

**REPORT OF THE LIVABLE WAGE SUB-COMMITTEE
PARTNERS FOR A PROSPEROUS ATHENS ECONOMY COMMITTEE**

Supplemental info from the Livable Wage Subcommittee of the Economy Committee: the fundamental basis for raising wages to a living wage and the actions which can be taken in the short/medium term which could make a substantial difference in Athens-Clarke County. The point of submitting this: we had very little time to make decisions about the report in the meeting on July 24, after hearing numerous data reports. Many things were discussed which did not make it into our list of four items.

Raising wages makes good business sense, along with raises in the minimum wage, among corporations and public institutions that have the resources to pay a living wage. The more money held by low wage workers, the more is spent in the local economy, raising business revenues as well as revenues for the local government. The more revenues the local government has, the more feasible it is to develop programs that require local funds.

On the other hand, the fundamental basis for raising wages is moral and faith based. When workers are only offered devastating wages, they respond with depression, frustration, anxiety, and sometimes anger. These personal responses have impacts on family life and on immune systems (Helen Epstein, NYT Magazine, Oct. 13, 2003). The results are family breakdown and higher rates of illness. These are consequences for people who come from families without resources to back them up, and the cycle goes on. Respect for workers, on the other hand, with decent wages, results in greater enthusiasm for work, greater dependability on the job, and greater productivity, as well as better relationships at home, and better physical and emotional health.

Overall, one can make the argument that employers can simply do their part in creating a healthier, more robust community, by raising the wages and benefits of their employees. An exclusive focus on training and education, while laudable, does not change the overall picture of poverty. When individuals move up or out, others take their place at low wage levels unless the wages themselves have been raised.

Having said that, we propose that:

- 1) the University of Georgia should be asked to raise its wages among local residents by \$2 per hour for anyone making less than \$9 per hour. On the other hand, students making less than \$7 per hour should also be raised at least \$1.50 per hour. The concern is greater for local residents, but all workers are consumers in the local economy, and the university should not have an incentive to replace local residents with student workers. UGA long term “temporary” workers should be made permanent, with benefits.
- 2) the Chamber of Commerce should be asked to “urge” the retail and service sectors to raise wages and benefits for hourly wage workers. This would include hotels, restaurants, other service businesses, as well as retail businesses and nonprofits with the resources. Many businesses in the county do pay respectful

wages, but many of those jobs go to residents outside the county, so it may be vital to urge members of the Chamber to consider giving priority to local county residents.

- 3) two other institutions should be asked to raise wage and benefits: the Athens Regional Medical Center and St. Mary's Hospital. These are institutions with considerable resources, much of which goes to their high level administrators and professionals, while the hourly wage workers are paid devastatingly low wages.
- 4) the Athens-Clarke County government should be asked to raise its Athens Regional Library workers to a minimum of \$10.50 per hour plus \$3 per hour for benefits (or simply to provide the benefits). This is an example of an "auxiliary enterprise" which is not treated as full "payroll" in status. It is also an example of how additional education and training is not helpful when highly educated people are paid devastatingly low wages, such as \$6.50 per hour.
- 5) our local state legislators, Representatives and Senators, should be asked to support an increase in the minimum wage to \$7.00 per hour, if the federal government has not taken action on this issue.

The following paper analyzes the effects of "living wage ordinances." One must clarify, however, that such ordinances are not allowed under the law of the State of Georgia.

Feb 16, 2006; Economic Policy Institute Briefing Paper #170
The Economic Impact of Local Living Wages
By Jeff Thompson and Jeff Chapman
<http://www.epi.org/content.cfm/bp170>

Further reports can be found at:
http://brennancenter.org/programs/living_wage/