

# Living Wage: The Basics

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U.S. Chamber of Commerce

Friday, February 20, 2004

## What Are Living Wages?

- Local government ordinances
- Raising wages well above the current Federal minimum wage of \$5.15/hour
  - The goal of many campaigns is to impose a wage equivalent to or greater than the Federal poverty level for a family of four
- Often, but not always, the wage mandates are limited to the local government itself and employers that contract with or receive funds from the municipality

## What Are Living Wages?

- Increasingly, the ordinances attempt to go beyond wage mandates with provisions requiring:
  - health benefits
  - paid time off
  - employer neutrality during union organizing campaigns or “labor peace” provisions

## The Living Wage Movement

### Proponents

- The Association of Community Organizations for Reform Now (ACORN)
  - Nationally organized grassroots activist group
- Brennan Center of Social Justice at NYU Law School
  - Public policy law firm
- Organized Labor

# The Living Wage Movement

## Opponents

- The Coalition to Keep America Working
  - Coalition of local and national businesses and business organizations coordinating efforts against living wage ordinances
- Think tanks and public policy organizations dedicated to free market principles
- Local businesses and business organizations facing a living wage ordinance

## The Beginning: Baltimore – 1994



- Living wage started at \$6.10/hour and created a commission to recommend future increases
- Wage rate is now \$8.20/hour
- Wage applies to city contractors with contracts over \$5,000.

## Developing: Detroit – 1998

- Living wage mandate applies to:
  - All city contractors with contracts greater than \$50k/year
  - All recipients of city aid greater than \$50k/year
- Currently \$8.83/hour with benefits, and \$11.03/hour without benefits



## Developing: San Jose – 1998

- Living wage mandate applies to:
  - All city contractors with contracts greater than \$20k/year
  - All businesses receiving aid from the city greater than \$100k/year
- Mandate also included “labor peace” and employee retention provisions stipulating that:
  - Companies seeking contracts with the city provide assurances of good labor relations
  - Successor contractors offer jobs to employees of predecessor contractors
- Current living wage is \$10.10/hour with benefits and \$11.35/hour without benefits



## Developing: San Francisco – 2000



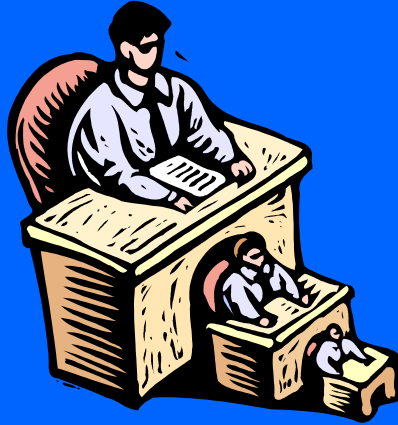
- Living wage mandate applies to (without threshold):
  - city contractors
  - recipients of city subsidies
  - leaseholders on city-owned property
- Currently \$10.25/hour with 12 paid days off and 10 unpaid days off

## Developing: Santa Monica – 2001

- Living wage mandate applied to:
  - All businesses with 50 or more employees and over \$5 million in revenue within the coastal tourist zone
- \$10.50/hour wage with benefits and \$14.00/hour without benefits with 10 paid days off and 5 unpaid days off
- Ordinance is the first to cover employers that have no direct financial relationship with the city
- Ultimately defeated by ballot initiative



## Developing: Santa Fe – 2002



- Living wage mandate applies to:
  - All city contractors with over \$30k/year in contracts and over 25 employees
  - All businesses receiving city aid greater than \$25k/year
  - All businesses requiring a license or registration from the city and over 25 employees
- Currently \$8.50/hour wage with incremental increases up to \$10.50/hour in the next few years, with increases thereafter linked to the CPI

## Other Developments

- Fairfax, CA (2002) – In addition to setting a wage rate of \$13.00/hour for government contractors (full and part-time), it requires covered employers remain neutral during union organizing campaigns
- Mishawaka, IN (Proposed) – Would require all construction companies receiving tax abatements to pay Davis-Bacon wages and preference would be given to local companies with racially diverse workforces that provide health care benefits

## Penalties

- Many living wage ordinances exact significant monetary penalties from employers who violate their provisions, including back-pay and liquidated damages
- Some ordinances require the termination of the contract and go as far to disqualify violators from future contracting opportunities
- At least one ordinance (Santa Fe) imposes criminal penalties

## Today

- 116 living wage ordinances being enforced by counties, cities, and universities (Source: ACORN)
- 70 active living wage campaigns occurring around the country (Source: ACORN)
- Ordinances are currently being adopted at the rate of one per month (Source: Employment Policy Foundation)
- 9 states have passed preemption laws prohibiting local wage mandates (AZ, FL, LA, CO, MO, OR, SC, TX, UT)

## Today

- According to ACORN, wage ordinances vary from \$6.25 to \$12.00/hour with newer campaigns pushing for even higher wages
- A quick review of the data reveals several ordinances above the \$12.00/hour mark
- Employment Policy Foundation statistics show that the average wage imposed by the ordinances is \$11.25/hour without health benefits and \$9.95/hour with health benefits
- \$11.25/hour is more than double the current Federal minimum wage (\$5.15/hour)

## Response

- Awareness
  - awareness of developing ordinances in the relevant jurisdiction
- Know Your Arguments
  - familiarity with the economic arguments against wage mandates and be prepared to offer alternatives
- Know Your Opponent
  - understanding of tactics frequently used by ACORN, organized labor, and other proponents of living wage mandates
- Unity
  - coordinating with other local businesses and business groups in order to both oppose individual mandates and support efforts to pass statewide preemption legislation





## Living Wage Laws

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Legislative and  
Legal Developments



## International Franchise Association

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Matt Lathrop  
Director, Government Relations  
(202) 662-0792 – Phone  
[Mattl@franchise.org](mailto:Mattl@franchise.org) - Email

## Living Wages Gain Momentum

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- 100 plus ordinances passed either on the ballot or by the City Council or County Board of Supervisors

## Local Trends

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Traditional living wage ordinances  
Apply to local government  
contracts or to businesses located  
on local government property  
Examples include Baltimore,  
Detroit, Denver  
Currently being considered in  
Atlanta, San Diego

## Local Trends

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- Living wage proponents supporting local minimum wage requirements
- Santa Fe and San Francisco are examples
- Local minimum wage laws apply to all businesses meeting certain size requirements, not just local government contractors

## What Are the Goals of Living Wage Supporters?

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Unions support living wage ordinances to undermine cost savings when municipal governments privatize or competitively bid government services

Activists support living wages for philosophical reasons

## Who IS Behind the Living Wage?

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- The Association of Community Organizations for Reform Now (ACORN), the AFL-CIO and the New Party, a left of center advocacy organization
- Some local clergy and community activists may also be living wage proponents

## The Business Community

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Coalition To Keep America Working (CTKAW) organizes the business community nationally to fight initiatives and council proposals

CTKAW provides legislative and legal expertise to local small businesses who will suffer under living wage ordinances



## The Business Community

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- American Legislative Exchange Council (ALEC) living wage and minimum wage preemption model legislation
- ALEC is the nation's largest bipartisan association of state legislators
- Economic Policies Institute provides economic research



## Legislative Solutions

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Defeat ballot measure or local legislative proposal

Pursue legal strategy if measure passes

State preemption

Pursue alternatives to the living wage

## State Preemption Model

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- Devised by ALEC and distributed to 3,000 state legislators
- Adopted by state legislature
- Declares wages a matter of state wide concern
- Preempts local governments from setting wage requirements

## Preemption

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The following states have either a living wage or minimum wage preemption law

Arizona (1997)  
Colorado (1999)  
Florida (2003)  
Louisiana (1997)  
Missouri (1999)  
Oregon (2001)  
Utah (2001)  
South Carolina (2002)  
Texas (2003)

## I nose Currently Considering Preemption

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- Tennessee (SB 200)
- Michigan (HB 4160)
- Virginia (SB 428)
- Washington (HB 2981, SB 6605)
- Georgia (HB 1258)
- Colorado (SB 155)
- Wisconsin (AB 633)

## Legal Environment

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Louisiana law determined to be Constitutional

Santa Fe ordinance currently under review

Two Virginia AG's have ruled living wage laws in Arlington and Alexandria are unenforceable

## What Can The Business Community Do?

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- Participate with local/national organizations
  - Actively support state preemption bills and organizations that promote them
  - Support alternatives to living wages
  - Encourage others to get involved
- Keep Fighting!

## **The Economic Effects of Mandated Wage Floors**

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David Neumark

Public Policy Institute of California



## Three Types of Mandated Wage Floors

- Minimum wages (state or federal)
- Living wages
- City minimum wages

## Minimum Wages

- Began with Fair Labor Standards Act of 1938
  - Federal minimum currently at \$5.15
  - 12 states with higher minimums, ranging to over \$7 (WA, AK, CT, and OR)
  - Near-universal coverage

## Living Wages

- First living wage passed in Baltimore in 1994; total number now approaching 100, mainly in cities
- Living wages in 10 of the 20 largest cities based on 2000 Census of Population
- Key features
  - Often pegged to poverty level for a family
  - Typically much higher than federal MW (50% or more)
  - Limited coverage
    - Contractors and subcontractors
    - Business/financial assistance recipients
    - City employees (rare)

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## City Minimum Wages

- Defeated in Denver (1996), Houston (1997), and Santa Monica (2002)
- Struck down in New Orleans (2002)
- Minimum of \$8.50 enacted last year in San Francisco and Santa Fe
- City minimum wages are hybrid of minimum wages and living wages
  - Limited geographic scope but broad coverage
- Open question whether living wage movement's next front is city minimum wages

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## Central Goal of Mandated Wage Floors is to Reduce Poverty

- “The minimum wage was one of the first—and is still one of the best—antipoverty programs we have”

– Senator Edward Kennedy

- “[T]he living wage is a crucial tool in the effort to end poverty”

– Economic Policy Institute

## What Does Economic Theory Predict?

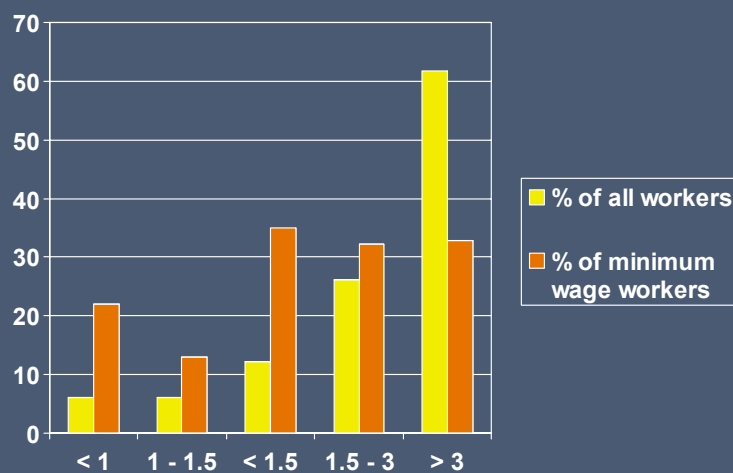
- Disemployment effects
  - Substitution away from now more expensive low-skilled labor, toward higher-skilled labor and other inputs
  - Higher product prices and lower product demand
  - Most research concerns minimum wages
    - *Journal of Economic Literature* survey: “best estimate” of minimum wage elasticity for young workers:
      - 0.1 to – 0.2

## What Does Economic Theory Predict? (cont.)

- Distributional effects
  - Among low-wage workers: some winners, some losers
  - Among low-income families
    - Low-wage workers over-represented in poor and low-income families, but many are in higher-income families
    - Effects depend on position of affected workers in family income distribution, no theoretical prediction
    - Effects can vary for different types of wage floors

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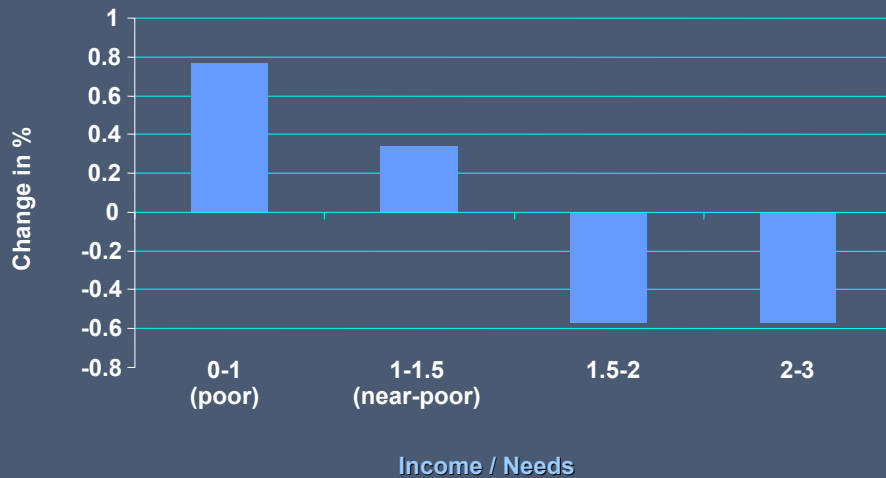
## Minimum Wages Target Low-Income Families Ineffectively



Income-to-needs ratio (poverty line = 1)

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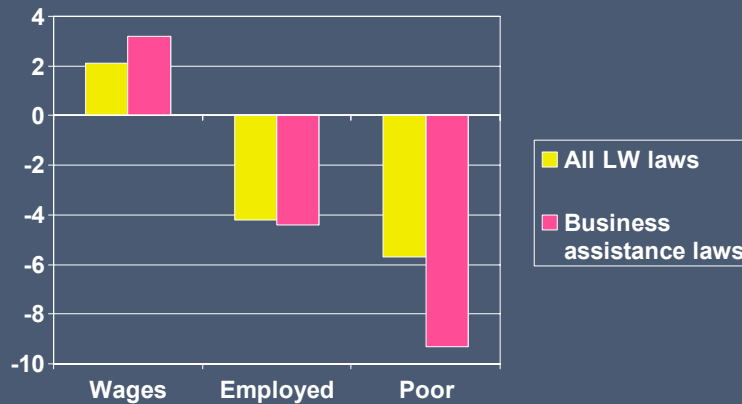
## Higher Minimum Wage Increases Number of Low-Income / Poor Families



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## Living Wages Raise Wages and Reduce Urban Poverty, but Lower Employment

Percent changes in response to 30% increase in living wage



Wage (employment) estimates: workers (individuals) in bottom 10% of (predicted) wage distribution

Poverty estimates: all families

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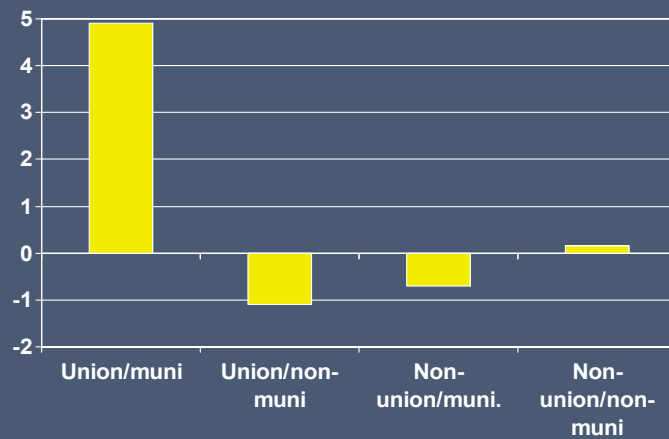
## Focus on Contractor-Only Laws is a Puzzle

- Living wage laws are pitched as anti-poverty programs
  - But living wage laws most often cover city contractors (1% of workforce?), and these laws don't help the least-skilled or the poor
- City unions may push for living wages to reduce incentives for cities to contract out work
  - Stronger bargaining power for municipal unions should lead to higher wages for their workers

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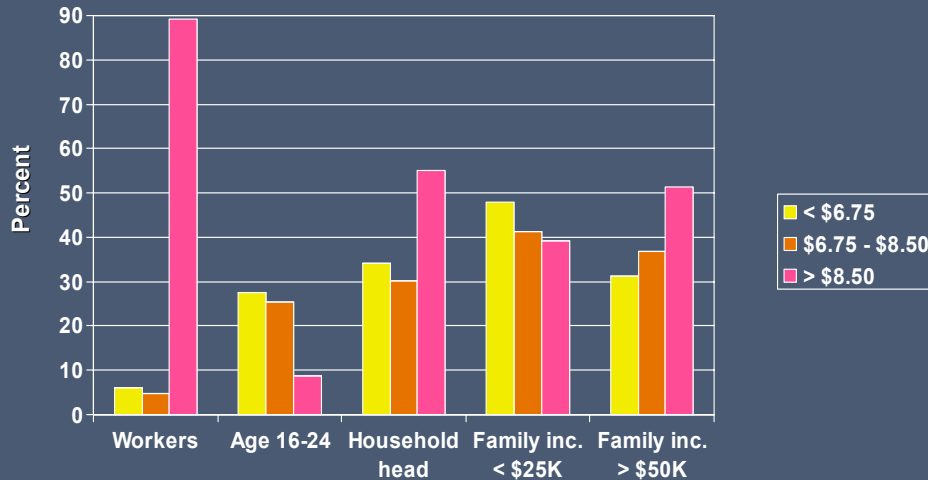
## Contractor-Only LW Laws Raise Wages only of Competing Unionized/Municipal Workers

Percent changes in wages in response to 30% increase in living wage



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## Portraits of Workers and Families Affected by San Francisco Minimum Wage



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## Summary of Findings

- Mandated wage floors reduce employment of less-skilled workers
- Minimum wages increase poverty
- Living wages reduce poverty
  - Different workers in different types of families affected
  - Some benefits of LW's may be offset by loss of public benefits/transfers
  - Still hurt the worst-off workers and families (unavoidable effect of mandated wage floor)
  - Results don't imply LW's are the most effective policy
- Effects of city minimum wages unknown; same issue of ineffective targeting as state/federal minimum wages

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## Policy Alternatives

- Research suggests better to use policies like EITC
  - Raises income by encouraging work among less-skilled, rather than taxing hiring of less-skilled
  - Targets poor effectively
  - Helps families *earn* their way out of poverty
- Business groups perceived as opposing wage floors, without vigorously backing alternatives
  - Living wage movement has made earnings inequality and poverty a prominent issue
  - EITC addresses it without resort to wage floors that reduce employment or government support for those not working

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## Do Living Wages Accomplish Their *Intended Purpose*?

Aaron Yelowitz  
University of Kentucky  
Department of Economics

Testimony for US Chamber of Commerce



## Key Issues

Much of the economic focus is on the policy's ***unintended consequences***:

- Do living wages cause unemployment?
- Do firms move out of a city to avoid the living wage?
- Do firms subcontract to avoid paying the living wage?
- Do consumer prices increase to pay for the living wage?

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## Key Issues

Other, less explored ***unintended consequences***:

- Displacement effects – “labor-labor substitution”
- “Gaming the system” – Ordinance exceptions
- Human capital accumulation

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## Key Issues

Economists focus relatively less attention on the policy's ***intended consequences***. This discussion will focus on whether a living wage achieves its intended consequences.

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## Key Issues

***Living wage*** is often motivated by concerns about poverty alleviation. Natural questions:

- What “***tax rates***” do low-income households face?
- Should ***income*** be defined as “cash income” or something else?
- How does the living wage affect ***total family income*** and earnings?
- Is the living wage ***well-targeted***?

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## Key Issues

Much of this presentation will draw on two recent studies:

Toikka, Yelowitz, and Neveu (forthcoming 2004, *Economic Development Quarterly*)

Yelowitz and Toikka (work-in-progress, discussion paper for *Employment Policies Institute*)

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## Tax Rates

Many poor households take up transfer programs:

- Temporary Assistance to Needy Families (TANF)
- Food Stamps
- Public Housing
- Medicaid
- Numerous smaller programs

**These program impose high tax rates  
(illustrated in table 1)**

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Table 1  
Earnings and benefits after four months on job for a mother with two children with day care expenses, 1996 – Philadelphia, Pennsylvania.

Earnings	EITC	AFDC	Food Stamps	Medicaid \$3307	Eligible for public housing	Housing subsidy, 2 bedrooms	Total Income
0	0	5052	2722	Yes	Yes	8136	19217
5000	2000	2492	2590	Yes	Yes	7224	20730
10000	3556	0	2438	No	Yes	6024	18253
15000	2842	0	1538	No	Yes	4824	18436
20000	1789	0	0	No	Yes	3624	18123
25000	736	0	0	No	No	0	16929
30000	0	0	0	No	No	0	19837
50000	0	0	0	No	No	0	34188

Notes: In adding the numbers across each row to get total income, negative values are in parentheses. *Social Security taxes, federal and state income taxes, and work expenses are also factored into the calculations but not included to save space.*

## Tax Rates

Assuming **full take-up** of programs:

- Average tax rate on first \$30k of earnings was **98%**
- The **composition** of income changes
- Poverty rates change based on cash definition

## Tax Rates

- Recently offered testimony on Atlanta living wage ordinance (\$12/hour without benefits)
- The Atlanta Living Wage Coalition has testimony from **Santina Story**, a 33-year-old mother of three, who worked full time and earned \$6.75 an hour at the Crowne Plaza Hotel in Atlanta
- She likely faces tax rates of **75%** on additional earnings (EITC, food stamps, federal+state, OASDI)

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## Defining Income

The **composition** of income changes in Table 1, which leads to changes in poverty rates based on the cash definition.

- At \$0 earnings, 26% of total income was cash
- At \$10,000 earnings, 54% of total income was cash
- At \$22,000 about 83% of total income was cash (not shown)

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## Defining Income

- Although total incomes are relatively unchanged at \$0, \$10,000, or \$22,000 in earnings, ***the poverty classification does change***
- Poverty definition is based on cash-income
- ***Illusory effect*** – “well-being” not changed much

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## Effect on Family Income

In Yelowitz and Toikka (work-in-progress), we compare vulnerable households in cities that implemented a living wage to those that did not.

***The living wage had statistically insignificant effects on household total income and earnings.***

Moreover, for every \$1.00 of increased earnings, cash transfers fell by \$0.44.

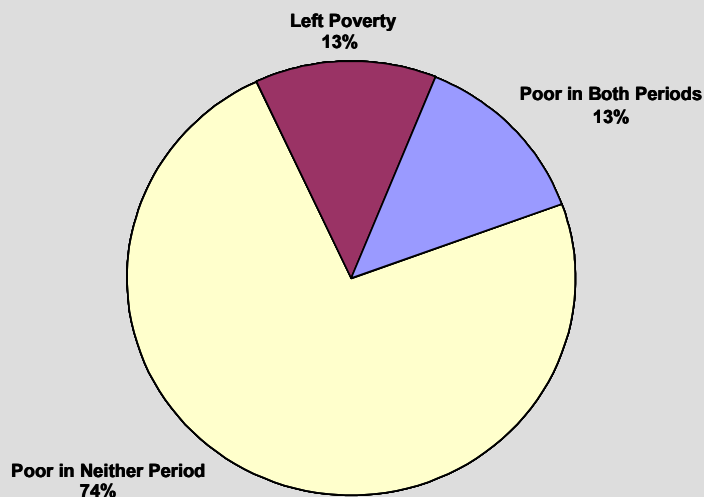
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## Targeting

- Toikka, Yelowitz, and Neveu simulate the effects of a living wage across a number of large cities
- Of those affected by living wage, **75% did not live in poverty**
- Of those affected by living wage, **40% had incomes greater than 200% of poverty line**

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Figure 2. Fraction of increased wages received by household poverty status



## Targeting

- The data suggests that even using a cash-based measure of poverty, the living wage is not well-targeted
- Living wage targets *individual earnings*, not *family income*
- May benefit single individuals, teens, others who are not “at-risk”

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## Alternatives

Are there *alternatives* to the living wage that lead to more desirable outcomes? One popular proposal is a state-level *Earned Income Tax Credit (EITC)*.

Center on Budget and Policy Priorities reports:

- Twelve states have refundable state-EITCs
- Five states have non-refundable EITCs

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## Alternatives

EITC often is not counted as income for transfer programs. EITC, therefore, does not “crowd-out” transfer assistance which is composed of both federal and state dollars.

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## Alternatives

EITC and living wage are ***not complements*** to each other; rather they are ***substitutes***. The marginal earnings from the living wage end up in the EITC ***phase-out range*** of 21%.

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## Conclusions

*My research indicates that the living wage is a very blunt policy instrument for achieving its policy objectives.*

*A better solution is a state Earned Income Tax Credit. EITC could target **family income** rather than **individual earnings**, and could target vulnerable households in a way the living wage cannot.*

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## Conclusions

**I am delighted to answer questions, either today or in the future.**

- Aaron Yelowitz's email: [aaron@uky.edu](mailto:aaron@uky.edu)
- The full studies (and data) available at: <http://gatton.uky.edu/faculty/yelowitz/>
- Thank you!

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# Alternatives to a Living Wage

Craig Garthwaite  
Director of Research  
Employment Policies Institute  
February 20, 2004

“If community organizations and cities really want to improve the financial stability of the working poor, **then they should start with the EITC.**”

- Johns Hopkins University

# Problems With Living Wage Ordinances

## Wage Mandates Destroy Low-Skill Jobs

50% Increase In Living Wage  
Mandate

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**7% Decrease in  
Low-Skill Employment**

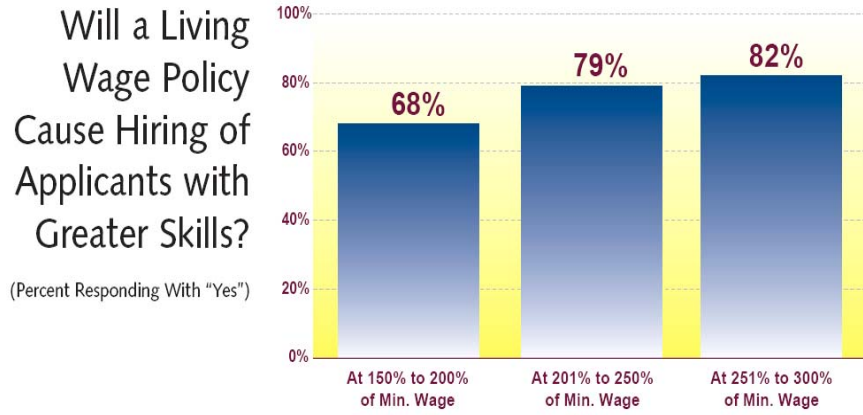
“In a number of instances there have been reports that workers who had been receiving less than [the new minimum wage] **had been laid off, and replaced by more efficient workers.**”

*-President Franklin Roosevelt's Labor Department*

“Welfare mothers in states that raised their minimum wage **remained on public assistance 44% longer than their peers** in states where the minimum wage remained unchanged.”

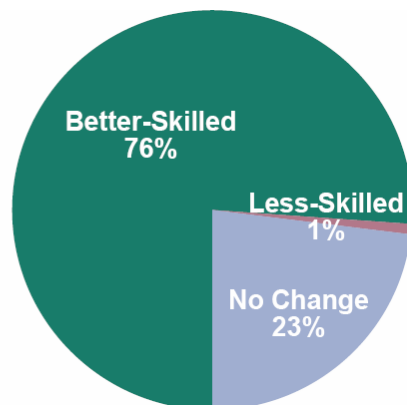
*- University of Wisconsin*

# Survey of Labor Economists



# Survey of Labor Economists

How Would a National Living Wage Standard Affect Hiring Practices?



## **Wage Mandates are Poorly Targeted**

- Average family income is nearly **\$43,000**
- Over **72%** of beneficiaries are not poor

## **Wage Mandates Are Inefficient**

- New income is subject to payroll and income taxes
- Counted as income by other assistance programs



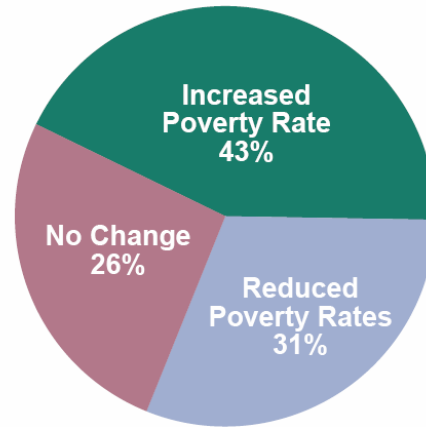
## **Wage Mandates Don't Decrease Poverty**

- **No connection between federal or state minimum wages and poverty reduction**
- **Majority of benefits go to non-poor families**



# Survey of Labor Economists

How Would a National Living Wage Standard Affect Poverty?



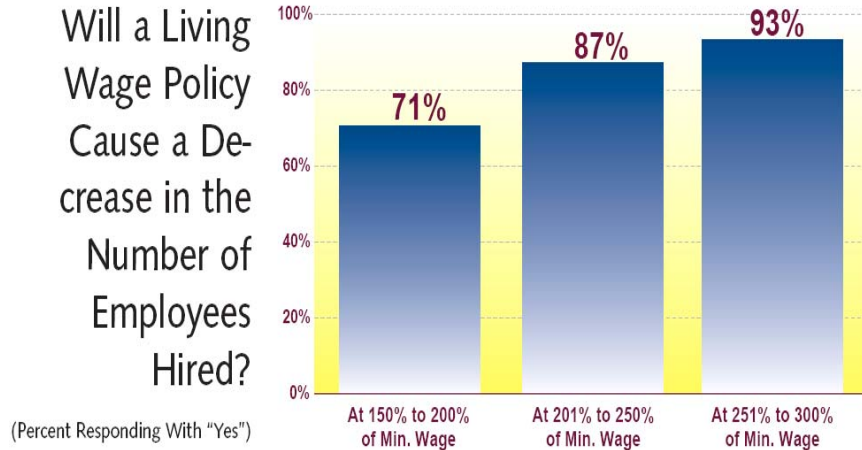
## Wage Mandates Decrease Employment

10% Minimum Wage Increase

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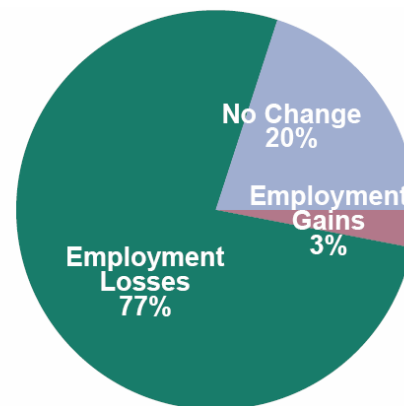
**2.1% Decrease in  
Employment**

# Survey of Labor Economists



# Survey of Labor Economists

How Would a National Living Wage Standard Affect Employment?



# **Business Community Must Provide a Viable Alternative**

## **Public Opinion Battle**

- **Fight over wage mandates is a public opinion battle**
- **Business community must provide **viable alternatives****

# EPI's Response

- Research
- Messages
- Alternatives

# Sample Messages

**83%** support an increase in the  
**minimum wage**

**71%** → If mainly to teens

**67%** → If family income at \$43,000

**59%** → If people lose benefits

**44%** → If higher skilled get job

# Sample Messages

83% support an increase in the minimum wage

**"Poorly Targeted"** { If mainly to teens  
If family income at \$40,000

**"Unintended Consequences"** { If people lose benefits  
If higher skilled get job

# San Francisco Messages

61% of likely voters supported an \$8.50 city-wide minimum wage

35% → If higher skilled get jobs

## **Earned Income Tax Credits**

- **Significant benefit to low-income families**
- **Highly Targeted**
- **No job-destroying effects**
- **Supported by public opinion**

## **San Francisco Messages**

**After learning about the unintended consequences of a city-wide minimum wage**

**32% → Support a minimum wage over an EITC**

# Benefits of Earned Income Tax Credits

“The EITC may be **the single most important policy measure** explaining the decrease in welfare and the rise in work and earnings among female-headed families in recent years.”

- University California Los Angeles

## **EITC Recipients:**

**Work more hours**

**Earn more money**

**“Evidence that the EITC raises labor market participation and earnings among the poorest families suggests that it may also have a positive incentive by **encouraging economic self-sufficiency among the poor.**”**

*- Michigan State University and the Federal Reserve*



## **Highly Targeted**

- **Majority of funds go to low-income families**
- **Dual earners do not benefit**

**70% of EITC  
benefits actually go  
to needy families**

**“We can increase the Earned Income Tax Credit by a couple of billion dollars a year and **far more efficiently than raising the minimum wage**, lift the working poor out of poverty.”**

*- President Bill Clinton*

## **State and Local Earned Income Tax Credits**

- **17 states offer EITC**
- **13 are refundable**
- **2 localities offer refundable EITC**

## **Denver Earned Income Tax Credit**

- 20% of federal credit
- Fully refundable
- Paid for with TANF dollars

## **Montgomery County Earned Income Tax Credit**

- 16% of federal credit
- Fully refundable
- Passed as explicit alternative to living wage

## **Targeted Local Earned Income Tax Credit**

- **Covers only contractors and employees**
- **Dramatically decreases cost**

## **Funding a Local Earned Income Tax Credit**

- **States and localities can use TANF funds**
- **Must not allow activists to paint living wage ordinance as “costless”**

# **New Orleans Living Wage Battle**

**Making Full Use of  
the State Legislature  
and the Courts**



## **New Orleans Demographics**

- **Population, 2001 estimate** **476,492**
- **Population decrease 1990 to 2000** **- 2.5%**
- **Population decrease since 1960** **- 24%**
  
- **Median household income, 1999** **\$27,133**
- **Per capita money income, 1999** **\$17,258**
- **Persons below poverty, %, 1999** **27.9%**

*Source: U.S. Census Bureau*

# **SUPPORTED increasing the minimum wage**

## ***Campaign for a Living Wage***

- **Association of Community Organizations for Reform Now (ACORN)**
- **Service Employees International Union Local 100 (Wade Rathke)**
- **Greater New Orleans AFL-CIO**
- **National Organization of Women**

## **How it Started**

- 1. In 1996, ACORN submitted first petition. (22,000 signatures)**
- 2. The New Orleans City Council blocked efforts after the Registrar of Voters failed to certify signatures.**
- 3. ACORN submitted more petitions, but the City Council refused to consider them.**

## **How it Started (cont.)**

- 4. 1997 - ACORN challenged in court suing the New Orleans City Council.**
- 5. The Fourth Circuit Court of Appeal ruled refusal appropriate and dismissed the suit.**

## **Specifics of Proposal**

- \$6.15 or \$1 greater than federal min. wage. (now \$5.15)**
- Reducing the tip credit to no more than 50% of the New Orleans minimum wage rate. (Tip credit now 59% of minimum wage or \$3.02/hr)**
- Misdemeanor of up to \$200 for each day and each employee paid in violation.**

## **Excluded were:**

- **City and state employees.**
- **Public works employees**

**governed by the Public Bid Law.**

## **The BIGGEST Concern**

**Once established, the minimum wage for the City of New Orleans could have been raised by a simple majority vote of the City Council!**



# **OPPOSED increasing the minimum wage**

## ***Small Business Coalition to Save Jobs***

- **Louisiana Restaurant Association**
- **New Orleans Business Council**
- **Greater New Orleans Hotel - Lodging Association**
- **New Orleans Regional Chamber of Commerce**
- **Louisiana Association of Business and Industry**
- **NFIB, Louisiana Chapter**

## **How We Responded**

### **While ACORN was suing the New Orleans City Council:**

- **The Small Business Coalition began lobbying legislators in Baton Rouge for a law prohibiting municipalities from enacting ordinances raising the minimum wage.**
- **As a result, we PASSED LSA – R.S. §23:642 prohibiting just such action. (eff. date 8/15/97)**

## **Resulting Court Case**

- **ACORN submitted petition Registrar of Voters certified.**
- **The New Orleans City Council refused petition citing new state law.**
- **ACORN sued the City Council again.**
- **District Court dismissed the suit.**

## **Resulting Court Case (cont.)**

- **Fourth Circuit Court of Appeal remanded the case back questioning constitutionality of new law.**
- **District Court held new law valid and constitutional.**
- **Fourth District Court of Appeal then ruled that constitutionality could not be decided until the election was held and the results challenged in court.**

## **Election Strategy - Overall**

- **Election set for February 2002.**
- **Estimate for all-out campaign  
\$4 million dollars!**
- **Estimate to defend law in court  
\$100,000.**

## **Election Strategy - Details**

- **Take a public opinion survey.**  
**71% for - 19% opposed - 10%  
undec.**
- **Identify leaders in opposition.**
- **Lobby City Council to neutralize  
potential political support.**

## **Election Strategy - Details (cont.)**

- **Expand the Coalition.**
- **Convince candidates to support our position.**
- **Be ready to immediately defend the new state law in court.**

## **Where We Raised the Money**

- **Louisiana Restaurant Assoc.**
- **S. A. F. E. Fund - NRA**
- **N.O. Business Council**
- **N.O. Hotel - Lodging Assoc.**
- **Greater New Orleans Regional Chamber of Commerce**

## **Election & Lawsuits**

- **February 2, 2002 Election  
63% in favor - 37% against**
- **Campaign for Living Wage filed to overturn new law and affirm election.**
- **Small Business Coalition filed to overturn election and affirm new law .**

## **Results of Lawsuits**

- **District Court consolidated suits.**
- **District Court declared new law unconstitutional. (3/25/02)**
- **Immediate appeal to LA Supreme Court.**
- **Supreme Court upheld our law and overturned election. (9/4/02)**

## **What We Accomplished**

- **Killed fledgling efforts to raise the minimum wage in Baton Rouge, Shreveport and other cities.**
- **Re-affirmed state authority.**
- **Concentrated our efforts for best results.**

## **Special Thanks!**

- **George Burger**
- **Horace A. “Topper” Thompson**