

**Community Relations Commission
Oak Park Living Wage Ordinance**

Minority Report
February 28, 2010

The Minority Report is submitted by Chairperson John R. Murtagh and Commissioner Cecil Hunt III of the Oak Park Community Relations Commission. The report considers the risks associated with adoption of a Living Wage Ordinance and recommends that an ordinance not be enacted.

Living Wage Subject/Page Index

Living Wage Index Subject Index	Page #
Final Report Cover Sheet	1
Index	1a
How the Living Wage Arrived in Oak Park	2
Definition of Living Wage	2-3
The Living Wage Problem	3
Characteristics of Living Wage Ordinance	3
History of a Living Wage	4
National Living Wage Summary	4-6
Living Wage Ordinance in Illinois	7
Living Wage Outcomes	7-8
Are Living Wage Ordinances Reaching Centers of Poverty?	8
Living Wage Ordinance in Oak Park	9-11
The Living Wage Hourly Rate	12-16
Living Wage in Motion	16
Beneficiaries Versus Benefactors	17
How Oak Park is Different	17-18
The Cultural Impact of a Living Wage Ordinance	18-19
Keeping Local Legislative Independent	19
The Public Response	20
A Quote from an Expert	20
Final Thought	21

How the Living Wage Arrived in Oak Park

At the Oak Park Township's Annual Town Hall Meeting on April 8, 2008, two Oak Park residents introduced a motion to have a living wage ordinance referendum in the Village of Oak Park Village. The township approved the motion and sent it to the Cook County Clerk's office. The county put in on the on the November 4, 2008 Village of Oak Park ballot. The motion stated:

"Shall the Village of Oak Park enact a "Living Wage" ordinance stipulating that: a) Village employees, b) employees of contractors or subcontractors performing work for the Village, and c) employees of businesses that receive a significant financial subsidy from the Village, receive a living wage indexed to inflation that would include health benefits and paid time off?"

Voters approved the advisory referendum.

Oak Park LW Referendum Results	
11-04-09	
Yes 60.2%	No 39.8%

On February 2, 2009, the Oak Park Village Board voted to assign the Living Wage Ordinance review to the CRC.

(The Greater Oak Park Democratic Socialists of America, Unity Temple Social Mission Committee, Oak Park Coalition for Truth & Justice and the Young Democratic Socialists of Oak Park and River Forest High School are co-sponsors of the Living Wage Ordinance effort.)

Definition of Living Wage

The most frequent used living wage definition is:

A living wage is 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.

Definition variations exist. For instance, Harvest for Humanity defines a living wage as *"The level of income sufficient to allow workers to support their families without dependence upon outside (public) assistance."*

The Living Wage Problem

Unlike most government poverty programs (ex. Food Stamps), the Living Wage does not consider the household or family income of the worker when establishing eligibility. There is a single criterion. If a worker's hourly wage is less than the living wage hourly rate established in an ordinance, the worker's pay increases to the ordinance's hourly rate. For example, if the worker is married to a person receiving a high salary, say \$100,000, the worker is still eligible for the pay increase.

The unorthodox approach makes it exceedingly difficult to ensure that the increased wages are going to poverty families.

Characteristics of Living Wage Ordinance

Three categories of employment are used in a living wage; city employees, employers contracted by the city (in this paper, city includes towns, villages, etc.), and businesses or organizations that receive financial assistance from the city. (Workers with confirmed eligibility are "Covered Employees." The businesses they work for are "Covered Employers.") One category does not necessarily fit all as is shown below:

Living Wage Category Combinations

(Selections Made by 88 Cities with Active Ordinances)

Type Combination	#
Contractor Only	31
Contractor and Financial Assistance	25
Employee and Contractor	11
Employee, Contractor, and Financial Assistance	10
Financial Assistance Only	7
Employee Only	3
Employee and Financial Assistance	1

Exceptions and Thresholds

Living wage ordinances use Exceptions and Thresholds extensively. Exceptions are the exclusions of groups of companies or workers from an ordinance (ex. non- profits, part time workers, etc). Thresholds allow the setting of a monetary or numbers of employees limit below which the companies do not have to comply with an ordinance (ex. companies with less than five employees, companies receiving less then \$50,000 in grants.)

History of the Living Wage

The Living Wage Movement is a grassroots effort supported by national and local social justice organizations, unions, and religious organization. The movement's mission is to encourage and sponsor living wage ordinances. The movement has participated in most of approximately one-hundred and forty living wage ordinances in the United States. Des Moines, Iowa approved the first ordinance in 1988. Currently there is one state – Maryland, twenty-five counties, several schools and hospitals, and about 90 cities with active living wage ordinances. Of the ordinance cities, New York with 8.4 million people is the largest and Cambridge, Massachusetts is the smallest--6,400 people. Thirty-one states have cities with ordinance. California, Michigan, and New York account for 45% of all city ordinances.

Commission records indicate that twenty-three approved living wage referendums did not become ordinances including: Pittsburgh, Houston, South Bend, Baton Rouge, New Orleans, Knoxville, Salt Lake City, Camden, and Provo.

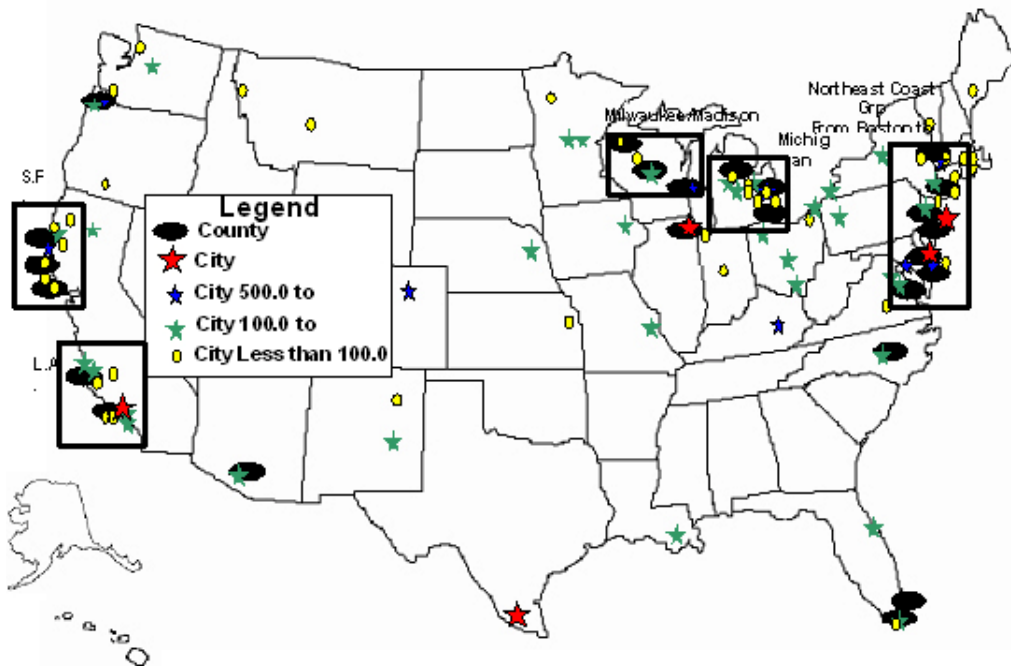
National Living Wage Summary

Most public sources state that more than one-hundred and forty Living Wage though no single source since 2003 provides detailed information that identifies the cities and the type ordinance approved.

Below is my reconciliation of ordinances approved since 1988 with quantitative detail by state, county, etc. The reconciliation includes the number of ordinances that were repealed. The total number of ordinances passed is One hundred and forty three. The total of active ordinances is one hundred and twenty six. One hundred and six cities (incl. towns, villages, etc.) have passed ordinances. Seventeen city ordinances were repealed. The active city ordinance total is eight-nine.

Living Wage Ordinance Summary	
Cities	106
Repealed (all are cities)	(-17)
Cities with Active Ordinances	89
Counties	26
State (Maryland)	1
Others	10
Total LW Ordinances Adopted	143
Total LW Ordinances Active	126

Map of Counties and Cities w/ Living Wage Ordinance



Characteristics of Living Wage Cities

They are primarily:

- In coastal areas
- In manufacturing dominated cities
- In cities with major universities and colleges
- In resort (tourist) cities
- In cities with high cost of living
- In strong union cities
- Cluster cities in high density metropolitan areas

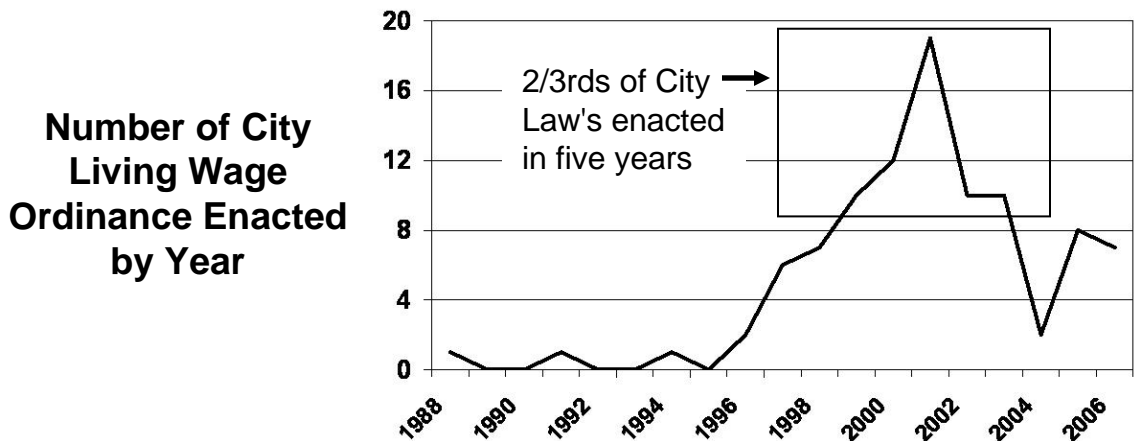
(See next page for Californian Cluster Chart)

Living Wage Ordinances in Illinois

There are only two living wage ordinances in Illinois – Chicago and Cook County. Both apply solely to contractors and subcontractors and have relatively low hour rates – about \$11.50. In September 2006, the Chicago City Council voted to extend the existing ordinance to selected business (Big Box). Mayor Daley vetoed the legislation. An attempt to override the mayor's veto failed.

Sixty-five percent of Bloomington Illinois' voters approved an advisory Living Wage Referendum in November 2008 covering about two hundred seasonal and part-time city employees. The living wage hourly rate proposed was \$9.81. In March of 2009, the city council voted against a living wage ordinance due to the city's fiscal deficit. Bloomington's council had previously voted against a living wage in 2004.

With the exception of Oak Park, there are no known Living Wage Ordinances pending in Illinois.



Living Wage Outcomes

In the United States from 1988 to 1996, only eleven city living wage ordinances were approved. Sixty-eight ordinances were approved from 1997 to 2003. The sharp increase in ordinances came following the 1997 increase in the national minimum wage for the first time in six years. The increase from \$4.75 to \$5.15 was less than ten cents per year. The small increase angered many workers and shifted grass root organization's focus from minimum wage increases to living wage ordinances. As a result, the number of living wage ordinances approved from 1998 to 2003 was five-hundred percent higher than the 1988 to 1996 period.

The chart below shows ordinance proposal during three periods between 1988 and 2009.

Ave. City Ordinance Approvals by Period	
1988-1997	1.1
1998-2003	11.3
2004-2009	4.1

Grassroots organizations' resources are limited making it difficult to focus on a minimum wage and living wage campaign simultaneously. Multiple campaigns with a similar subject are also confusing to voters. With President Obama having made a higher minimum wage (also referred to as a living wage) a campaign issue, it is likely that the slow growth in living wage ordinances will continue for most of President Obama's term.

It is unlikely that the federal government will adopt a national living wage law comparable to those already in place. It is also not likely that additional states will adopt living wage ordinances, and the low growth pace of new city ordinance is unlikely to change. For 2009, there have been no new living wage ordinances identified.

Are Living Wage Ordinances Reaching Centers of Poverty?

If we accept that the seriousness and significance of the working poor wage plight, then ensuring that the limited funds are directed those most in need is imperative.

It is a known and widely accepted fact that most of the thirty-five million people living in poverty live in urban centers. Yet 58% of the cities with active ordinances are located in cities with poverty below the national average of 13% as is shown on the chart below.

Poverty Rate by City with Active Ordinances

Poverty Rate (2000 Census)	# Ordinances
2% or Less	2
3-5%	5
5-13%	44
14-20	28
20% or more	9

Cities without living wage ordinance and with poverty rates exceeding 20% include Newark N.J., New Orleans La., Atlanta, Ga., Birmingham Al, Fresno, Ca.

Living Wage Ordinance in Oak Park

The CRC has established the following during its review of a living wage ordinance in Oak Park.

The Village of Oak Park does not have legal authority to extend the referendum's scope to other village taxing bodies. Only the Village of Oak Park is subject to the Living Wage Referendum. Excluded are all other taxing bodies in Oak Park.

Village Employee – No full time Village of Oak Park employees are eligible to become “Covered Employees.” Their wages are higher than the living wage hourly rate under consideration. At this time, there are no contentious issues.

While no village, employees are likely to become “covered employees”, significant fiscal impact could occur if village employees and unions interpret the approval of any part of a living wage ordinance as establishing a precedent for hourly wage standards in the village. For instance, if there was an Oak Park Living Wage Ordinance for contractor or financial assistance living wage, village employees could seek higher hourly wage because they are more skilled, better educated, have more experience, and/or have completed specialized. The chart below indicates possible impacts.

Oak Park Full-Time Employees	Hourly Rates		
	Low	Average	High
SEIU (Building	\$19.25	\$22.72	\$28.68
Teamsters (Equipment	\$22.68	\$24.67	\$25.34
Community Service	\$18.62	\$22.67	\$24.56
Living Wage Hourly Rate	\$14.84*		

Contractors and Sub Contractors (who perform work for the village) -- The draft ordinance excludes contracts for professional services such as legal, banking, architectural, and computer services. The vast majority of other city contracts are in the Department of Public Works. A discussion with the DPW and a review of the last two years of contracts indicate that most of the contractor's employees are skilled workers with salaries above the poverty line. The direct financial impact on the village of this category is likely to be minimal.

Ninety percent of cities with active living wage ordinances chose the Contractors option. More than one-third chooses only the Contractor feature.

Financial Assistance – With the strong possibility that the no village employees and very few contractor workers will qualify as “covered employees”, considerable attention was given to businesses receiving financial assistance.

Definition of Financial Assistance The model ordinance says financial assistance is “Something of economic value awarded or conveyed to a Person (individuals, partnerships, corporations, etc.) by or through the approval of the Village of Oak Park, for the purpose of promoting economic development, job retention, or job growth.”

Type Financial Assistance The model ordinance states: “Financial Assistance includes, but is not limited to, grants; below market rate loans; deferrals or reductions of payments due on a loan; financial planning assistance; tax incentive or abatements; tax increment financing; bond financing; rent subsidies; land write-downs, rebates; and contingent obligation taken on by the village.”

Major Features of the Financial Assistance Category

All financial assistance administered by the village is subject to the ordinance; including CDGB funds

Businesses, including OP partner agencies, receiving financial assistance totaling more than \$50,000 or more a year are subject to the ordinance

Businesses with five employees (ten for non-profits) or more are subject to the ordinance

A beneficiary ceases to be Covered Employer” five years from the date of the most recent Financial Assistance Agreement

Sub-tenants of a beneficiary are subject to the ordinance ***(The commission recommends that this provision be excluded from the ordinance)***

Covered Employees will be paid \$14.84 per hour and provided medical care and time off from work (paid sick days up to 10 days a year, and paid leave up to 12 days a year. ***(The originally recommended Oak Park Living Wage Hourly Rate has been reduced to \$11.50.)***

Covered Employers can claim a credit for Health Care provided to employees

The Living Wage will be increased annually based on government inflation statistics – Indexing

Employees of Contractor/Sub Contractors performing on-site services for a Beneficiary at property that is receiving subsidies are Covered Employees

Grant Programs

The likely business effect of a living wage ordinance on the Oak Park is avoidance by the business community. Why? If a business takes a grant above \$50,000 (proposed threshold), increased living wages would offset the grant amount in a short period. For instance, a company with five minimum wages would offset a \$50,000 grant in ten months. With ten employees, it would take five months. The burden of increased wages does not end when the grant level is met. It is stipulated in the ordinance that “covered employees” receive the increased wages for five years after the grant funds are accepted. Over a five-year period, the increased wages would exceed the grant by a factor of six -- \$300,000. The financial peril of accepting grants would necessitate avoidance.

Making matters worse is the ordinance provision that employees of contractor/sub contractors performing on-site services for a beneficiary at a property that is receiving subsidies are Covered Employees.

Businesses could continue to accept grants below \$50,000, but the experience in other cities has been that living wage proponents will force lower threshold to eliminate the practice.

The irony of the proposed ordinance is that while the likely business response would result in no workers being identified as “covered employees”, the disruption in the grant program would harm the village and businesses’ ability to maintain the high village’s high standards. Both retail sales and employment would decline.

Commercial Development Programs

Developers of commercial properties (Colt Building, Sertus Project at Lake and Forest, etc.) work as partners with city government by sharing risk. While developers provide the vast majority of the funding for major developments, it is a common practice for municipalities to provide free land, loans, and tax incentives. The motivation for the cities in providing assistance is to increase tax revenues. Adding value in terms of properties and businesses has a direct relationship with tax income. Since developers have the option to find other communities that will share risk, cities can lose taxes revenues if they refuse to participate.



In New York City, a legislative battle took place over the conversion of a 350,00 square foot armory into retail space. The completed project would add 1,200 jobs. New York’s LW ordinance does not contain a financial assistance component.

Living wage proponents lobbied the New York City Council to include living wages with benefits for all retail workers citing subsidies given to the developers for land acquisition.

The city council revised its ordinance to provide a higher wage in December, and the developers withdrew from the project in January.

The Living Wage Hourly Rate

In February 2009, the CRC received a proposed Oak Park ordinance from the referendum sponsors. The document contained an Oak Park Living Wage Hourly Rate recommendation of \$14.84.

The commission was advised that Penn State University's Living Wage Calculator* was used for the hourly rate calculation. PSU's calculator stores demographic data by city for public use in social studies. Included in their databases are costs of food, child-care and education, healthcare, housing, transportation, other necessities, and taxes. The factors are the cost determinants for establishing living wage for LW covered employees. The demographic information and an assumption on the employee's family size determine the wage. For the Oak Park, the assumed family size was two adults and two children.

After commissioners had an opportunity to use the calculator, it was determined that four flaws existed in the methodology.

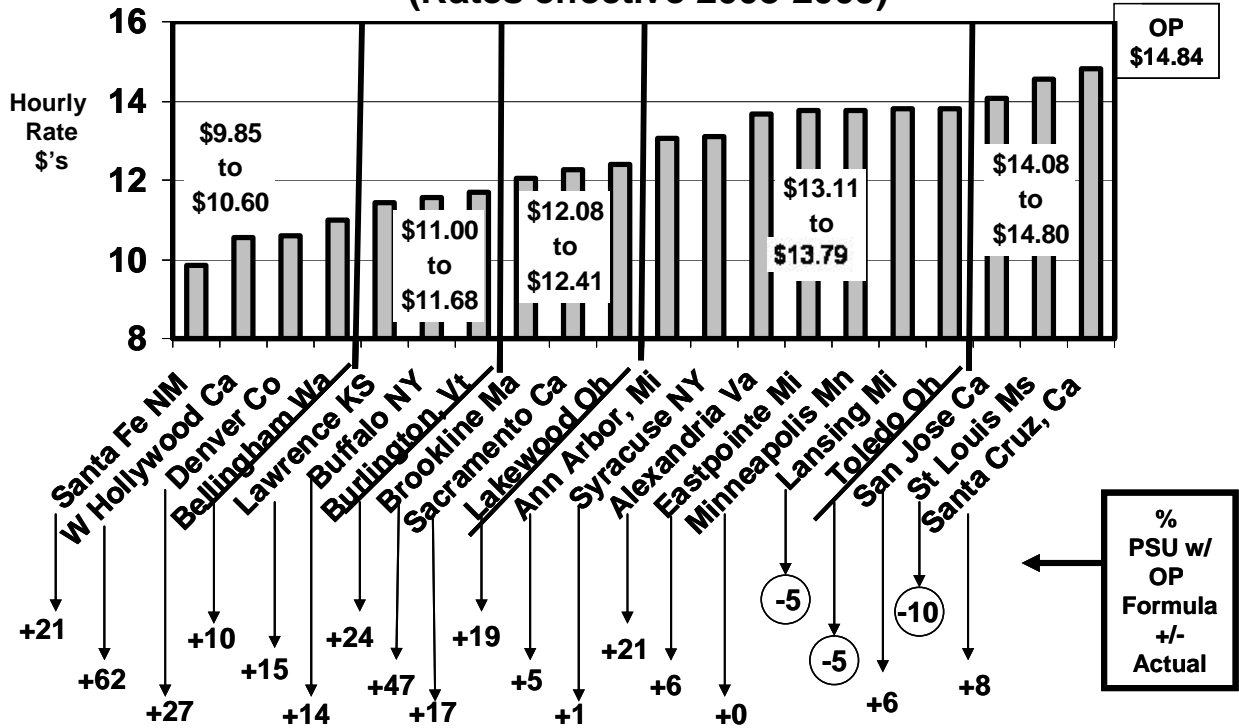
1. The family size assumption was unsupported by data
2. The factors used in the PSU Living Wage were Cook County data (Less Chicago) and not Oak Park specific
3. The factors disproportionately weighted housing cost
4. The calculation did not comprehend the worker's time off provision of the proposed ordinance. The additional cost of the time off provision adds an estimated \$0.87 per hour to the living wage

PSU was not able to confirm that any municipalities had ever used the PSU Calculator to determine an ordinance.

To determine if \$14.84 was representative the proposed hourly wage of \$14.84 was compared to twenty cities with active living wage ordinances. A second comparison, twenty cities' living wage hourly rate versus to the hourly rate generated by the PSU Living Wage Calculator, was also conducted.

The charts on the next page show the comparisons.

Actual Living Wage Hourly Rate - Twenty Cities (Rates effective 2008-2009)



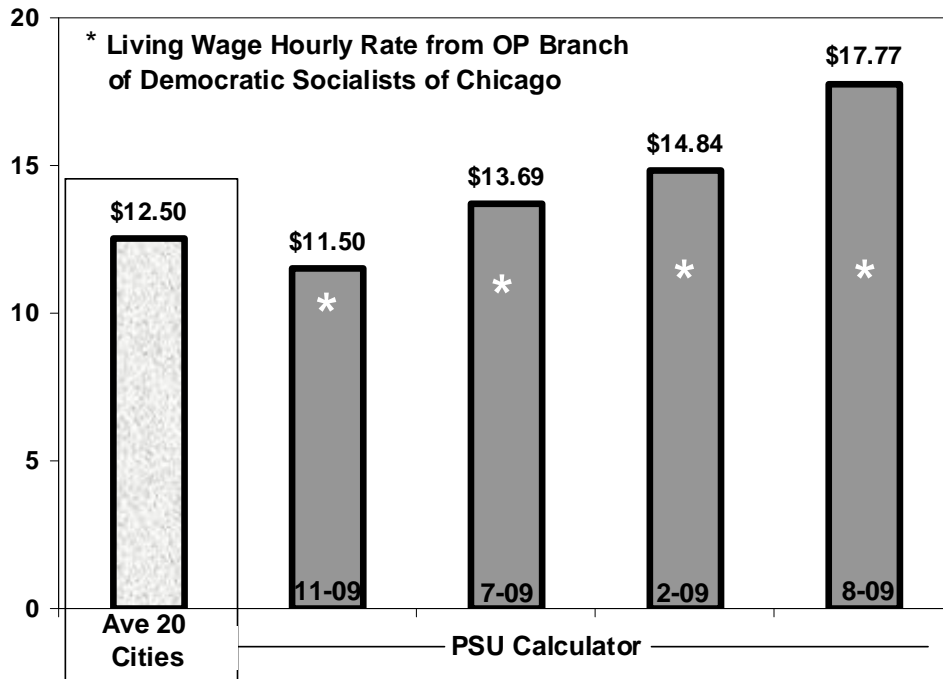
- Oak Park at \$14.84 would have one of the highest living wages in the country.
- There were many cities with population, demographics, and culture similar to Oak Park with hourly rates considerably below Oak Park, including Ann Arbor (Michigan), Alexandria (Virginia), Brookline (Massachusetts), and Bellingham (Washington).
- In seventeen of twenty cases (bottom of Chart 1) the PSU Calculator (with OP Formula – divide by two) exceeded the actual city living wage hourly rate.

In the latest report draft submitted by the CRC writing team supported an Oak Park Living Wage Ordinance, **the hourly rate was reduced from \$14.84 to \$11.50**. The rate decline of \$ 3.83 was explained as a family size assumption change to the PSU Living Wage Calculation. Changing the assumption from two adults and two children to two adults and one child resulted in a decline of \$3.83 in the recommended wage. No data was available to prove the demographic data used to make the living wage reduction.

Living wage rate increases in cities with ordinances are approved regularly; usually annually. Since living wage rates are not normally bound by contracts, proponents of increases employ political tactics to gain increases. For instance, Chapel Hill N.C. passed a living wage ordinance in June, 2009 with a rate of \$11.06. **On January 26, 2010 Orange County Justice United petitioned the city council for a higher living wage in 2010 increases citing a National Low Income Housing Coalition's estimate that workers need to earn \$15.31 per hour to live in Chapel Hill. The city council is studying the motion.**

There has been four different Oak Park hourly wages using the PSU Living Wage Calculation methodology . They range from \$11.50 to \$17.77. With the exception of the most recent hourly wage (\$11.50), all are higher than the twenty city average of \$12.50.

Oak Park Living Wage Hourly Rates Reviewed or Discussed



The living wage hourly rate was the most important subject in the commissions review. The issue is far from resolved.

Also discussed was the draft ordinance’s provision for the indexing of wages to inflation. Indexing for inflation is risky because it can escalate wage rapidly in an inflationary economy. It also can result in pressure from current workers for indexing. Many cities choose to use link-ins to local union settlements and some make provisions for a committee to determine wage adjustments periodically.

A growing factor in determining living wage is medical costs, which have accelerated faster than wages. In its 2009 living wage adjustment, Los Angeles (airport employees only) did not raise wages, but did increase the allowance for medical coverage. Previously, workers not receiving medical coverage from their employers received \$11.55 (\$10.30 wage - \$1.25 medical coverage) per hour. Those receiving employer medical benefits received \$10.30. The ordinance amendment increased the medical coverage portion from \$1.25 to \$4.50. Employers not providing medical coverage will now pay \$14.80 per hour.

Oak Park Living Wage Summary

Before approving a living wage ordinance, financial experts should conduct an impact study of the proposed living wage hourly rate. The study should not only include an assessment of the current proposed annual hourly rate, but the impact of all wage on current and future hourly rates.

Oak Park Living Wage Summary

While the Oak Park Living Wage Referendum of November 4, 2008 did not mention the word social justice, it has been a significant discussion subject throughout the deliberations of the CRC. All commissioners who served during the nine month of meetings have supported the urgent need to find a way to support the primary purpose of the referendum. That is, improve the lives of the working poor. It is a *given* that poverty, unemployment, underemployment, and low wages is a significant social justice problem that require continued attention by all levels of government.

Ultimately, the CRC role was to assess whether a living wage ordinance is a meaningful participation in finding solutions to the poverty problem while evaluating the risks to Oak Park. In all social justice issues, the collision point is money -- Who pays to solve the social justice issues, and are the payment equitable? The living wage doctrinaire position is that equity is a bogus issue raised to avoid confronting the poverty problem. The pragmatic position is that social justice legislation should not unduly penalize the benefactors.

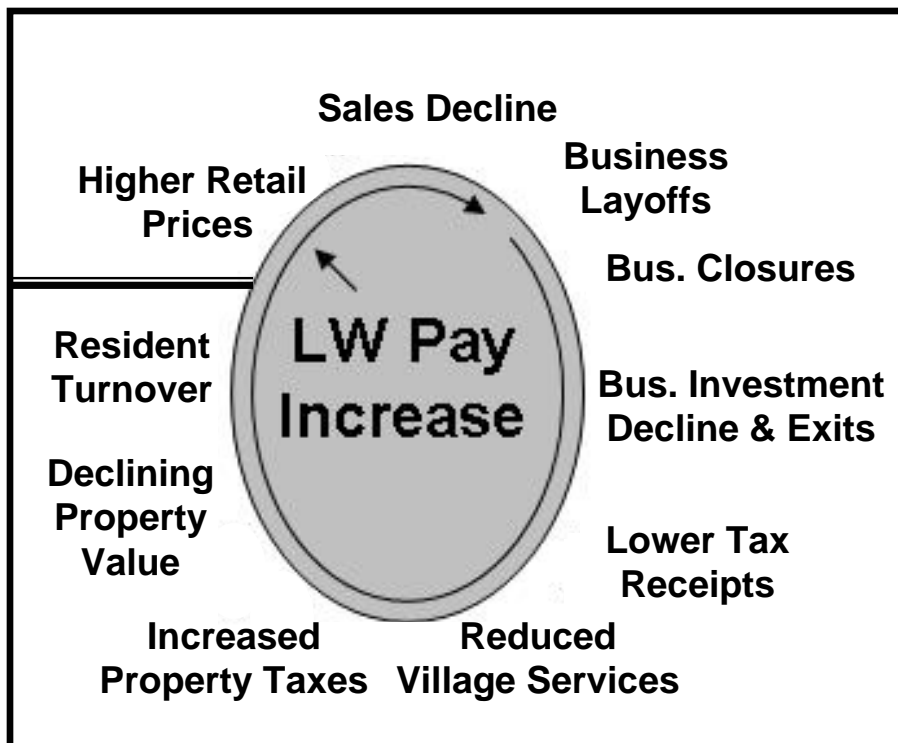
The Oak Park Village Board has the responsibility to resolve the issues that has arisen in the living wage discussion. As a legislative body, they have fiduciary responsibilities. They represent the entire community and cannot embrace a doctrinaire position. They have no choice but to address issue of money. The issue of money is complex. The board cannot simple check its budget balance to make a decision. It has to consider the long term financial, cultural, and social cost of every proposal that is proposed. As the commission's role is advisory to the board, it must face the fiscal issues as well. The CRC's role is to provide a cost/benefit assessment.

It should be noted that the resources of the working poor are not limited to wages. Families below the poverty line are provided with food stamps, housing subsidies, transportation, medical care, and many other successful programs provided federal, state, county, and city governments.

The key data and information to calculate financial impact was just not available. That does not mean that the commission will not be able to provide the board with decision ready qualitative information that will be beneficial to the board.

Living Wage in Motion

The illustration below depicts the worst-case scenario of a living wage ordinance. The illustration is not a forecast of bad things to come. Rather it is a depiction of importance of solid village planning in an environment of change. Declines in business communities follow clear patterns that are affected by location, competition, product offerings, and pricing. Disruptions to any one of the factors can lead to deteriorations in the other factors. The chart above does not imply that a living wage ordinance will result in the continuum displayed. It does imply that every action (living wage ordinance) has a reaction that must be considered carefully.



Potential Impact of Declining Competitiveness on Village, Businesses, and Residents

Beneficiaries Versus Benefactors

The commission has established that there will be very few “covered employees” resulting from an ordinance. There are no or few village employees eligible for “covered employee” status and few eligible in the ranks of the contractor category. Financial Assistance is the most controversial and contentious category. On the grant side, it is likely that small businesses (new and old) will avoid taking grants over \$50,000, as the living wage expense offset is high. If that is the choice made by Oak Park businesses, it is highly likely that there will be no “covered employees” in the short term.

On the commercial development side, the acceptance of grants or other forms of financial assistance is likely to continue, but the form of support is in doubt. The writing team in the latest draft report removed the provision that tenants of a development receiving financial assistance would be subject to the living wage hourly rate. This reduces some risk, but does not eliminate it.

At the Chamber of Commerce meeting by a local business owner cited that when a new retail store open as tenants in a new development, surrounding business must respond to a changing sales environment. The response includes changes in product lines, improvement in facilities, and upgrades of technology and business processes. All are expensive. If existing businesses accepted grants, over \$50,000, from the village, they would be subject to the living wage ordinance and labor cost would have to be absorbed. If they decline the grants, funds for capital improvements would be limited in an increasingly competitive market. With retail tenants in new developments excluded from being “covered employers”, it is likely that existing businesses would choose free market wage strategies over grants and business improvements.

There is high risk associated with the financial assistance component in the short term; but more importantly, the long term. Without question, it would change to dynamic of the relationship between the village and business owners. The competitiveness issues amongst business might also necessitate a second look at the village’s master plan.

How Oak Park is Different

“Whereas, such compensation requirements have the potential to increase consumer income, and thereby decrease the number of employees whose incomes are below the poverty level, invigorate neighborhood business, help reduce blight in the Village of Oak Park, and reduce...”

The “Whereas” appear in the opening of the Oak Park Living Wage Ordinance recommended by the referendum sponsors.

The quotes on the previous page is not a promise, but it does raise expectations that a Living Wage Ordinance can be a positive for the village; or at least not have a significant negative impact.

Unfortunately, the statement is largely invalid in Oak Park. Oak Park has one of the lowest poverty rates (3.6) and highest employed rate (72.3%) in the country (2000 Census) and most workers employed in jobs considered below the poverty rate do not live in the village. Therefore, local retail sales are unlikely to grow because of a living wage.

	Population	Family Poverty	Income Under \$15,000
	(000's)	Households	Families
Oak Park, IL	52,500	3.6%	9.3%
25 LW Cities under 100,000 Pop. Average %	58,600	10.6%	19.2%

The ordinance originally written at NYU Brennan School of Social Justice targeted large and highly populated cities in the United States. Since most urban cities have a large amount of inexpensive housing, most of the “covered workers live in the same city where they work. This not only ensures that the bulk of their higher living wages will be spent in the city with the ordinance, but that some of the higher wage will go to improving their homes.

Ironically, in Oak Park, it is not housing that is at risk of blight, but commercial buildings. Oak Park has a growing problem with empty retail buildings, some that have been empty for a long time. It is possible that a living wage ordinance with higher salary costs could result in additional commercial vacancies, longer periods of idleness, and reduced expenditures on building upkeep. That is, it could lead to commercial blight.

The Cultural Impact of a Living Wage Ordinance

In the 1960’s African Americans, in a search for housing, were moving west. Real estate agents, using illegal and unfair business practices, exploited racial divisions that resulted in white flight. Oak Park residents chose to stay and fight for the acceptance of a diverse community unbounded by traditional racial segregation. Oak Park enacted creative laws to penalize real estate agents illegal practices and ensure that people of all colors could choose housing based on their needs and desires. It created staff activities to guide the village in its goal of attaining racial harmony. Oak Park’s successful effort to be different, to fight rather than flee continues to serve and inspire its residents today.

Today, Oak Park is a 21st Century village. It is diverse, law abiding, generous, friendly, wholesome, and a village of peaceful and quiet excitement. Oak Park is a village that provides small town sensibilities despite being located in one of the largest metropolitan areas in the county. It embraces change, but only after careful consideration. It embraces new ways within its own set of values. Oak Park steadfastly protects its right of independent governance and home rule.

The Village of Oak Park is not a single entity. It is part of a community made up a council of governments, partners, commissions, independent businesses, and social and charity organizations. The structure is interconnected and interactive. It works best when it works together.

The president of the lead sponsoring organization stated in the Wednesday Journal of August 8, 2008 “The group (sponsoring organizations) couldn’t find a way to cover every taxing body in the village, so it decided to start with village hall. If the effort succeeds there, the hope is that it could be applied to other entities such as the library, school districts and park district.”

The statement is very important. It means the village is a proxy for all taxing bodies and the Village of Oak Park Living Wage Ordinance will be a template for the other taxing bodies. A long drawn out process could ensue in a community that prides itself on common decisions and common sense.

Keeping Local Legislative Independent

The Living Wage Movement works hard to create a sense that there is only one-way to address the working poor’s poverty. They prefer that you use their processes to make change, and adopt their beliefs. The approach is contrary to the historical legislative approach of the village. The village does not seek to copy legislation from other communities, though it does research them to find and assess new ideas. It does not take the easy way when a creative ground breaking opportunity is available. The residents understand that Oak Park is a unique and that its government must be unique as well. Oak Park’s uniqueness necessitates creative solutions. The draft ordinance of the Oak Park Living Wage Ordinance provides none.

The risk is not just financial. It is also a threat to the independent, local home rule style legislative approach that keeps Oak Park unique.

The Public Response

Nearly 27,000 voters expressed their opinion (16,100 Yes, 10,700 No) on whether Oak Park should have a living wage ordinance on November 4, 2008. Since then the Community Relations Commission has held ten meetings and a public forum, and the local newspapers have had several articles on the living wage issue.

The residents of Oak Park have chosen not to join the discussion. Only a few members of the public have appeared at our public meetings. Those who attended were ordinance proponents or opponents. Letters to the Editor regarding the living wage have been sparse. Even the biggest aficionados of local buzz are silent on the living wage. The issue has lacked public passion.

A Quote from an Expert

David Neumark, Senior Fellow at the Public Policy Institute of California made the comment below at the conclusion of his book: [How Living Wage Laws Affect Low-Wage Workers and Low-Income Families](#).

“A cautious reading of the evidence, then, suggests that, on net, living wages may provide some assistance to the urban poor. But this by no means implies that living wages constitute the best method of combating urban poverty, in terms of cost-effectiveness or distributional effects. Policymakers contemplating implementing living wage laws, and policy analysts assessing living wage laws, should give full consideration to comparisons among different methods of reducing poverty, including various types of living wage laws and alternative policies altogether.”

Final Thought

Dr. Bill Barclay, a local resident and a economist active in the Living Wage Movement wrote recently : *“A living wage ordinance is a viable approach to lessening the inequality of a number of workers without imposing undue burdens on others.”*

The statement captures the single question that the Community Relations Commission has addressed for ten months. ***Do the benefits of a living wage ordinance offset the risks and burdens that accompany it?***

Our findings are that the risks and burdens far outweigh the benefits.



“Social justice imposes on each of us a personal responsibility to work with others to design and continually perfect our institutions as tools for personal and social development.”

Center for Economic and Social Justice

