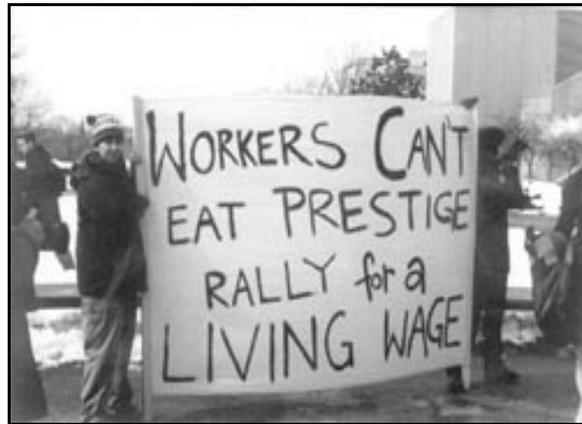


Low Wages and Basic Needs



in the City of Miami

Facts for
Advocates

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Facts for Advocates

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Introduction

Ms. Smith moved with her family to Miami because she heard that there were “good” jobs here. After 60 days living in an emergency shelter with her family, Ms. Smith moved into a transitional housing program. She and her children have thrived in this environment. The children are now back in school, and Ms. Smith is now employed. However, there is a problem: after the maximum of 24 months in the program, Ms. Smith cannot find a place to live. Her job barely pays above minimum wage and with childcare and transportation the numbers simply do not add up. Ms. Smith has been able to move forward, but by moving into the community with high market rate rents, she puts her family on the brink of being homeless again.¹

Joe works at a construction site, and is contracted by a temporary labor pool. He receives \$5.15/hour, although the labor pool gets nearly twice that amount for providing day laborers. Occasionally he gets a bed at one of the shelters, but more often, he sleeps on the street. He can't save enough money for a deposit (one month's rent in advance) for a room. He knows many of the food distribution places and he goes to the shelter's pantry. However, on Sundays, when that pantry is closed, he goes to a church service, and if he's lucky, he'll take a shower and be given clean clothes.²

"Unfortunately, these scenarios are typical of low wage workers, and currently families are cycling in and out of the homeless system and charity feeding programs."³

These stories do not coincide with the image of Miami, "The Magic City." However, looking at Miami through a different lens reveals the highest poverty rates and the lowest median household income in the nation.⁴ "On the outskirts of Miami's infamous high life lay its alter ego. Miami has been declared #1 in poverty. Most residents are struggling to make ends meet in the nation's poorest largest city."⁵ As a city, Miami faces average unemployment rates, but its residents remain "poor, poor, *poor*."⁶

¹ Story written and inserted with permission by Ben Burton, Executive Director, Miami Coalition for the Homeless. Name of individual changed.

² Written and inserted with the permission of Sylvia Ospina, who works with the South Florida Interfaith Committee for Worker Justice as a workers rights counselor.

³ Ben Burton, Executive Director, Miami Coalition for the Homeless.

⁴ The Brookings Institution. Center on Urban and Metropolitan Policy. Bruce Katz, Director. "Growing the Middle Class: Connecting All Miami Residents to Economic Opportunity." Presentation Made October 8, 2003.

⁵ Jay, Bruce. "Miami Minus the Glamour: Community Coalition for a Living Wage Fights for Low Wage Families." Article included in HSC Express, publication of the Human Services Coalition of Miami-Dade County. December 2002. Pg.4

⁶ "New Times Best of Miami. The Greater Miami Prosperity Campaign." New Times. May 15, 2003.

One reason is the type of employment created---low wage jobs. Miami has the lowest median household income (\$23,483) among the hundred largest U.S. cities, almost half of the national average (\$41,994). 41% of Miami's households are earning less than \$18,000/year. In addition, Miami ranked 96th out of the hundred largest cities in terms of households earning between \$18,000 and \$81,000.⁷

These stories are examples of Miami residents that can be classified as the "working poor." The "working poor" is a term utilized within the 2003 Labor Report on the State of Florida to include individuals who are working and earning less than \$8.00/hour. In Florida nearly 1/3 of workers fall within this definition. This figure increases to 40% of workers if individuals earning less than \$9.00/hour are included.⁸ Therefore, to envision poverty in Miami is to visualize working adults, who get up each morning, find transportation to their jobs, and work consistent hours. Yet when they receive their paychecks they are faced with choices as to which necessities they can afford, and often purchasing food may be discarded as a luxury.

This paper will offer a basic outline of the relationship between low wages and basic needs. The objective is to explain the Self-Sufficiency Standard (SSS) of Miami-Dade County, and offer one-page comparisons of the SSS against the Federal Poverty Guidelines, Miami's Median Income, and the National Minimum Wage.⁹ This demonstrates the disparity between the cost of living within Miami and current earnings. Consequently, working adults are forced to supplement their wages with faith-based and government support. In addition, the minimum wage and living wage campaigns will be introduced as legislative actions to tackle low wage work. In both instances, a brief synopsis of local statistics, possible impacts, and the work of local organizations will be included.

This material will provide the context to present four faith-based advocacy organizations combating low wage work in Miami. The organizations' work will be presented through the lens of the director of each organization. These perspectives provide insight into how these leaders view the needs of the community and bring their faith into action. The hope is to increase understanding of the connection between low wages and hunger, and motivate advocates to work

⁷ The Brookings Institution. *Growing the Middle Class: Connecting All Miami Residents to Economic Opportunity*.

⁸ Nissen, Bruce. *Labor Report on the State of Florida*. Center for Labor Research and Studies. Florida International University. September 1, 2003. Pg. 2

⁹ Pearce, Diana and Jennifer Brooks. *The Self-Sufficiency Standard for Florida*. Prepared for the Human Services Coalition of Miami-Dade County. 2002. Pg.1. www.sixstrategies.org

in collaboration with organizations such as these to combat hunger through addressing one of its systemic causes---low wage work.

Background

The Self-Sufficiency Standard (SSS) can be defined as “how much income is needed for a family of a given composition, in a given place, to adequately meet their basic needs-without public or private assistance.”¹⁰ The Self-Sufficiency Standard determines the basic income required to support oneself and dependents, factoring in the cost of living in a particular area, the number of adults working, and the age of children. The Self-Sufficiency Standard has been created for twenty-seven states or cities. Table A shows the Self-Sufficiency Standard for Miami-Dade County according to family size, and hourly, monthly, and annual estimates.

Table A
Self-Sufficiency Standard for Miami-Dade County¹¹

<i>Type/ Size of Family</i>	Hourly wage	Monthly wage	Annual income
<i>One Adult</i>	\$9.33	\$1,642	\$19,707
<i>One Adult, One Preschooler</i>	\$15.43	\$2,716	\$32,591
<i>One Adult One Preschooler One School Age</i>	\$17.98	\$3,164	\$37,969
<i>Two Adults One Preschooler One School Age</i>	\$10.56 per adult	\$3,718	\$44,611

Source: *The Self-Sufficiency Standard for Florida*. Table 1.

One aspect to be analyzed is why the Self Sufficiency Standard for Miami-Dade County is so high. For example, The *Self-Sufficiency Standard for Florida* report compared Miami to ten cities, in which Miami proved to have the second highest Self-Sufficiency Standard for a single adult, lower only than San Francisco.¹² One method of measurement is to examine the cost of living indexes for the cities within Miami-Dade County. In doing so, it appears that in the City of Miami, the overall cost of living is not only higher than the national average (107.9), but higher within each individual category: housing (113.0), food and groceries (102.9), transportation

¹⁰ Pearce, Diana and Jennifer Brooks. *The Self-Sufficiency Standard for Florida*. Pg. 1

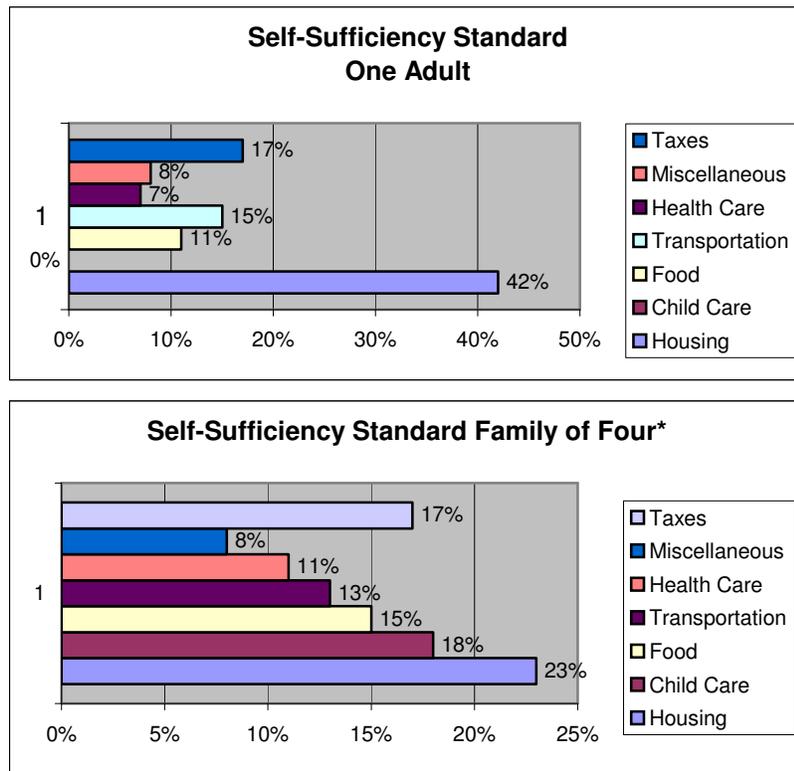
¹¹ Pearce, Diana and Jennifer Brooks. *The Self-Sufficiency Standard for Florida*. Table 1. Pg.8

¹² Pearce, Diana and Jennifer Brooks. *The Self-Sufficiency Standard for Florida*. Table 7. Pg.17. The ten other cities included in the comparison were Seattle, Indianapolis, Milwaukee, Denver, Boston, Las Vegas, Washington, D.C., Atlanta, Baltimore, Miami, and San Francisco. For a single adult San Francisco had a \$10.97 self-sufficiency standard, including public transportation.

(106.8), utilities (103.1), health (101.6), and miscellaneous (108).¹³ For example, Miami lacks adequate public transportation. This translates into a greater portion of one's income going towards transportation (like having to own a car), as opposed to cities where public transportation is accessible and affordable.

Table B offers examples of how the standard was formulated for Miami-Dade County by detailing the cost of anticipated expenses, and determining the relative percentage of those costs as part of one's total income. This table depicts the allocation for two family types: a single adult, and a family of four. It is important to note that in determining the expenses, the Self-Sufficiency Standard includes taxes. For the family of four the Child Care Tax Credit (\$80) and Child Tax Credit (\$100) are subtracted from the expenses shown to obtain the annual value of \$44,611.

Table B
Self-Sufficiency Standard Breakdown¹⁴



*Family of Four according to the Self-Sufficiency Standard consists of two adults, one preschooler, and one school age child.

Source: *The Self-Sufficiency Standard for Florida*. Pg.8

¹³ www.bestplaces.net

¹⁴ Pearce, Diana and Jennifer Brooks. *The Self-Sufficiency Standard for Florida*. Table 1. Pg. 8

Self-Sufficiency Standard vs. Federal Poverty Guidelines

The Self-Sufficiency Standard was formulated in response to apparent shortcomings and criticisms of the Federal Poverty Guidelines. "...A broad range of researchers argue that the government's methodology-which has not been significantly altered since its introduction in 1963-is no longer adequate."¹⁵ The guidelines are considered to be out of date; they fail to address contemporary consumption patterns; they do not reflect local costs or conditions of geographic areas; they lack specificity between adults and children; and the allocation is simply not large enough. Table D depicts the 2003 Federal Poverty Guidelines for the 48 contiguous states. In viewing this chart, it is evident that the guideline's size of family unit fails to differentiate between adults and children and is not based according to specific living expenses. The guidelines simply lack all the necessary determinants that the Self Sufficiency Standard (Table B) provides in detail.

Table D
2003 Federal Poverty Guidelines¹⁶

Size of Family Unit	Poverty Guideline
1	\$8,980
2	\$12,120
3	\$15,260
4	\$18,400

Source: U.S. Department of Health and Human Services. <http://aspe.hhs.gov/poverty/03poverty.htm>

The inadequacy is even more observable in the proposed totals. For example, the 2003 Federal Poverty Guideline was \$8,980 for one person, compared to \$19,707 utilizing the Standard.¹⁷ "The Self-Sufficiency Standard shows that, for most families, earnings that are above the official poverty level or earnings that are high enough to disqualify them from welfare are nevertheless far below what they need to be to meet their families' basic needs."¹⁸ Therefore,

¹⁵ Pollin, Robert. "Living Wages, Poverty, and Basic Needs: Evidence from Santa Monica, California." Political Economy Research Institute. University of Massachusetts Amherst. 2002. Pg. 4

¹⁶ U.S. Department of Health and Human Services. www.aspe.hhs.gov/poverty/03poverty.htm

¹⁷ U.S. Department of Health and Human Services www.aspe.hhs.gov/poverty/03poverty.htm

¹⁸ U.S. Department of Health and Human Services www.aspe.hhs.gov/poverty/03poverty.htm. Table composed directly from table online omitting Alaska and Hawaii and only showing family size up to four people.

another measure is required to more accurately portray the financial health of a family living in a particular city.

Self-Sufficiency Standard vs. Miami's Median Income

The Self-Sufficiency Standard can be compared to the most recent income statistics for Miami. Based upon the 2000 Census, Miami's median household income is \$23,483 (134,558 households). Table C sets forth the income breakdown, providing a broad perspective of income levels. It should be stressed that income levels are far lower than what the Self-Sufficiency Standard proposed for Miami residents: i.e., what they would need to live in the city. For example, more than half of workers (52.1%) earned less than \$25,000. Referring to the Self-Sufficiency Standard, that income would barely be enough for one adult, let alone a household. From these figures, it becomes evident how an estimated 13,876 (32.8%) families, and 9,620 (40%) individuals within Miami are living in poverty.¹⁹

Table C
Miami's Median Income in 1999²⁰

Income in 1999	Number	Percent
Less than \$10,000	32,558	24.2
\$10,000 to \$14,999	14,370	10.7
\$15,000 to \$24,999	23,087	17.2
\$25,000 to \$34,999	17,280	12.9
\$35,000 to \$49,999	17,036	12.7
\$50,000 to \$74,999	14,484	10.8
\$75,000 to \$99,999	6,458	4.8
\$100,000 to \$149,999	4,829	3.6
\$150,000 to \$199,999	1,581	1.2
\$200,000 or more	2,661	2.0
Median household income	23,483	N/A

Source: US Census Bureau. 2000 Statistics. Table DP-3, Profile of Selected Economic Characteristics: 2000

¹⁹ US Census Bureau. 2000 Statistics. Table DP-3. Profile of Selected Economic Characteristics:2000. Families are defined as families with children under 18 years old.

²⁰ US Census Bureau. 2000 Statistics. Table DP-3. Profile of Selected Economic Characteristics:2000

Self-Sufficiency Standard vs. National Minimum Wage

The Self-Sufficiency Standard of Florida emphasizes that this Standard is not designed to denote an exact dollar amount, but rather a range or general framework from which one’s wages may be measured. “Rather, we urge users of the Standard to think in relative terms of “wage adequacy,” that is, one should ask how close is a given wage to the Standard?”²¹ By comparing the Self-Sufficiency Standard of Miami-Dade County to the national minimum wage, which governs Florida, a clear disparity is obvious. Table E outlines the disproportion between the two wages for a single adult and for a family of four.

Table E
Self-Sufficiency Standard vs. National Minimum Wage²²

Means of Measurement	Hourly	Annually
<i>One Adult</i>		
Self-Sufficiency Standard	\$9.33	\$19,707
National Minimum Wage	\$5.15	\$10,712
Deficit	\$4.18	\$8995
<i>Two Adults, Two Children*</i>		
Self-Sufficiency Standard	\$10.56 per adult	\$44,611
National Minimum Wage	\$5.15 per adult	\$21,424**
Deficit	\$4.18 per adult	\$23,187***

* The two children are defined as one preschooler and one school aged child.

** Rough estimate to demonstrate disparity. Taxes or other considerations were not factored into earnings.

*** Very rough estimate to demonstrate disparity.

Individuals may be working full-time *and* receiving minimum wage, but this does not ensure individuals can afford basic necessities, or meet the needs of their family. According to the table, one adult should earn about \$19,707 annually.²³ But working at the minimum wage creates a deficit of \$8995. A family composed of two adults and two children should earn \$44,611 annually.²⁴ Yet two adults working at minimum wage jobs would earn only \$21,424. Joan Tamen of the Sun Sentinel stated, “Even two parents working at minimum wage would

²¹ Pearce, Diana and Jennifer Brooks. *The Self-Sufficiency Standard for Florida*. Pg. 29

²² Self-Sufficiency statistics taken from *The Self-Sufficiency Standard for Florida*. Table 1. Pg.8. The federal minimum wage is set at \$5.15/hour.

²³ Pearce, Diana and Jennifer Brooks. *The Self-Sufficiency Standard for Florida*. Pg.8. Statistic from report.

²⁴ Pearce, Diana and Jennifer Brooks. *The Self-Sufficiency Standard for Florida*. Pg.8. Statistic from report.

have trouble paying rent and putting food on the table...Many workers in South Florida toiling at minimum wage jobs live---at homeless shelters."²⁵

Legislative Actions

Instituting a Florida Minimum Wage

The minimum wage is the hourly wage that an employer is legally required to pay his/her employees within the state. The State of Florida is one of six states that DO NOT have a minimum wage law, therefore the federal minimum wage governs Florida. The federal minimum wage was last raised in 1997 and is currently set at \$5.15/hour. The federal minimum wage is enforceable only to businesses producing \$500,000 in annual sales and who employ a minimum of two workers. Working full time at the minimum wage places workers below the poverty line.



Given inflation, the “buying power” of \$5.15/hour is 19% below the 1979 level.²⁶ To reach the 1968 peak today the minimum wage would have to be increased to \$8.45/hour. “Since 1968, worker productivity has risen more than 80 percent while the minimum wage has dropped nearly 40 percent, adjusting for inflation.”²⁷

The federal minimum wage pertains to ALL states. In comparison, twelve states and Washington, D.C. have a minimum wage greater than the federal wage, ranging from \$5.25 to \$6.50. Seven states have set a wage below the federal wage, ranging from \$1.60 to \$4.25, which would cover workers NOT already covered under the federal law.²⁸

In Florida the Association of Community Organizations for Reform Now (ACORN) and Floridians for All coalition are working together to ensure that an initiative to set the Florida minimum wage to \$6.15/hour, indexed for inflation, will be on the 2004 ballot. Louise Peterson,

²⁵ Tamen, Joan Feischer. "Study Pushes raising Florida's minimum wage law to \$6.15/hour." [Sun-Sentinel](#).

²⁶ High Road Service Center. www.highroadnow.org

²⁷ Sklar, Holly. “Raw Deals for Workers on Minimum Wage Anniversary.”

²⁸ High Road Service Center. www.highroadnow.org . Bruce Nissen also assisted understanding this concept.

chairperson of Floridians for All, stated “Raising the Minimum Wage in Florida will help hundreds of thousands of working families across the state by putting money back into the pockets of workers and stimulating our economy.”²⁹ The annual wage would be \$12,792, \$2,080 more than the current annual wage. The text of the proposed amendment states:

All working Americans are entitled to be paid a minimum wage that is sufficient to provide a decent and healthy life for them and their families, that protects their employees from unfair low-wage competition, and that does not force them to rely on taxpayer-funded public services in order to avoid economic hardship.³⁰

The initiative requires 488,722 signatures in order to be placed on the 2004 ballot.³¹ Ruiz, a community organizer with ACORN, stated that the statewide goal is to collect 700,000 signatures, thereby eliminating any question of signature validity, and to demonstrate to the current State administration that this is a widely-supported initiative. Locally, Ruiz stated the objective is to collect 200,000 signatures in Miami-Dade County by June 1st; to date, the county has gathered between 25,000 to 35,000 signatures.³²

Instituting a higher minimum wage than the current federal wage, which governs Florida, will help to attack a root cause of hunger in Miami-lack of financial resources. "If people have more money in their pockets, they will use it for their basic necessities, depending less on social service programs," stated Ruiz. If the gap in wages between the Self-Sufficiency Standard and the national minimum wage (Table E) is to be reduced, enacting this wage increase is a necessary next step. "A \$5.15 minimum wage--\$10,712 a year—just doesn't add up," states writer Holly Sklar in an article entitled "Raw Deal for Workers on Minimum Wage Anniversary."³³

"If people have more money in their pockets, they will use it for their basic necessities, depending less on social service programs."

On October 22, 2003 Floridians for All released a study by the Economic Policy Institute, Washington, D.C., entitled "Time to Repair the Florida Wage Floor." The study concludes that the increase will directly affect 300,000 of Florida's workers.³⁴ In addition, about 15% of

²⁹ Quote taken from article by Tamen, Joan Fleischer. "Study Pushes raising Florida's minimum wage law to \$6.15 an hour."

³⁰ Constitutional Amendment Petition Form. Florida Minimum Wage Amendment

³¹ Tamen, Joan Fleischer. . "Study Pushes raising Florida's minimum wage law to \$6.15 an hour."

³² Comments from Renee Ruiz taken at Human Services Coalition staff meeting in which Ruiz presented the initiative and requested staff support in order to gather signatures within Miami.

³³ Sklar, Holly. "Raw Deals for Workers on Minimum Wage Anniversary."

³⁴ Chapman, Jeff. "Time to Repair the Florida Wage Floor." Economic Policy Institute. 2003. Pg.1(www.Floridiansforall.org).

Florida’s workers, or 1.03 million individuals, who earn within \$2.00 of the current \$5.15 federal minimum wage, will also indirectly benefit.³⁵ The study states:

The decline of the federal minimum wage, due to the inaction of the president and Congress, has had a significant negative impact over the last 24 years on the incomes of low-wage workers and their families. The proposed increase in the Florida minimum wage will help counter this federal neglect. Evidence shows that the proposal is both modest in terms of economic impact and significant to the many Floridians that rely on the earnings of minimum wage workers.³⁶

The research specified the composition of the workers who would benefit from increased wages. Table F presents the make-up of low wage workers, both directly and indirectly affected by the increase, and their place within the total Florida workforce. For example, 64.3% of *directly* affected workers are women, 32.1% are Hispanic Americans, and 20.4% are African Americans. These estimates increase if indirectly affected workers are also considered.³⁷

Table F
Characteristics of Florida workers affected by increase to \$6.15³⁸

	Affected Directly	Other low-wage workers*	Total Workforce**
Number of Workers	304,000	464,000	6,372,000
Percent of Workforce	4.8%	7.3%	100%
Gender			
<i>Male</i>	35.7%	47.1%	52.2%
<i>Female</i>	64.3%	52.9%	47.8%
Race/Ethnicity			
<i>White</i>	45.4%	53.1%	64.9%
<i>Black</i>	20.4%	18.5%	14.5%
<i>Hispanic</i>	32.1%	25.1%	18.4%
Age			
<i>16-19</i>	23.4%	18.1%	4.7%
<i>20 and older</i>	76.6%	81.9%	95.3%
Industry			
<i>Retail Trade</i>	48.1%	37.5%	19.8%

*Those earning within \$1.00 above the proposed minimum wage

**Includes workers not covered by minimum wage

Source: Economic Policy Institute. Time to Repair the Florida Wage Floor. Table 1. Pg.3

An additional striking fact is the age of affected workers. Contrary to criticism, the minimum wage does not primarily affect teenagers, but adults working to support families.

“If your image of the typical minimum wage workers is a teenager think again,” Sklar writes.

³⁵ Tamen, Joan Fleischer. “Study Pushes raising Florida’s minimum wage law to \$6.15 an hour.”

³⁶ Chapman, Jeff. “Time to Repair the Florida Wage Floor.” Pg.7

³⁷ Chapman, Jeff. “Time to Repair the Florida Wage Floor.” Pg.3

³⁸ Chapman, Jeff. “Time to Repair the Florida Wage Floor.” Table 1. Pg.3

In reality, both at the national level and in Florida this statement is NOT valid. Nationally, 68-72% of workers receiving minimum wage are ages 20 or older.³⁹ “But millions of America’s lowest-wage earners come from humble ranks, are well into adulthood and *rely* on their jobs for *survival*,” states Jack Smith in a Miami Herald article entitled “Help the Working Poor-Increase the Minimum Wage.”⁴⁰ Josh Myles, senior political coordinator for Florida ACORN emphasizes this fact, “Over 70 percent are over 20 years old, and over half work full time,” he stated.⁴¹

"In Florida, of the 304,000 workers earning minimum wage, 76.6% are age 20 or older."

In Florida, of the 304,000 workers earning minimum wage, 76.6% are age 20 or older--meaning that only 23.4% of the remaining workers are individuals between the ages 16 to 19. If one turns to workers earning within a \$1.00 above the proposed minimum wage, and therefore indirectly affected, 81.9% are age 20 or older, which means that only 18.1% of the workers are under age 20. These figures confirm that individuals working for minimum wage are adults who rely on this money as their primary and often only source of income.⁴²

"Evidence shows that the proposal is both modest in terms of economic impact and significant to the many Floridians that *rely* on the earnings of minimum wage workers."

Finally, it is significant to note that this research concluded that the \$1.00 increase would directly affect only 4.8% of the workers, a small portion of Florida's total workforce. This fact should augment concerns that an increase in the minimum wage will lead to “negative employment effects.”⁴³ “An increase of this magnitude will not result in job losses among affects.”⁴⁴ However, for that 4.8% the increase would have a major impact on their livelihood.

³⁹ High Road Service Center. www.highroadnow.org

⁴⁰ Smith, Jack. “Help the Working Poor, Increase the minimum wage.” 2003. [The Miami Herald](#). June 9, 2003.

⁴¹ Myles, Josh. As quoted in "Hike in Minimum Wage Sought." 2003. [The Miami Herald](#).

⁴² Chapman, Jeff. “Time to Repair the Florida Wage Floor.” Pg.3

⁴³ Chapman, Jeff. “Time to Repair the Florida Wage Floor.” Pg. 6

⁴⁴ Chapman, Jeff. “Time to Repair the Florida Wage Floor.” Pg. 6

Enacting Living Wage Ordinances

A Living Wage is defined as a wage higher than the federal poverty guideline for a full-time worker with a family of four.⁴⁵ "The living wage initiatives that have become law throughout the country are motivated by an initial common purpose: that people who work for a living should not have to raise a family in poverty."⁴⁶ Utilizing 2003 guidelines, that wage would



equal at least \$18,400 annually.⁴⁷ The extent of coverage of a living wage greatly varies depending on the ordinance and whether the ordinance is enacted for a city or countywide. Basically all laws cover service contractor employees, and many include employment as a result of tax abatements or other public subsidies. In addition, ordinances can also specify a particular job, such as airports or "other city/county entity."⁴⁸ In all instances, this broadly means that individuals covered within the ordinance will be paid a living wage, as determined by the law. As of July 2003 over one hundred counties and cities had passed living wage ordinances, including Baltimore, Boston, Chicago, and Los Angeles---but not Miami.⁴⁹

Hotly debated issues include: the increased costs to the cities and counties; the possible negative effect on hiring and increased layoffs; and the actual number of individuals affected due to the increased number of living wage ordinances enacted across the country. "Beyond purely

⁴⁵ Definition taken from The Community Coalition for a Living Wage of Miami-Dade County outreach brochure.

⁴⁶ Pollin, Robert. "Living Wages, Poverty, and Basic Needs: Evidence from Santa Monica, California." Pg. 2

⁴⁷ U.S. Department of Health and Human Services aspe.hhs.gov/poverty/03poverty.htm. Statistic taken from 2003 Poverty Guidelines Table.

⁴⁸ Phrase taken from correspondence with Bruce Nissen, Researcher, Florida International University. Mr. Nissen assisted me understand the broad definition and various coverage under different living wage ordinances.

⁴⁹ Elmore, Andrew. "Living Wage Laws and Communities: Smarter Economic Development, Lower Than Expected Costs." New York: Brennan Center for Justice at NYU School of Law. November 2003. Executive Summary. Pg.1. www.brennancenter.org

ideological arguments, they argue that a living wage ordinance will cost the government too much; that it will lead to unemployment; that administrative costs will be huge; that competition for county contracts will decrease; and that the ‘wrong signal’ will be sent to the business community, discouraging investment in the area,” stated Bruce Nissen, Director of Research for the Center for Labor Studies at Florida International University, in a summary of his paper entitled “The Impact of a Living Wage Ordinance on Miami-Dade County.”⁵⁰

Examining the retrospective studies of enacted living wage ordinances dismiss the majority of these criticisms. One major arguable opposition is the resulting job loss. As opposed to the positive studies that will be outlined, this one aspect has much research on both sides of the argument. However, it can be stated that the job loss, if present, is not significant. "Either way, we are arguing about a VERY VERY SMALL effect," stated Nissen, "one so small that it is either non-existent or is real but is so small it's hard to detect."⁵¹

"The living wage initiatives that have become law throughout the country are motivated by an initial common purpose: that people who work for a living should not have to raise a family in poverty."

Two studies have been conducted regarding the first living wage ordinance enacted in Baltimore in 1994. The ordinance placed the living wage at \$6.10/hour for all city contractor employees, with a gradual increase to \$7.70/hour by January 1999. In 1996, the Preamble Center in Washington, D.C conducted the first study to examine the effects of the law one year after its enactment. The study concluded that affected companies did not lay off workers and that there was no increased competition for contract bids. In fact, there was an observable increase in business investment.⁵²

The Economic Policy Institute (EPI) released a study two years after the Baltimore ordinance was enacted, finding consistently positive effects. The EPI concluded that the ordinance did not place a significant financial burden on the city AND successfully assisted low wage workers. In addition, increased wages resulted in more stability within the workforce and

⁵⁰ Nissen, Bruce. “The Impact of a Living Wage Ordinance on Miami-Dade County.” Center for Labor Research and Studies. Florida International University. Executive Summary. Pg 1-2.

⁵¹ Paragraph structured from comments made by Bruce Nissen.

⁵² Nissen, Bruce. “The Impact of a Living Wage Ordinance on Miami-Dade County.” Pg 1-2.

less turnover. However, factoring in part-time and seasonal work, the study concluded that paying living wages did not automatically result in livable incomes.⁵³

The Economic Justice Project, part of the Brennan Center for Justice at New York University School of Law, released a nationwide study in 2003, examining living wage laws that had been in place for at least a year: “Living Wage Laws and Communities: Smarter Economic Development, Lower than Expected Costs.” It concentrated solely on the tangible effects on city contracts and city business subsidies. First, the study found that for the majority of the cities, contract costs increased less than 0.1% of the local city budget.⁵⁴

This finding can be utilized to address concerns about the additional cost to cities, especially in times of economic downturn or stagnation.

In fact, the study found that some cities saved money by turning to competitive bidding for contracts. In regard to business subsidies,

"Contract costs increased less than 0.1% of the local city budget."

the fear of losing possible new businesses or projects within the area proved invalid. Of the ten cities that were included in this research, only one project within one city was terminated due to the living wage ordinance.⁵⁵

Other retrospective studies confirm and reiterate similar positive outcomes of enacted living wage ordinances. The Political Economy Research Institute (PERI) at the University of Massachusetts has ten additional research studies that can be accessed and utilized to continually

"The CCLW believes that government should take the lead in helping residents achieve *self-sufficiency* by adopting Living Wage Ordinances."

find beneficial aspects of specific living wage ordinances enacted in different cities and counties.⁵⁶ ACORN, who also works on living wage campaigns, offers another perspective. "When subsidized workers are allowed to pay their workers less than a living wage, tax payers end up footing a double bill: the initial subsidy and then the food stamps, emergency medical, housing and other social services low wage workers may require to support

⁵³ Nissen, Bruce. "The Impact of a Living Wage Ordinance on Miami-Dade County." Pg 1-2.

⁵⁴ Elmore, Andrew. "Living Wage Laws and Communities: Smarter Economic Development, Lower Than Expected Costs." Pg.1. For the affects on city contracts the study concerned twelve cities: Alexandria, VA; Berkeley, CA; Cambridge, MA; Hartford, CT; Hayward, CA; Madison, WI; New Haven, CT; Pasadena, CA; San Jose, CA; Warren, MI; Ypsilanti, MI; Ypsilanti Township, MI.

⁵⁵ Elmore, Andrew. "Living Wage Laws and Communities: Smarter Economic Development, Lower Than Expected Costs." Pg.3 The ten cities included: Duluth, MI; Los Angeles, CA; Minneapolis, MN; Oakland, CA; San Francisco, CA; Toledo, OH; Warren, MI; Ypsilanti, MI; Ypsilanti Township, MI. One project in San Francisco was rejected.

⁵⁶ <http://www.umass.edu/peri/research> (PERI)

themselves and their families even minimally.⁵⁷ This statement returns to the argument that low income workers cannot be self-sufficient with wages currently legally permissible. This disparity between wages earned and money needed to live results in increased reliance upon social services.

In Miami the Community Coalition for a Living Wage (CCLW) is the driving force behind the campaign to adopt county and city living wage ordinances. The CCLW is comprised of workers, unions, faith-based, and other community organizations, social service providers, and concerned citizens working for a living wage and social justice. "The CCLW began to develop ties between organized labor and other elements of the community in common struggle for a jointly understood community good: higher wages for low wage workers."⁵⁸ "The CCLW believes that government should take the lead in helping residents achieve *self-sufficiency* by adopting Living Wage Ordinances..."⁵⁹

"Impacts on affected workers and their families have been beneficial and quite substantial, on an individual basis."

In 1999 the CCLW's efforts paid off when a living wage ordinance was passed within Miami-Dade County. The law placed the living wage at \$8.56/hour with health benefits, and \$9.81/hour without benefits. Indexed for inflation, the wage has currently risen to \$9.00/hour, and \$10.30/hour, respectively. In assessing the effects of the county ordinance, Nissen, who is a member of the CCLW, stated, "Impacts on affected workers and their families have been beneficial and quite substantial, on an individual basis."⁶⁰ In 2001 an ordinance was passed in the City of Miami Beach, set at \$8.56 with health benefits, and \$9.81 without benefits. Both these wage levels will continue to be raised as the cost of living rises in the future.⁶¹

The CCLW is now targeting its efforts on securing a living wage ordinance for the City of Miami. This fall the CCLW sent a letter to the city commissioners expressing their discontent, stating they were "disappointed at the lack of progress made by the city to reach its professed goal of adopting a living wage."⁶² This letter was written in response to the adoption of the 2004 budget without including a living wage ordinance. Sixteen organizations signed the letter, vowing their support to pursue a living wage ordinance for the City of Miami.

⁵⁷ <http://www.livingwagecampaign.org/> (ACORN)

⁵⁸ Nissen, Bruce. "The Miami Living Wage Ordinance: Primary and Secondary Effects." Pg. 12. Chapter written for book soon to be released by Deborah Figart. 2003.

⁵⁹ Taken from Community Coalition for Living Wage brochure with their permission.

⁶⁰ Nissen, Bruce. "The Miami Living Wage Ordinance: Primary and Secondary Effects." Pg. 12.

⁶¹ www.livingwagecampaign.org (ACORN)

⁶² From text of Community Coalition for Living Wage letter to City Commissioners. Dated Sept.29,2003.

The Human Services Coalition of Miami-Dade County (HSC) has also been an active participant within the CCLW. Through the Greater Miami Prosperity Campaign the HSC "links low wage workers with economic benefits": the Earned Income Tax Credit, the Food Stamps Program, and Kid care/Medicaid.⁶³ Now through their Community Prosperity Initiative, the HSC is extending their outreach to "address the underlying causes of our ranking [ranked first in poverty] and seek to reverse the trends."⁶⁴ The goal is to incorporate leaders from civic, business, government, academia, and philanthropy. This approach is reflected in Daniella Levine's comments at the Homeless Advocacy Providers Forum, in which she stated how it is vital to entice business' involvement around the living wage movement.

Ben Burton, Co-Chair of the Executive Committee for the CCLW and Executive Director of the Miami Coalition for the Homeless stated that, in his opinion, the primary focus of the local living wage campaign should be to increase grassroots organizing and perform detailed research. Mr. Burton emphasized that an expanded education campaign and financial resources are

needed. Mr. Burton stated "For the first time in history a person can be working full time and need to live in a homeless shelter in order to make ends meet. Wouldn't it be a good idea for businesses and for families to pay hard working people a living wage?"

A living wage would allow families to stabilize in the community and thrive. Also, statistics show that for businesses staff turnover is reduced and overall personnel costs are reduced, thereby benefiting businesses when employees are paid a living wage."⁶⁵

"Wouldn't it be a good idea for businesses and for families to pay *hard working* people a living wage?"

⁶³ "Building Community Prosperity in Miami-Dade. Civic Engagement, Dialogue, and Action." Human Services Coalition of Miami-Dade County. Pg.5. www.hscdade.org

⁶⁴ "Building Community Prosperity in Miami-Dade. Civic Engagement, Dialogue, and Action." Human Services Coalition of Miami-Dade County. Pg.6. www.hscdade.org

⁶⁵ Burton, Ben. Executive Director. Miami Coalition for the Homeless.

Faith Community Response

The work of four faith-based advocacy nonprofit organizations within Miami demonstrates models of faith responses to hunger through addressing systemic causes. **The South Florida Interfaith Committee for Worker Justice (SFICWJ), People Acting for Community Together (PACT), National Farm Workers Ministry (NFWM), and Catholic Charities** each possess a mission statement in light of their distinct faith traditions and craft their objectives to correlate with their beliefs and organizational capacity. One common theme that permeates throughout these organizations is a commitment to respond to the community's challenge of low wage work. It is clear the correlation between human work and human dignity resonates throughout the faith community. This observation is made through first interviewing the directors of these organizations to gain insight into how they view the needs of the community, bring their faith into action, and work for changes in the structures that create hunger in Miami.

South Florida Interfaith Committee for Worker Justice (SFICWJ)
www.sficwj.org

"The religious community is ideally suited for this role. On the one hand, they bare the brunt of the pressures on social and health services for the most needy of the community. On the other hand, the faith community has the moral authority to organize the community to overcome its poverty through self-sufficiency and human dignity."

-Bruce Jay, Coordinator

The Interfaith Committee is a network of clergy and community members from diverse denominations whose purpose is to “educate and involve the religious community on issues and campaigns to improve wages, benefits, and working conditions for low-wage workers.”⁶⁶ The SFICWJ, begun in 1998, is part of a national network of clergy and lay leaders (NICWJ) seeking justice for low wage workers. In 2001 the SFICWJ instituted the Workers Rights Initiative (WRI), in which they provide the materials and technical support to enable faith-based organizations to establish worker rights counseling programs. In addition, their campaign entitled Decent Jobs for the Poorest Miamians seeks to improve the enforcement and tightening of prevailing wage legislation so that local workers will be employed on publicly funded projects and receive fair wages. The Interfaith Committee also collaborates to gain support for union organizing, minimum wage increases, and living wage dialogue. The SFICWJ is an active member of the CCLW, Jobs with Justice, and a variety of interfaith activities.



⁶⁶ SFICWJ mission statement

Addressing Low Wage Work *Through* Knowledge and Enforcement of Worker Rights

"Many religious institutions already see their role as providing food and shelter to the poor. The Worker Rights Initiative allows them to combine charity with justice for a more effective impact of their time, effort, and resources."

"Justice is hard to sell in a community with a weak voice speaking on its behalf."

Central to this project is a formal agreement with the US Department of Labor's Wage and Hour Division. Counseling programs have been established in Little Havana, Kendall, Little Haiti, and Downtown/Overtown. Cases include Wages and Hours, Prevailing Wage, Health and Safety, Compensation, and the Florida State Labor Pool Act.

On the right a SFICWJ advocate fills out a client intake. Fifty worker rights advocates have been trained in English and Spanish.



"Better a job than none at all is the guiding force behind current economic philosophy."

"The important thing is to listen to the poor. They do have a channel for their problems and there are solutions."

On the left, Bruce Jay speaks with a worker at a faith-based feeding program on a Sunday morning. Through this initiative, several documented and undocumented workers have recuperated their back pay.



People Acting For Community Together (PACT)
www.miamipact.org

"Faith traditions mandate people to be concerned about justice...
I stay in organizing because it is a way to prevent systems from treating
people as unimportant."

-Aaron Dorfman, Executive Director

PACT consists of more than 29 congregations and community groups with over 50,000 members working for "social and economic justice through community organizing."⁶⁷ PACT is also one of twenty organizations part of Direct Action and Research Training (DART), an association of similar organizations. Founded in 1988, PACT is currently the largest grassroots organization in South Florida. "PACT seeks to build community power and overcome systemic injustices that affect low- to moderate-income communities."⁶⁸ Through a grassroots process, volunteers within member congregations visit their communities, specifically asking individuals what issues they are concerned about and how they would like to see programs altered. At a community gathering, everyone can vote on the issues raised. PACT then determines its agenda, which consists of three primary topics to focus its efforts. This process occurs about every two years. Currently PACT's focus is on immigration, health care, and transportation. From this concentration, PACT members then determine how to address the community needs, specifically holding public officials and community leaders accountable. "By doing so, traditionally voiceless populations exert power in relation to a political system that was previously inaccessible to them."⁶⁹



⁶⁷ www.miamipact.org

⁶⁸ www.miamipact.org

⁶⁹ www.miamipact.org

Addressing Low Wage Work *Through* Community Organizing

"Broadly, the lack of fair distribution of power and the political decisions that result from this unbalance of power lead to hunger"



"The structural model of PACT is significant to its success because the community members themselves determine and shape the priorities of PACT."

On the right, PACT members rally for transportation improvements.



"The diversity of Miami is a strength for the community in seeking social change."

According to Aaron, within Miami the presence of transitional residents is an obstacle because individuals who do not recognize an area as their home are less likely to commit themselves to improving the community.

On the left Rev. Brown speaks at PACT's 15th Anniversary Banquet.

National Farm Worker Ministry (NFWM)
www.nfwm.org

"We want to make the invisible visible. Individuals need to be exposed to the problems that pervade our community. We need to work together, through raised awareness, boycotts, and legislative action to reverse the reality of low wage work."

-Erin Balleine, Community Organizer, Miami

The NFWM is an "interfaith organization supporting farm workers as they organize for justice."⁷⁰ This includes campaigns and movements on living wages, pesticides, housing, immigration, slave labor, and various other issues. The NFWM consists of 40 member organizations, and five regional offices throughout the country. Currently the NFWM is focusing its resources and outreach to increase awareness and involvement for the boycott of both Taco Bell and Mount Olive Pickles. The purpose of the boycotts is to fight for higher wages and decent working conditions for pickers. The NFWM is also utilizing its faith-based connections to gain support for the historic AgJobs Bill, which would offer farm workers immigration reform. Locally, the NFWM is working to educate congregations about the plight of farm workers in South Florida. This outreach is centralized on key congregations who provide clothing and food to the workers, as well as giving presentations to faith based students groups on current picking conditions and boycotts. Ultimately, NFWM's main goal is to work for systemic change.



⁷⁰ www.nfwm.org

Addressing Low Wage Work *Through* Boycotts

"Workers simply do not have enough money to buy food. Through boycotts we may not drastically affect the finances of a corporation, but we can affect their reputation. This process can be effective to bring new contracts with higher wages for farm workers."

"People with power are the individuals who purchase products; the people who vote; these people need to make responsible choices because they affect the well being of the entire community."

On the right, a NFWM staff member walks in solidarity with farm workers at a rally in support of the Taco Bell Boycott. The boycott has been in place for three years, culminating each year with a rally in Irvine, California at Taco Bell's headquarters.



"The diversity of Miami is both rewarding and challenging If people don't feel ownership over their community, they won't get involved."

"The real task is to help people see working for justice as a way to live out one's faith."

On the left workers and advocates march together in protest of Mount Olive Pickles. The boycott will continue until a new contract agreement is signed between the corporation and the farm workers.



Catholic Charities Archdiocese of Miami
www.catholiccharitiesadm.org

"We address the issue of low wage work through the Catholic Campaign for Human Development and our support for organizations such as SFICWJ and Miami Workers Center - community based organizations that are working to organize people to effect structural change at the level of local government. CCHD grant monies allow organizations like the Miami Workers Center and SFICWJ to do the work they do best with financial backing from the Catholic Church."

-Brian Stevens, Director of Social Advocacy, Catholic Charities Miami

The mission of Catholic Charities USA is to "support individuals and families, build communities, and work for justice."⁷¹ Catholic Charities Archdiocese of Miami has an Office of Social Advocacy whose goal is to serve the poor of the community. The Office recently established the Monsignor Bryan Walsh Social Advocacy Commission. The Commission is composed of seventeen members of different congregations and organizations throughout Miami. The intention is to increase awareness of government and faith-based social programs and to expand the concept of social and economic justice in Miami. The objective is also to promote the Catholic Campaign for Human Development (CCHD). The CCHD funds organizations who work for systemic changes.

"I think faith based community organizing groups like PACT - supported by CCHD here in Miami - have a natural advantage because they are working on organizing people who already share a common bond through their faith and a common agenda - building the kingdom of God. Building community is a common theme in Catholic Social Teaching, and faith based community organizing groups do it best, in my view."

Community Leaders *Quotes*

⁷¹ www.catholiccharities.org

"For the first time in history, a person can be working full-time and need to live in a homeless shelter in order to make ends meet. Wouldn't it be a good idea for businesses and families to pay hardworking people a living wage?"

-Ben Burton
Executive Director, Miami Coalition for the Homeless

"If people have more money in their pockets, they will use it for their basic necessities, depending less on social service programs."

-Renee Ruiz
Community Organizer, ACORN

"Hunger in Miami is the result of the lack of decent jobs and respect for human worth, not the indolence of the poor like many prefer to think. Working poverty is a moral, not merely an economic question that needs to be addressed through the conduct of individuals, not just government programs."

-Bruce Jay
Coordinator, South Florida Interfaith Committee for Worker Justice

"Workers simply do not have enough money to buy food. We need to work together, through raised awareness, boycotts, and legislative action to reverse the reality of low wage work."

-Erin Balleine
Community Organizer, Miami, National Farm Worker Ministry

"Impacts on affected workers and their families have been beneficial and quite substantial, on an individual basis."

-Bruce Nissen
Director of Research, Center for Labor Studies,
Florida International University. In reference to the Miami-Dade Living Wage

"Hunger in Miami is caused by a combination of factors. One factor is the large immigrant population that is easily exploited, i.e.-paying undocumented workers wages far below the minimum."

-Brian Stevens
Director of Social Advocacy, Catholic Charities

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