, the Ann Arbor City Council approved a living wage law that requires recipients of subsidies or city service contracts that exceed \$10,000 to pay at least \$8.70 an hour to employees with health benefits and \$10.20 an hour to employees without health benefits, indexed annually. The legislative victory was won by a coalition that included community, labor, and church groups as well as concerned individuals.

- **Virginia:** In June 2000, the Alexandria City Council voted unanimously to implement a living wage provision that requires city service contractors to pay at least \$10.21 an hour (indexed annually to the federal poverty level) in addition to health insurance costs. The winning coalition included groups such as the Tenants and Workers Support Committee, ironworkers, and the Communication Workers of America.
- **California:** In November 1998, the San Jose City Council voted to require companies holding city service contracts \$20,000 or more to pay employees a wage of at least \$10.10 an hour with health benefits, or \$11.35 without benefits. Companies are required to provide assurances of good labor relations and successor contractors must offer jobs to employees of predecessor contractors who performed those services. Successful coalition work was led by the South Bay AFL-CIO/Working Partnerships USA, the Interfaith Alliance, the Green Party, the Silicon Valley Toxics Coalition, ACORN, and others.

A Fair Day's Pay for a Fair Day's Work

In 1937, Franklin D. Roosevelt proclaimed, "Our nation so richly endowed with natural resources and with a capable and industrious population should be able to devise ways and means for insuring to all our able bodied working men and women a fair day's pay for a fair day's work."

But what is a "fair-day's pay"? Does it provide a wage tha keeps a worker from starvation; is it enough to feed

a family of four; does it allow for yearly vacations; or is it a wage that provides a ratio of the profits earned? Thinking through these different values is an effective way that a living wage coalition can put their campaign into perspective before they begin.

How to Use It

Beyond a living wage

Many living wage ordinances include provisions that ensure benefits (such as health insurance and paid vacation), facilitate labor relations, and advance community-hiring practices.

Living wage provisions are won through legislation or ballot initiatives. Campaigns focused on legislators and regulatory commissions have been more successful than ballot initiatives. Ballot initiatives face more legal challenges and require a substantial amount of money in order to compete with well-funded corporate opposition. To date, only three initiatives have succeeded (St. Louis, Missouri; Corvallis, Oregon; and Detroit, Michigan) and the legality of the St. Louis initiative is being contested in court.

Because living wage provisions are enacted locally, they can be customized to suit the needs -and political reality- of the community.

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Determining the Scope of a Campaign

Living wage requirements apply to differing types of employers. This includes employers who:

- Compete for government contracts to provide services, such as custodial workers, clerical workers, and security guards.
- Receive public subsidies, such as subsidies for economic development activities.
- Rent or lease a business in a zone that has received substantial public investment.

Provisions can be tailored to individual contracts. Focusing on contracts is a narrow, yet effective way, of conducting a winnable living wage campaign. This strategy will aid a specific group of employers that deliver services to a jurisdiction.

Regulating municipal contracts alone benefits only a small number of people. New York City, for instance, adopted a provision in 1996 that covered less than 1,500 workers. Since then, the city's living wage coalition has been working to achieve a wage of at least \$10 an hour applicable to all businesses that receive subsidies or contracts from the government.

Ordinances which cover more categories of workers and apply to more agencies will have broader impact on the standard of living in the community. Campaigns that have won success at the contract level usually move to focus on businesses that receive economic development subsidies . Development provisions cover employers who receive direct financial assistance, such as tax abatement and credits, grants, loans, and other types of assistance. These broader campaigns usually face greater opposition from the business community.

[[Challenges](#)]. The living wage provisions on economic subsidies can apply to both developers and tenants of the development.

Since 2000, campaigns have gone beyond targeting public contracts and developments to focus on *geographic* areas that receive substantial public investment, requiring tenants in that area, or "zone," to pay a living wage.

Linking Living Wages to Large Development Projects in Los Angeles, CA

Community groups, unions, and residents won a development agreement with developers in June 2001. The billion-dollar project will create a Sports and Entertainment District in downtown Los Angeles, including a 45-story hotel a 7,000-seat theater, restaurants, nightclubs, and retail stores. Among the terms, the developers agreed to: Provide a living wage of \$7.72 an hour with benefits, or \$8.97 without (same level as LA's living wage ordinance) Practice local hiring and provide job training Build affordable housing and new parks Provide residential parking permits.

At the forefront of these campaigns is Santa Monicans Allied for Responsible Tourism (SMART) and the Los Angeles Alliance for a New Economy (LAANE). SMART and LAANE have focused on the coastal area zone in Santa Monica where significant public investment created a major tourism zone. While owners of companies in the zone argue that they are independent tenants and operators who have earned their economic success, the living wage proponents cite city government investments of more than \$170 million in a series of land use, zoning and investment decisions that concentrated visitor-oriented development, services and infrastructure.

In May 2001, the Santa Monica City Council adopted an ordinance requiring businesses in the city's beachfront and downtown area that gross \$5 million or more to pay their employees at least \$10.50 an hour with benefits, or \$12.25 without. The provision covers some 2,000 workers in the area.

Campaigns that focus on zones must demonstrate a case for distinguishing between businesses in and outside of the zone. These distinctions focus on area-specific subsidies, tax breaks or other incentives.

Writing the Provision: What to Include

While living wage provisions vary in scope, the growing body of literature, case studies, impact analyses, and [resources](#) provide general guidelines for writing a successful ordinance.

Each campaign needs to assess the political climate, needs and resources of the community. There are three important components to consider when proposing a living wage provision:

Aim High, and Be Prepared to Compromise

Examples from California of the wages proposed, and the amount won in the final ordinance (these wages have since been indexed to inflation).

City	Amount proposed	Amount won
San Jose	\$12.50	\$10.75
Berkeley	\$12.50	\$10.75

San Francisco	\$12.50	\$10.75
Santa Cruz	\$12.50	\$10.75

I. Legal Coverage

This includes the key provisions, such as:

A. Base wage level . Living wage campaigns use different standards to assess the wage level. While some calculate living wages at the basic poverty level for full-time work, others use the higher "real costs of living" standard for that local community as a way of portraying the inadequacy of minimum wage for that community.

There are a number of standards that can be used to calculate the living wage, including:

Poverty level: The US Department of Health and Human Service's 2001 poverty guideline for a family of four was an income of \$17,650. To attain this level, a worker needs to earn an hourly wage of \$8.50 (working 52 weeks per year, 40 hours/week) to raise his or her family out of poverty.

(<http://www.aspe.hhs.gov/poverty>)

Food stamp level: Some provisions use the standard that the federal government sets for food stamp eligibility (<http://www.fns.usda.gov/fsp/>). To be eligible for food stamps a household's income cannot exceed two thresholds:

Calculating a cost of living budget

EPI's report, "How Much is Enough?" has a review of different "family available and the various criteria used to calculate costs of living in order to set appropriate wage levels. Source: [EPI](#)

- Gross income cannot exceed 130% of the poverty line (i.e. 130% poverty-level for a family of four of \$17,650 is \$22,945 per year).
- Net monthly income cannot exceed 100% of the poverty line.

Self-Sufficiency Standard: [Wider Opportunities for Women](#) (WOW) has calculated a self-sufficiency formula that measures how much income is necessary for a family to live and work without public or private assistance. This standard, which considers county-by-county variations in the costs of living, has been used in several cities to set living wages.

Statewide Living Wages: National Priorities Project-a national organization that analyzes the impact of federal spending on the state and local levels, along with Jobs With Justice have developed statewide "living wage" figures that consider household expenditures such as transportation, clothing, utility bills and health care. Findings are available in: Working Hard, Earning Less.

As an example, in California in the year 2000 , an adult with a preschooler and an infant needed to earn the following hourly wage, based on location, to be self-sufficient:

- Alameda: \$23.05
- Los Angeles/Long Beach: \$21.32
- San Francisco: \$29.79

- San Diego: \$20.51

Family Budgets : [Economic Policy Institute \(EPI\)](#) provides an on-line issue guide that calculates different family budgets, by state.

Regional cost of living index: Some areas have a much higher cost of living than other areas. For instance, while San Jose won one of the highest living wages in the country, \$9.50 an hour with health benefits, \$10.75 without benefits, the wage is still an insufficient amount to subsist in the high-cost area.

The importance of indexing

The value of requiring annual indexing of the living wages cannot be overstated - the minimum wage was, at one time, a living wage.

Indexing: Will the wage be indexed annually to account for inflation? If the provision does not allow for an annual index, the wage needs to be set at a higher level to account for future inflation.

Whichever standard is used, campaigns should request a wage slightly higher than the region's cost of living, to allow bargaining room during the legislative process.

B. Who is covered . The most comprehensive living wage provisions cover all employees-full-time, part-time and temporary. The provision in Somerville, MA, covers both full- and part-time employees. Los Angeles County, on the other hand, covers only full-time employees while prohibiting the use of part-time employees on county contracts without justifiable cause.

While many campaigns exempted nonprofit service providers from the provision, campaigns are increasingly including non-profit contractors that provide home health care, childcare, and other human services. Denver, Colorado marks the first city to include language that covers childcare workers. The provision in Suffolk County, New York extends coverage to childcare, home healthcare, and Head Start employees.

Worthy Wage Network and Childcare Workers

In 2000, the Center for the Childcare Workforce (CCW), a national organization that seeks to improve childcare quality by improving wages and working conditions, launched the Worthy Wages Network. The network builds awareness that childcare is a social good, which needs to be publicly financed like K-12 education. CCW works with living wage campaigns around the country to forge coalitions and create awareness of the low-wages provided to most childcare workers, leading to high turnover rates and decreased quality of care for children.

Source: [Center for the Childcare Workforce \(CCW\)](#)

C. What benefits are included. Most living wage provisions calculate a two-tiered wage based on whether the employer offers health benefits. Linking health insurance to living wages is a way to ensure that workers earn enough to sustain their families. Most low-wage jobs do not offer benefits and provide insufficient wages to allow employees to purchase private insurance. Offering two-tiered wages provides a lever for attaching health coverage to low-wage jobs.

D. Which employers must comply . The provision must articulate which employers will be subject to the regulation-based on either the dollar amount of the contract, the number of employees in the company, or the amount of revenue a company receives.

Linking health care to living wages

LAANE has been on the forefront of educating both employers and employees about the importance of health coverage through their Living Wage Health Project. Together with the UCLA Center for Health Policy Research, LAANE brokered an agreement with Kaiser Permanente to offer health plans to workers covered by LA's living wage provision. LAANE also established a Health Care Task Force, which is researching ways to increase the number of workers with health coverage, including a health trust fund and a purchasing pool. Source: LAANE

II. Other Conditions

Some provisions contain specific language addressing conditions of community hiring, worker retention, and support for labor representation. The Ypsilanti, Michigan provision includes the right for collective bargaining to supercede living wages, incentives for local hiring by contractors, and an annual recognition list of living wage employers. Some provisions specify how employees can file complaints and mandate the posting of employee living wage rights.

For examples of specific language used in writing living wage ordinances, [click here](#).

III. Exemptions

Top to bottom ratios

The Los Angeles, CA living wage provision excludes non-profits if executive director makes less than eight times lowest paid worker.

The provision can exempt certain businesses that would be unduly harmed by the provision. Examples include hardship waivers for nonprofits or exemptions for construction or other work that is covered by prevailing wage laws.

Campaigns need to research the implications of welfare reform in their area. Welfare to work has exacerbated pressure on low-wage labor markets, increasing the number of working poor. Living wage provisions should include coverage of welfare-to-work recipients or employers will hire these workers to replace higher paid workers.

Successful groundwork pays off:

Working Partnerships USA-a community-labor partnership in San Jose, California-began a living wage campaign by integrating research, grassroots education, policy development and leadership development. WPUSA's study of the growing wage and income divide in Silicon Valley entitled "[Growing Together or Drifting Apart](#)" generated significant media attention to economic development in the region.

The coalition calculated its living wage at \$12.50 an hour for one adult raising a single child, based on the minimum self-sufficiency standard adopted by Santa Clara County Social Services Agency. They set their target on businesses that enter into a contract for over \$20,000 with the City of San Jose; or businesses that receive subsidies in excess of \$100,000 from the City. Organizing in the ten council districts, through churches, labor unions and community organizations, coalitions gathered a broad support base, including the

mayor and key city council members. The coalition passed a provision requiring a wage of \$9.50 an hour with health benefits, or \$10.75 without. It mandated that new contractors hire existing workers, that the central labor council be given notice when bids let out, and that companies with public contracts must ensure labor peace.

Key allies in the campaign included the Central Labor Council, service sector unions, faith institutions and neighborhood organizations. These groups have gone on to work together on universal health coverage for children, rent stabilization and affordable housing campaigns-all aimed at lifting the floor under working poor families.

IV. Administration and Enforcement

A successful living wage provision must contain strong enforcement guidelines and mechanisms. Local governments are often slow in developing procedures for monitoring compliance with living wage, they sometimes develop procedures that are pro-business or aimed at weakening implementation. The provisions must specify which city or county department will oversee administration and enforcement. Examples of such departments include, but are not limited to:

- Department of Purchasing
- Bureau of Contract Administration
- Department of Public Works
- City Controller
- City Administrative Office
- Board of Estimates
- Office for Jobs and Community Service
- Wage Commission

Administration of living wage ordinances requires the city to hire monitors to ensure compliance. The city of Los Angeles, for instance, hired five "management analysts" to be compliance monitors; Boston hired two staff members.

The provision needs to contain guidelines that assign agencies powers of enforcement, such as:

Inspections . Allow for public inspection of workplace and employment records.

Routine reports . Require employers to keep records and file basic wage and employment information routinely with the city.

Penalties. Mandate serious penalties for wage violations. Such penalties can include:

- Cancellation of contract
- Financial penalties-including pay of back-wages
- Clawback provisions-requiring company to pay back subsidy or contract
- Withholding provisions-allowing city to withhold payments

- Disallowal of future contracts-prohibiting future contracts if an employer is found in repeated violation.

The agency assigned with enforcement must be strict and persistent in ensuring compliance. When agencies have proved ineffective, campaigns have worked to change the enforcement agency.

Los Angeles' living wage provision assigned enforcement to the Bureau of Contract Administration (BCA), the department in charge of contract review and administration. A year after the provision was ratified, BCA had done little in the way of enforcement or audits, focusing most of its energies on deciding which contracts were covered by the provision. The BCA's actions favored businesses, not workers. With mounting pressure from LAANE, the Los Angeles City Council amended the provision to transfer enforcement duties to the City Administrative Officer (CAO), which provides staff support to City Council members and the Mayor's office.

A much more proactive CAO has:

- Compiled a central database of contractors
- Used payroll records to verify how much money is deducted from the employee's wage for health insurance
- Conducted field audits to review two months of payroll documents; if a violation is found, the employer must provide all payroll records
- Recommended termination of leases or contracts for non-compliance, if within fourteen days, proof of compliance is not submitted

Key Players

Identifying allies

Living wage campaigns begin with local grassroots efforts. Such efforts include word of mouth campaigns, passing out fliers, sending notices, and contacting potential members through community leaders.

Coalition building relies on a triangle of participating organizations-community, labor, and faith-based groups.

Community groups include providers of social services, such as homeless shelters; groups that work on sustainable community development; groups that work on issues of economic justice including civic associations, neighborhood groups, colleges and local chapters of national civil rights groups (i.e. NOW, NAACP, Urban League, ACORN, etc).

Labor Unions have a central interest in fighting for a living wage. Enacting living wage provisions help strengthen the overall bargaining position of unions by raising the wage floor. The participation of unions can deliver their strong alliance networks and relationships with local politicians. Service sector unions are almost universally involved in local living wage campaigns.

Faith-based organizations, as providers of social services, intimately understand the needs of their communities and offer a source of moral authority to build public will through their members.

Coalition building is time intensive-taking months or years to develop strong relationships and successful campaigns. It requires long-term commitment and participation by both labor and community organizations.

Challenges

Living wage campaigns inevitably meet strong opposition from some members of the business community and local Chambers of Commerce. The best defense is a strong offense. Ensure that the research is sound and reliable; that the coalition works together; and that the community understands how it can be impacted by the provision. Recruit community-oriented businesses in favor of the provision to articulate their case.

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Opposition Positions

Opponents often use fear tactics to fight a living wage. Some of the more standard arguments against living wage provisions include:

"Job loss." Opponents warn that increased labor costs will cause contractors to "cut costs" by decreasing their workforce. Advocates show how good paying jobs lead to greater purchasing power and to stimulation of the economy and greater job creation.

Countering the Opposition

EPI's study on the living wage impact in Baltimore, Maryland indicated that there was no discernable job loss associated with living wage provision. Employees interviewed stated that they did not have a cut in hours worked. In addition, the employers that EPI interviewed reported that the costs associated with increased wages were absorbed by improvements in efficiency, decreased worker turnover rates, and decreased recruitment and training costs.

Source: [Economic Policy Institute](#)

"Higher taxes." The opposition may warn that living wage requirements will lead to higher taxes as employers pass on costs to the government in the form of more expensive contracts. In analyzing the impact of the living wage in Baltimore, the Economic Policy Institute (EPI) found no significant increase in contract costs as wages comprised only a small portion of an employer's total expenses. The 1.2 percent cost increase identified for the examined contracts was less than the rate of inflation for the same period.

"Unfriendly to business." Opponents may argue that living wage provisions create a "hostile business climate" that will lead to capital flight and a chilling effect on business development. Proponents counter these arguments with evidence that higher wages lead to higher productivity and lower turn over rates.

"High compliance costs." Opponents may site taxpayer burdens of new costs to monitor and enforce employer compliance with the law. A study of Baltimore's living wage law, which covers more than 1,500 workers, found that administrative costs amount to less than \$.17 per taxpayer per year.

"Minimum wage earners are teenagers." The opposition often depicts

1996-97 increase in minimum wage

Affected more than 10 million workers, 71 % of whom were adults, 58% of whom were women.

minimum wage workers as teenagers earning extra cash with part-time jobs. In 1997, the average minimum wage worker was responsible for providing more than half (54%) of his or her family's weekly earnings

"Nonprofits will suffer." The opposition may claim that living wage provisions will hurt nonprofits who provide critical services to vulnerable communities. Some cities, such as Ypsilanti, Michigan exempt nonprofits that can prove that they will be unduly harmed. Suffolk County, on the other hand, does not exempt nonprofits; rather the living wage coalition included a provision to subsidize nonprofits to help them pay living wages.

Nonprofits and Living Wages

A study of Detroit's living wage ordinance found that two-thirds of nonprofits surveyed indicated that the living wage requirements had only a minor impact on their organizations. To decrease the impact on nonprofits affected response to the opposition, the report recommended that living wage provisions could:

- Allow city council to exempt nonprofits who demonstrate that providing a living wage would cause unreasonable economic harm.
- Exempt nonprofits within a certain formula. In Los Angeles, nonprofits whose CEOs earn less than 8 times the lowest paid worker are exempt.
- Supplement nonprofits who provide a living wage (such as Chicago and Madison).

Source: Center for Urban Studies and Labor Studies Center

"Interferes with free market." Opponents often emphasize the need for free market forces even as they avail of government support through tax breaks, subsidies and other assistance. Proponents contend that the government has a role in ensuring worker safety and work standards.

"Makes jurisdiction uncompetitive." Opponents site the adoption of a living wage as a negative impact for that jurisdiction, as it will create higher costs of business than adjacent jurisdictions. However, businesses consider many factors when deciding on location. More important than wages to maintaining a competitive edge is location, worker productivity, and access to markets.

Earned Income Tax Credit (EITC) and the Working Poor

EITC offers refundable tax credits and wage supplements for low- and moderate- income working families. While businesses may rationalize that the wages they provide can be supplemented with EITC, its availability should not substitute for a living wage. Rather, higher wages used in conjunction with the EITC, childcare assistance, low-income housing assistance, job training and other programs and policies can improve the lives of the working poor.

Opposition Tactics

Opponents usually utilize two strategies: legal tactics and legislative preemption.

Legal challenges

St. Louis, Missouri voters overwhelmingly approved the city's living wage measure in the August 2000 elections (77% to 23%). In November, business groups including the St. Louis Regional Chamber and Growth Association secured a temporary restraining order blocking the ordinance. The lawsuit ultimately resulted in a decision granting cities in Missouri the power to enact living wage laws, while prohibiting the city from implementing the current ordinance. The judge stated that the ordinance was too vague and that businesses had legitimate concerns on the "manner of compliance in the matter of health insurance". St. Louis's living wage coalition, propelled by the support it received from voters, is working to introduce a better-defined provision to city council.

A Berkeley, California ordinance covers subsidies, contracts, and businesses in the Marina Zone that have six or more employees and \$350,000 in gross revenues. Skates By the Bay, a posh restaurant in the Marina zone, is suing the city to overturn the ordinance. In Santa Monica, one of the hotels in the area's Coastal zone has threatened a similar suit.

Legislative Preemption

Expect business groups to wage early campaigns to stop living wage efforts. In Denver, while a coalition was gathering petitions for a citywide living wage initiative, business groups pushed a bill through the state legislature that prohibited local jurisdictions from setting their own minimum wage laws. The state labor council led a lobbying effort that ultimately convinced the governor to veto the bill, paving the way for the Denver City Council to vote 12-1 in favor of adopting a living wage requirement.

Following passage of the living wage in Alexandria, Virginia, business groups turned to the state legislature to have the state overturn the City Council's decision. With backing from the living wage coalition, the City Council of Alexandria convinced the legislature to allow local control.

In Santa Monica, California, the owners of seven major luxury waterfront hotels named themselves "Santa Monicans for a Living Wage," and placed Measure KK on the November 2000 city ballot. Measure KK would establish a living wage for less than 250 of the city's low-wage contract workers, and prohibit the council from enacting any future living-wage ordinance, such as the ordinance they were advancing that would apply to the more than 2,000 low-wage workers employed in the hotels and restaurants. The KK campaign spent nearly \$1,000,000. In the end, Santa Monicans voted 77% in opposition to the measure.

Success Factors

Elements of Success

A successful living wage campaign requires three elements: people, resources, and information.

Resources

Not all groups provide the same level of resource or expertise. A group's contribution depends on its membership size, time availability, and other resources and constraints. Participating organizations need to contribute to one or more of the following areas:

- **Material resources** . Actual fundraising or in-kind work.
- **Political connections** . Networking and developing relationships with people who have influence.
- **Coalition contacts** . Groups should have representatives that other groups or leaders can contact for help or information.
- **Knowledge** . Some groups will be able to contribute research experience. Labor unions, for instance, have access to information regarding actual wages and workplace conditions, while service providers have statistics on human service needs in the community.
- **Public education** . The coalition must educate the public about the benefits of living wages through well-planned media strategies, public forums, and the highlighting of stories that illustrate how living wages can benefit the working poor.

Information

Writing a living wage provision requires extensive research. The more solid the research, the less opportunity for the opposition to undermine the campaign. Preliminary information should include:

Contracts . Compile a list of all current city/county contracts with private vendors. This requires calling various departments in the city to provide a composite view of a jurisdiction's contracts. Once a list is gathered, identify the large contracts that look like they potentially provide low wages. Research these companies.

Subsidies . Find out which city departments give out money to businesses for "economic development", "job creation or retention" or "business attraction." Request subsidy amounts by company and type of project.

Information gathered in both categories should include wages, the number of employees affected, provision of health benefits, and cost to the jurisdiction. While this information is public domain, it is difficult to gather. Businesses usually report only what is mandated by law, and cities often lack the resources or staff to keep accurate records. Persistence is key to obtaining the necessary information.

It is also useful to contact people or groups that are sympathetic to the living wage movement. This includes academics, human service professions, local unions, state labor departments, local news sources, elected officials and their staff. They can lend help in research efforts and even surveys of particular employees.

Strategic Steps

Clear objectives . Develop clear objectives, process objectives and goals for the campaign.

Effective organizing . A successful campaign must build a broad coalition of organizations and obtaining key political support, from elected officials.

Efficient process . During the campaign process, run routine and effective meetings. Form sub-groups to deal with the minutia of the provision and to keep members engaged. Set well-defined agendas, deadlines, and goals to keep focused and on track.

Decision Making. From the onset of the campaign, decide how the coalition will make decisions. Will decision-making be made by consensus, by parliamentary voting, by majority rule, or some other system that takes all the groups into consideration?

Define Roles . What will each individual or group contribute to the campaign; what will the role of each organization will be? Ensure that there are adequate follow-ups.

Keep records . Document all work for future reference: meetings; related news clippings, letters and memos sent and received; successes and challenges.

Political alliances . Form alliances with politicians and those that have power at the state and county level.

Know the opposition . Understand the different tactics the opposition will use and prepare counter strategy [\[challenges\]](#).

Tactics . Develop tactics that range from the timid to the bold. Design high-spirited rallies, demonstrations, protests, face-to-face meetings, and run creative campaigns.

The living wage coalition in Los Angeles used a range of tactics to advance their campaign. These tactics included systematically reaching out to individual council members through: phone-in campaigns, emails, faxed letters of support.

- Delegations sent twice a day, three days a week.
- Thanksgiving mailings of more than 1,000 decorated plates symbolizing the struggle to feed a family on poverty wages.
- Caroling at City Hall and nearby restaurants with lyrics modified for the living wage campaign.
- Staging a winter holiday play at City Hall with one hundred clergy members and supporters accompanying a famous actor playing the ghost of Jacob Marley, draped with chains to decry the Mayor's Scrooge-like opposition to living wages.

Build the Case. Developing a well-crafted media campaign makes living wages an issue in the community; holds politicians accountable for what they say on record; and builds momentum for the campaign.

Campus Activism in Baltimore, Maryland

Following the first successful living wage campaign in their city that focused on their inner harbor redevelopment, student groups moved to focus on Johns Hopkins University, the state's largest private employer. The coalition's theme, Giving Your Two Cents Worth, calculated that it would take \$600,000 or two cents out of every \$375 of student tuition to pay the contracted workers a living wage. Two hundred students, faculty, employees, and other concerned individuals, delivered a jar-full of pennies to the senior vice president of the university to bring the message home, along with a petition with more than 600

signatures. The campaign led to a wage of at least \$7.75 an hour.
Source: SLAC- Johns Hopkins University

Financing

Because living wage ordinances cover only a small share of the locality's workforce (usually less than 1%), employers usually absorb costs rather than increase price of contracts or leave the market.

Costs to employers who pay a living wage

Detroit, Michigan is a city with a population of almost one million residents and has an annual budget of \$2.5 billion. An analysis of the living wage impact on Detroit's service contracts found the following results:

- For more than half of contract employers, cost increases represented less than one percent of the funds they received for the contracted work. None had cost increases above ten percent.
- Modest costs are involved in meeting the living wage requirements. The study concluded that the living wage could be applied to the entire city with minor fiscal impact.
- If the wages were applied to all workers in the city, the costs would amount to less than three tenths of one percent of Detroit's city budget.

Source: [Center for Urban Studies and Labor Studies Center](#)

To date, studies on the effects of living wage provisions indicate that increased wages have posed minimal financial strain on employers or cities. Furthermore, while paying a living wage potentially increases the amount of money the locality spends on contracts, local governments can reap savings as families become less reliant on income supports and social services.

Employer's response to a living wage

"The living wage law makes recruiting much nicer and makes the turnover factor much, much lower. If you work for a company that pays more, you want to hold onto that job.

Tom McGowan

President

Broadway Services

The increased costs of paying a living wage are minimized or offset for the employer through efficiency gains, including:

- *Reduced recruitment and training costs.* Higher wages lead to a decreased worker turnover rate, saving employers money on training costs.
- *Increased productivity and improvement of workforce.* Providing higher wages and benefits creates a stronger, more productive workforce because there are higher costs associated with job loss.

Framing Costs

Cities with a large urban core often lack the budget to pay for new ordinances. Presenting the city with an analysis of projected compliance and monitoring costs is an effective way of demonstrating how the ordinance is feasible and beneficial to the community. Cost considerations should include an analysis of where within the city budget money could come from. Costs can be presented in terms of affecting one of the following parties:

- Cost to taxpayers
- Cost for contracts
- Cost for employers

Do Efficiency Gains Really Make a Difference?

In 1999, Bliss & Associates and Gately Consulting developed a formula that measures an employer's costs in employee turnover. They found that turnover costs are at least 150% of the employer's base salary. For example, consider a company that has 100 employees with an average base salary of \$17,500 and a 10% turnover rate. The company will spend \$262,500 to replace those workers, when training costs, loss of productivity, new hires, recruitment costs, and lost sales costs are calculated.

Source: [Bliss & Associates and Gately Consulting](#)

Policy

While living wage provisions generally cover only a small number of employees, successful campaigns can be used as a springboard for broader campaigns that apply to more agencies and cover more workers. Local living wage campaigns also build momentum for an increase in the minimum wage at the state and federal level.

State: The Illinois Legislature, for example, introduced a statewide living wage initiative in 2001. The measure would require employers who receive government contracts to provide a living wage in Illinois. The Director of Labor will index the wage annually, according to 100% poverty guidelines set by director. The bill passed in Assembly, and is currently being heard in the Senate.

Federal: In April 2001, Rep. Gutierrez (D-IL) introduced the Federal Living Wage Responsibility Act. [H. R. 1457](#) would require that the Federal Government and any employer under a Federal contract for an amount exceeding \$10,000, must provide an hourly wage at or above Federal poverty level plus fringe benefits.

Federal Employees

In fiscal year 1999, approximately 162,000 Federal contract workers did not earn a wage necessary to lift a family of four out of poverty, representing 11 percent of the total 1.4 million Federal contract workers in the United States. The Federal Government provides billions of dollars to businesses each year (\$208 billion in 1999 alone), through spending programs, grants and Government-favored financing.

Source: [EPI](#)

Linking living wages with equity in California: An alliance of five organizations: [Center on Policy Initiatives](#) in San Diego; East Bay Alliance for Sustainable Economy in Oakland; L.A. Alliance for a New Economy in Los Angeles; PolicyLink in Oakland; and [Working Partnerships USA](#) in San Jose, are pushing for policies that will link public subsidies with accountability in low-income neighborhoods. The project, California Public Subsidies (CAPS), brings together regional alliances of community, labor, and advocacy partners to advance equity policies at a local and statewide level. They are working to translate their local processes into universal tools that can be applied by either local organizations or by government authority.

Case Studies

Los Angeles, California

[Background: The Changing Economy of Los Angeles](#)

[Respect at LAX- Expanding Coverage](#)

[LA County- Expanding Jurisdiction](#)

[Santa Monica- Linking Living Wages to Business Zones](#)

[Linking Living Wages to Development Subsidies](#)

Boston, Massachusetts

[Background](#)

[Harvard's Living Wage Campaign](#)

Los Angeles Living Wage Coalition

Los Angeles, California

Background: The Changing Economy of Los Angeles

Driving from the north along the meandering road of Sunset Blvd, Los Angeles ' trademark street, one can be overwhelmed by the glitz and glamour of Hollywood -prohibitively expensive retail shops, restaurants and high-rise hotels. But keep driving southeastward on Sunset Boulevard, past Vermont Avenue and you'll find a different economically depressed Los Angeles.

During the last forty years, Los Angeles has witnessed a great change in its economic and social base. In 1960's, middle- and working-class incomes were rising quickly, and the city appeared to be an "egalitarian boomtown." Los Angeles was home to large numbers of unionized aircraft and auto factories. The combination of high-end manufacturing jobs and unions created a working class that could afford to buy their own homes.

Few traces of the 1960s' middle-class paradise exist in the Los Angeles of the new century. With a population of almost ten million residents, Los Angeles County has the largest county population in the nation, and is exceeded by only eight states. In the 1990s its white population increased 11.5 percent, the percentage of residents living in poverty increased by 64.5 percent, to 2.15 million people.

The recession in the 1980's and early 1990's led to the closing of all but one of LA's tire and auto plants. With the end of the Cold War, the local aerospace and defense industries lost more than half of their jobs. Higher skilled workers packed their bags and left the region. They were replaced by an in-migration, predominately from Mexico , Central America , and Asia . With few high-wage manufacturing jobs available, the new immigrants depended on low-skill manufacturing jobs, such as garment and toys; tourism jobs in restaurants and hotels; and domestic work, as housekeepers and landscapers.

Poverty conditions in these low-wage service sectors have led to a revival of the labor movement in Los Angeles . Currently, more than 18.6 percent of workers in LA County are unionized-well above the 13.9%, national average.

The living wage campaign in Los Angeles has helped redress the downward income trends while emphasizing the role of unions in providing stabled, decent paying jobs.

Developing a Living wage Provision

Los Angeles' living wage movement has been spearheaded by the Los Angeles Alliance for a New Economy (LAANE). Created in 1993, LAANE has helped win numerous victories that have improved the lives of workers.

In 1996, understanding that community support was paramount in attaining quality jobs, LAANE joined forces with workers and with other neighborhood groups, including Communities for a Better Environment and AGENDA, while helping form Clergy and Laity United for Economic Justice (CLUE), a group of religious leaders and congregations who have played an important role in delivering living wage reforms. Together, they created the Living Wage Coalition (LWC).

The LWC began a legislative campaign to pass a living wage ordinance in Los Angeles. The coalition chose the legislative process to build their coalition and gather strategic political support. The LWC had a champion in their City Councilwoman Jackie Goldberg. Armed with sound research conducted with university partners on the potential fiscal and economic impacts of a living wage, LAANE and the LWC crafted an ordinance. Goldberg first presented it to the Los Angeles City Council in July 1996. On March 18, 1997, eighteen months after beginning the campaign, the City Council unanimously passed the ordinance.

The living wage ordinance did not come easily. The intense, two-year multilevel campaign included coalition building, research, policy development, worker education and advocacy.

LAANE, along with other organizations and coalitions, continues to expand living wage strategies in ways that will bolster union organizing for low-wage workers-

Respect at LAX- Expanding Coverage

Launched in 1998, Respect at LAX works to secure living wages and union protection for thousands of low-wage airport workers-mostly security guards food, and retail employees-whose jobs were threatened following a decision by the Airport Commission to allow subcontracting at the airport. The campaign:

- Fought for, and won, a worker retention provision that defended unionized jobs at the airport
- Pushed for the City Council to amend the original provision, making it clear that the living wage provision also covers airport workers.

Los Angeles County- Expanding Jurisdiction

LAANE and Service Employees International Union (SEIU) led a successful campaign in 1999 to win passage of a living wage law covering Los Angeles County. The ordinance requires firms contracting with the County (and their subcontractors) for over \$25,000 worth of services, to pay a living wage of \$8.32 an hour with health insurance, or \$9.46 without. The ordinance applies to full-time workers, and prohibits the use of part-time employees on county contracts, unless there is justifiable cause.

Santa Monica Business Zones

LAANE moved from the county to the service sector hamlet of Santa Monica, an idyllic seaside town that borders Los Angeles. The city houses exclusive hotels that pay their staff an average salary of \$14,000 per year.

The city was not always home to affluent visitors. Beginning in 1980, the city government made a series of land use, zoning and investment choices, investing more than \$170 million dollars in public money to

concentrated visitor-oriented development, services and infrastructure. Since that time, the tourist industry in Santa Monica now generates over \$700 million worth of business every year.

LAANE worked with community activists to create an organization called Santa Monicans Allied for Responsible Tourism (SMART) and together with HERE Local 814, devised a living wage strategy that would cover all Coastal Zone businesses with more than 50 employees. In July 2001, the coalition got passed the first living wage in the nation targeting businesses not in contracts with a city or on city land. The ordinance requires businesses grossing \$5 million or more in the city's beachfront and downtown area to pay their employees at least \$10.50 an hour with benefits, \$12.25 without. The provision will cover some 2,000 workers in the area.

Linking Living Wages to Development Subsidies

Los Angeles' living wage coalition is also focusing on linking wages and benefits to businesses that wish to develop in the Los Angeles area with the help of redevelopment subsidies. LAANE conducted a study on redevelopment projects in Los Angeles and found that more than 70 percent of the 1,900 retail jobs created in the Community Redevelopment Agency subsidized developments paid an average of \$6.50 an hour.

LAANE and Councilwoman Goldberg, worked to successfully negotiate with TrizecHahn, the developers of a massive retail entertainment complex in the heart of Hollywood, which will include the future home of the Academy Awards. As a condition for the \$90 million in public subsidies, TrizecHahn has agreed to unionize the 700 to 800 positions created to staff the hotel and theater, and lease shops within the complex to franchises that practice local hiring and provide a living wage.

Financing

The living wage campaign in Los Angeles cost the coalition approximately \$300,000, supported mostly by grants from progressive foundations. In addition to foundation money, the living wage campaign received help from local universities, who provided interns for the campaign research.

Madeline Janis-Aparicio, LAANE's executive director, recognizes the immense power that unions provide for successful campaign, "If we're going to have any success in making a dent in the daunting problem of low-wage poverty," she said, "unions have to have an integral part."

Accomplishments and Challenges

Accomplishments:

Overall, the living wage campaigns in Los Angeles and the surrounding areas directly affect more than 14,000 workers.

The living wage coalitions have gained enough stature that developers in Los Angeles now need the support of labor and community coalitions in order to obtain government approval for new development subsidies.

The living wage movement is evolving to address other issues affecting the working poor, including affordable housing, childcare, and transportation. For instance, living wage groups joined the Figueroa Corridor Coalition for Economic Justice (a coalition of 29 community groups), to win an agreement with developers for downtown Los Angeles' billion-dollar Sports and Entertainment District that includes a 45-story hotel, a 7,000-seat theater, restaurants, nightclubs, and retail stores. The agreement includes:

- Provision of a living wage

- Local hiring and job training for those living within a three-mile area
- Building of 2000 units of affordable housing and new parks
- Provide residential parking permits for low-income residents

The living wage campaigns in Los Angeles have been successful because of the strong alliance between community, faith, and labor organizations. The coalition has had their differences, but, as Janis-Aparicio put it, "The choice was to be divided and conquered, or have a united front and win."

Challenges:

LA living wage provisions encountered fierce opposition from business groups at every point along the way.

When owners of seven major waterfront hotels attempted to derail the ability of organizations to adopt a living wage by placing Measure KK on the November 2000 city ballot.

A broad coalition mounted a campaign to educate voters about the real intent of Measure KK to undermine living wage. Their counter-campaign included running phone banks, walking precincts, and an Election Day get-out-the-vote drive. Despite spending nearly \$1,000,000, 79% of Santa Monica residents voted in opposition of the measure.

LAANE has played an important role in enforcement of the provisions, which includes:

- Visiting sites in order to obtain information from workers on health benefits received
- Tracking new contracts that will likely be performed by low wage workers
- Checking Request for Proposal contracts for living wage language
- Informing the CAO if non-compliance is found.

Because LAANE is part of a broad coalition, they are able to report work-place violations and help ensure proper implementation and enforcement of the ordinance.

Future plans

LAANE is currently working on a number of campaigns that seek to improve the lives of workers:

Health Care Project

LAANE has been on the forefront of encouraging and educating both employers and employees about the importance of health coverage, with their Living Wage Health Project. Together with the UCLA Center for Health Policy Research, LAANE brokered an agreement with Kaiser Permanente to offer health plans to workers who are covered by LA's living wage provision. LAANE also established a Health Care Task Force, which is considering different ways to increase the number of workers with health coverage, including a health trust fund and a purchasing pool.

Valley Jobs Coalition

LAANE has assembled a coalition to represent the interests of workers and community members in a North Hollywood redevelopment project. The Valley Jobs Coalition will ensure that the project, which will receive as much as \$20 million in public subsidies, provides living wage jobs, childcare, job training and local hiring. LAANE has conducted intensive research and a strong organizing and advocacy campaign, through which the Valley Jobs Coalition secured a preliminary agreement from the project developer.

Boston Area and Harvard University Massachusetts

Background

Founded on the Shawmut Peninsula in 1635, Boston is the twentieth largest city in the United States with over half a million residents. It stands at the center of the seventh largest Consolidated Metropolitan Statistical Area (CMSA) in the nation with over 5.5 million. Known for world-renowned universities, Cambridge and Boston alone house more than 50 colleges and universities, including Harvard and the Massachusetts Institute of Technology (MIT).

The Boston area has grown increasingly expensive over the last decade. Average rents for a one-bedroom apartment went from \$650 in 1990 to over \$1,300 by the year 2000. The National Low-Income Housing Commission estimates that workers now need a wage of over \$15 per hour to afford a two-bedroom apartment in the area. Wider Opportunities for Women estimates that most families need between \$11 and \$18 per hour to subsist.

In 1998, the 40-member *Boston Jobs and Living Wage Coalition* -whose members include ACORN, Greater Boston Labor Council, and the Massachusetts AFL-CIO-led a campaign to assess rising costs in the region. Their work resulted in the Boston City Council unanimously approving a revised version of its 1997 living wage ordinance. The revisions required companies with city service contracts over \$100,000, to pay living wages of \$8.23 an hour, indexed annually to the poverty level for a family of four or 110% of the state minimum wage.

The Boston City Council also created a Living Wage Advisory Committee, which has since negotiated to lower the living wage eligibility threshold for companies to \$25,000 and to make the ordinance applicable to companies that have 25 or more employees, rather than the original 100.

Across the river, another campaign in Cambridge resulted in a 1999 living wage ordinance that requires all city workers of companies holding contracts worth \$10,000 or more to be paid at least \$10 an hour. That same year, the Board of Aldermen of Somerville (a city immediately north of Cambridge) passed a living wage provision setting a floor of \$8.23 an hour.

The successful campaign in Boston sparked Harvard students to form the Progressive Student Labor Movement (PSLM) in 1998. At the time, the Cambridge living wage ordinance was pending approval by the City Council, and the students wanted the provision to extend to Harvard University , the city's largest employer.

Harvard's Living Wage Campaign

Harvard University , as the most endowed university in the world, is the world's second richest nonprofit institution, second only to the Vatican . In 1998, some 2,000 full-time, casual, and subcontracted employees were earning less than \$10 an hour. With an endowment of \$13 billion and an annual budget of \$1.52 billion, Harvard students believed the university could dedicate the 0.4% of its annual budget to provide those workers a living wage.

From the beginning, the coalition organized public events in partnership with SEIU 254, the union representing Harvard's janitors. They received support from academics, politicians, and other student movements around the nation. Harvard administration was receiving pressure from many outside groups

and the Cambridge City Council passed two resolutions urging Harvard to implement a living wage. Administrators refused to budge.

The coalition kept its demands as simple as possible while focusing on action that drew attention to the campaign. It staged a "Workers First" concert and rally that drew more than 1,000 people and featured historian Howard Zinn and actors/screen-writers Matt Damon and Ben Affleck.

In February of 2001, the Living Wage Campaign delivered "love your workers" valentines to Harvard President Neil Rudenstien. The campaign also engaged in a series of public actions that escalated living wage awareness to action. The strategies included:

- Presenting President Rudenstien the "Worst Employer of Boston Award"
- Sending a delegation of twelve campaign members to address 300 parents at Junior Parents Weekends about the need for a living wage at Harvard.
- Hiring a plane to fly over a graduation ceremony with a banner reading, "Harvard Needs a Living Wage."
- Encouraging alumni to withhold donations to Harvard until living wages are ensured; and finally
- Staging a 21-day sit in of nearly 50 students, workers, unions, faculty, alumni, parents, community groups and political figures.

The sit-in ended when Harvard University announced steps to address living wages and benefits. A committee was established to:

- Examine the university's wage system,
- Establish a wage floor;
- Develop guidelines for subcontracting;
- Establish package of benefits;
- Explore retroactive wage increases for custodians; and
- Freeze new subcontract hires for all security, dining service and janitorial jobs

Administration and Enforcement

Harvard's Payroll Department will enforce that workers receive a living wage. Fines will double the difference in wages for the period during which an employee is inadequately compensated. If a contractor commits the violation three times, all contracts between the University and the contractor will be terminated.

Challenges

The toughest challenges that the Living Wage Coalition faced was, first, lack of response from Harvard administrators, and later, the setting terms for the agreement. From the beginning, the coalition refused to negotiate wages with the administration because they did not feel qualified to bargain for employees.

Future Plans

A next step in the Harvard campaign is to ensure the implementation of living wages for Harvard workers, and further developing student representatives on the committee to have strong relationships with workers.

The committee currently is gathering data, talking to members of the Harvard community and preparing for a series of intensive meetings.

Resources

The growing number of living wage campaigns has led to an increase in quantitative research and impact analyses.

[Living Wage Ordinances Around the Nation](#)

[Sample Living Wage Resolution](#)

[Technical Assistance](#)

[Publications and Reports](#)

[Sample Living Wage Ordinances](#)

Living Wage Ordinances Around the Nation-September 2001

Place	Passed	Coverage	Main provisions (All dollar amounts are per hour and have since been indexed to inflation).
Alexandria, VA	June 2000	City contracts over \$30,000	\$8.20 with benefits, or \$9.83 without
Ann Arbor, MI	March 2001	Service contracts or financial assistance over \$10,000	\$8.70 with benefits, or \$10.20 without
Baltimore, MD	December 1994	Service contracts over \$5,000	\$6.10 in fiscal year 1996, \$6.60 in fiscal year 1997, \$7.10 in fiscal year 1998, and \$7.70 in fiscal year 1999, subject to Board of Estimates approval
Berkeley, CA	October 2000	City employees, businesses with city contracts, financial assistance recipients, and businesses that lease land from the city	\$9.75 with benefits, or \$11.37 without
Boston, MA	1997, amended September 1998	Service contracts of at least \$100,000 or subcontracts of at least \$25,000	\$8.23, indexed annually on July 1 to whichever is higher of the adjusted poverty guidelines or 110% of the state minimum wage
Buffalo, NY	August 1999	Service contracts and subcontracts over \$50,000 and firms with at least 10 employees	\$6.22 in 2000, \$7.15 in 2001, and \$8.08 in 2002, with health benefits; or \$7.22, \$8.15, and \$9.08 without benefits
Cambridge, MA	May 1999	City employees, service contracts, subcontracts, and	\$10 indexed annually with the Consumer Price Index (CPI)

		subsidies of more than \$10,000.	
Chicago, IL	July 1998	Contracts or subcontractors covering home and health care workers, security guards, parking attendants, day laborers, cashiers, elevator operators, custodial workers, and clerical workers	At least \$7.60
Cleveland, OH	June 2000	Contracts or subsidies totaling over \$75,000	\$8.20 starting January 2001, updated to \$9.20 by October 2002. Minimum of 40% of new hires must be residents of Cleveland
Cook County, IL	September 1998	Service contracts and subcontracts	\$7.60
Corvallis, OR	November 1999	Service contracts over \$5,000	Wage and benefit package must equal at least \$9.00 per hour, adjusted annually with CPI
Dane County, WI	March 1999	County employees and service contracts	110 percent of poverty level for a family of three
Dayton, OH	1998	City employees	\$7.00 with health benefits, or \$8.50 without
Denver, CO	February 2000	Service contracts or subcontracts over \$2,000, for covered categories: parking lot attendants, security guards, clerical support workers, and child care workers on city owned or leased property	Poverty level for a family of four
Des Moines, IA	1988, amended 1996	Subsidy recipients	\$7.00 minimum, with a goal of \$9.00
Detroit, MI	November 1998	Service contracts, subcontracts, and subsidies over \$50,000 per year	Indexed to poverty rate for a family of 4 with health benefits, or 125% of poverty level without benefits
Duluth, MN	July 1997	Subsidies over \$25,000	90% of employees must be paid \$6.50 with health benefits, or \$7.25 without, indexed to inflation
Durham, NC	January	City employees and service	\$7.55

	1998	contracts	
East Point, MI	March 2001	Companies with service contracts or tax incentives of at least \$5,000	100% of the poverty level for a family of four if health benefits are provided, or 125% if they are not.
Eau Claire County, WI	September 2000	County contracts over \$100,000	\$6.67 with health benefits, or \$7.40 without
Ferndale, MI	February 2001	Service contracts over \$25,000	\$8.50 with health benefits, or \$9.75 without
Gary, IN	1991	Tax abatement recipients	Prevailing wage
Hartford, CT	September 1999	Service contracts over \$50,000 and subsidies over \$100,000	\$8.81
Hayward, CA	1999	City employees and service contracts over \$25,000	\$8 with health benefits, or \$9.25 without, adjusted yearly with regional cost of living
Hudson County, NJ	January 1999	Service contracts	150% of the federal minimum wage
James City County, VA	2001	County workers	\$8.25
Jersey City, NJ	June 1996	Selected service contracts	\$7.50
Kankakee County, IL	September 1999	Firms getting local Enterprise Zone tax breaks	\$11.42 or 130% of the federal poverty level
Los Angeles City, CA	March 1997	Service contracts and subcontracts over \$25,000, concessionaires, and subsidies over \$100,000 per year	\$7.25 with health benefits, or \$8.50 without
Los Angeles County, CA	June 1999	County employees and service contracts	\$8.32 with health benefits, or \$9.46 without
Madison, WI	March 1999	Subsidies over \$100,000, and service contracts over \$5,000	100% of poverty level for a family of in 1999, 105% in 2000, and 110% in 2001
Maryland State	1996	Contract for cleaning state-owned World Trade Center	\$6.60 in 1996, \$7.10 in 1997, or \$7.70 in 1998
Miami Beach, FL	April 2001	City and some service contractors with contracts over	\$8.56 with health benefits, or \$9.81 without

		\$100,000	
Miami-Dade County, FL	1999	County employees, contractors, subcontractors, and airport employees	\$8.56 with health benefits, or \$9.81 without
Milwaukee City, WI	November 1995	Service contracts and subcontracts over \$5,000	Poverty level for family of three
Milwaukee County, WI	May 1997	Select service contracts	\$6.26, indexed to prevailing wage
Milwaukee School Board, WI	January 1996	Public School System employees, and service contracts	\$7.70
Minneapolis, MN	March 1997	Subsidies over \$100,000 per year	100% of poverty level for a family of four with health benefits, or 110% without
Missoula, MT	March 2001	Economic development assistance	\$7.95, and health benefits
Montgomery County, Maryland	June, 2002	For-profit contractors with at least 10 employees and \$50,000 in county contracts	\$10.50 (contractors who offer health insurance will receive credits against this wage level)
Multnomah County, OR	October 1998	Janitorial, security and foodservice contracts	\$7.50 in 1998, \$8.00 in 1999.
New Haven, CT	April 1997	Service contracts	Poverty level for a family of four, revised every five years
New York, NY	September 1996	Security, temporary office, cleaning and food service contracts	Prevailing wage
Oakland, CA (city)	March 1998	Service contracts over \$25,000, and subsidies over \$100,000	\$8.00 with benefits, or \$9.25 without (indexed annually)
Omaha, NE	April 2000	Service contracts over \$75,000; firms with receiving more than \$75,000 in financial assistance. Exempts non-profits and firms with fewer than 10 employees	\$8.19 with benefits, or \$9.01 without, adjusted annually with federal poverty guidelines
Oyster Bay, NY	August 2001	Service contractors and subcontractors performing at least \$50,000 worth of janitorial	\$9.00 with health benefits, or \$10.25 without

		or security services	
Pasadena, CA	September 1998	Service contracts over \$25,000	\$7.25 with health benefits, or \$8.50 without
Pittsburgh, PA	May 2001	Covers city employers, contractors, recipients of subsidies, businesses and contractors receiving tax breaks	\$9.12 with health benefits, or \$10.62 without
Portland, OR	1996, amended 1998	Janitorial, security, parking and temporary clerical service contracts	\$7.50 in 1998, and \$8 in 1999.
Rochester, NY	January 2001	Service contracts over \$50,000	\$8.52 with benefits, or \$9.52 without
San Antonio, TX	July 1998	Tax abatement recipients	\$9.27 to 70% of service employees in new jobs, and \$10.13 to 70% of durable goods employees
San Fernando, CA	April 2000	Service contractors (including employees of temporary agencies), city employees	\$7.25 with benefits, or \$8.50 without
San Francisco, CA	August 2000	City service contractors, and leaseholders at San Francisco International Airport, In Home Support Service Public Authority (homecare workers)	\$10 an hour followed by 2.5 percent raises for three more years. Days off
San Jose, CA	November 1997	Service contracts over \$20,000, and some city employees	\$9.50 with benefits, or \$10.75 without
Santa Clara County, CA	1995	Subsidy recipients	\$10 with health benefits
Santa Cruz, CA	October 2000	City employees and employees of non-profit and for-profit city service contractors	\$11.00 with benefits, or \$12.00 without
Santa Monica, CA	May 2001	Businesses and tenants with more than 50 employees and grossing \$5 million or more in Santa Monica's Coastal Zone (beachfront and downtown area)	\$10.50 an hour with benefits, or \$12.25 without

Somerville, MA	May 1999	City employees, service contracts and subcontracts	\$8.35
St. Louis, MO	August 2000	City service contracts over \$50,000; business subsidies over \$100,000	\$8.84 benefits, or \$10.23 without
St. Paul, MN	January 1997	Subsidies over \$100,000 per year	100% of poverty level for family of four plus benefits, or 110% benefits
Suffolk County, NY	July 2001	County service contracts over \$10,000 and subsidies. Includes home healthcare workers, Head Start workers, and daycare workers	\$9.00 with benefits, or \$10.25 without
Toledo, OH	June 2000	Service contracts over \$10,000 (for firms with more the 25 employees) and subsidies more than \$100,000 (for firms with more than 50 employees). Covers tenants in developments receiving subsidies	\$8.58 with health benefits (indexed at 110% of the federal poverty level for a family of four), or \$10.14 without health coverage (130% of the poverty level)
Tucson, AZ	September 1999	Service contracts	\$8.00 with health benefits, or \$9.00 without
Ventura County, CA	May 2001	County contractors and subcontractors	\$8.00 an hour with health benefits, or \$10.00 without
Warren, MI	January 2000	Service contractors, firms receiving financial assistance over \$50,000	Poverty level for family of four with benefits, or 125% of poverty level without benefits
West Hollywood, CA	October 1997	Service contracts over \$25,000	\$7.25 with health benefits, or \$8.50 without
Ypsilanti City, MI	June 1999	Service contracts or financial assistance over \$20,000 in a year	\$8.50 with health benefits, or \$10 without
Ypsilanti Township, MI	June 1999	Contracts over \$10,000	\$8.50 with benefits, or \$10 without

Source: Sources for this table include Economic Policy Institute and ACORN.

Sample Living Wage Resolution

Organizations are encouraged to pass endorsements of the campaign using this resolution . From South Central Federation of Labor in Madison, Wisconsin. (www.solidarity.com)

Whereas, a day's work deserves a fair day's pay -- no one working full-time to support a family should have to live in poverty; and

Whereas, government and taxpayer dollars should encourage the creation of family-supporting jobs that provide health care benefits; and

Whereas, the costs of food, housing, child care and transportation make it increasingly difficult for low-wage workers to make ends meet; and

Whereas, more workers are finding their wages falling below the poverty level even with Dane County's record low unemployment rate; and

Whereas, *Living Wage* campaigns are winning legislation around the country to lift above the poverty level the pay for employees of firms receiving local tax dollars; and

Whereas, *a Living Wage* will assure social and economic benefits for the community as a whole and a supportive environment for employers who try to maintain fair wages; and

Whereas, *a Living Wage* will decrease the need for public assistance programs by increasing family-supporting jobs; and

Whereas, *a Living Wage* will increase sales tax revenues by increasing consumer spending and will help stabilize the local economy; and

Whereas, *a Living Wage* will discourage government privatization and contracting out that feeds the growth of part-time, poverty wage work; and

Whereas, *a Living Wage* will prevent "low-ball" contracting that results in low-quality service; and

Whereas, *a Living Wage* will result in lower turnover rates that will reduce the costs of recruitment, hiring and training and increase the quality and continuity of job performance; and

Whereas, *a Living Wage* will provide public vendors and businesses receiving economic development assistance with conscientious workers seeking jobs at adequate wages; and

Whereas, *a Living Wage* will increase incentives among low-wage workers to work and gain the experience and skills demanded in the job market;

Therefore, be it resolved that _____ supports the goal of raising base pay for employees of firms which contract for services with or receive economic assistance from local government to 110% of the federal poverty level for a family of four and to provide health care benefits.

Technical Assistance

1. ACORN (the Association of Community Organizations for Reform Now)

Comprehensive information and technical assistance on living wage provisions. Their site provides an on-line guide to adopting living-wage provisions, as well as background information, links and resources. ACORN also offers ongoing consultation.

739 8th St., SE
Washington, D.C. 20003
202-547-2500

www.acorn.org

ACORN's Living Wage Resource Center can be found at

<http://www.livingwagecampaign.org/>

2. Economic Policy Institute (EPI)

EPI publishes reports of living wage and minimum wage impacts.

1660 L Street NW, Suite 1200
Washington, DC 20036
202-775-8810
202-775-0819 fax

www.epinet.org

3. Los Angeles Alliance for a New Economy (LAANE)

548 S. Spring St. #630
Los Angeles, CA 90013
213-486-9880
www.laane.org

4. Center for Community Change (CCC)

1000 Wisconsin Ave., NW
Washington, DC 20007
202-342-0567

www.communitychange.org

5. United for a Fair Economy

Offers a guide to campus living wage
37 Temple Place, 2nd Floor
Boston, MA 02111.
617-423-2148

www.ufenet.org

6. Working Partnerships USA

2102 Almaden Road, Suite 107
San Jose, California 95125
408-269-7872

www.wpusa.org

7. Center for the Child Care Workforce (CCW)

733 15th Street, NW Suite 1037
Washington, DC 20005-2112

800-U-R-Worthy
202-737-7700
ccw@ccw.org

8. Welfare Information Network (WIN)

Provides links to living wage publications,
resources, contacts, and case studies.

1401 New York Avenue, NW - Suite 800

Washington, DC 20005

202-587-1000

<http://www.welfareinfo.org/livingwageprogramsresource.htm>

Publications and Reports

ACORN. [Living Wage Campaigns: An Activist's Guide to Building the Movement for Economic Justice](#) A Comprehensive guide to organizing a living wage campaign. April 2001.

AFL-CIO Department of Public Policy. [Living Wage Laws: Answers to Frequently Asked Questions](#). October 2000.

Jared Bernstein. [The Living Wage Movement: Pointing the Way Toward the High Road](#). Originally appeared in Community Action Digest, Spring 1999, Vol. 1, Issue 1.

Jared Bernstein. [Higher Wages Lead to More Efficient Service Provision -- The Impact of Living Wage Ordinances on the Public Contracting Process](#). EPI report. August 2000.

Robert Pollin and Stephanie Luce. [The Living Wage: Building a Fair Economy](#). The New Press, 1998.

Nicholas Reville and Marti Garza. [Campus Living Wage Manual](#), by United for a Fair Economy. 1999. A practical guide to conducting a successful living wage campaign on college campuses.

Karen Kraut, Scott Klinger and Chuck Collins. [Choosing the High Road: Businesses That Pay a Living Wage and Prosper](#). Report by Responsible Wealth, a project of United for a Fair Economy. March 2000.

Bobbi Murray. Living Wage Comes of Age: An Increasingly Sophisticated Movement Has Put Opponents on the Defensive. [The Nation](#), June 23, 2001.

Carol Zabin and Isaac Martin. [Living Wage Campaigns in the Economic Policy Arena: Four Case Studies from California](#). Center for Labor Research and Education, Institute of Industrial Relations, UC Berkeley, June 1999.

Working Hard, Earning Less. National Priorities Project and Jobs with Justice. State by state account of how far behind minimum jobs are.

[New Rules](#). Web site with original living wage reports and resources.

Greg LeRoy, Fiona Hsu, and Sara Hinkley. [The Policy Shift To Good Jobs: Cities, States and Counties Attaching Job Quality Standards to Development Subsidies](#). Good Jobs First May 2000.

William Quigley. Full-Time Workers Should Not Be Poor: The Living Wage Movement. 2001.

[Minimum Wage Laws in the States](#). United States Department of Labor. Provides basic information on minimum wage laws in all fifty states.

Living Wages Around the Nation:

Chris Benner and Rachel Rosner. [Living Wage: An Opportunity for San Jose](#). Working Partnerships-USA. Projection of costs and benefits of San Jose's living wage ordinance. 1998.

Harvard's Living Wage web site. <http://www.hcs.harvard.edu/~pslm/livingwage/index.html>. Site includes links, pictures, and information.

City of Santa Monica Living Wage Study

Projection of costs and benefits of a proposed ordinance (University of Massachusetts)

[Vermont Livable Wage Campaign Page](#). Includes information on state and federal initiatives.

[The Impact of the Detroit Living Wage Ordinance](#). Joint research project conducted by Wayne State University's Urban Studies Center and Labor Studies Center. 1999.

Christopher Niedt, Greg Ruiters, Dana Wise, and Erica Shoenberger. The Effects of the [Living Wage in Baltimore](#). EPI Working Paper 119, February 1999.

[Intended vs. Unintended Consequences: Evaluating the New Orleans Living Wage Proposal](#), by the Political Economy Research Institute. January 2001.

[Living Wages and the San Francisco Economy](#), by Dr. Michael Reich. University of California, Berkeley. 1999.

[Living Wages at the Port of Oakland](#), by Carol Zabin, Michael Reich, and Peter Hall. University of California 1999.

Sample Living Wage Ordinances

There are many on-line examples of living wage ordinances that have passed.

The Los Angeles ordinance has been amended to include specific language and broader coverage. To view the Los Angeles city ordinance, click [here \(pdf format\)](#).

The ordinance of Corvallis, OR is a good example of an ordinance passed by voters, rather than legislative. To view the Corvallis ordinance, click [here](#).

Santa Cruz, California, passed the living wage that offers the highest wages.