

## Students for Staff Proposal for a Living Wage

Dear President Hodge,

University Senate recently passed a resolution in support of a living wage and the Graduate Student Association passed the same resolution last semester. There are also a number of national organizations, individual faculty, academic departments, recognized economists and labor studies experts, and local community, faith, and student groups in support of a living wage at Miami University. In our last meeting, you asked for research and for some information on what a living wage would look like. Below is a proposal we would like to discuss, an explanation of the proposal points, and supporting documents from our campaign. We look forward to discussing how a living wage can become a reality at Miami University.

Thank you,

Students for Staff

### **Miami University Living Wage Proposal Presented by Students for Staff**

1. \$12.45 starting hourly rate for all Miami employees and contracted workers, not including insurance and benefits,
2. Annually indexed with the cost of living,
3. Equity wage increase for all those who currently make above \$12.45 to address wage compression,
4. Funding not to come from cuts in workers' benefits, increased costs to students, scholarship funds, academic departments, layoffs, cuts in faculty salary, or diversity and equity programs,
5. Implementation of this policy to be done with full transparency and with collaboration of the university community,
6. No negative repercussions for workers should result from this policy.

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### Explanation of Proposal Points

#### Basic Living Expenses in Oxford Ohio:

The Oxford Family Resource Center estimates that a living wage for a single wage earner supporting two children living in Oxford, Ohio is \$12.45/hour or \$25,896 a year.<sup>1</sup> \$12.45 is the hourly wage needed if it is given that all insurance costs are covered before calculating other basic expenses.

Taxes (taken from paycheck)	\$368
Rent	\$450
Utilities	\$150
Food	\$400
Transportation (gas and car payment/repairs)	\$200
Car Insurance	\$100
Childcare	\$400
Clothing	\$ 50
Telephone/cell phone	\$ 40 <sup>2</sup>

The hourly pay of Miami University allows approximately 40% of the full-time classified staff to fall below the living wage required for one wage earner and two children.<sup>3</sup>

#### Living Wage Indexed to Cost of Living

The living wage should be indexed to the cost of living on the consumer price index to allow for annual increases. Since November 2007, when the above data was received from OFRC, there has been a 1.3% increase in the cost of living.<sup>4</sup>

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<sup>1</sup> Based on a sample of 449 classified staff members who earn wages that may qualify them for public assistance, the average number of dependents per classified staff member is 2.3. The dependents of these 449 classified staff members were supplied by Carol Hauser of Human Resources in June of 2007.

<sup>2</sup> This information was provided by Diane Ruther-Veierling of the Oxford Family Resource Center on November 1<sup>st</sup> 2007. It included a Misc./entertainment/cable category adding \$50 per month that we have removed because a living wage is by common definition a “no frills” calculation of living expenses.

<sup>3</sup> This calculation is based on the Miami University Salary Roster effective October 1, 2007. Benefits eligible workers at the University need only to work 32 hours per week, but to be fair to our yearly living wage salary based on a 40 hour work week, we have taken any employee working below 40 hours a week out of this calculation.

<sup>4</sup> <http://data.bls.gov/PDQ/servlet/SurveyOutputServlet>

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### Equity Wage Increase

An equity wage increase can address the issue of wage compression, which happens when the minimums are raised and those making over the new minimums do not have an increase. One option would be the idea of decreasing increases in wages, the way Swathmore College implemented their living wage policy. In this structure, people making nearest to \$12.45 would receive a certain percent of the \$3.45 increase and this percentage would decrease as the raises go up the pay scale. This method provides every worker with enough to cover bare minimum necessities for the average cost of living while making sure that those who have earned their pay increases through years of service are honored for their hard work.

### Funding

SFS has been in dialogue with students, staff, and faculty and want to make sure that their concerns about funding are met. For workers, it is making sure that no benefits are negatively affected and no jobs are cut. Students do not want to see increases in tuition or fees. Scholarship funds, academic departments, faculty salary, and diversity and equity programs are also important, and SFS does not want to see funding come from these sources.

### Implementation

To make sure that the living wage policy is a benefit to the university community, we want to have the community involved in the process and make sure that the implementation is done with collaboration and transparency.

### No Negative Repercussions for Workers

No negative repercussions not already mentioned above will affect the staff as a result of this proposal.

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### **Supporting Documents**

#### 2008 Senate Resolution

The Miami University Senate:

- 1.** Recognizing the university as an institution that promotes values and acting on its responsibility as part of the university community, urges President Hodge and the Board of Trustees to implement a living wage policy that considers basic costs of living for the average Miami staff member including housing, food, child care, transportation, health care, taxes, and other necessities.
- 2.** Encourages students, staff, faculty and administration to work in collaboration and open dialogue with each other to find an equitable wage scale for all university employees.

#### Public Endorsements on a Living Wage

##### **Miami University Student Organizations:**

- University Senate: Passed a bill on 4/7/08 urging President Hodge to implement a living wage.
- Graduate Student Association (GSA): Passed a bill on 12/5/07 calling on President Hodge and the Board of Trustees to implement a living wage.
- Green Oxford
- Latin American Graduate Student Association (LAGSA)
- Love You Like A Sister (LYLAS)
- Over-the-Rhine Student Movement
- Student Activists For Language And Cultural Exchange (SALCE)
- Students for Peace and Justice (SPJ)

##### **Local Organizations:**

- AFSCME Local 209
- Cincinnati Interfaith Workers Center
- Ogade, Oxford Gourd and Drum Ensemble
- Oxford Citizens for Peace and Justice (OCPJ)
- Oxford Magazine
- Oxford Meeting of the Religious Society of Friends (Quakers)
- Hopedale Unitarian Universalist Community's Social Action Committee
- St Mary's Catholic Church

##### **Miami University Departments:**

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- Department of Comparative Religion

### **Miami University Faculty:**

- Dr. Jim Hickey, Botany
- Dr. Anne Bailey, Center for American and World Cultures
- Dr. Peter W. Rose, Classics
- Dr. Rick Colby, Comparative Religion
- Dr. James Hanges, Comparative Religion
- Dr. Richard Quantz, Educational Leadership
- Jeffrey Bickerstaff, English
- Dr. Donald Daiker, English
- Dr. Eric Goodman, English
- Steven Lansky, English
- Dr. Cynthia Lewiecki-Wilson, English
- Margaret Luongo, English
- Dr. Laura Mandell, English
- Dr. Susan Morgan, English
- Dr. Jason Palmeri, English
- Dr. David Schloss, English
- Tom Schmidlin, English
- Dr. John Tassoni, English
- Dr. Sandra Woy-Hazleton, Environmental Studies
- Dr. Hilary L. Copp, Family Studies and Social Work
- Dr. Peter E. Carels, German, Russian and East Asian Languages
- Dr. Erik Jensen, History
- Dr. Muriel L. Blaisdell, Interdisciplinary Studies
- Dr. Sally Harrison-Pepper, Interdisciplinary Studies
- Dr. Terry M. Perlin, Interdisciplinary Studies
- Dr. Helaine Alessio, Kinesiology and Health
- Dr. Mary McDonald, Kinesiology and Health
- Dr. Susan Paulson, Latin American Studies
- Dr. Anne Morris Hooke, Microbiology
- Dr. Michael Goldman, Philosophy
- Dr. Richard Momeyer, Philosophy
- Dr. Asher Seidel, Philosophy
- Dr. Walt Vanderbush, Political Science
- Dr. Phillip J. Best, Psychology/Neuroscience
- Nicholas Longo, Director, Wilks Leadership Institute
- Susan Pelle, Women's Studies
- Dr. Tom Dutton, Architecture and Interior Design
- Dr. Kim Medley, Geography
- Dr. Steven Bauer, English
- Dr. Sven-Erik Rose, French and Italian
- Claire B. Goldstein, French and Italian

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- Peter W. Rose, Classics
- Kelly Quinn, American Studies

### **National Organizations:**

- American Federation of State, County, and Municipal Employees (AFSCME):
- Center for American Progress
- Campus Progress
- Jobs with Justice

### **Individual Endorsements:**

- Noam Chomsky: Professor of Linguistics (Emeritus) at MIT.
- David Graeber (Professor of Anthropology at Goldsmiths College, University of London)
- Stephanie Luce, Economist at the University of Massachusetts-Amherst Labor Center
- Todd May, Professor of Philosophy at Clemson
- Bruce Nissen, Center for Labor Research and Studies, Florida International University
- Helena Worthen, Institute of Labor and Industrial Relations, University of Illinois

### University Wage Comparison

The following is a jobs to jobs comparison among all other Ohio state schools. The numbers are compared only when an appropriate position could be matched.

#### Custodian (Per hr.)

\$11.53 - Bowling Green (Custodial Worker)  
\$10.54 - Wright State (Custodial Services Worker)  
\$10.37 - Kent State (Custodial Worker)  
\$10.34 - UC (Custodial Worker)  
\$9.79 - Ohio State (Custodian)  
\$9.71 - Ohio (Custodial Worker)  
\$9.00 - **Miami** (Building service worker)

#### Groundskeeper (Per hr.)

\$12.50 – Bowling Green (Groundskeeper 1)  
\$12.15 - Wright State (Grounds Maintenance Worker 1)  
\$11.48 – Kent State (Groundskeeper)  
\$11.07 - UC (Groundskeeper 1)  
\$10.85 - **Miami** (Building and Grounds Tech)  
\$9.95 - Ohio (Groundskeeper)

#### Food Service Worker (Per hr.)

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\$11.10 - Bowling Green (Food Service Worker)

\$9.94 - Kent State (Food Service Worker 1)

\$9.00 - **Miami** (Food service assistant)

### Maintenance (Per hr.)

\$13.83 - Wright State (Maintenance Worker)

\$13.66 – Bowling Green (Maintenance Repair Worker 1)

\$13.14 – Kent State (Maintenance Repair Worker)

\$11.07 - UC (Maintenance Repair Worker 1)

\$9.95 - Ohio (Maintenance Repair Worker)

\$9.80 - **Miami** (Maintenance Repair Worker)

### Cost of a Living Wage

The cost of a living wage was inflated at Associated Student Government, and that number was left unexplained at the meeting. The first number is what was presented to ASG and the calculation (which was not provided at the time). The second number is what it would cost to make sure that everyone is making a living wage. The 38% benefits hasn't been expanded upon, and as part of the open collaboration on a living wage, we would like to know how that percentage was determined. The majority of benefits are not salary dependent, so we suspect that the cost is much less than 38%. The true cost will be dependent on the equity raise discussed above and the determined cost of benefits, but what follows is a good reference.

Estimate presented to ASG: Human Resources estimated that *every employee* would require a raise of \$3.45/hr:

$$1500 \text{ employees} * (\$12.45/\text{hr} - \$9.00/\text{hr}) * 40 \text{ hours} * 52 \text{ weeks} + 38\% \text{ benefits:} \\ = \$14,854,320$$

Our estimate: We estimate that the average wage of all staff earning less than \$12.45/hr is \$10.57/hr. and that 40% of employees make below \$12.45/hr:

$$1500 \text{ employees} * 40\% * (\$12.45/\text{hr} - \$10.57/\text{hr}) * 40 \text{ hours} * 52 \text{ weeks:} \\ = \$2,346,240$$

Plus 38% benefits:

$$= \$3,237,811$$

### Additional Living Wage Estimates for Southern Ohio

The Economic Policy Institute shows that, for a single wage earner supporting themselves and 2 children in the Hamilton-Middletown area, a yearly income of \$39,624 is needed to cover the basic necessities of housing, food, childcare, transportation, health care, taxes, and other necessities.

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Retired Miami University Professor of the Center for American and World Cultures, Dr. Anne Bailey, conducted a study published in the *Journal of Children and Poverty* estimating a living wage in Butler County for a single wage earner with two preschool-aged children. She found that approximately \$32,000 per year was necessary before taxes in 1997.<sup>5</sup> Adjusted for inflation using the Consumer Price Index, this number is translates to 2007 dollars as approximately \$40,912.<sup>6</sup>

### Wages for Full-Time Classified Staff and Relationship to the Poverty Line:<sup>7</sup>

The base pay rate for a full-time Miami employee is \$9.00 per hour, which translates to a yearly salary of just over \$18,000 before taxes.

Assuming that all the employees mentioned are the sole wage earners in their family and that they do not work overtime or have a second job:

- 32 Miami full-time classified staff live under 100% of the federal poverty line.
- 112 Miami full-time classified staff live under 130% of the federal poverty line.
- 449 of Miami's full-time classified staff (nearly 1/3 of the full-time classified staff) live under 200% of the federal poverty line.

It is widely known that the federal poverty line does not address the reality of impoverishment. For instance, the federal poverty line for a single wage earner with one dependent is set at \$13,200. Since the numbers for the federal poverty line are egregiously low and unrealistic, social and federal aide agencies set other annual salary marks that more accurately define levels of impoverishment. The 130% marker is commonly used for food stamps. Those workers underneath 200% of the federal poverty line are commonly classified as "low income" workers. Furthermore, the 200% mark is where most social aide agencies stop providing help.

Of the 449 workers below 200% of the poverty line in 2007, we know that they average 2.3 dependents each. For ease in assessment, we have rounded that number down and looked into different living wage calculations for one wage earner and two dependents in southern Ohio.

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<sup>5</sup> Bailey, Anne. (2000). "A living wage for former welfare recipients entering employment: the case of Butler County, Ohio." *Journal of Children & Poverty*, 6(1), 33-41.

<sup>6</sup> Consumer Price Index - Urban Wage Earners and Clerical Workers. (2007, October 31). Retrieved October 31, 2007 from <https://data.bls.gov/PDQ/> etc

<sup>7</sup> All data in this category was provided by Carol Hauser, head of Human Resources. The University does not gather information about secondary income so it is not available in determining these figures. Furthermore, in the current national climate sole wage earners supporting multiple dependents is an inescapable and common reality. It is our position that a secondary income should not be a necessity for full-time workers to support themselves and their children.

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### Decreasing Standards of Living for Work at Miami:

In 1987 Ohio Minimum wage was \$3.35 and the starting wage for custodial work at Miami University was \$6.17, which is 184% of minimum wage. Today's minimum wage is \$6.85 and the starting wage is \$9.00. If the starting wage for custodial work maintained the same percentage of the minimum wage, starting wages for custodial work today would be \$12.67 per hour.

After the strike workers received a 4.25% raise for one year, but since that year have received either 2.5% or 3% wage increases while benefits have become more costly. Next year they are scheduled for another 2.5% raise. The U.S. Department of Labor shows that raises of 2.5% and 3% do not keep up with current increases in cost of living as shown by the consumer price index.

### 2003 Senate Resolution

October 6, 2003

#### **SR 04-02**

We, the Miami University Senate:

1. Acknowledge that all employees, including the ca. 900 service, maintenance and building trades workers represented by the AFSCME, Local Union 209 are indispensable parts of the Miami University communities.
2. Strongly oppose employment/wage policies of the University, in which a significant disparity between the wages received by Miami employees in Local Union 209 and other entities referenced in the Fact-Finder Report of 08/15/2003 (Case No. 03-MED-04-0481) is evident.
3. Believe that fiscal/financial policies of the University cannot be carried out to the disadvantage of our University communities' most vulnerable.
4. Urge President Garland and the Board of Trustees to authorize a salary/compensation proposal in accordance with the aforementioned Fact—Finder Report in order to rectify the pay disparities and secure market-competitive wages.
5. Encourage both parties to continue negotiations until a settlement is reached.

The motion carried by a roll call vote of Yes: 43; No: 7; Abstained: 6.

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### Summary of the Wages Section of the Fact-Finder Report and Strike Outcome

The Fact-Finder Report referenced in point 4 of SR04-02 recommended a 22-29% increase in 2003. The state-appointed Fact Finder made this recommendation based on market analysis and other relevant data provided by both AFSCME 209 and Miami University.<sup>8</sup> Furthermore, the Fact Finder considered “the interest and welfare of the public, the ability of the public employer to finance and administer the issues proposed, and the effect of the adjustments on the normal standard of public service.”<sup>9</sup> Despite the recommendations of the Fact Finder based on market analysis and the ability of the university to pay, and despite the University Senate resolution urging the university administration “to authorize a salary/compensation proposal in accordance with the aforementioned Fact—Finder Report,” the university only increased wages 4.25% across the board and rose minimums as little as 5%. This increase is as much as 17-24% lower than what the Fact-Finder recommended and the University Senate supported.

The current minimum rate of pay at Miami University is \$9.00 per hour. Workers starting at \$9.00 per hour are in the E1 pay zone, which contains approximately 40% of the classified staff’s workforce. The Fact-Finder report recommended \$9.93 as the minimum rate for the E1 zone in 2003. After that immediate increase, the Fact Finder recommended a 3% increase each year for the rest of the contract. If the 3% increases were maintained up to the present time and raises were implemented as recommended by the Fact Finder and as urged by University Senate in 2003, the minimum pay rate for the E1 classification would now be \$11.18 per hour instead of \$9.00 per hour

**Synopsis:** Wines, William Arthur. “Anatomy of the AFSCME Strike at Miami University: Should Higher Education Engage in Corporate Style Strike Breaking?” *Labor Law Journal*. Spring, 2004.<sup>10</sup>

William Wines is formerly an Associate Professor of Legal Environment and Business Ethics in the Department of Finance at Miami’s Farmer School of Business. In the article cited above he asks “whether the large corporate-style tool of strikebreaking is an appropriate or useful approach for a major university to take with its lowest paid workers” (5). Throughout the article he recounts the “history of bad blood” between AFSCME and the university and a day by day chronology of the strike (6, 7-9). Next, he provides a typology of corporate-style strike-breaking practices and Miami University’s application of those practices. Among other things, Wines lists the role of Miami faculty and the University Senate in keeping the worst forms of union-busting from happening on campus and cites the model of a living wage as a potential remedy to detrimental labor disputes.

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<sup>8</sup> Compare the minimum rates for each zone of employment referenced on pg. 20 to the fact-finder recommended wages for 2003 on pg. 32.

<sup>9</sup> Pg. 3

<sup>10</sup> This document is available online through Miami’s library on the EBSCO host and at [www.users.muohio.edu/winslorc/anatomy\\_strike.pdf](http://www.users.muohio.edu/winslorc/anatomy_strike.pdf)

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Wines starts the history of bad blood with Local 209 in 1989: “The union was established at Miami in 1986 and, in 1989, there was a de-certification petition. The de-certification petition was dismissed without prejudice by the State Employee Relations Board (SERB), but Miami University declared that it no longer believed the union represented a majority of employees and began to act accordingly [...] Ultimately, just two days before Christmas in 1994, the Ohio Supreme Court unanimously upheld the trial court ruling that Miami had committed unfair labor practices and ordered the University to bargain in good faith with Local 209” (6).

Seven days before the strike, Wines states that “Miami University had unilaterally implemented its proposed 4.25 percent pay increase for employees represented by AFSCME Local 209. Some observers were concerned that such a move by an employer facing a strike vote might be an unfair labor practice” (8). Four days before the strike, Wines tells of how “About 100 ‘replacement workers’ began to arrive on the Oxford campus to receive training in their new jobs” (8). The first day of the strike Richard Little was quoted on the front page of *The Oxford Press* as stating that Miami’s “best and final offer” had been put on the table (8). On the eleventh day of the strike “Faculty Senate passed Resolution in support of Local 209 strikers” (10). And on the 13<sup>th</sup> day the strike ended when a slim 151 to 125 majority of the bargaining unit voted to accept the contract.

Wines runs through a typology of “Corporate-Style Union-Busting” and finds that Miami University engaged in all of the following: “Make an insulting offer on a ‘last best offer basis’ with little or no negotiations [...] Hire a ‘union-busting’ or biased management law firm [...] Sustain a history of ‘bad blood’ [...] Try to ‘provoke’ a strike rather than let the union ‘call’ one [...] Continue to operate with ‘replacement’ workers and managers [...] Issue demeaning, inflammatory, or rancorous press releases/statements [...] Commit actual or borderline unfair labor practices” (10).

Miami University did not engage in the final three points of corporate-style union-busting, which include leaving workers out indefinitely, providing a demand for workers to return at the threat of being fired, and permanently replacing workers and eliminating the union (10). Wines states that the “public and faculty pressure” may have been one reason why the final tactics were not used, but he also discusses the possibility that “top administration preferred to deal with a crippled AFSCME Local 209” (11). On page 17 Wines states that universities who have taken on living wage policies, particularly Harvard, have “avoided divisive labor actions” (17).