

EPI ISSUE GUIDE

Living Wage

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The mission of the Economic Policy Institute is to provide high-quality research and education in order to promote a prosperous, fair, and sustainable economy. The Institute stresses real world analysis and a concern for the living standards of working people, and it makes its findings accessible to the general public, the media, and policy makers.

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EPI ISSUE GUIDE

Living Wage

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Key EPI Publications:

[*The Forgotten Workforce: More Than One in 10 Federal Contract Workers Earn Less Than a Living Wage*](#) by Chauna Brocht. November 2000

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

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

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

[*Montgomery County Stands to Benefit From a Living Wage*](#)
by Jared Bernstein and Chauna Brocht.
(Originally appeared in Maryland's *Montgomery Gazette*, July 23, 1999)

[Complete listing of EPI publications on the living wage](#)

Other Living Wage Resources:

[ACORN's Living Wage web page](#)

Includes information on existing ordinances and current campaigns.

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

Political Economy Research Institute, Labor Markets and Living Wages page:
<http://www.umass.edu/peri/lw.html>.

[Choosing the High Road: Businesses That Pay a Living Wage and Prosper](#)

by Karen Kraut, Scott Klinger and Chuck Collins. From Responsible Wealth, a project of United for a Fair Economy.

[Impact of Detroit's Living Wage Law on Non-Profit Organizations](#)

From Wayne State University's Labor Studies Center (2000).

[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).

["Martha Jernecons' New Shoes"](#)

From *The American Prospect*, June 19-July 3, 2000.

[The Living Wage: Building a Fair Economy](#)

by Robert Pollin and Stephanie Luce. 1998. The New Press.

[Intended vs. Unintended Consequences: Evaluating the New Orleans Living Wage](#)

[Proposal](#) 

by the Political Economy Research Institute.

[Economic Development in Minnesota: High Subsidies, Low Wages, Absent Standards](#)

From Good Jobs First, a project of the Institute on Taxation and Economic Policy.

[The Policy Shift To Good Jobs: Cities, States, and Counties Attaching Job Quality Standards to Development Subsidies](#)

From Good Jobs First, a project of the Institute on Taxation and Economic Policy.

[Impact of a Living Wage Ordinance on Miami-Dade County](#)

Projection of costs and benefits of a proposed ordinance (Florida International University).

[Living Wages and the San Francisco Economy](#)

Two reports projecting the costs and benefits of a proposed ordinance (University of California 1999).

[Living Wages at the Port of Oakland](#)

Projection of costs and benefits of a proposed ordinance (University of California 1999).

[Campus Living Wage Manual](#)

From United for a Fair Economy.

["Living Wage, Live Action"](#)

By Robert Pollin from *The Nation*, November 23, 1998.

"The Living Wage Wars"

From *Governing*, December 1998.

"The Living Wage Ordinance: A First Step in Reducing Poverty"

From *Clearinghouse Review*, September-October 1998.

"Living Wage Campaigns, Parts I and II"

From *Against the Current*, September/October and November/December 1998.

[City of Santa Monica Living Wage Study](#)

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

[AFSCME's Living Wage Campaigns Page](#)

[Vermont Livable Wage Campaign Page](#)

[Living Wage: An Opportunity for San Jose](#)

Projection of costs and benefits of a proposed ordinance (Working Partnerships USA)

[A Living Wage for Santa Cruz and Watsonville](#)

Projection of costs and benefits of a proposed ordinance (Working Partnerships USA)

[Living Wage Campaigns in the Economic Policy Arena: Four Case Studies from California](#)

(University of California)

For more information or questions about the living wage, contact Jeff Chapman at jchapman@epinet.org.

LIVING WAGE

Facts at a Glance

Living wage ordinances have been enacted in over 70 localities.

- A living wage ordinance requires employers to pay wages that are above federal or state minimum wage levels. Only a specific set of workers are covered by living wage ordinances, usually those employed by businesses that have a contract with a city or county government or those who receive economic development subsidies from the locality. The rationale behind the ordinances is that city and county governments should not contract with or subsidize employers who pay poverty-level wages.
- The living wage level is usually the wage a full-time worker would need to earn to support a family above federal poverty line, ranging from 100% to 130% of the poverty measurement. The wage rates specified by living wage ordinances range from a low of \$6.25 in Milwaukee to a high of \$12 in Santa Cruz.
- In addition to setting wage levels, many ordinances also have provisions regarding benefits (such as health insurance and paid vacation), labor relations, and hiring practices.

Living wage ordinances provide much needed raises for low-income workers.

- Wages for the bottom 10% of wage earners fell by 3.9% between 1979 and 1999.
- The number of jobs where wages were below what a worker would need to support a family of four above the poverty line also grew between 1979 and 1999. In 1999, 26.8% of the workforce earned poverty-level wages, an increase from 23.7% in 1979.

Living wage ordinances can ensure that pay for contractual workers does not fall behind the pay of city workers.

- The trend toward privatization of services formerly provided by public sector workers is well documented.
- These privatization efforts have often resulted in decreases in wages for the private sector workers in the same job categories. A study by the Chicago Institute on Urban Poverty, which compared the wages and benefits of Chicago city employees to contractual employees for low-skill jobs, found that privatization led to compensation losses for entry level workers ranging from 25% to 46%.

- Since government agencies disproportionately hire (and advance) female and minority workers, these changes have meant the loss of relatively high-quality jobs for these workers.

Living wage ordinances promote responsible economic development policies.

- Living wage ordinances have the potential to counteract the destructive race to the bottom wherein cities and counties try to attract businesses by offering larger subsidies than their neighbors. The more prevalent living wage ordinances are, the less firms will be able to shop around for the cheapest locality on the basis of cutting wages.
- Recent research focusing on the number and quality (in terms of wages and benefits) of jobs created by tax incentives has found that many economic development subsidies are not tied to job quality. A study of tax incentives in Minnesota by Good Jobs First found that 72% of subsidized jobs paid below the average for their corresponding industry.
- Some detractors argue that the living wage will create a "hostile business climate." But most living wage ordinances cover too small a proportion of the labor force to have such a profound effect. Most living wage ordinances cover less than 1% of the local workforce. In addition, for most firms, the increase in labor costs is expected to be less than 2% of total production costs.

Living wage ordinances have no negative effects on a locality's contracting process.

- An EPI evaluation of a living wage ordinance in Baltimore found no significant cost increase to the city. The 1.2% cost increase for the contracts examined was less than the rate of inflation for the same period.
- An evaluation of the Baltimore ordinance by the Preamble Center also found that the ordinance did not reduce the competitiveness of the contract process. The small decrease in the number of bids per contract wasn't high enough to lower competitiveness or raise contract costs.
- Even if the costs to contractors do increase, it is still profitable for these firms to do business with the city. Most firms will choose to sacrifice some of their profit margins, which are estimated to range from 10% to 20% of production, since wage increases from the ordinance only amount to an estimated 2% of production costs.

There is no evidence of job losses as a result of living wage ordinances.

- The EPI evaluation of Baltimore's living wage ordinance found no job loss as a result of the ordinance. The workers interviewed for the study reported no changes in the number of hours they worked after the ordinance went into effect.

- Employers interviewed for the study reported that although wages increased, these costs were absorbed by improvements in efficiency. By raising wages, they decreased employee turnover rates, which decreased recruitment and training costs.

Sources:

Chicago Institute on Urban Poverty. 1997. *Does Privatization Pay?* Chicago: Chicago Institute on Urban Poverty.

LeRoy, Greg, and Tyson Slocum. 1999. *Economic Development in Minnesota: High Subsidies, Low Wages, Absent Standards*. Washington, D.C.: Good Jobs First.

Mishel, Lawrence, Jared Bernstein, and John Schmitt. 1999. *[The State of Working America 1998-99](#)*. Ithaca: Cornell University Press.

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Pollin, Robert, and Stephanie Luce. 1998. *The Living Wage: Building a Fair Economy*. New York: The New Press.

Weisbrot, Mark, and Michelle Sforza-Roderick. 1998. *Baltimore's Living Wage Law*. Washington, D.C.: Preamble Center,

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LIVING WAGE

Frequently Asked Questions

What is a living wage ordinance?

A living wage ordinance requires employers to pay wages that are above federal or state minimum wage levels. Only a specific set of workers are covered by living wage ordinances, usually workers employed by businesses that have a contract with a city or county government or those who receive economic development subsidies from the locality. The rationale behind the ordinance is that city and county governments should not contract with or subsidize employers who pay poverty-level wages.

How are living wage levels determined?

The level of the living wage is usually determined by consulting the federal poverty guidelines for a specific family size. Often, living wage levels are equal to what a full-year, full-time worker would need to earn to support a family of four at the poverty line (\$17,690 a year, or \$8.20 an hour, in 2000). Some living wage rates are set equal to 130% of the poverty line, which is the maximum income a family can have and still be eligible for food stamps. The rationale behind some living wage proposals is that these jobs should pay enough so that these families do not need government assistance. (The poverty guidelines are available from the [U.S. Department of Health and Human Services](#). Note that poverty guidelines are different from the poverty thresholds; one main difference is that the poverty guidelines are more current.)

Cities and counties with a higher cost of living tend to have higher living wage levels. The wage rates specified by living wage ordinances range from a low of \$6.25 in Milwaukee to a high of \$10.75 in San Jose. Furthermore, some advocates have attempted to calculate a living wage based on an income that would provide for a family's *basic needs* (see EPI's [How Much is Enough?](#) for a discussion of "basic family budget" measures). The living wage levels based on these self-sufficiency income measures are generally much higher than the poverty guidelines.

How is the minimum wage different from a living wage?

The federal minimum wage is the minimum amount that a worker can be paid an hour (currently \$5.15) and applies to almost all workers. States may also set a minimum wage that is higher than the federal minimum. Living wages commonly refer to wages set by local ordinances that cover a specific set of workers, usually government workers or workers hired by businesses that have received a government contract or subsidy. A "living wage" is a also term often used by advocates to point out that the federal minimum wage is not high enough to support a family.

What is the difference between a living wage and a "prevailing wage"?

Prevailing wage laws require firms working under a government contract to pay the "prevailing" wage for each job, that is, the wage where half of all workers in the community in the particular job earn more and half earn less. The prevailing wage is different for each occupation and each city or county.

Prevailing wage laws ensure that low-wage firms cannot unfairly underbid higher-wage firms when competing for federal or state government contracts. The prevailing wage is generally higher than the minimum wage, but can be lower than a living wage. Thus, prevailing wage laws do not prevent workers from being paid a poverty-level wage.

Why do we need living wage ordinances?

The main reason for enacting a living wage ordinance is to reverse the downward trend in wages for low-wage earners. Wages for the lowest-paid 10% of workers fell 9.3% between 1979 and 1999. The number of jobs in which wages were below what a worker would need to support a family of four above the poverty line also grew between 1979 and 1999. In 1999, 26.8% of the workforce earned poverty-level wages, an increase from 23.7% in 1979.

Living wage ordinances are necessary to prevent city and county governments from encouraging the creation of jobs that pay wages so low that workers live in poverty. Without living wage laws, governments could contribute to the creation of poverty-level jobs by hiring low-paying sub-contractors or giving businesses tax breaks or subsidies to create jobs without any guarantee that the new jobs will pay a decent wage.

Who pays the cost of the living wage increase?

The evidence from living wage evaluations indicates that the costs of living wage ordinances are primarily absorbed by businesses through reduced training and recruitment costs or reduced profits. The evaluations found no evidence of job loss, and the contract costs increased by an insignificant amount.

However, in addition to the cost of wage increases for workers, there are also administrative costs associated with living wage ordinances. One evaluation of the Baltimore living wage ordinance found that that administrative costs amounted to \$0.17 per taxpayer per year.

Even if some costs from a living wage ordinance are passed on to the taxpayers, it is a value judgement on the part of the community as to whether reducing poverty through a living wage ordinance is worth the added expense. While the living wage might increase the amount of money the locality spends on contracts, local governments might also experience savings as families become less reliant on income supports and social services.

Do living wage ordinances cause job loss?

EPI's evaluation of Baltimore's living wage ordinance found no job loss as a result of the ordinance (Niedt et al. 1999). The majority of workers interviewed for the study reported no changes in the number of hours they worked after the ordinance went into effect.

Employers interviewed for another study reported that although wages increased, these costs were absorbed by improvements in efficiency; raising wages decreased employee turnover, which decreased recruitment and training costs.

The evidence from minimum wage increases also suggests that there should be little or

no job loss as a result of living wage ordinances. A recent EPI study failed to find any systematic, significant job loss associated with the 1996-97 minimum wage increase (Bernstein and Schmitt 1998).

Do living wage ordinances have a negative impact on the business climate?

Some living wage detractors argue that the living wage will create a "hostile business climate." But most living wage ordinances cover too small a portion of the labor force to have such a profound effect; most living wage ordinances cover less than 1% of the local workforce. Wages are only one factor in a business' decision to move to a location, and there is no evidence that an existing living wage ordinance has discouraged firms from locating in a city.

In addition, the costs of the living wage ordinance will have a very small impact on the profits of the small number of firms affected by the law. The profit margins for firms effected by the living wage are estimated to range from 10-20% of production costs. In comparison, the wage increases from living wage ordinances are estimated to be 2% of production costs.

What effect do living wage ordinances have on the contracting process?

There is no evidence that living wage ordinances have significantly increased contracting costs for cities and counties. An EPI evaluation of a living wage ordinance in Baltimore found no significant cost increase for contracts in the city (Niedt et. al. 1999). The 1.2% cost increase for the contracts examined was less than the rate of inflation for the same period.

An evaluation of the Baltimore ordinance by the Preamble Center (Weisbrot and Sforza-Roderick 1998) also found that the ordinance did not reduce the competitiveness of the contract process. The small decrease in the number of bids per contract wasn't high enough to lower competitiveness or raise contract costs.

The evidence suggests that most firms absorb the wage increases through reduced training and recruitment costs. Even if the costs to contractors do increase, it is still profitable for these firms to do business with the city. Most firms will choose to sacrifice some of their profit margins, which are estimated to range from 10% to 20% of production, since wage increases from the ordinance only amount to an estimated 2% of production costs.

What effect do living wage ordinances have on economic development?

Living wage ordinances have the potential to counteract the destructive race to the bottom wherein cities and counties try to attract businesses by offering larger subsidies than their neighbors. The more prevalent living wage ordinances are, the less firms will be able to shop around for the cheapest locality on the basis of cutting wages.

Recent research focusing on the number and quality (in terms of wages and benefits) of jobs created by tax incentives has found that many economic development subsidies are not tied to job quality. A study of tax incentives in Minnesota by the Good Jobs First project found that 72% of subsidized jobs paid below the average for their corresponding industry. Living wage ordinances are one tool to ensure that economic

development policies create good paying jobs.

Are there problems with enforcing living wage ordinances?

In many cities, the local government is slow to develop procedures for monitoring contractors' compliance with living wage ordinances. Ordinances can be enforced more effectively if there are some guidelines for enforcement written into the ordinance. Living wage ordinances are also more effectively implemented if the community groups that campaigned for the ordinance communicate with local governments about their plans for enforcement after the law is passed.

Will living wage ordinances reduce poverty?

Some critics argue that living wage ordinances will not reduce poverty because most living wage workers do not live in poor households. Evidence from EPI's evaluation of the Baltimore living wage ordinance shows that this claim is not true. Interviews with a small sample of workers covered by the living wage reveal that the average household income for covered workers was \$13,632. The interviews also show how important a living wage worker's wages are to their family's well-being: an overwhelming majority of the workers interviewed were the primary wage earner in their household, bringing home an average of 68% of their family's income.

Another frequent claim is that most living wage workers are teenagers. However, studies of the minimum wage show that 70% of minimum wage workers are adults. The proportion of adults is probably higher among living wage workers, since living wage ordinances cover jobs typically held by adults, like janitors and bus aids.

Local governments often have many effective initiatives to address working poverty, while at the same time they create poverty-wage jobs through their contracting policies. Living wage ordinances are designed to make sure governments are not creating poverty through their employment practices. However, it is also important to keep in mind that while the living wage is a tool in the effort to end poverty, it is only one part of a larger anti-poverty strategy.

How do living wage ordinances affect non-profits?

Some people have raised concerns that living wage ordinances will cause job loss for non-profits and therefore reduce the level of services non-profits are able to provide. The reason for this concern is that unlike private firms, non-profits are unable to absorb the cost of a living wage ordinance through a reduction in their profits. However, like private businesses, non-profits can absorb some of the costs from a living wage ordinance through a reduction in recruitment and training costs. And in many cases, non-profits can request a larger budget from the city or county in order to cover the costs associated with the wage increases.

As a result of these concerns, many living wage ordinances exempt non-profit organizations. Other ordinances include non-profits, arguing that city and county governments should increase funds to non-profits to cover the wage increases.

During living wage campaigns, non-profit managers have expressed widely differing views on the effect the living wage will have on their organizations. One study--an

evaluation of the Detroit living wage ordinance--looked systematically at the effects of living wage ordinance on non-profits (Reynolds, 2000). Of the 64 non-profit organizations effected by the ordinance, there were lay-offs in one organization, where two part-time workers were laid off. Of the organizations who stated that the ordinance had a "significant" impact on their organization, nearly all would prefer to receive additional funds from the city to cover the cost of the wage increase rather than be exempt from the law.

Will employers replace less-skilled workers with higher-skilled workers if they are forced to raise wages?

Research on the minimum wage suggests that living wage ordinances will not cause job loss among less-skilled workers. A recent EPI study of the effects of the 1996-97 minimum wage increase, for example, found no evidence of job loss among teenagers and adult workers with less than a high-school education (two groups of workers that typically have lower skill levels) (Bernstein and Schmitt 1998).

In the absence of living and minimum wage laws, firms can choose either the "low road" (low pay, low training, low motivation, high turnover, and high vacancies) or the "high road" (higher pay, more training, greater motivation, lower turnover, and fewer vacancies). Almost every industry includes profitable businesses that follow both paths.

High-road employers, who would rather have a stable workforce and produce a high-quality product, have to compete for contracts with low-road employers, who provide a poorer-quality product at a lower cost. Living wage ordinances encourage businesses to take the high road, leading to higher quality services for the public and a more highly trained workforce.

Opponents of living wages have provided no evidence that the transition from low-road to high-road employment will lower employment opportunities for less-skilled workers. The evidence suggests that employers typically make the transition by retaining, training, and motivating their existing workforces.

What is the government's role in setting job quality standards?

Critics of living wage ordinances assert that the government should not intervene in the marketplace. This argument ignores the many ways in which governments intervene in the market to help businesses through subsidies, tax breaks, and other assistance. Living wage laws typically only cover businesses that receive this type of assistance or have contracts with the government.

In addition, employers indirectly benefit from government programs to help the poor. They are able to pay low wages because some government programs exist to help low-income families meet their needs. This means that the burden of providing income supports and services to low-wage workers is passed on to the public, because these programs are paid for through taxes and charitable contributions.

Many critics of the living wage argue that setting wage levels should be the responsibility of businesses alone. But in the United States, the government has long had a role in setting job quality standards that protect workers.

Beginning in the 1930s, activists struggled to get federal and state governments to establish job quality standards to prevent abuses of workers. Many of these provisions are still in effect today, including minimum wage laws, overtime requirements, and prohibitions against child labor. More recently, activists advocated for laws such as occupational safety and health standards, family and medical leave, and living wage ordinances.

Sources:

Bernstein, Jared, Chauna Brocht, and Maggie Spade-Aguilar. 2000. [*How Much is Enough? Basic Family Budgets for Working Families*](#). Washington, D.C.: Economic Policy Institute.

Bernstein, Jared, and John Schmitt. 1998. [*Making Work Pay: The Impact of the 1996-97 Minimum Wage Increase*](#). Washington, D.C.: Economic Policy Institute.

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Weisbrot, Mark, and Michelle Sforza-Roderick. 1998. *Baltimore's Living Wage Law*. Washington, D.C.: Preamble Center.

For a closer look at the research on the living wage, see EPI's publication, "[The Effects of the Living Wage in Baltimore](#)."

Table: Living wage ordinances currently in place

| City and Year Enacted | Wages and Benefits | Employees Covered |
|------------------------------|---|---|
| 1 Alexandria, VA; 2000 | \$10.21 index annually to the poverty line for a family of four with cost for health insurance | City employees, contracts and subcontracts and other firms who benefit from over \$75,000 |
| 2 Ann Arbor, MI; 2001 | \$8.70 with health \$10.20 without, index annually | Subsidies or service contracts over \$10,000 |
| 3 Ashland, OR; 2001 | Wage and benefits package worth at least \$10.75 an hour, indexed annually to inflation | City, service contracts, subsidies over \$15,000 |
| 4 Baltimore, MD; 1994 | \$6.10 in 1996 to \$7.70 in 1999, \$8.20 in 2000 | Service contractors; construction contracts over \$5,000; includes subcontractors |
| 5 Berkeley, CA; 2000 | \$9.75 and 11.37 without benefits | City, contracts, financial assistance recipients, and leaseholders of city land Subsidies (grant, loan, tax incentive, bond financing) over \$100,000 for for-profits with over 25 employees and non-profits with over 100 employees; includes subcontractors and leaseholders or renters of beneficiaries; exemptions for hardship. |
| 6 Boston, MA; 1997 | \$7.49; adjusted annually by the higher of the federal poverty line for a family of four, CPI or 110% of the federal minimum wage | |
| 7 Buffalo, NY; 1999 | \$6.22 in 2000, \$7.15 in 2001, \$8.08 in 2002 (a dollar more without benefits) | Contracts and subcontracts over \$50,000 |
| 8 Cambridge, MA; 1999 | \$10.68 adjusted annually by CPI | Employees of the city, contract or subcontracts over 10,000, and firms that benefit from at least \$10,000 annually |
| 9 Chicago, IL; 1998 | \$7.60 | Service contracts with over 25 employees; includes subcontractors; exemptions for non-profits |
| 10 Cleveland, OH; 2000 | \$8.20, increased to 9.20 Oct. 2002 (indexed accordingly thereafter on annual basis) | Contracts and subsidies over 75,000 with at least 20 employees (profit) and 50 employees for non-profit with a wage ratio greater than 5:1. |

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| 11 | Cook County, IL; 1998 | \$7.60 | Service contractors |
| 12 | Corvallis, OR; 1999 | \$9.00 adjusted annually by CPI | Contracts over \$5,000 |
| 13 | Dane County, WI; 1999 | 100% of poverty line for a family of four | Service contracts and subsidies over \$5,000. |
| 14 | Denver, CO; 2000 | 100% of poverty line for a family of four | Contract or subcontract over \$2,000 |
| 15 | Des Moines, IA; 1988, updated 1996 and 1998 | \$7.00 in 1988 to \$9.00 in 1996 | Subsidies (revolving loan fund, enterprise community business capital fund); exemptions for start-up or hardship. |
| 16 | Detroit, MI; 1998 | 100% of poverty line for a family of four with health benefits; 125% of poverty line without benefits | Service contracts or subsidies (federal grant programs, revenue bond financing, planning assistance, tax increment financing, tax credits) over \$50,000; includes subcontractors and leaseholders |
| 17 | Duluth, MN; 1997 | \$6.50 with health benefits; \$7.25 without health benefits; adjusted annually by CPI | Subsidies (investment fund loans, enterprise zone credits, business loans and grants, tax increment financing land write downs, industrial part land write downs, lease abatements); includes subcontractors; exemptions for small employers and community development block grant recipients. |
| 18 | Durham, NC; 1998 | \$8.14 (federal poverty line for a family of four) | Service contracts; includes subcontractors |
| 19 | East Pointe, MI; 2001 | 100% of poverty line for a family of four with health 125% without (currently \$8.23 and \$10.00 respectively) | Contracts or tax incentives of at least \$5,000 |
| 20 | Eau Claire County, WI; 2000 | \$6.67 with health or \$7.40 without | Contracts over 100,000 |
| 21 | Ferndale, MI; 2001 | \$8.50 with health \$9.75 without, index annually | Service contracts over \$25,000 |
| 22 | Gary, IN; 1991 | Prevailing wage for similar occupations in the county and health care for employees working over 25 hr/wk | Subsidies (industrial revenue bonds, economic grants or other economic development incentives); includes subcontractors |

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|----|------------------------------|--|---|
| 23 | Gloucester County, NJ; 2001 | The greater of \$8.50 or the federal poverty level with health, addition 2.37 without | County contractors |
| 24 | Hartford, CT; 1999 | 110% of poverty level for a family of 4, with health benefits that requires employees To pay no more than 3% of annual wages (or equivalent) | Contracts over \$50,000 |
| 25 | Hayward, CA; 1999 | \$8.00 with health benefits; \$9.25 without benefits; adjusted yearly by CPI; paid and unpaid leave | Service contracts over \$25,000; includes subcontractors |
| 26 | Hudson County, NJ; 1999 | 150% of federal minimum wage | Service contractors |
| 27 | Jersey City, NJ; 1996 | \$7.50; 5 days vacation; \$2,000 annually for health benefits | Contractors |
| 28 | Kankakee County, IL; 1999 | \$11.42 or 130% of the poverty level (whichever is higher), provide 80% of health and dental for full time employees at any new development, and offer pension or profit sharing | Companies benefiting from local 'Enterprise Zone' tax breaks |
| 29 | Los Angeles, CA; 1997 | \$7.50 with benefits; \$8.50 without benefits; 12 paid days for vacation, sick or personal leave | Service contracts over \$25,000 and a term over 3 months; includes subcontractors; exemptions for first time recipients of financial assistance and employers with fewer than 5 employees |
| 30 | Los Angeles County, CA; 1999 | \$8.32 with health benefits; \$9.46 without health benefits | Contractors |
| 31 | Madison, WI; 1999 | 100% of poverty line for a family of four in 1999; 105% in 2000; 110% in 2001 | Certain contracts over \$5,000 and certain subsidies over \$100,000 |
| 32 | Miami Beach, FL; 2001 | \$8.56 with health, \$9.81 without | City, and certain city service contract over \$100,000 |
| 33 | Miami-Dade County, FL; 1999 | \$8.56 with health benefits; \$9.81 without benefits | County workers, service contractors, and airport licensees |

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|----|------------------------------------|---|---|
| 34 | Milwaukee (City), WI; 1995 | \$6.05 adjusted annually by federal poverty line for a family of three. | Service contracts; excludes contracts that involve the purchase of goods; includes subcontractors |
| 35 | Milwaukee (County), WI; 1997 | \$6.25; adjusted by union pay scales | County workers |
| 36 | Milwaukee (School Board), WI; 1996 | 7.7 | School board workers |
| 37 | Minneapolis, MN; 1997 | 110% of poverty line for a family of four without benefits; 100% of poverty line with benefits | Subsidies over \$100,000 in one year (economic development contracts; land sales at less than the fair market price, loans, bonds excluding conduit bonds, grants and city tax incentives); exemptions for community development corporations and small businesses. |
| 38 | Missoula, MT; 2001 | Match pay of lowest-paid full time employees of the City (\$7.95) and provide health | Recipients of city economic development assistance |
| 39 | Multnomah County, OR; 1998 | \$9.00 (wage and benefits combined); adjusted annually by CPI | Service contracts; new and renewed contracts only |
| 40 | New Haven, CT; 1997 | 1997-1998 100% of federal poverty line for a family of four; increases annually to 120% of federal poverty line by 2001 | Service contracts; includes subcontractors |
| 41 | New York, NY; 1996 | Prevailing wage of similar occupations in the city | Service contracts; includes subcontractors; exemptions for non-profits |
| 42 | North Hampton, MA; 1999 | \$7.49 with health benefits; \$9.00 without benefits | Contractors |
| 43 | Oakland, CA; 1998 | \$8.00 with health benefits; \$9.25 without benefits; adjusted yearly by regional CPI; 12 days paid leave | Service contracts over \$25,000 or subsidies over \$100,000; includes subcontractors |
| 44 | Omaha, NE; 2000 | 100% of poverty line for a family of four with health benefits; 110% without health benefits | City employees, contracts and subcontracts and other firms who benefit from over \$75,000 |
| 45 | Orange County, NC; 1998 | 8 | County workers |
| 46 | Oyster Bay, NY; 2001 | \$9.00 with health \$10.25 without | Janitorial or security contracts or subcontracts over \$50,000 |

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| 47 Pasadena, CA; 1998 | \$7.25 with health benefits; \$8.50 with no benefits | Service contracts over \$25,000 |
| 48 Pittsburgh, PA; 2001 | \$9.12 with health, \$10.62 without | City, certain service contractors, recipients of subsidies and certain leaseholders (profit, at least 10 employees; non-profit, at least 25) |
| 49 Pittsfield Township, MI; 2001 | \$8.70 with health and \$10.20 without, adjust for inflation annually | Service contract, and financial assistance over \$10,000 (profit, at least 5 employees; non-profit, at least 10) |
| 50 Portland, OR; 1996 | \$6.75 in 1996; \$7.00 in 1998; adjusted by cost of living increase received by city workers | Service contracts; exemptions for training or educational work |
| 51 Richmond, VA; 2001 | \$8.50 with family health, \$10.13 without | School board workers |
| 52 Rochester, NY; 2001 | \$8.52 with health, \$9.52 without | Contracts over 50,000 |
| 53 San Antonio, TX; 1998 | \$9.27 for non-durable goods manufacturing and service; \$10.13 for durable goods manufacturing | Subsidies (tax abatements) |
| 54 San Fernando, CA; 2000 | \$7.25, \$8.50 with no health benefits; adjusted annually based on state employment retirement system | Contracts or grants of more than \$25,000 |
| 55 San Francisco, CA; 2000 | \$10.00 followed by 2.5% increases for the next three years and health insurance or penalty payments to City's public health system fund | City service contracts, non-profits and leaseholders at the San Francisco International Airport |
| 56 San Jose, CA; 1998 | Higher of prevailing wage (union scale wages) or \$9.50 with benefits; \$10.75 without benefits; adjusted annually based on federal poverty line, geographic cost of living differentials, or CPI. | Service contracts over \$20,000; exemptions for hardship to small businesses |

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| 57 | Santa Clara County, CA; 1995 | \$10.00 with health benefits | Manufacturers who would not have located in the county without the rebate who create and sustain at least 10 full time, permanent manufacturing jobs |
| 58 | Santa Cruz, CA; 2000 | \$11.00 with health, \$12.00 without | City, profit and non-profit city service contracts |
| 59 | Santa Monica, CA; 2001 | \$10.50 with health, additional \$1.75 without (increasing to \$2.50 in 2002) | Employers operating within Coastal Zone tourist district with revenues over \$5 million |
| 60 | Somerville, MA; 1999 | 100% of poverty level for a family of 4 | Employees of the city, contracts or subcontracts over 50,000, and firms that benefit from at least \$50,000 annually (30,000 in 2001, 10,000 in 2003) |
| 61 | St. Louis, MO; 2000 | A wage sufficient to lift a family of three above the eligibility level for food stamps (\$8.84 with health, 10.76 without) | Contracts over 50,000 and business development subsidies over 100,000 |
| 62 | St. Paul, MN; 1997 | 110% of poverty line for a family of four without benefits; 100% of poverty line with benefits | Subsidies over \$100,000 in one year (economic development contracts; land sales at less than the fair market price, loans, bonds excluding conduit bonds, grants and city tax incentives); exemptions for community development corporations and small businesses. |
| 63 | Suffolk County, NY; 2001 | \$9.00 with health \$10.25 without | Subsidies over \$50,000 or service contracts over \$10,000 |
| 64 | Thompkins County, NY; 1998 | \$16,500 annually (phased in over two years) | Human service contractors |
| 65 | Toledo, OH; 2000 | 110% of poverty line for a family of four with health benefits; 130% without health benefits | Contracts over \$10,000 (more than 25 employees) and subsidies over \$100,000 (more than 50 employees) |
| 66 | Tucson, AZ; 1999 | \$8.26, \$9.30 without health benefits | |
| 67 | Ventura County, CA; 2001 | \$8.00 with health, \$10.00 without | All contractors and subcontractors |

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| 68 | Warren, MI; 2000 | 100% of poverty line for a family of four or \$8.83, 125% without health benefits | Contracts or tax breaks over \$50,000 |
| 69 | West Hollywood, CA; 1997 | \$7.25 with health benefits; \$8.50 with no benefits; 12 paid days for vacation, sick or personal leave | Service contracts over \$25,000 and a term over 3 months; includes subcontractors. |
| 70 | Ypsilanti, MI; 1999 | \$8.50, \$10.00 without health benefits | Companies receiving City service contracts or assistance over \$20,000 in a given year |
| 71 | Ypsilanti Township, MI; 1999 | \$8.50 with health care, \$10.00 without | Companies receiving City service contracts or assistance over \$10,000 (\$20,000 for non-profits) in a given year |

Source: "Living Wage Successes." Association of Community Organizations for Reform Now, www.acorn.org

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