

COMMITTEE RECOMMENDATION WORKSHEET
Chamber of Commerce Education and Training Programs

I. List the Learning(s) that this recommendation is addressing

The Athens Chamber of Commerce is a pillar in this community of leadership for businesses, large and small. Approximately 25% of all businesses belong to the Chamber, but it could gain more attention by stepping up and taking a leadership role in addressing poverty wages and benefits across the community.

Of the 66,000 jobs in Clarke County that are registered with the Georgia Department of Labor, 27,000 of those jobs are taken by people living outside the county. Those are, by and large, the higher paying jobs. Indeed, some of the low wage jobs in surrounding counties are taken by residents of Clarke County. Poverty is centered in the Clarke County community.

Of the 86 occupational categories listed with the Department of Labor, at least 33 categories show that a major section of the category is paid at devastatingly low levels. In many cases, the entire category is paid below the living wage. Numbers of workers are not provided here, but it is estimated to be between 18,000 and 22,000.

A large number of businesses are small, and many businesses are not required to register with the Department of Labor because they are not required to pay Unemployment Compensation. In other words, these businesses fall under the radar, and the data are missing.

Businesses that pay numbers of their workers above the living wage, with benefits, can be used as models for those who pay numbers of workers below the living wage. Economists have shown that higher wages and benefits are associated with more dependable work forces, more thoughtful, more productive workers. Also, lower rates of turnover, which save the expenses of recruitment and training of new workers, are related to higher wages and benefits.

- **WRITE THE COMMITTEE RECOMMENDATION** (limit focus to one subject or action item, more than one recommendation may be needed to address a particular learning):**

We wish to make four recommendations:

1) that the Chamber **educate their membership**, large and small businesses, on the advantages of respectful wages and benefits--advantages to the business, to the family, and to the community at large. The work of a range of economists (e.g., Robert Pollin; David Reynolds) can be tapped to support this effort. Businesses that pay numbers of their workers above the living wage, with benefits, can be used as models for those who pay numbers of workers below the living wage. Economists have shown that higher wages and benefits are associated with more dependable work forces, more thoughtful, more productive workers. Also, lower rates of turnover, which save the expenses of recruitment and training of new workers, are related to higher wages and benefits. The Chamber could urge companies to follow the lead of those companies who do pay more and cut turnover. Toyota, Nucor, and Costco are examples of companies that have established highly respectful practices (Footnote 10). Also, companies that provide child care could be models.

2) We propose that the Chamber can work to influence the major industries in Athens-Clarke County to **give preference to participants in the workforce committee’s programs** when respectable jobs at the blue collar level become available. At this time, a number of businesses hire a majority of their employees from outside the county. At this time, "networking" when jobs become available, favors people outside the county. To a great extent, this is a racial issue. Preferences given to whites are not acceptable, and the transition to in-county hires can make a huge difference. Industries could partner with agencies working on job skills and other workforce issues.

3) We propose that the Chamber and the University of Georgia could develop a partnership in negotiating with and **training business leaders, especially small business leaders**, in their styles of management regarding employee sustainability. A key factor in worker anxiety is job security. A key factor in management relates to the various ways of expressing respect for their workers. These practices lead to greater dependability among workers, lower rates of turnover, and lower cost to the employer in management of workers. For evidence, see David Sirota’s The Enthusiastic Employee, among others. We urge the Chamber and UGA to develop a training module on this issue. Peer-to-peer training may be a model to follow. There are costs to the business, for example, from employee turnover, to as much as 15% of budget, with rates of turnover going as high as 70% per year.

4) In looking at the “Explorer” charts in the Department of Labor statistics, as noted above, we have counted 33 subcategories of occupations whose median pay is consistently below the “family supportive wage.” Many are paid far below the “survivability” (family supportive) level. Thousands of workers (probably 18,000), many of whom are in small businesses, are paid at “disrespectful” levels. Many of the higher paying jobs are undoubtedly held by residents of other counties. The Chamber should **offer technical assistance in growing and streamlining a business so that it can pay living wages and put into place “Worker Friendly” policies and procedures.** In this way, small businesses within the county can learn how to manage with higher levels in wages and benefits, just as the Costco Company has done in other parts of the country. The workers in these cases can stay as residents within the county.

- **Identify any research, or other kinds of information that was used to craft this recommendation.** (add additional sheets as necessary)

Documentation of the effects of raising wages and benefits can also be found in the document by K. Kraut, S. Klinger, and C. Collins called “**Choosing the High Road: Businesses That Pay a Living Wage and Prosper.**”

Georgia Employment and Wages, 2005, Michael Thurmond, documents wages in each county of the state.

County’s Largest Employers. U.S. Department of Labor Bureau of Statistics, 2002

A Poverty Reduction Plan of Savannah: “Create a Culture of Family Support Among Employers” (p. 28)—a) “encourage local governments and larger employers to provide benefits and family supportive wages to their employees,” b) “develop a database and recognition/reward program for employers, such as *Corporate Voices for Working Families* model programs and policies for lower wage and hourly employees.”

Robert Pollin, *The Living Wage: Building a Fair Economy* (co-authored with Stephanie Luce, 1998). **Robert Pollin** is an economist at the University of Mass., Amherst.

David Reynolds, *The Impact of the Detroit Living Wage Ordinance*, 1999, and **Guide to Building the Movement for Economic Justice**, and, **Labor and the Living Wage Movement, 2001.**

David Reynolds is a labor educator in the Labor Studies Center at Wayne State University.

Examples of companies that pay well, with healthy and productive workers, are: Nucor:
<http://www.nucor-fastener.com/nucor.html>

Toyota: http://findarticles.com/p/articles/mi_m0FWH/is_7_113/ai_76878498

Costco: <http://www.workerscompinsider.com/archives/000334.html>

Another Costco:

http://www.vault.com/companies/company_main.jsp?product_id=727&ch_id=285&co_page=1

- **Identify additional research or information that could help clarify this committee recommendation. List potential sources if possible.**

It would be helpful to have specific data on the effects of hourly wage increases, with benefits, on the productivity of hourly wage workers, their thoughtfulness and dependability, their rates of turnover, and the ease of management when employees are treated with respect through their wages, benefits, and managerial styles. Again, the book by David Sirota, *The Enthusiastic Employee*, is a good start.

It would be useful to have data on the effects of workforce development activities and training programs on specific workforces within prospering businesses.

It would be useful to have more information on the number of small businesses that are not registered with the Department of Labor, the nature of their employees and their wages and benefits.

- **Indicate people or groups that we need to talk to help clarify this committee recommendation. List any recommended locations.**

Obviously, the Chamber of Commerce would be the first and foremost organization with which to negotiate to develop this program. The University of Georgia College of Business may be able to help, along with the Institute of Government and the Fanning Leadership Institute.

- **What kind of action or resources would be necessary to implement the recommendation?**

Sources of funding may be available at the Foundations listed by Corporate Voices for Working Families: <http://www.cvworkingfamilies.org/>

- **Indicate what forces and influences are likely to occur that will support or oppose implementation.**

Forces that support or oppose (please list):

The ideological opposition to issues of raising wages often refers to mandates that are governmentally issued through ordinances. This program is voluntary and persuasive, not mandatory.

Overall, we seriously believe that the "disrespected" sectors of the Athens-Clarke County population can be positively impacted by raising wages and by the increased availability of jobs with respectful wages and benefits. Parenting, family cohesion, health status, rates of neighborhood chaos and incarceration rates could all be improved, thus making it more possible for workforce development activities to be fruitful. Under current conditions, these activities will continue to be difficult, if not impossible. There is a cycle there, and the cycle needs to be broken.

We also believe that economic development activity, bringing in new businesses, may simply result in: a) more good jobs going to people outside the county, and b) no impact on workers whose wages are devastatingly low, unless there are specific changes in the wages and benefits at that level.