

PETITION

We, Orange County Justice United in Community Effort, representing 39 community organizations in Orange County, request that our Chapel Hill Town Council amend their recently adopted Living Wage Policy for full-time employees of the Town to include the provision that the living wage floor be automatically indexed to the cost of living on an annual basis.

We further request that the Town of Chapel Hill review their Living Wage Policy to address raising the wage floor, currently set at \$11.06, to be more closely in line with the recommendations of the National Low Income Housing Coalition's housing wage of \$15.31, which would enable employees to afford to live in Chapel Hill.

We believe that those who work for the Town of Chapel Hill should be able to live in the town where they work if they so choose.

As with creating more affordable housing in Chapel Hill, an appropriate Living Wage that is indexed to the cost of living will decrease travel time and distances for persons who are employed in the Town because they will be able to afford to live where they work, decreasing traffic congestion and reducing air and water pollution. Further, an appropriate Living Wage that is indexed will assist in balancing population diversity within Chapel Hill.

Indexing the Living Wage Policy will keep the living wage floor from eroding over time due to cost of living increases. Currently, other local municipalities have living wage policies in place with indexing provisions. Both Durham City and County, for example, have Living Wage policies that are indexed annually to maintain a wage floor that is 7.5% above the federal poverty line for a family of four.

Background on Indexing Living Wage Policies

In their report, *Making Ends Meet on Low Wages: The 2008 North Living Income Standard*, the North Carolina Budget and Tax Center, a project of the North Carolina Justice Center recommends the indexing of any living wage policy put into place. (link: <http://www.ncjustice.org/?q=node/243>)

Indexing of a living wage will ensure that the living wage floor does not erode over time from increases in the cost of living. There are several ways that a living wage can be indexed. Living wages indexed to the current federal poverty level will automatically increase each year. Some campaigns have also gradually increased the Living Wage's index to the poverty line. For example, the first year it may be 100% of the measure, but then increase over time to 110%, 120%, and so on. Several ordinances have tied the living wage to increases received by local public workers — thus linking living wages to union gains in public sector collective bargaining. Other ordinances have relied upon a public commission to review increases in the cost of living and adjust the living wage minimum accordingly.

Some municipalities index to the Poverty Threshold, others to the Consumer Price Index (CPI), and still others the state median wage increase.

Examples of municipalities use of indexing:

- Oakland, California's rules specify not simply the hourly wage amount but also April 1 as the date by which the rate must be adjusted each year based upon the December 31 Bay Region Consumer Price Index.
- In 2002, Oregon voters passed an increase in their minimum wage to \$6.90 in 2003 and indexed it to inflation.

Resources:

Introduction to the Living Wage Calculator: Penn State University developed a living wage calculator to estimate the cost of living in a community or region. The calculator lists typical expenses, the living wage and typical wages for the selected location.

(link: <http://www.livingwage.geog.psu.edu/>)

Living Wage Campaign: Elements of a Living Wage Policy

(link: <http://livingwagecampaign.org/index.php?id=1955>)