

# **A Difference that Matters: The Impact of the Miami-Dade Living Wage Ordinance on Employees Covered by the Ordinance**

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## EXECUTIVE SUMMARY

### A DIFFERENCE THAT MATTERS: THE IMPACT OF THE MIAMI-DADE LIVING WAGE ORDINANCE ON EMPLOYEES COVERED BY THE ORDINANCE

In November 1999 a Living Wage Ordinance in Miami-Dade County went into effect. The ordinance requires that all county employees plus all employees of (1) county service contractors, (2) the Public Health Trust and its contractors, and (3) ground services providers at the county-owned Miami International Airport be paid a “living wage” slightly above the poverty line for a family of four. In addition, covered employers must provide either a health insurance policy or an extra hourly wage to make it possible for the employee to buy a health insurance policy. Originally set at \$8.56 per hour with healthcare benefits or \$9.81 per hour without health care benefits, the living wage level is indexed yearly to reflect increases in the cost of living. As of late 2005, the living wage was set at \$9.81 per hour with healthcare benefits or \$11.23 without.

This report addresses the following question: has the ordinance materially improved the lives of the workers and families who are covered by the ordinance? We surveyed 78 workers covered by the ordinance to determine its impact on their incomes. Has it had any unintended consequences, such as giving many of the raises to middle class teenagers looking for weekend money, or causing job losses? Has it materially aided workers and their families regarding such quality of life issues as housing, transportation, education, debt reduction and ability to save? The main findings from the survey are:

#### **I. Pay increases at “living wage” jobs compared to prior to ordinance adoption have been substantial**

- Of those reporting a pay increase as a result of the ordinance, the median increase (meaning half are higher, half are lower) was \$2.75 per hour. For those working a 40 hour workweek, this represents a median increase in income of \$5,720 per year.
- Employees who moved from jobs not covered by the ordinance to jobs that are covered gained even more advantage. Compared to jobs held immediately prior to the current job, median pay at these “living wage” jobs was \$3.74 per hour higher. For those working a 40 hour workweek, this translates into a median increased yearly income of \$7,779.20.

#### **II. Increased income has improved the lives of the workers who received mandated pay increases and their families in a variety of ways.**

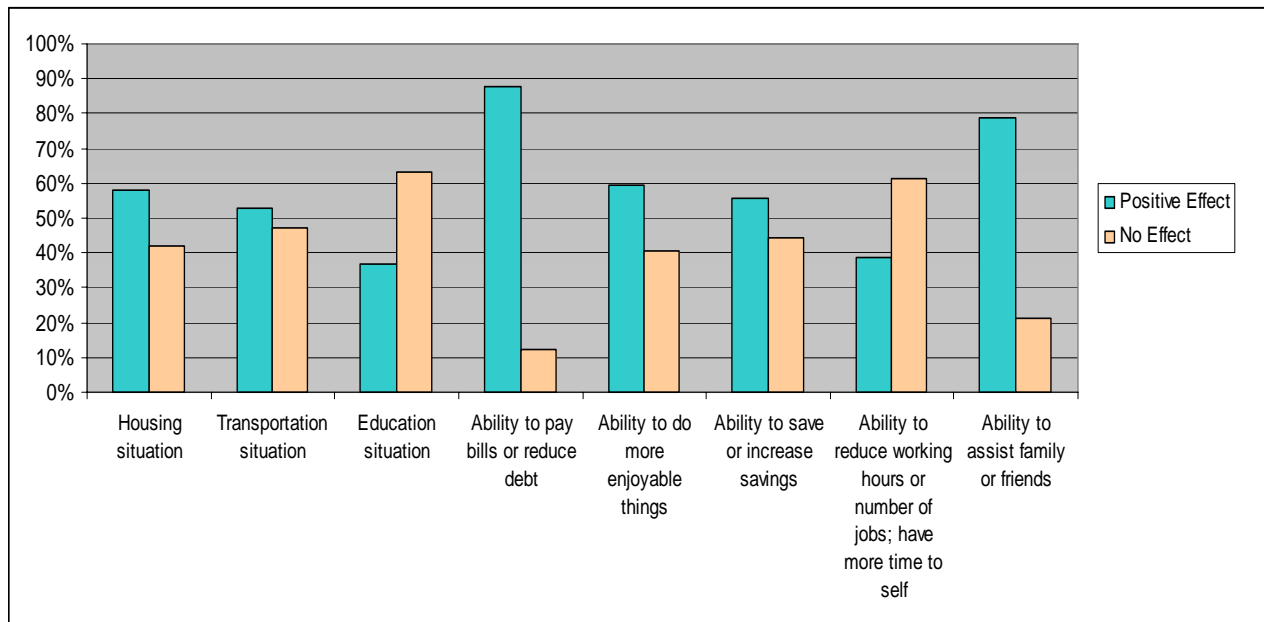
- **58%** found their **housing situation** improved;
- **52.5%** found their **transportation situation** improved;
- **37%** found their **education situation** improved;
- **87.5%** found their **ability to reduce debt or to pay bills** improved;

- **59.5%** found their **time for themselves and enjoyment of leisure time** enhanced;
- **55.5%** found their **ability to save money** improved;
- **38.5%** found they were able to **reduce the number of jobs** they work or to **voluntarily reduce their working hours**; and
- **79%** found their ability to **help out family and friends in time of need** enhanced.

**III. “Unintended negative consequences” predicted by critics of the Living Wage Ordinance have not materialized.**

- Only a miniscule percentage of respondents indicated that there had been any layoffs, cuts in hours, or cuts in healthcare plans or shifting of healthcare costs onto employees.
- Very few respondents perceived any “speedup”, or forced harder work, as a result of the ordinance.
- Contrary to the predictions of many opponents of the ordinance, middle class teenagers increasing their pocket money were not the main beneficiaries of the Living Wage ordinance. The average age of respondents was 43 years old, and ages ranged from 20 to 70. All respondents supported their household and many contributed to the support of other households with their wages.

Ratings of Living Wage Ordinance Impacts for Respondent’s Indicating a Pay Increase



**IV. The ordinance was helpful for everyone. There are some differences in impacts on different genders, races, ethnicities, or nativities, but they are not major.**

- The law is perceived to be most helpful by immigrants, Hispanics, and men
- But the law is also seen as helpful by large numbers of native born, blacks, and women living wage recipients.

**V. The Miami-Dade Living Wage Ordinance has been very successful at combating “working poverty” for those doing county or county-financed work, but two changes may improve its effectiveness.**

- Awareness of the ordinance is lower than it should be – over 30% of the respondents in this study were unaware of the ordinance, and over 36% did not know if they were covered. The commission or the county might consider measures to make the ordinance better known, especially to those covered by it.
- Approximately 11.5% of those surveyed were not receiving the living wage of at least \$9.44 per hour. This indicates that some employers are ignoring the law. The county should pay close attention to ensure compliance from those few employers not obeying the law.

# **A DIFFERENCE THAT MATTERS: THE IMPACT OF THE MIAMI-DADE LIVING WAGE ORDINANCE ON COVERED EMPLOYEES**

## **I. INTRODUCTION**

In May of 1999 the Miami-Dade County Commission passed a Living Wage Ordinance that requires that all county employees plus all employees of (1) county service contractors, (2) the Public Health Trust and its contractors, and (3) ground services providers at the county-owned Miami International Airport be paid a “living wage” slightly above the poverty line for a family of four. In addition, either provision of a health insurance policy, or an extra hourly wage, is required. The ordinance went into effect in November of 1999. At the time, the federal minimum wage was \$5.15 per hour, and the state did not set a minimum wage, so \$5.15 per hour was the legally permissible minimum.

At the time of passage the living wage was set at \$8.56 per hour with healthcare benefits, or \$9.81 per hour when health benefits are not provided by the employer. Each year the living wage is indexed to reflect increases in the cost of living, so that it does not lose its purchasing power. At the time this report is written (February 2006), the living wage is set at \$9.81 per hour with healthcare benefits, or \$11.23 without. In October of 2006, these amounts will be adjusted upward to coincide with inflation in the past year.

An important question for public policy makers is: What impact has a legislated policy actually had? Has it achieved its intended consequences? Frequently no systematic information is gathered, and policy makers are left with only their own impressions of the impact of the laws they pass. In the case of the living wage, it is important to determine what actual impacts have ensued, since Miami-Dade County is a “high poverty” county and the intent of the ordinance was to counteract this to at least a degree by ending “working poverty” for those doing county work either directly for the county or for its contractors or beneficiaries.

This report attempts to answer what is arguably the most important question about impact: has the ordinance materially improved the lives of the workers and families who are covered by the ordinance? Have wage increases been given, and have they made any difference in the lives of these employees? Regarding healthcare, are workers and their families better off? Few questions could be more central to an assessment of the Miami-Dade Living Wage Ordinance and its impact.

To determine the impact on covered employees, we administered a survey in person to a wide variety of workers who were covered by the ordinance. (The survey is attached to this report as Appendix A.) We surveyed workers at the Miami International Airport, at Jackson Memorial Hospital (Public Health Trust), and employees of county service contractors. Responding to the survey was voluntary; and some workers refused to participate. Surveying was done at the worksite, and in some cases supervisors had to give permission for workers to participate. Some employers chose not to cooperate,

although that was not usually the case. We chose to survey the types of workers who were highly likely to have received a pay increase as a result of the Living Wage Ordinance, because the purpose of the research is to see what if any difference a raise has meant in their lives. Therefore, we ensured that janitorial/custodial workers, lawn maintenance and landscaping workers, security guards, food service workers and low-skill airport job holders were surveyed so that we could capture a broadly representative sample of the types of workers likely to be most affected by the ordinance. We screened out of the sample skilled workers and supervisors who were already earning wages well above the new living wage level prior to passage of the ordinance.

We set out to survey a minimum of 50 workers; in the end, we were able to survey 78. While it was impossible to get an entirely “random” sample of all affected employees, we are satisfied that a broadly representative group of workers was surveyed. Even if the results are not entirely representative in all respects of all recipients of living wage pay increases, they do show what difference the pay increases have made in the lives of these particular workers, and of workers in like circumstances. Section II offers three case studies to give the reader a sense of the actual people who were interviewed and the range of difference the ordinance made in the lives of the respondents to the survey.

Section III relates information about the surveyed workers: age, gender, racial and ethnic identification, foreign-born vs. native-born status, type of job held. Following that, Section IV relates changes experienced by workers in different parts of their work and home lives as a result of the ordinance, including working conditions, transportation, education, housing, and ability to save money. Section V analyzes the data by showing differences between the impacts on different types of workers. And Section VI summarizes the findings and draws conclusions concerning overall impact.

## **II. Living Wage Impacts: Three Cases**

### **Case #1: Donna**

Donna is a 58 year old female from Jamaica. She is married and has grown children who are all married and make good money, occasionally helping their mother out even if she resists. She has been working full-time at Swissport, Miami International Airport, performing “cabin service” since 1982. When the Living Wage law passed her hourly wage increased from \$8.30 to \$9.44, and she currently makes \$10.84. Donna has always received health insurance from Swissport.

The wage increase has resulted in several small but important improvements to Donna’s quality of life. The first she mentioned was a renovation to the home she and her husband own, in which they have recently tiled the kitchen floor. Donna attributes her ability to renovate her kitchen to the “extra \$40 or \$50” she started earning as a result of the passage of the Living Wage Ordinance. She recalls that before the Living Wage Ordinance, she was saving money for making home renovations but it was never enough to buy the materials – not until recently.

She considers the second most substantial improvement to her life was when she purchased a new Toyota in 2002 to replace an older used car that failed her and her husband repeatedly. In addition to a recent model used car purchased by her husband, she says they no longer have to worry about car troubles and concentrate on solving other problems or enjoy more time to relax. Since Donna's children are out on their own, her income combined with her husband's has been enough to keep them debt-free and on top of the monthly bills. She explains that they typically have "some change" left over after paying the bills and with that they may enjoy an evening out to dinner or some entertainment, but not very often. Instead, they prefer to add any unspent earnings to their savings account that is reserved for their one yearly vacation to Jamaica or a local destination.

Donna has always been active in her Church and regularly donated money to an affiliated charity fund for paralyzed veterans. However, since the Living Wage, she has been able to increase her donations from \$10 to \$20, and this gives her great satisfaction. Donna also sends money to her 80 year old mother in Jamaica and this payment has also increased since the LW, even if only by "4 or 5 dollars".

Assuming Donna takes no more than two weeks of vacation per year, the wage increase she received corresponding to the LW law translates into about \$1,133 extra per year. Her most recent wage increase gives her another \$1391 per year, for an estimated after-taxes income of \$21,500. This is certainly an improvement over the approximately \$16,500 she was making just over 5 years ago, but it may only be enough to keep up with the rising cost of living. Donna struggles to explain how the wage increase is at once important and not sufficient:

You live from paycheck to paycheck and sometimes it don't even cover your bills. Before it was so tight, you know, you don't have nothing left over [after paying your bills] but now you can cover everything and have some change in your pocket. If you own a home, you see how much insurance went up? It doubled. We own our home and our insurance doubled [in the last four years]. That was property insurance and then you have to pay flood insurance at \$300 a year and then property taxes, and that went up. So we need that extra money because everything went up. Grocery went up. If you eat healthy, because I don't eat meat, I'm a vegetarian.

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## **Case #2: Kevin**

Kevin is a 38 year old African-American male who lives in Liberty City with his wife and five children, aged 2 to 16. He has been a "utility worker" in the Department of Environmental Services at Jackson Hospital since June of 1998. He currently makes about \$10.50/hour, with health insurance, up from \$8 when he started working at the hospital. Before starting at Jackson he made between \$6 and \$7 in jobs he obtained

through a temp agency, in addition to being briefly (a few months) unemployed before being hired at Jackson.

Like many other respondents, Kevin's general assessment is that the Living Wage has allowed him to keep up with the cost of living but has not contributed substantially to his savings or long-term planning prospects. As he explains, "it's basically been the same over the years. The cost of living has been on the rise and so [the wage increase] keeps me staying afloat as far as income and what I need to take care of here at the house... I'm right about even". Indeed, when asked if he has been able to save more money now than 5 years ago he quickly responded, "oh, no sir".

One of the main reasons he is unable to accumulate substantial savings is that he pays child support for two children from a prior relationship, in addition to supporting the 5 children from his present marriage. He explained that the greatest financial struggles he has endured in recent years have coincided with the birth of another child. In 1998, his now 6 year old boy was born in the same month he completed his probationary training period at Jackson and was just beginning to receive full-time hours and pay. He remembers "barely making enough for the week" and having to make substantial cutbacks to his budget for groceries and other non-fixed expenses. Overtime work is highly regulated at Jackson, according to Kevin, and therefore was not an option for relieving his financial stress. As Kevin recalls,

We had to get used to it but it was hard... it affected us because we started having problems amongst ourselves, me and the Mrs.... But we overcame that... the [full-time pay] at Jackson came along and it started getting a little better, you know. We started being able to manage our money a little better.

In 2000, with the birth of Kevin's youngest girl, the family again lived through economic hardships. Although he explained this round of difficulties more in terms of "personal" than financial issues, he recognizes how the two are intertwined.

Basically personal things, things between me and my wife. We had a separation, we separated for about a year and stuff... always the financial come up in it.... You always want to do more and you don't have [enough] to do more... with a man, he wants to do more and the family needs more and you can't do it, you get frustrated.

In addition, Kevin and his family lived in a cramped 2 bedroom apartment in 2000.

We was in a smaller place, getting frustrated in a 2 bedroom place and we already got 3 kids with a newborn. In a 2 bedroom place we don't have the space like we should have. Just [needed] room for the kids to get around in [otherwise] the kids bumping into [each other] and everybody trying for the same bath room. So it was getting frustrated. Right now where we at it's a little bigger.



We've been here 2 years now. The new place is an extra 100 dollars upwards. Since [my wife] started working we been able to budget things and do things a little better. It's been OK... [The new apartment has] a lot more space, a lot more room. You know, we more in comfort now. It's just [that] you always wish you could make a little more money so things could go smoothly.

While the impact of the Living Wage on Kevin and his family has been mitigated by the arrival of new children, his ability to cope with these developments and new expenses would have been critically undermined without the wage increases he has received. Moreover, his family is covered through the health insurance policy provided by his employer, an invaluable benefit to him even if he has not needed it very often (presently he is on his 3<sup>rd</sup> week of medical leave due to a shoulder injury he sustained at work). He has also been able to send his two most recently born children to day care so that his wife can contribute to the household income.

However, according to Kevin, the greatest reward his family has enjoyed in the last few years was their first family vacation in the spring of 2004, when they spent 3 nights at Disney World. Kevin explains that while it was "economically comfortable" to take the trip, the family was broke on the way back. But the trip was worth the sacrifice as "the kids definitely felt good about it [since] they've never been out" and it served to balance the stressful moments of earlier years.

More good fortune came to Kevin's family last summer. While the terrible hurricane season devastated the homes and livelihoods of many Floridians, it provided Kevin with many overtime hours and his first substantial increase in savings.

The Hurricane season made up for a lot of stuff... that was right around the holidays, Thanksgiving and Christmas. I had enough to put aside to pay the bills and so we could eat properly and invite family for dinner, you know, it was fun. And I had enough to put aside for Christmas too.

Kevin's greater earnings have at the very least contributed to his family's ability to stay together and survive despite the various expenses related to 5 children. The larger living space has been very important to the family's psychological well-being and the recent increase in savings has allowed Kevin to feel proud of being able to provide more for his family than the basics, including an extraordinary vacation, hosting Thanksgiving dinner at his house and being able to afford presents at Christmas. However, these recent "extras" were only possible because of the extra hours available to Kevin at the hospital. While he can anticipate another strong hurricane season and therefore more overtime, activities such as family vacations and holiday dinners should not hinge on working overtime. Kevin argues that he needs a wage level that will allow him to provide these things for his family without working so much that he cannot be home with the children he supports.

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### Case #3: Luis

Luis is a 25 year old Hispanic male, born and raised in Miami. He is engaged to be married and he and his partner are currently expecting their first child. Luis started working as a ramp agent for Swissport in 2003 at an hourly wage of \$10.56, without health insurance, and his wage has recently increased to \$10.84. Luis is generally satisfied with his current salary but anticipates new expenses and new financial demands once the baby is born. Luis had just finished high school in 1998 when he joined the army and served over a year in Thailand. During his last years of high school he worked at a mail pre-sorting facility where he earned \$7/hour as well as Burger King where he made \$5.25 per hour. His income was completely spent in leisure and entertainment and he had no savings. He joined the army to improve his employment prospects and receive tuition assistance for college in the future.

Upon returning from the army in 2003 he was informed by some old high school friends that Swissport was hiring and when he was interviewed for a position he was extremely surprised at the wage he was offered. His fiancée, with whom Luis has been living for just over a year, worked full-time until she recently became pregnant. While Luis could not compare his recent income to anything prior, he recognizes that the surprising wage level at which he was hired will be very important for him once his first child is born. He has been slowly and steadily saving money over the last year and plans to move into a bigger apartment soon. The couple currently lives in a small one bedroom efficiency and the rent is very cheap. They share one car, owned by his fiancée, and realistically anticipate the need for another one as well as several extra expenses over the next year. As a result, Luis also plans to make a greater effort to work in another department where he has greater chances for promotion. Nonetheless, he says he has experienced virtually no financial difficulties in the two years since returning from the army, having been able to stay debt-free and maintain and grow some savings for his new baby.

### III. WHO ARE THESE EMPLOYEES?

Respondents range in age from 20 to 70. The **median age** (meaning half are older and half are younger) is **43**. Exactly **half (39) are female; half (39) are male**. Slightly less than 30% are native-born, with slightly over 70% born in another country. Table 1 shows details on country of birth.

Table 1  
Birthplace of Respondents

<b>Country of Birth</b>	<b>Number</b>	<b>Percentage</b>
United States	23	29.49%
Cuba	10	12.82%
Nicaragua	9	11.54%
Haiti	7	8.97%
Puerto Rico	7	8.97%
Colombia	4	5.13%
El Salvador	4	5.13%
Jamaica	4	5.13%
Dominican Republic	2	2.56%
Ecuador	2	2.56%
Panama	2	2.56%
Guyana	1	1.28%
Honduras	1	1.28%
Peru	1	1.28%
Trinidad	1	1.28%
<b>TOTAL</b>	<b>78</b>	<b>100%</b>

Regarding race and ethnicity, slightly over 55% report themselves to be Hispanic, while slightly over 38% report themselves to be black. Table 2 gives details of racial and ethnic self-identification.

Table 2  
Racial and Ethnic Self-identification of Respondents

<b>Race/Ethnicity</b>	<b>Number</b>	<b>Percentage</b>
Hispanic	43	55.13%
Black	30	38.46%
Haitian	2	2.56%
White Non-Hispanic	2	2.56%
Indian	1	1.28%
<b>TOTAL</b>	<b>78</b>	<b>100%</b>

The occupations of respondents range widely across the types of low-paying jobs covered by the ordinance. These include janitorial/custodial, lawn/landscaping, various airport low-wage jobs, security, food service worker, etc. Table 3 shows details.

Table 3  
Job Categories of Respondents

<b>Job Category</b>	<b>Number</b>	<b>Percentage</b>
Cleaning*	21	26.92%
Security Guard or Screener	9	11.54%
Lawn/Landscape	8	10.26%
Miscellaneous Airport Services**	8	10.26%
Administrative***	8	10.26%
Aircraft Refueler	8	10.26%
Ramp worker	7	8.97%
Food Service worker	6	7.69%
General Laborer	3	3.85%
<b>TOTAL</b>	<b>78</b>	<b>100%</b>

\*Includes janitor (11), environmental services (6), and custodian (4).

\*\*Includes mechanic (3), cabin service (1), parts agent (1), quality control (1), specialist (1), and supervisor (1).

\*\*\*Includes all administrative type positions (7) and customer service (1).

A large majority of these are full-time employees. Almost 86% work 40 hours a week or more, and the median workweek is 40 hours. Table 4 shows details.

Table 4  
Full- or Part-time Status of Respondents

	<b>Number</b>	<b>Percentage</b>
Less than 40 hours per week	11	14.1%
40 or more hours per week	67	85.9%
<b>Total</b>	<b>78</b>	<b>100%</b>

Almost 59% of respondents receive health insurance coverage from their employer. Table 5 shows details.

Table 5  
Employer-provided Health Insurance Coverage of Respondents

	<b>Number</b>	<b>Percentage</b>
Yes	46	58.97%
No	32	41.03%
<b>Total</b>	<b>78</b>	<b>100%</b>

The results reported in Tables 1 through 5 increase our confidence that we have a broadly representative group of low-wage workers who are covered by the Living Wage Ordinance. The age, gender, racial and ethnic, and native-born/foreign-born status of these workers very closely parallels that of these categories of workers in the local labor market. Likewise, the job categories cover the major categories of workers covered under the ordinance, and health insurance coverage also corresponds with our knowledge of coverage in this segment of the workforce. There may be a slight over-sampling of workers at the Miami International Airport, but there is no reason to believe that this will

bias results in any important way. The workforce we managed to survey looks a lot like the workforce that was impacted by the Miami-Dade Living Wage Ordinance.

#### IV. CHANGES RESULTING FROM THE LIVING WAGE ORDINANCE

It is important to note that coverage by the Living Wage Ordinance was phased in over a period of years. For county service contractors and for contractors at the airport, the living wage requirement only applied after an old contract expired and a new one was signed. Therefore, employees of different companies may have experienced a living wage pay increase anytime from November 1999 through sometime early in 2003. This complicates the task of determining “before” and “after” information on the ordinance’s impact. A further complication is that some employees began working for their present employer only after the Living Wage Ordinance had been implemented for that company.

The first task was to determine if the respondents were aware of the Living Wage Ordinance. Almost 70% were aware of it, as shown in Table 6.

Table 6  
Awareness of the Living Wage Ordinance among Respondents

	<b>Number</b>	<b>Percentage</b>
Yes	54	69.23%
No	24	30.77%
Total	78	100%

Respondents were then asked if they themselves were covered by the Living Wage Ordinance. (Because of our knowledge concerning the workers’ employer and/or of county contracts, we believe that all of these employees are covered by the ordinance.) Over 62% believed they were covered, although over 36% weren’t sure. Table 7 shows the details.

Table 7  
Self-perceived Coverage under the Living Wage Ordinance

	<b>Number</b>	<b>Percentage</b>
Yes	48	62.34%
No	1	1.3%
Don’t know	28	36.36%
Total	77	100%

Respondents were asked their current hourly wage. Answers ranged from \$6.75 per hour to \$15.42 per hour. Nine of the respondents received wages under the \$9.44 per hour mandated by the law, meaning that the employers of 11.5% of these employees were not abiding by the law. However, most were, and the **median wage was \$10.81 per hour**. The mean, or average, for all respondents was \$10.69 per hour.

### *Pay Increases*

Fifty seven respondents indicated that they had received a pay increase as the living wage requirement was enforced. For them **the median pay increase was \$2.75 per hour**. The mean, or average, pay increase was \$2.82 per hour.

Seventeen, or almost 22%, of respondents indicated that they had not worked for their present employer prior to coverage by the Living Wage Ordinance. They, together with others who reported their pay levels at their job immediately prior to their present one, indicated that their **current job pays a median \$3.74 an hour more than that previous position**. (The mean, or average, for this subsample of respondents is \$3.05 per hour more.)

### *Any Negative “Unintended Consequences”*

Respondents were asked if any negative “unintended consequences” had happened to them as a result of the Living Wage Ordinance. Specifically, they were asked if (1) any workers were laid off because of the law; (2) hours were cut because of the law; (3) they were made to work harder because of the law; or (4) healthcare coverage was cut or the respondent was forced to pay more for existing healthcare coverage.

In response to the question about layoffs, only four respondents indicated that any layoffs had occurred, and of the 44 able to answer the question either yes or no, 91% said no. Table 8 shows details.

Table 8  
Worker Layoffs Due to the Law

All Respondents	Number	Percentage
Yes	4	5.41%
No	40	54.05%
Not Applicable	26*	35.14%
Don't Know	4	5.41
Total	74	100%

\* “Not Applicable” applies to those who did not indicate a pay raise as a result of the Living Wage Ordinance (21 people), or who did not feel this situation applied to their workplace.

When asked if their hours were cut as a consequence of the Living Wage Ordinance, only three people answered yes, and 93% of those answering either yes or no answered no. Table 9 shows details.

Table 9  
Cut in Hours as a Consequence of the Law

All Respondents	Number	Percentage
Yes	3*	4.17%
No	43	59.72%
Not Applicable	26**	36.11%
Total	72	100%

\*None of the three respondents who indicated that their hours were cut indicated by how many hours  
\*\* “Not Applicable” applies to those who did not indicate a pay raise as a result of the Living Wage Ordinance (21 people), or who did not feel that this situation applied to their workplace.

In response to a question about whether they were made to work harder because of the Living Wage Ordinance, only five answered yes, and 89% of those answering either yes or no answered no. Table 10 gives details.

Table 10  
Forced to Work Harder as a Consequence of the Law

All Respondents	Number	Percentage
Yes	5	6.94%
No	41	56.94%
Not Applicable	26*	36.11%
Total	72	100%

\* “Not Applicable” applies to those who did not indicate a pay raise as a result of the Living Wage Ordinance (21 people), or who did not feel that this situation applies to their workplace.

Asked if healthcare coverage was cut or the respondent was forced to pay more for existing healthcare coverage, only one answered yes. Table 11 shows details.

Table 11  
Healthcare Cuts or Shifting of Costs to Employee as a Consequence of the Law

	Number	Percentage
Yes	1	1.64%
No	30	49.18%
Not Applicable	28*	45.9%
Don’t Know	2	3.28%
Total	61	100%

\* “Not Applicable” applies to those who did not indicate a pay raise as a result of the Living Wage Ordinance (21 people), or who did not feel that this situation applies to their workplace.

**It is apparent from these findings that very few, if any, of the unintended consequences feared by opponents of living wage ordinances occurred in the Miami-Dade case. In the vast majority of cases, employers did not lay off workers, cut work hours, force employees to work harder (“speed-up”), cut healthcare plans, or shift the cost of healthcare onto employees. This is very welcome news that the ordinance is not having negative effects on the employees it is intended to help.**

*What the Pay Increases Have Meant to Affected Employees*

We know that those employees getting a pay raise experienced a median pay increase of \$2.75 per hour as a result of the Living Wage Ordinance. We also know for workers who changed jobs that their present jobs pay a median wage that is \$3.74 per hour higher than their previous job.<sup>1</sup> Thus, these “living wage” jobs would seem to be preferable to other jobs these workers might hold. This research asked what, if any, difference the higher pay has meant in their standard of living and the well-being of their families.

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<sup>1</sup> For those working a 40 hour workweek, \$2.75 more per hour means a monthly increase of \$476.67 in income. A pay increase of \$3.74 per hour means an increase of \$648.27 per month.

Respondents were asked if the extra money has had a positive effect on (1) their housing situation; (2) their transportation; (3) their education aspirations or needs; (4) their ability to pay bills/reduce debt; (5) their ability to do more things they enjoy; (6) their ability to begin saving or increase savings; (7) their ability to reduce working hours or number of jobs; and (8) their ability to assist family or friends.

(1) Impact on Housing Situation

Respondents were asked, “Has the extra money had any effect on your housing situation? For example, has it enabled you to move into a bigger apartment or possibly purchase a house?” Over 57% of those who had received a raise indicated that it had improved their housing situation, as indicated in Table 12.

Table 12  
Positive Effect on the Housing Situation of Respondents Indicating a Pay Raise

	<b>Number</b>	<b>Percentage</b>
Yes	33	57.89%
No	24	42.11%
Total	57	100% of those indicating a pay raise

Twenty nine of the 33 indicating an improvement in their housing situation gave an explanation of how it had improved. Table 13 shows the types of changes.

Table 13  
Types of Improvements of Housing Situation

<b>Type of Change</b>	<b>Number</b>
Better able to pay the rent	6
Moved to a bigger or better apartment	5
Bought a house or condo apartment for first time	5
Moved to a bigger or better “place”	4
Moved from living with parents or relatives to their own apartment	4
Renovated or upgraded house	2
Now plans to buy a house for first time	1
Bought a bigger house	1
Lives with parents; helped parents get a better place	1

From Table 13 it is apparent that many recipients of a living wage were able to use the extra money in a variety of ways to improve their housing situation, including improving their apartment living quarters, to moving to home ownership, to living independently for the first time, to renovating their house, etc.

Of those who indicated that the pay increase had no effect on their housing situation, five gave an explanation. Three simply stated that they were living in the same place as before; one stated that she still had to pay off old bills with the higher income, and one stated that she received Section 8 subsidized housing, as had been the case before the Living Wage Ordinance went into effect.



(2) Impact on transportation situation.

Respondents were asked, “Has the extra money had any effect on your transportation situation? For example, were you able to purchase a car, or pay off a car loan?” Over 52% of those who had received a pay raise stated that it had improved their situation in this area, as shown in Table 14.

Table 14  
Positive Effect on Transportation Situation of Respondents Indicating a Pay Raise

	<b>Number</b>	<b>Percentage</b>
Yes	30	52.63%
No	27	47.37%
Total	57	100% of those indicating a pay raise

Twenty seven of the 30 indicating an improvement in their transportation situation give an explanation of how it had improved. Table 15 shows the types of improvements.

Table 15  
Types of Improvements in Transportation Situation

<b>Type of Change</b>	<b>Number</b>
Bought a car, replaced broken down car, moved up to better car	15
Bought a <u>new</u> car	4
Helped with car payments and/or insurance payments, able to pay on time	3
Now for first time just about to buy a car	2
Put more gas in the car	1
Allowed me to qualify for a car loan, to be able to buy a car	1
“Helped a little”	1

Table 15 shows that the overwhelming impact on the transportation situation of these employees has been the ability to purchase a car or a more reliable car than they had previously. In addition to improving the transportation circumstances of these workers and their families, the Living Wage Ordinance has clearly also been a boon to used car dealers and some new car dealers.

Two of those indicating no improvement in their transportation situation explained why. In both cases, the respondent took the bus, and therefore had an unchanged transportation situation.

(3) Impact on education situation

Respondents were asked, “Has the extra money had any effect on your education? For example, has it enabled you to enroll in classes or go back to school? Has it helped you pay off your student loans? Has it made it possible to send a child or a spouse or relative to some type of schooling?” Almost 37% of those who had received a pay raise indicated an improvement, as shown in Table 16.

Table 16  
Positive Effect on Education Situation of Respondents Indicating a Pay Raise

	<b>Number</b>	<b>Percentage</b>
Yes	21	36.84%
No	35	63.16%
Total	56	100% of those indicating a pay raise

\* This number includes the 21 who indicated that they did not receive a pay increase.

Nineteen of the 21 indicating an improvement explained what had changed. Table 17 shows the results.

Table 17  
Types of Improvements in Education Situation

<b>Type of Change</b>	<b>Number</b>
Helped child or children with education (college or university)	8
Helped grandchild or grandchildren with education (university)	3
Enrolled or re-enrolled in school	3
Helped pay for children's education in Haiti	2
Helped wife enroll in university	1
Helped with nephew's university education	1
Enrolled in ESL class	1

Helping relatives, particularly children, to pay for educational expenses is clearly the biggest educational impact that the Living Wage Ordinance has had on the lives of those winning a pay increase as a result of the ordinance. Secondly, the improved wages have helped some enroll or re-enroll in schooling for themselves.

Seven of those indicating no educational impact explained why. Three indicated that there was no time for school; they had to work multiple jobs or long overtime hours. Two indicated that they wanted to go to school but still could not afford it. One explained that both his children were of primary and secondary school age, and both went to public schools. And one volunteered that he hoped to be able to go to school someday. The lack of time and lack of money for some is an indication that the living wage, although an improvement, has not yet moved some to a standard of living where education is a real option.

#### (4) Impact on Ability to Pay Bills or Reduce Debt

Respondents were asked, "Has the extra money had any effect on your ability to pay your bills or reduce your debt? For example, do you find it easier to cover your living expenses today as compared to when you were working at lower pay? Have you been able to pay off medical bills or credit card debt that you were unable to pay for five years ago?" Here the impact has been very large. Almost 88% of those receiving a pay increase indicated an improvement. Table 18 shows details.

Table 18  
Positive Effect on Ability to Pay Bills or to Reduce Debt of Respondents Indicating a Pay Raise

	<b>Number</b>	<b>Percentage</b>
Yes	50	87.72%
No	7	12.28%
Total	57	100% of those indicating a pay raise

Forty three of the 50 indicating a positive change explained what had changed. Table 19 shows the types of changes that occurred.

Table 19  
Types of Improvements in Ability to Pay Bills or Reduce Debt

<b>Type of Change</b>	<b>Number</b>
Now able to pay bills; able to pay bills on time	17
Reduced debt burden; got out of debt; reduced credit card debt	11
“Helped a little”; “makes it easier”; made possible to afford just the basics; showed that paying bills in a timely way actually possible; helped but “life has gotten more expensive”; or helped but “still not enough”	7
Named specific types of bills now able to pay (house, gas, car, etc.)	6
Pension insufficient; makes supplemental pay from work enough to pay bills	2

These explanations make it clear that the increased pay has had a very direct and important positive impact on these workers’ ability to live without sliding deeper and deeper into debt. However, a number noted that they are still “teetering on the edge” and that this extra income has not moved them out of insecurity or a precarious financial condition.

Only one of those indicating no change explained why. He simply stated that current salary is just barely enough to pay the bills.

(5) Impact on Ability to Do More Things that Respondent Enjoys (Leisure)

Respondents were asked, “Has the extra money helped you do more things you enjoy? For example, have you been able to go out more often, or take a trip you have been waiting for?” Over 59% of those receiving pay increases answered affirmatively. Table 20 shows results.

Table 20  
Impact on Ability to Do More Things that are Enjoyed for Respondents Indicating a Pay Raise

	<b>Number</b>	<b>Percentage</b>
Yes	34	59.65%
No	23	40.35%
Total	57	100% of those indicating a pay raise

Thirty one of the 34 who indicated an improvement explained what had changed. Table 21 shows the types of changes.

Table 21  
Types of Improvements in Ability to do More Things that are Enjoyed (Leisure)

Type of Change	Number
Travel to visit relatives in home country (Honduras, Panama, Nicaragua, Haiti)	7
Able to go out, or eat out, more often	7
Able to travel	5
Able to take a vacation, or take a better vacation	4
Travel to visit relatives in the U.S. (New York, Boston)	2
Able to visit relatives (destination unspecified)	2
Visited Las Vegas	1
Took a trip to Disney	1
Able to do more movie rentals; occasionally take kids to the beach	1
Easier to enjoy things due to better credit rating	1

In general, the ability to visit relatives (often out of country) and to travel, together with the ability to go out more often, seem to be the primary improvements found in this area.

Five of those who indicated no changes in this area due to the living wage made a statement. One was off the topic, but the surveyor’s notes for the four who addressed it were as follows:

- It has been 15 years since she left her home country of Nicaragua and she has not been able to return since then.
- The money has helped in paying her bills, but she does not have the luxury of taking trips.
- He can’t afford to go on trips. He can barely afford to pay his bills.
- Not now; maybe in the future.

These cases are a reminder that living wage, while a big boost, does not always lift recipients far enough to allow them to even take an occasional trip to visit relatives.

#### (6) Impact on Ability to Start Saving or to Save More

Respondents were asked, “Has the extra money helped you start saving, or helped you save more than you were saving before?” Over 55% of those receiving a pay increase answered “yes.” Table 22 gives details.

Table 22  
Effect on Ability to Start Saving or to Save More

	Number	Percentage
Yes	30	55.56%
No	27	44.44%
Total	57	100% of the those indicating a pay raise

Twenty four of the 30 who indicated a positive change explained what the change was. Results are shown in Table 23.

Table 23  
Types of Improvements in Ability to Start Saving or to Save More

Type of Change	Number
First time able to save anything at all; able to open a bank account	9
Able to save more than before	6
Saving for kids, relatives, or in conjunction with parents	4
Saving for specific purpose (better car, trip, house)	3
Started an IRA or increased weekly payment to 401K plan	2

It is apparent that the increased wages have enabled a number of respondents to save where before they were unable to save at all. It is equally apparent that savings are often for a very specific purpose, and that the amount saved cannot be very large at this wage level.

Five respondents who indicated no effect stated why. All five stated that they hoped to save in the future, but that the pay increase was just not enough to make it possible at the present time. One had to pay off past debts, and one was going to school, which was eating up any possible savings.

(7) Impact on Ability to Reduce Working Hours or Number of Jobs Worked

Respondents were asked, “Has the extra money helped you take more time for yourself, perhaps work less than you were before, or quit a second or third job you had?” Almost 39% of those receiving a wage increase responded that it has been helpful. Table 24 gives details.

Table 24  
Effect on Ability to Reduce Work Hours or Number of Jobs Worked for Those Indicating a Pay Raise

	Number	Percentage
Yes	22	38.60%
No	35	61.40%
Total	57	100% of the those indicating a pay raise

Eighteen of the 22 claiming a positive impact stated what the difference was. Their responses are given in Table 25.

Table 25

Type of Improvements in Time for Self, Reduced Work, or Reduced Number of Jobs

Type of Change	Number
Cut back from two jobs to one job	9
Cut back on the amount of overtime worked	6
Now can go out more often; can enjoy family more because of more time	3

It is apparent that a number of covered workers have less of a need to work long hours as a result of the Living Wage Ordinance. This is especially clear from the number of respondents who have dropped a second job.

Two of those indicating that the Living Wage Ordinance did not have a positive impact on leisure time stated why. The first stated, “I have three jobs now.” The second noted that she is coming out of retirement to go back to work.

(8) Impact on Ability to Assist Family or Friends

Respondents were asked, “Has the extra money enabled you to assist your family and friends more? For example, have you been able to give or loan money to your friends and family now when you couldn’t before?” Almost 79% of those receiving a pay raise indicated that they had seen improvements in this area. Table 26 gives details.

Table 26

Effect on Ability to Assist Family or Friends for Respondents Indicating a Pay Raise

	Number	Percentage
Yes	45	78.95%
No	12	21.05%
Total	57	100% of the those indicating a pay raise

Of those indicating they were better able to assist others, a number noted more than one way they could do this, making for 54 explanations of what types of assistance they are able to give. Table 27 shows the different types.

Table 27

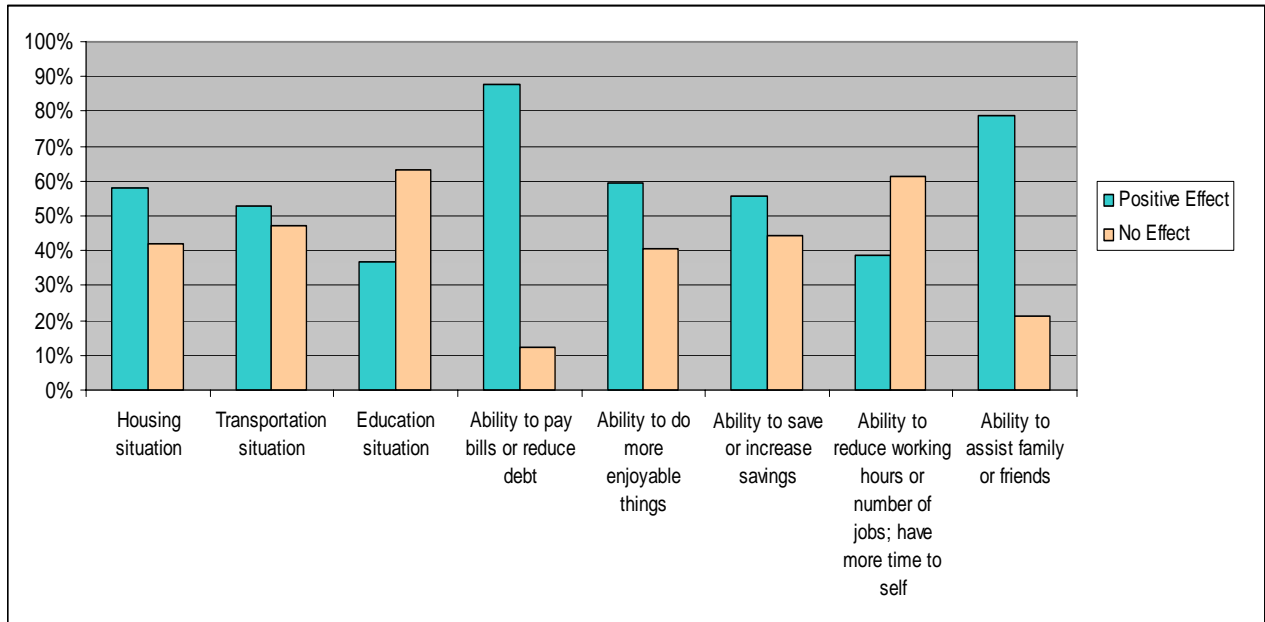
Types of Assistance Now Able to Provide to Others as a Result of the Living Wage

Type of Change	Number
Help family in another country (Colombia, Cuba, El Salvador, Guyana, Haiti, Jamaica, Nicaragua, Panama)	23
Help family here in the United States	16
Help parent or parents here	6
Help child or children here	4
Help grandchild or grandchildren here	2
Help wife enroll in university	2
Help friends purchase a visa to visit here	1

Table 27 makes it clear that ability to assist family members, both in the United States and abroad, has been greatly enhanced by the Living Wage Ordinance.

Graph 1 visually displays a summary of the findings in Tables 12, 14, 16, 18, 20, 22, 24, and 26.

**Graph 1**  
Ratings of Living Wage Ordinance Impacts for Respondent's Indicating a Pay Increase



### (9) Importance of Healthcare Coverage

One of the purposes of the Living Wage Ordinance was to encourage employers that are covered by the Living Wage Ordinance to provide health care insurance to their employees. To determine how important health care coverage is to these employees, those who currently had coverage but had not in their previous job were asked, “If your employer gives you health care benefits, and you did not receive any health care benefits in your previous job, has this mattered a lot to you, or not?” Almost 74% of the 46 respondents answered affirmatively. Table 28 shows details.

**Table 28**  
Are Health Care Benefits Important to Those Newly Receiving Them?

	<b>Number</b>	<b>Percentage</b>
Yes	34	73.91%
No	10	21.74%
Not Applicable*	2	4.35%
<b>Total</b>	<b>46</b>	<b>100%</b>

\*Includes those covered by a spouse's coverage.

Health care benefits matter a lot to many of the respondents who had not previously received health care covered but now do. Thirty one of the 34 who valued it highly explained how health care coverage had made a difference. Table 29 shows results.

Table 29  
How Health Care Coverage Has Made a Difference

Type of Change	Number
Without it, could not go to the Doctor	8
It provides security, knowing that healthcare is possible and available	7
It pays the Doctor's bills	4
It is important (not really responsive to question)	4
It means the family is able to obtain healthcare	3
It lowers the cost of staying healthy	2
It matters enough to pay extra for it (not really responsive to question)	2
It brought attention and respect at the hospital, which was missing before	1

It is apparent that many could not go to the Doctor at all without health insurance, and that the security of knowing that healthcare is now available are uppermost in the minds of these low wage workers. Healthcare coverage is clearly a high priority for the large majority if these respondents.

Only one respondent chose to explain why healthcare coverage has made no difference. He simply stated that he feels he has no need for healthcare coverage at this time. He gave no explanation why.

As a final question, those who had consistently indicated that the living wage had made no difference in their lives were asked why they thought that was. Specifically, they were asked, "If the extra money you are now earning compared to before you were working under the living wage requirement has not really made a difference in your life, why do you think that is?" Nine gave an answer. Here are their replies as quoted or paraphrased by the surveyor.

- "Because it is just not enough money for a single mother raising a 2 year old. That's why I'm going back to school for my degree so I can make more money for my family."
- "I was paid more than the living wage when it came into effect. I already had my house and a car." Surveyor's note: But she received a pay raise as a result of the living wage because of seniority. The company paid employees like her, with seniority, extra because they were complaining about getting the same amount of money as the new hired employees.
- "The living wage has made a big difference in a lot of employee's lives. But for me it hasn't made a difference because the employer said that I was above the range, therefore the increase for the living wage doesn't apply to me. I believe



that this law is very good because it will help my daughter and other people in the company.”

- “Of course it is better. Any salary raise is better than nothing. However I don’t know what I would do if I didn’t live with my daughter. She is the one that helps me, we help each other.”
- “It is not different now because it’s still hard to live with this money you make.”
- “You can’t live with ten dollars an hour. Rent is too expensive in Miami. You have to help your family in your country”.
- “I have been working here for so many years and still not enough money to pay for all you have to pay.”
- “This job is hard. We should get better pay per hour. You can’t make it with my salary.”
- Surveyor’s note: Due to a change of schedule at work, he can’t make more money outside. As a mechanic he made extra money on the side by fixing other peoples’ cars and worked at home in addition to his regular job. However with this job, the schedule and late shifts don’t allow him to work at home.

Summarizing these responses, it appears they fall into three categories. First, a few respondents were earning above the living wage levels, and thus were not affected personally. Second, some felt that the pay was still too low and that they were still unable to survive in a reasonable manner. And finally, one found that schedule changes prevented outside “moonlighting” employment, thus nullifying the increased income aspect of the Living Wage Ordinance.

Nevertheless, it is clear that **a very large proportion of the respondents have found their lives improved in multiple ways because of the Living Wage Ordinance. The ability to pay off bills and the ability to reduce work hours or cut back to one job are particularly apparent. But improvements in the areas of transportation, education, housing, and health care are also apparent for a good number of respondents.**

## V. ANALYSIS OF DATA

The results reported above are important findings about the impact of the Living Wage Ordinance on those receiving wage increases as a result of the ordinance. Beyond those general findings, it is worthwhile looking at any differences between impacts on different categories of workers. For example, are women and men impacted differently? Or, is there a differential impact between those born in a foreign country and those who are native born? Or, are there differential racial impacts? This section will explore questions of this nature.

### *Gender Differences*

Are women and men impacted differently by the Living Wage Ordinance? To answer this question, we compared the results for women and for men in answers to various questions in the survey. First, we looked at awareness of the Living Wage Ordinance, differences in self-perceived coverage, differences in wages, and differences in pay increases as a result of the ordinance.

Men were more likely to be aware of the Living Wage Ordinance than were women. Almost 72% of men knew about the law, compared to almost 53% of women. Table 30 shows the details.

Table 30  
Respondent's Belief that he/she is covered by the Living Wage Ordinance by Gender

	Female		Male	
	Number	Percent	Number	Percent
Yes	20	52.63	28	71.79
No	1	2.63	0	0
Don't Know	17	44.74	11	28.21
Total	38	100	39	100

More women than men don't know if they are covered. Thus, there is a differential awareness of the law by gender. Why that should be the case is unclear.

Men and women earned almost identical wages at the time of the survey. The median wage for women was \$10.81 per hour, compared to \$10.80 per hour for men, a completely insignificant difference. Men were slightly more likely to receive health care insurance, although the difference was rather small, 61.5% compared to 56.5%. Table 31 shows the differences.

Table 31  
Employer provided Healthcare Insurance by Gender

	Female		Male	
	Number	Percent	Number	Percent
Yes	22	56.41	24	61.54
No	17	43.59	15	38.46
Total	39	100	39	100

With a sample this small, the differences in healthcare coverage should not be considered significant, and it could well be that there are no systematic differences in healthcare coverage between males and females among living wage recipients.

Living wage jobs represent a larger increase in wages for women than for men, both if measured as a result of increases due to passage of the Living Wage Ordinance or if measured by increases relative to previous jobs held. Table 32 shows details.

Table 32  
Living Wage Job Increases Relative to Before Ordinance Passage and to Previous Jobs  
by Gender

<b>Gender</b>	<b>Pay Increase After Living Wage Law Was Enforced (Median)</b>	<b>Pay Increase Relative to Previous Job Before Present One (Median)</b>
Male	\$2.65 per hour	\$2.95 per hour
Female	\$2.92 per hour	\$4.25 per hour

Particularly in relationship to previous jobs, women have gained more from these “living wage” jobs than have men. It would therefore be logical to expect that they would rate the impact of the living wage on their lives to be higher than do men.

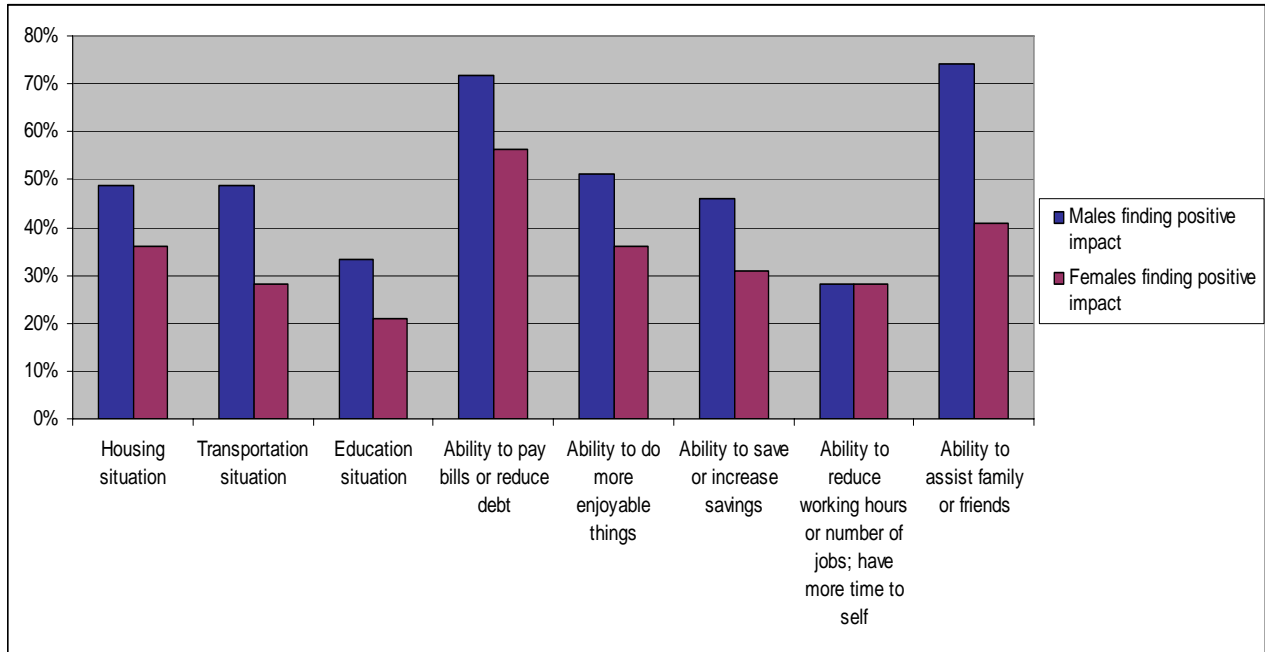
But that expectation is wrong. Women generally rate the impact of the pay increases from the Living Wage Ordinance on their lives to be smaller than do men. Table 33 shows differences.

Table 33  
Ratings of Living Wage Ordinance Impacts by Gender

<b>Area of positive impact</b>	<b>% of Males finding positive impact</b>	<b>% of Females finding positive impact</b>
Housing situation	48.72%	35.9%
Transportation situation	48.72%	28.21%
Education situation	33.33%	21.05%
Ability to pay bills or reduce debt	71.79%	56.41%
Ability to do more enjoyable things	51.28%	35.9%
Ability to save or increase savings	46.15%	30.77%
Ability to reduce working hours or number of jobs; have more time to self	28.21%	28.21%
Ability to assist family or friends	74.26%	41.03%

Graph 2 provides a visual depiction of the findings in Table 33.

Graph 2  
Ratings of Living Wage Ordinance Impacts by Gender



With the exception of the respondent's ability to reduce working hours or number of jobs, the women consistently find less positive impacts than do men. This is surprising, given that women won larger pay increases as a result of the Living Wage Ordinance.<sup>2</sup>

The same pattern holds concerning the importance respondents attach to health care coverage: when those who had employer-provided health care coverage were asked if it mattered a great deal to them, almost 96% of the men answered yes, while only 50% of the women did. The reason for this discrepancy is not clear, unless the answer lies in footnote 2.

In any case, we can say that women received larger pay increases as a result of the Living Wage Ordinance, but for some reason found the pay raise to be less significant in their lives. It bears repeating, however, that a good number of women also found

<sup>2</sup> One possible explanation is that results for women may be skewed downward by the circumstances under which some women were surveyed. Of eleven surveys conducted at Jackson Memorial Hospital (all of them with women), seven respondents reported no differences in their lives, despite reporting large pay increases. The four reporting differences noted very few improvements in very few areas. These puzzling results contradicted all other data showing a correspondence between large pay increases and major improvements. The Jackson surveyor reported that the women were fearful and nervous; they seemed to automatically answer "no difference" in each area in an attempt to end the survey quickly. This may have contaminated results, although we do not want to throw out data simply because results do not confirm expectations. That would be a violation of scientific procedure. The data from these surveys is left in the results, although they may have artificially skewed the percentage results for women respondents reporting impacts downward. The fears of these women respondents may not have been that farfetched, as the surveyor was later thrown out of the hospital by a security guard for conducting the surveys, even though they were conducted during non-working time and away from the employee's work area.

improvements in their lives in many respects, albeit at lower rates than their male counterparts.

*Immigrant vs. Non-immigrant Status*

Are foreign born and native born workers impacted differently by the Living Wage Ordinance? We compared the answers of immigrants and native born respondents to various questions in the survey. First, we looked at awareness of the Living Wage Ordinance, differences in self-perceived coverage, differences in wages, and differences in pay increases as a result of the ordinance.

Immigrants were more likely to be aware of the Living Wage Ordinance than were native born workers. Almost 73% of the foreign born knew about the law, compared to just over 39% of the native born. Table 34 shows the details.

Table 34  
Respondent's Belief that he/she is covered by the Living Wage Ordinance by Immigrant/Non-Immigrant Status

	Native Born		Foreign Born*	
	Number	Percent	Number	Percent
Yes	9	39.13	39	72.22
No	1	4.35	0	0
Don't Know	13	56.52	15	27.78
Total	23	100	54	100

\* includes those born in Puerto Rico

Over half of the native born workers do not know if they are covered, while just a little over a quarter of immigrants do not know. Thus, there is a differential awareness of the law by country of birth. Why that should be the case is unclear.

Native born and foreign born workers earned almost identical wages at the time of the survey. The median wage for those born in the U.S was \$10.84 per hour, compared to \$10.81 per hour for immigrants, a completely insignificant difference. Likewise, the likelihood of receiving health care insurance was little different. Table 35 shows the figures.

Table 35  
Employer provided Healthcare Insurance by Immigrant/Non-Immigrant Status

	Native Born		Foreign Born	
	Number	Percent	Number	Percent
Yes	14	60.87	32	58.18
No	9	39.13	23	41.82
Total	23	100	55	100

These differences are much too small to be significant with a sample this size, so we cannot say there are any real differences in healthcare coverage between native born and foreign born workers covered by the Living Wage Ordinance.

Living wage jobs represent a larger increase in wages for native born than for foreign born workers, both if measured as a result of increases due to passage of the Living Wage Ordinance or if measured by increases relative to previous jobs held. Table 36 shows details.

Table 36  
Living Wage Job Increases Relative to Before Ordinance Passage and to Previous Jobs  
by Immigrant/Non-Immigrant Status

<b>Immigrant Status</b>	<b>Pay Increase After Living Wage Law Was Enforced (Median)</b>	<b>Pay Increase Relative to Previous Job Before Present One (Median)</b>
Native Born	\$3.40 per hour	\$3.84 per hour
Foreign Born	\$2.44 per hour	\$3.62 per hour

Particularly regarding pay increases granted as a result of the Living Wage Ordinance, the native born have gained more from these “living wage” jobs than have the foreign born. Therefore we would expect that they would rate the impact of the living wage on their lives to be higher than do foreign born workers.

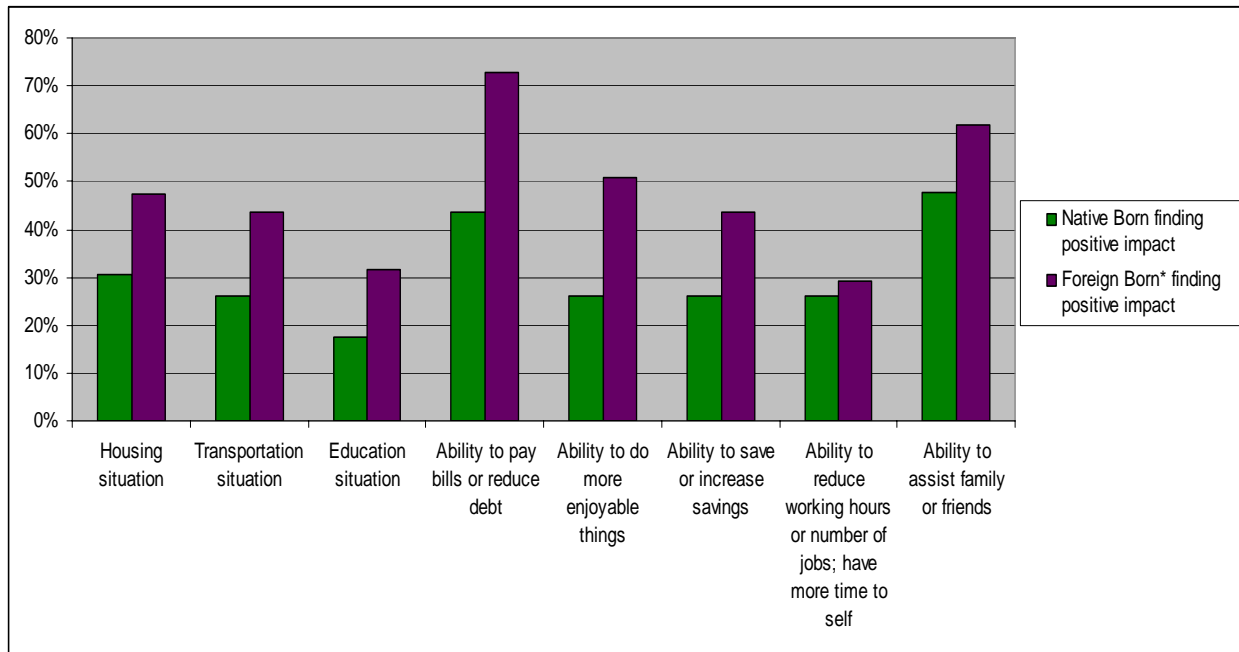
But once again that expectation is wrong. With one partial exception, immigrants rate the impact of the pay increases from the Living Wage Ordinance on their lives to be larger than do native born workers. Table 37 shows differences.

Table 37  
Ratings of Living Wage Ordinance Impacts by Immigrant/Non-immigrant Status

<b>Area of positive impact</b>	<b>% of Native Born finding positive impact</b>	<b>% of Foreign Born finding positive impact</b>
Housing situation	30.43%	47.27%
Transportation situation	26.09%	43.64%
Education situation	17.39%	31.48%
Ability to pay bills or reduce debt	43.48%	72.73%
Ability to do more enjoyable things	26.09%	50.91%
Ability to save or increase savings	26.09%	43.64%
Ability to reduce working hours or number of jobs; have more time to self	26.09%	29.09%
Ability to assist family or friends	47.83%	61.82%

Graph 3 provides a visual depiction of the findings in Table 37.

Graph 3  
Ratings of Living Wage Ordinance Impacts by Immigrant/Non-immigrant Status



\* includes those born in Puerto Rico

With the partial exception of increased ability to reduce working hours or reduce number of jobs, immigrants consistently find more positive impacts than do the native born. This is difficult to understand, because the native born won larger pay increases as a result of the Living Wage Ordinance.<sup>3</sup>

The same pattern holds for importance attached to health care coverage: only 50% of native born workers who had employer-provided health care coverage noted that it mattered a great deal to them, while over 84% of immigrants claimed that it did. The reason for this discrepancy is not clear, unless the explanation lies in footnote 3.

In any case, we can say that native born workers received larger pay increases as a result of the Living Wage Ordinance, but for some reason found the pay raise to be less significant in their lives. Nevertheless, that a good number of native born workers also found improvements in their lives in many respects, albeit at lower rates than their foreign born counterparts.

#### *Differences by race/ethnicity*

Are workers impacted differently by the Living Wage Ordinance according to racial or ethnic identification? We compared the answers of different racial and ethnic groups to

<sup>3</sup>Once again, a possible explanation is that results for native born workers may be artificially skewed downward by the circumstances of surveying done at Jackson Memorial Hospital. Eight of the eleven surveyed at Jackson were native born workers, and if fear kept them from reporting positive results, this could significantly depress the percentages of native born reporting positive impacts relative to the foreign born.

various questions in the survey. First, we looked at awareness of the Living Wage Ordinance, differences in self-perceived coverage, differences in wages, differences in pay increases as a result of the ordinance, and the like.

Black respondents<sup>4</sup> were less likely to be aware of the Living Wage Ordinance than were their counterparts. Almost 60% of black respondents did not know if they were covered by the law, whereas less than 22% of any other group was unaware. Table 38 shows details.

Table 38  
Respondent's Belief that he/she is covered by the Living Wage Ordinance by Racial/Ethnic Self-identification

	Black		Hispanic		Indian		White non-Hispanic	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Yes	12	37.5	33	78.57	1	100	2	100
No	1	3.13	0	0	0	0	0	0
Don't Know	19	59.38	9	21.43	0	0	0	0
Total	32	100	42	100	1	100	2	100

The reason for this discrepancy in awareness of the law is unknown.

Median wages for the different categories varied somewhat: the median wage for blacks was \$10.50 per hour compared to \$10.81 for Hispanics. The lone Indian earned \$11.65 per hour, and the two non-Hispanic whites earned \$10.84 and \$13 per hour, for an average (mean) of \$11.92 per hour. Thus, there is something of a hierarchy in wages, with blacks earning the least and white non-Hispanics earning the most. On the other hand, blacks were just slightly more likely to receive health care insurance than were others. Table 39 shows the figures.

Table 39  
Employer provided Healthcare Insurance by Race/Ethnicity

	Black		Hispanic		Indian		White non-Hispanic	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Yes	20	62.5	24	55.81	1	100	1	50
No	12	37.5	19	44.19	0	0	1	50
Total	32	100	43	100	1	100	2	100

<sup>4</sup> For the purposes of this comparison, the self-identification of the respondent (when given the choices "white non-Hispanic", "Hispanic", "black", and "other") is used for classification purposes, with one exception. The two respondents who self-identified as "other – Haitian" were combined with African Americans, Jamaicans, and other Haitians into the category "black" to maintain a consistency within the group of Haitian respondents, and to correspond to likely perception by others if they were asked to categorize the respondents according to these categories.



These differences in healthcare coverage are too small to be very meaningful, but they do at least demonstrate that there are not large discrepancies in treatment of different categories of workers in terms of healthcare coverage.

The higher pay of these living wage jobs because of mandated increases or compared to previously held jobs shows no consistent pattern across lines of race/ethnicity. Different groups got the largest increase, depending on the measure used. Table 40 shows details.

Table 40  
Living Wage Job Increases Relative to Before Ordinance Passage and to Previous Jobs  
by Race/Ethnicity

<b>Race/ethnicity</b>	<b>Pay Increase After Living Wage Law Was Enforced (Median)</b>	<b>Pay Increase Relative to Previous Job Before Present One (Median)</b>
Black	\$3.17 per hour	\$3.44 per hour
Hispanic	\$2.39 per hour	\$3.84 per hour
Indian*	\$3.15 per hour	\$5.55 per hour
White non-Hispanic**	\$2.64 per hour	\$5.60 per hour

\*Figures in this row represent one individual, not the median from a range of individuals.

\*\*Figures in this row represent an average (mean) of two individuals, not a median.

Living wage law enforcement raised the wages of black workers the most; yet black workers had the lowest pay increase relative to previously held jobs. No clear patterns are apparent from the figures in Table 40.

Compared to black respondents, Hispanic respondents are somewhat more likely to perceive positive impacts from the Living Wage Ordinance on their lives, although in most cases the differences are not striking. Table 41 shows details.

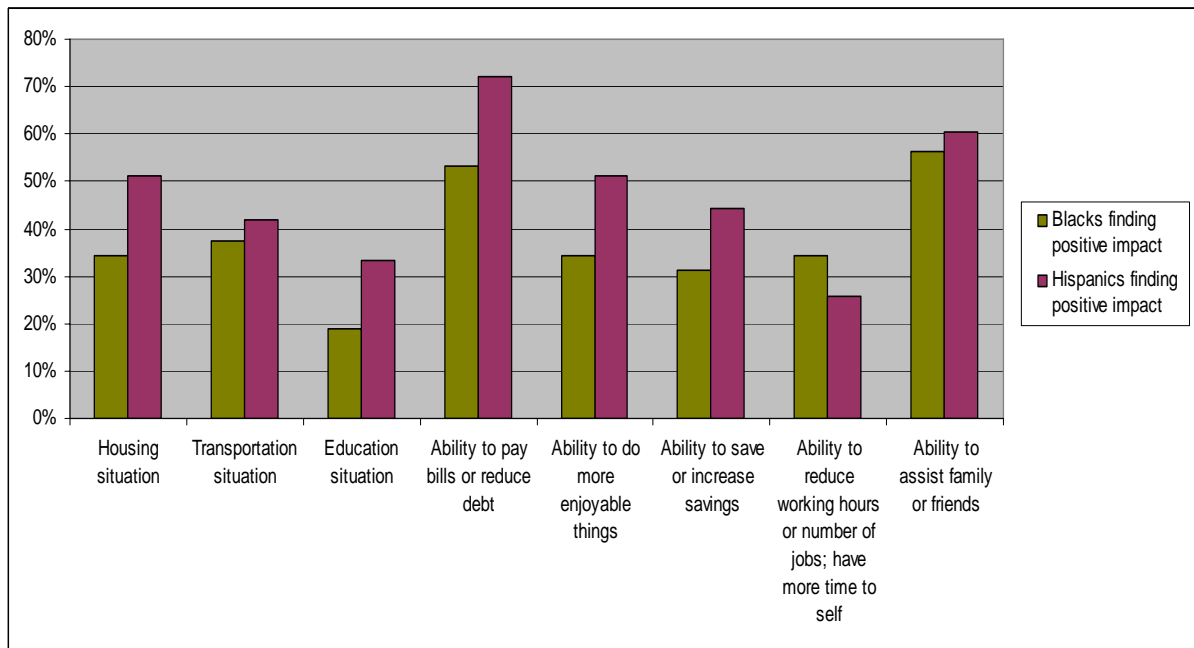
Table 41  
Ratings of Living Wage Ordinance Impacts by Race/Ethnicity\*

Area of Positive Impact	% of blacks finding positive impact	% of Hispanics finding positive impact
<b>Housing situation</b>	<b>34.38%</b>	<b>51.16%</b>
<b>Transportation situation</b>	<b>37.5%</b>	<b>41.86%</b>
<b>Education situation</b>	<b>18.75%</b>	<b>33.33%</b>
<b>Ability to pay bills/reduce debt</b>	<b>53.13%</b>	<b>72.09%</b>
<b>Ability to do enjoyable things</b>	<b>34.38%</b>	<b>51.16%</b>
<b>Ability to save/increase savings</b>	<b>31.25%</b>	<b>44.19%</b>
<b>Ability to reduce working hours or # of jobs; have time for self</b>	<b>34.38%</b>	<b>25.58%</b>
<b>Ability to assist family or friends</b>	<b>56.25%</b>	<b>60.47%</b>

\*The sole Indian respondent is omitted from this table because he found no positive impacts in any category. Likewise the two non-Hispanic white respondents are omitted, because only one found any positive impact, which was perceived in four areas: education, leisure time, saving, and ability to assist family and friends.

Graph 4 provides a visual depiction of the findings in Table 41.

Graph 4



Only in the area of increased ability to reduce working hours or to reduce number of jobs do black respondents find more positive impacts than do Hispanics. However, most differences are not large, and significant numbers in both groups experienced improvements in all areas.

Among those with employer-provided healthcare coverage, black respondents were the least likely to attach high importance to this item, although even here more than half stated that it mattered a lot. Fifty five percent of black respondents rated its importance very high compared to 87.5% of Hispanic respondents and 100% of the three who were Indian or non-Hispanic white.

In general we can say that pay increases that these respondents receive from these living wage jobs are spread across the different racial and ethnic groups in no consistent pattern, and that the two major groups of recipients (blacks and Hispanics) have in general experienced tangible improvements in their lives in a number of respects. This seems to be slightly truer for Hispanics than for blacks.

## VI. SUMMARY AND CONCLUSIONS

The purpose of the Miami-Dade Living Wage Ordinance is to combat “working poverty” for those working directly or indirectly on the public payroll. The rationale is that public money should not be used to either create or subsidize working poverty. The best way to evaluate the success or failure of that law is to see if it is helping to achieve that purpose. This study provides important evidence for an answer.

Conversely, elected officials and the public have a right to know if the law has created any negative “unintended consequences” of the type predicted by its opponents. Has it mainly benefited teenagers, many of them well off, who are merely working for money to spend during the weekend? Has it caused job loss, involuntary loss of working hours, cuts in employer-provided healthcare benefits, or similar harms to the covered workers? Once again, this study provides important evidence for an answer.

Regarding unintended consequences, this study finds that the average age of living wage recipients is 43; none in our sample were teenagers. A large majority work 40 hours per week or longer, and most appear to have families to support. Virtually no respondents believe that job loss, involuntary reductions of working hours, cuts in healthcare benefits, or “speedup” (forced harder work) had resulted from the ordinance. **The evidence is unequivocal: none of the negative unintended consequences predicted by the law’s opponents has materialized in any meaningful way.**

Has the law actually benefited its covered workers? The typical respondent who received a pay increase in our sample received an extra \$2.75 per hour as a result of the law. This translates into \$5,720 more per year for those working full time. Compared to previous jobs, these “living wage” jobs pay \$3.74 per hour more. These are substantial pay increases.

What difference has the extra income made? In our sample, numerous improvements in the lives of the covered workers are reported. Specifically, of those receiving a pay increase,

- 58% found their housing situation improved;
- 52.5% found their transportation situation improved;
- 37% found their education situation improved;
- 87.5%% found their ability to reduce debt or to pay bills improved;
- 59.5% found their time for themselves and enjoyment of leisure time enhanced;
- 55.5% found their ability to save money improved;
- 38.5% found they were able to reduce the number of jobs they work or to voluntarily reduce their working hours; and
- 79% found their ability to help out family in friends in time of need enhanced.

**These are impressive percentages of the estimated 5,000 workers covered under the Miami-Dade Living Wage Ordinance. Changes like these are precisely the type of improvements in daily life envisioned in the ordinance’s purpose of reducing working poverty in work paid for by taxpayer revenues. This is strong evidence that the law has achieved its intended purpose, perhaps better than even its proponents could have foreseen.**

Analysis of differences in impact on different genders, races, ethnicities, or nativities reveals a number of minor variations, but none of these differences alters the overall conclusion that the law is extremely successful in achieving its intended purpose. The law is perceived to be most helpful by immigrants, Hispanics, and men, but it also has been extremely helpful to large numbers of native born, non-Hispanics, and women workers who are covered by the law.

This study has not examined the impact of the Living Wage Ordinance on county contractors or airport employers. Neither has it determined the ultimate cost to the county of funding the ordinance costs. (These could be studied in future reports, although technical difficulties in obtaining county cost data may make a definitive study of county costs problematic.) But it does provide strong evidence that **the Miami-Dade Living Wage Ordinance has been extremely successful in attaining its primary purpose: combating working poverty doing work financed by the county taxpayer’s revenues.**

Two issues that may improve the effectiveness of the ordinance are also raised by this research. First, awareness of the ordinance is lower than it should be – over 30% of our respondents were unaware of the ordinance, and over 36% did not know if they were covered. The commission or the county might consider measures to make the ordinance more known, especially to those covered by it.

Second, approximately 11.5% of those surveyed were not receiving the living wage of at least \$9.44 per hour. This indicates that some employers are ignoring the law. Most, of course, are abiding by it, but the county should probably pay close attention to ways to ensure compliance from those few who are not abiding by the law.

**APPENDIX A – LIVING WAGE SURVEY**

LIVING WAGE SURVEY

1. Who is your employer?

(Check the answer against a list of living wage contractors – if the employer is not on the list, stop at this point and do not complete the survey.)

2. Are you aware of the “living wage” law? This law requires that Miami-Dade County employees, many airport workers, Public Health Trust workers, and employees of contractors doing business with the county must be paid at or above a certain amount (currently \$9.44 per hour or \$10.81 per hour, depending on whether health care coverage is provided).

\_\_\_\_\_yes, I’ve heard of it.      \_\_\_\_\_no, I haven’t heard of it

3. Are you covered by this law? (Is your employer required to pay you this amount?)

\_\_\_\_\_yes      \_\_\_\_\_no      \_\_\_\_\_don’t know

4. How much are you currently paid per hour?      \$\_\_\_\_\_ per hour

5. On average, how many hours per week do you work at this rate?

\_\_\_\_\_ hours per week

6. Do you receive any health care benefits from your employer?

\_\_\_\_\_yes      \_\_\_\_\_no      \_\_\_\_\_don’t know

7. Were you working for this employer before it was required to pay the “living wage” rate?

\_\_\_\_\_yes      \_\_\_\_\_no      \_\_\_\_\_don’t know, or not applicable

8. When did you start working for this employer? \_\_\_\_\_  
(month) (year)

9. What is your job with this employer?

10. **If** you received a pay raise as a result of the living wage law, what was your pay per hour before the law, and what was your pay per hour **at the time your pay went up?**

BEFORE: \$\_\_\_\_\_per hour      AFTER: \$\_\_\_\_\_per hour  
Check here \_\_\_\_ if not applicable

11. What did you make per hour in the job you held just before you took a job with this employer?

\$ \_\_\_\_\_ per hour

12. **If** you worked for this employer both before and after the living wage law came into effect, did your employer:

(check here \_\_\_\_\_ if this question does not apply to this respondent. If you checked here, skip parts a, b, or c)

(a) lay anybody off because of the law? \_\_\_\_\_yes \_\_\_\_\_no  
(if yes, how many workers lost their job? \_\_\_\_\_out of \_\_\_\_\_workers

(b) cut your hours of work because of the law? \_\_\_\_\_yes \_\_\_\_\_no  
(if yes, how many hours per week of work did you lose? \_\_\_\_\_hours

(c) make you work harder because of the law? \_\_\_\_\_yes \_\_\_\_\_no

(d) either cut out your health care coverage entirely, or force you to pay more for your existing health care plan? \_\_\_\_\_yes \_\_\_\_\_no

13. **If** you worked for your current employer both before and after the living wage law happened, **or if the job you now hold pays \$1 or more higher than the last job you had before this one,**

(check here \_\_\_\_\_if this question does not apply to this respondent. If you checked here, do not answer parts a through i or question 13. End the survey now.)

(a) Has the extra money had any effect on your housing situation? For example, has it enabled you to move into a bigger apartment or possibly purchase a house?  
\_\_\_\_\_yes \_\_\_\_\_no

If you answered “yes”, please explain.

(b) Has the extra money had any effect on your transportation situation? For example, were you able to purchase a car, or pay off a car loan?

\_\_\_\_\_yes \_\_\_\_\_no

If you answered “yes”, please explain.

(c) Has the extra money had any effect on your education? For example, has it enabled you to enroll in classes or go back to school? Has it helped you pay

off your student loans? Has it made it possible to send a child or a spouse or relative to some type of schooling?

\_\_\_\_\_yes \_\_\_\_\_no

If you answered “yes”, please explain.

- (d) Has the extra money had any effect on your ability to pay your bills or reduce your debt? For example, do you find it easier to cover your living expenses today as compared to when you were working at lower pay? Have you been able to pay off medical bills or credit card debt that you were unable to pay for five years ago?

\_\_\_\_\_yes \_\_\_\_\_no

If you answered “yes”, please explain.

- (e) Has the extra money helped you do more things you enjoy? For example, have you been able to go out more often, or take a trip you have been waiting for?

\_\_\_\_\_yes \_\_\_\_\_no

If you answered “yes”, please explain.

- (f) Has the extra money helped you start saving, or helped you save more than you were saving before?

\_\_\_\_\_yes \_\_\_\_\_no

If you answered “yes”, please explain.

- (g) Has the extra money helped you take more time for yourself, perhaps work less than you were before, or quit a second or third job you had?

\_\_\_\_\_yes \_\_\_\_\_no

If you answered “yes”, please explain.

- (h) Has the extra money enabled you to assist your family and friends more? For example, have you been able to give or loan money to your friends and family now when you couldn't before?

\_\_\_\_\_yes \_\_\_\_\_no

If you answered “yes”, please explain.

- (i) **If** your employer gives you health care benefits, and you did not receive any health care benefits in your previous job, has this mattered a lot to you, or not?

\_\_\_\_\_yes      \_\_\_\_\_no      \_\_\_\_\_not applicable; I don't get health care benefits

If you answered "yes", give an example of how it has made a difference.

14. If the extra money you are now earning compared to before you were working under the living wage requirement has not really made a difference in you life, why do you think that is? (Give respondent time to answer in his or her own words)

(Write answer on the back if you need more space. Thank respondent for the interview.)  
DEMOGRAPHIC INFORMATION:

15. Record the gender of the person you are interviewing: \_\_\_\_\_Male      \_\_\_\_\_Female

16. What is your age? (years) \_\_\_\_\_

17. Which of the following do you consider yourself? (check all that apply)

\_\_\_\_\_ White non-Hispanic

\_\_\_\_\_ Hispanic

\_\_\_\_\_ Black

\_\_\_\_\_ Other (please specify \_\_\_\_\_)

\_\_\_\_\_ none of the above, or don't want to answer

18. What country were you born in? \_\_\_\_\_