

Louisville Living Wage Campaign

Did You Know?

“If I made a living wage, daily life would be easier. Right now, I’ve had to put off buying school supplies because the rent comes first.” - Jacquelyn Smithers, library page who earns \$7.09 per hour

What is a Living Wage Ordinance?

A living wage ordinance requires employers to pay wages that are above federal and 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 ordinance is that city and county governments should not contract with or subsidize employers who pay poverty-level wages.

What is the current status of Living Wage legislation in Louisville?

In 2002, the first Living Wage ordinance was passed in the City (Series 2002, Ordinance 12). That ordinance was replaced in 2003 by Lou. Ord. No. 91-2003, which currently establishes a minimum wage for Metro government employees at \$9.00/hour, provided the employee is full-time (non-seasonal employees working ≥ 35 hours/week). The current ordinance only affects **4 out of 8,533** Metro Government employees.

Why do we need a Living Wage?

- Living wage ordinances provide raises for low-income families.
- Living wage ordinances ensure that pay for contractual workers does not fall behind the pay of city workers.
- Living wage ordinances promote responsible economic development policies.

But doesn't this affect local business negatively?

- Living wage ordinances have no negative effects on a locality's contracting process.¹
- There is no evidence of job losses as a result of living wage ordinances.²
- None of the 82 cities that have passed living wage ordinances have had to increase taxes to pay for the wage increase for city workers.
- Living Wage Ordinances stimulate the local economy during a recession.
- Paying a living wage stimulates consumer spending by putting money in the pockets of the people who are most likely to spend it – people at the bottom of the income scale.

Cost of Living Adjustment (facts provided by the Metropolitan Housing Coalition)

- A minimum wage earner (earning \$5.15 per hour) can afford monthly rent of no more than \$268 for rent, and must work 79 hours per week to afford a two-bedroom unit at the area's Fair Market rent.
- In 2005, 8,626 households rely on Section 8 vouchers from the Louisville Metro Housing Authority.
- Since 1999, the number of people living in poverty in Jefferson County has increased from 84,114 to 97,425.
- 42% of all renters in this region pay more than 30% of their household incomes on rent, yet the production of affordable rental housing remains relatively stagnant.
- In 2004 in Metro Louisville, average income increased by \$25 a month. The average housing cost increased by \$33 a month.

¹ Robert Pollin and Stephanie Luce, 1998. *The Living Wage: Building a Fair Economy*. New York: The New Press.

² Christopher Niedt, et al., 1999. *The effects of the Living Wage*. Working Paper 119. Washington, D.C.: EPI.

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