



## Legislation Text

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**File #:** 2014-0058, **Version:** 3

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A MOTION addressing income inequality with the establishment and implementation of a living wage policy for King County.

WHEREAS, King County's policies are designed to foster and promote a healthy economic environment for individual county residents and their families, including jobs and wages that are sufficient to support a family, and

WHEREAS, one of the stated objectives toward achieving the goal of Economic Growth and Built Environment under the King County Strategic Plan is to "support a strong, diverse, and sustainable economy," and

WHEREAS, one of the stated indicators of whether that objective has been attained is the "percent of jobs paying a living wage," and

WHEREAS, according to The Self-Sufficiency Standard for Washington State 2011, a report prepared for the Workforce Development Council of Seattle-King County, the Washington state minimum wage is insufficient to meet the basic needs of working families. Specifically, the current minimum wage for Washington state, which is \$9.32 per hour as of April 2014, is less than the 2011 "self-sufficiency standard" by between twelve percent and seventy-three percent, depending on the number of adults and children in the family and the family's specific location within King County, and

WHEREAS, employees who are paid less than a living wage are more likely to be eligible for and rely upon government programs for assistance, including programs such as subsidized food, housing, health care, bus fare and utilities, resulting in an indirect and unwarranted taxpayer subsidy to their employers, and

WHEREAS, according to a December 2013 report by the Alliance for a Just Society, a national network

of twelve racial and economic justice organizations:

1. The Washington state minimum wage, which is \$9.32 per hour as of January 2014, is:
  - a. forty-two percent less than a living wage for a single adult; the report defines living wage as a wage that allows families to meet their basic needs without public assistance and that provides them some ability to deal with emergencies and plan ahead;
  - b. fifty-eight percent less than a living wage for a single adult with a school-age child aged six through eight years;
  - c. sixty-nine percent less than a living wage for a single adult with a toddler aged twelve through twenty-four months and a school-age child;
  - d. sixty-nine percent less than a living wage for two adults, with one working and with a toddler and a school-age child; and
  - e. fifty-three percent less than a living wage for two adults, with both working and with a toddler and a school-age child;
2. The percentage of all job openings paying less than a living wage in Washington state in 2012 was: forty-one percent for a household consisting of a single adult; sixty-one percent for a single adult with one child; seventy-eight for a single adult with two children; and eighty percent for two adults, with one working, with two children;
3. The percentage of United States jobs that pay less than \$15 per hour increased from 36.55 percent in 2009 to 39.45 percent in 2012, reaching a total of 51.4 million in 2012; and
4. The number of jobs in occupational categories with median wages above \$15 per hour dropped by four million from 2009 to 2012, masked by an increase of 3.6 million jobs with median wages below \$15 an hour, and

WHEREAS, according to the Economic Policy Institute, from the 1940s to the 1970s, real hourly compensation of production/nonsupervisory workers increased at roughly the same rate as worker productivity,

but between 1973 and 2011, while productivity increased by about eighty percent, median real hourly compensation increased by only about eleven percent, and

WHEREAS, according to the U.S. Department of Labor, minimum wage workers are disproportionately women and people of color, and it is an aim of King County's equity and social justice initiative to eliminate such disparities, and

WHEREAS, many of those working in King County are having trouble meeting their basic needs in light of stagnating wages, while the cost of living continues to grow, and

WHEREAS, according to the National Employment Law Project, legislation requiring employers to pay a living wage has been adopted in more than one hundred twenty-five cities and counties across the nation, including about half of the twenty-five largest cities by population, but King County, the thirteenth-largest county in the nation, has no living wage policy for its contractors and others doing business with or receiving benefits from King County, and

WHEREAS, the council seeks to explore the advisability of adopting a living wage ordinance to advance the county's strategic objectives of "support[ing] a strong, diverse, and sustainable economy" and promoting equity and social justice.

NOW, THEREFORE, BE IT MOVED by the Council of King County:

A. It is the policy of King County that a living wage should be paid to county employees and to the employees of persons, businesses, organizations and other entities that receive procurement contracts, tax exemptions or credits, or other financial benefits from the county.

B. To explore the policy implications of implementing the living wage policy set forth in subsection A of this motion, the council asks the county executive to make written recommendations to the council suggesting provisions that should or should not be included in an ordinance implementing the living wage policy and requests the assistance of the county executive in assessing the costs, benefits and other consequences of adopting a living wage ordinance setting a minimum level of compensation for all county

employees and for the employees of persons, businesses, organizations and other entities receiving or applying for county procurement contracts, county tax exemptions or credits or other financial benefits from King County. In particular, the council asks the executive to provide to the council, no later than June 13, 2014, a report that includes:

1. A list, by classification, not name, of all county employees who are being compensated at a rate lower than fifteen dollars per hour (excluding benefits), including each employee's rate of compensation and the county department and division in which he or she is employed;

2. A list of all contracts the county currently has with non-government entities, in an amount greater than \$25,000, for the provision of goods or services to the county or to third parties, excluding employment and labor agreements. The list should include the name of the entity, the term of the agreement, a brief description of the goods or services and the total amount of all the required payments;

3. A list of all nongovernment entities that have received or are expected to receive tax exemptions or credits or other financial benefits from the county in a total amount greater than \$25,000, except for those required under state or federal law, including the name of the entity, a brief description of the exemption, credit or other benefit, and the dollar amount; and

4. Such other information as the executive would like the council to include in its consideration of whether to adopt a living wage ordinance or as the council or its staff may subsequently request.

C. The policy stated in section A. of this motion is not intended to apply to other general purpose governments, such as the federal government, state governments or other counties, cities or towns, receiving or applying for: county procurement or other contracts; county tax exemptions or credits; or other financial benefits from King County.

D. The report requested in section B. of this motion should be submitted in the form of a paper original and an electronic copy to the clerk of the council, who shall retain the original and provide an electronic copy to all councilmembers, the council chief of staff, the lead staff for the transportation, economy and environment

committee, or its successor, and the council's legislative analyst primarily assigned to labor relations issues.

E. This motion is not intended to direct the county's bargaining agents in their negotiation of labor agreements.