

COMMITTEE RECOMMENDATION WORKSHEET
The Initiative to Raise Wages and Benefits at the University of Georgia

PREFACE

The founding principle of Partners for a Prosperous Athens (PPA) bears repeating: that we, as Athenians, seek the elimination of our city's poverty. The various committees of PPA have thoughtfully explored the nature of poverty in this community. This Subcommittee has come to accept a definition offered by Father John Ryan in 1906: poverty is synonymous with "living below the living wage." While the elimination of poverty invites a number of peripheral discussions, the most simple observation is the most significant; that is, nearly 1 in 3 Athenians lack the necessary income to support him/herself.

Athens' economy is marked by an unusual pairing of phenomena---high poverty and high employment. Athens-Clarke County consistently ranks among the poorest counties in the United States. Unemployment, though, cannot be blamed for the unusually high poverty rate. In fact, Athens consistently posts impressive employment figures, with local unemployment commonly two full points below the national average.

With consistently high levels of employment, if poverty is to be remedied the community must confront the unique economic challenges associated with a "college town" economy. As the largest employer in the community, the University of Georgia dramatically affects the local economy by serving as a wage-setting actor in the economy. Economists note that the employer-size wage premium dictates that an economy's largest employer marks the upper end of the wage continuum. In Athens, this means that the university sets a wage ceiling, effectively depressing wages because of the low wages paid to many of its hourly workers. In addition, the university-dominated economy tends to favor the retail, food, and service sectors, all of which involve low-wage jobs.

Poverty is certainly a multi-faceted problem. At a fundamental level, though, it is an income problem: people in poverty have too little money. This is certainly the case in Athens where the poor are predominantly employed but are not paid a wage sufficient for sustaining themselves or their families. Unless we address the fact that the poor in our "college town" economy are the working poor, the cycle of poverty will not and cannot be broken.

A substantial body of empirical, statistical, and anecdotal evidence points to one realistic remedy: higher wages. Clearly, providing a living wage is a tall order and will require a major commitment by all members and institutions of the community, especially the University of Georgia and the other major employers. Whether or not to pay a living wage to all workers is an important policy issue, involving a wide range of deeply held positions. But interest groups, citizens, and decision-makers will need to look beyond perceived self-interest and consider the larger common good of the community. The poverty issue we confront, then, poses an important moral question: What kind of community do we want Athens to be? What kind of a community do we want to live in?

The following proposals are intended to help the working poor, and we believe that our community values fairness, especially for the hard-working, less fortunate among us.

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

- a) The University of Georgia is the largest employer in Clarke County
 - b) Historically, the University has always paid its hourly wage workers at devastatingly low levels. This is beginning to change.
 - c) In its “Auxiliary Services,” many full time, year round workers are classified as “temporary” without benefits, and at low wages.
 - d) Among “temporary” workers, Georgia law requires the U. to take GDCP funds from the workers’ wages, offering no social security benefits.
 - e) The University budget of approximately \$1.4 billion has many contingency pockets in it which could be manipulated to shift funds to the hourly wage workers. Also, “compression” at higher salaried levels could be used to make funds available.
- **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 recommend that: (a) \$11.55 be promoted in the U. as the minimum wage, resulting in an annual income of \$24,000. This is the amount recommended (at this time) by the Ad Hoc Committee in the University. We also recommend that (b) auxiliary services which maintain full time and year-round workers should not treat them as “temporary” workers, but as "regular payroll" people with full benefits. We recommend that (c) health benefits be made affordable to the lowest paid employees in the university and that (d) those who are truly "temporary" employees be paid at a minimum of \$14 per hour, so that they are more likely to afford health care. At the same time, (e) employees classified as temporary should receive social security benefits, not the GDCP fund which takes money from the workers, but to which the University does not contribute. This may require a change in state law. Meanwhile, when workers leave, they should routinely be notified of their right to request their GDCP funds. (f) For the sake of the community, we recommend that the University place an emphasis on local residents when vacancies are filled. Finally, we propose that (g) the University avoid outsourcing any routine jobs to contracted companies.

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

Interviews have been held with as many as fifty hourly wage workers, many of them in Auxiliary Services, such as the Food Service. Those interviews and a document from management demonstrate that the Food Service’s style of management is punitive and domineering in nature.

Two Open Records Requests have yielded voluminous data on all University employees. At least 2,500 are paid less than the Living Wage level of \$10.50 per hour. There are disproportionately many more minorities and women in the substandard categories.

We have seen various numbers of “temporary” workers who work full time.

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

Additional research could be done on the specific categories of workers who are treated disrespectfully through their wages and (lack of) benefits. Utility Worker I is an example. Food service workers, security guards, and custodians are other examples. On the other hand, “regular” and “temporary” bus drivers are often student workers. More research could be done on their treatment, in a schedule of work that is persistent throughout the day, with minimal breaks.

An Open Records Request is recommended to reveal the number of temporary workers, their hourly wage, length of time having worked at UGA, number of hours per week, and the number who are students.

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

The University Council established an “Ad Hoc Committee” to study these recommendations. Charles O’Kelley and Tom Gausvik are co-chairs.

The director of the Economic Justice Coalition has interviewed many workers, as have the members of the UGA Living Wage Network.

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

The actions listed in the recommendation are reasonably specific, but the administration will need to determine on their own how to find the resources. For example, (a) faculty and administrators’ pay increases and (b) contingency funds for equipment could be tweaked in favor of funds for the hourly wage workers. The legislature and Board of Regents could be lobbied for additional funds, and the Arch and UGA Foundations could help support these initiatives at beginning stages.

The Director of Human Resources, Tom Gausvik, has indicated that between \$10 and 20 million are needed. In a budget of \$1.4 billion or more, these funds can be gleaned, perhaps with some difficulty.

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

Forces that support (please list):

The Economic Justice Coalition, the UGA Living Wage Network, and at least 42 collaborative organizations that have been involved in our educational and rallying work.

We would like to believe that each of the conveners of the PPA will support these recommendations, in that the University is known to be a “standard setter” for other businesses in the community. The issue here is that the more funds that go into the families of hourly wage workers, the more money goes into the local business sectors, especially retail and small businesses. Indigent care in the hospitals will decline. Rates of incarceration and healthy raising of children will improve, to the extent that healthier and more respectful wages, benefits, and managerial styles can be implemented.

Statewide and national opinion polls have shown that the majority of American citizens are in favor of initiatives to raise wages and benefits. Specifics on the initiative to raise the Minimum Wage in Georgia can be provided.

Forces that oppose (please list):

There is an ideological movement against living wage movements, suggesting that they interfere with the “free market” (the labor market is not free and open) and suggesting that jobs will be put in jeopardy. Please refer to the Community Change Paper of the Living Wage Committee of PPA for data which provides evidence on the realities of wages and movements to raise them.

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.