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LOCAL NEWS

Living wage coalition wins pay boost for Mpls workers

By: Shannon Gibney
Minnesota Spokesman-Recorder
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St. Paul, counties are their next targets

Living wage advocates and their supporters enjoyed a major victory last month as the Minneapolis City Council voted 11-2 in favor of an ordinance that requires big businesses that receive City subsidies or City contracts to pay their workers wages above the poverty line.

The Living Wage Ordinance, which had a public hearing on October 31 and passed at a November 4 city council meeting, actually strengthens a 1997 policy that the City already had on the books by creating an enforcement mechanism, closing loopholes, and expanding coverage. Companies that fall in this category will now be required to pay workers at 130 percent of the poverty line, or \$12.09/hour for a family of four.

“The ordinance affects two different types of companies,” said Kyle Makarios, political director at the Central Labor Union Council in Minneapolis. “The first is companies that have contracts for service with the City of Minneapolis. These are companies with parking contracts, companies that do waste hauling, tree trimming, grass cutting — the services that the City provides that are not provided by public employees.

“The second type of businesses affected is those that receive economic subsidies from the City, whether that be in the form of land grants, straight money handouts, etcetera,” Makarios continued. “The ordinance stipulates that these companies must create a specific number of living wage jobs, depending on the size of the projects.

“This is a very big difference between this ordinance and the 1997 policy — the policy only applied to economic development subsidies and differentiated between economic and community development subsidies. Community development subsidies were exempted from the Living Wage Policy. The Target store downtown, for example, was exempted.”

Makarios added that the ordinance is also strengthened by its new enforcement mandate. “The old policy was good, but if a company didn’t follow it, there was no enforcement or deterrents to require compliance. There’s a strong monitoring and enforcement mechanism in the new ordinance. If there’s a complaint, the City’s Civil Rights Department will investigate it, and then there are very significant punitive measures if a company is found to be violating the ordinance.”

A coalition of community, faith and labor organizations worked for more than a year to organize the Living Wage Ordinance proposal, rally public support, and rally city council members to the cause. The group, which included the Central Labor Union Council, Progressive Minnesota, various individual unions, ISALAH, Minnesota ACORN, Twin Cities

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Religion and Labor Network, the JOBS NOW Coalition, and Jewish Community Action, pushed forth an agenda to actually change the definition of living wage — and won.

“The current definition of living wage is 110 percent of the federal poverty line — that’s the mark they use,” said Makarios. “That came to \$10.23/hour for a family of four. We got past that to 130 percent of the federal poverty line, which is \$12.09/hour for a family of four. This is also the food stamp eligibility line. And our rationale for that is that if someone’s working and our tax dollars are subsidizing their job, that person should not have to be on food stamps.”

Ninth Ward Council Member Gary Schiff appreciated this comparison. “For far too long, we’ve had too many jobs that only exist because they are paid by city taxpayers that don’t pay livable wages,” he said. “People who work these jobs have to take two or three jobs just to make ends meet. So I think it’s a moral imperative for the City to make sure that families are not living in poverty.”

At the November 4 city council meeting, Seventh Ward Council Member Lisa Goodman also observed that the ordinance will probably have a favorable effect on the affordable housing situation.

“We like to spend a lot of time talking about providing affordable housing [in Minneapolis and at the city council],” Goodman said. “But the affordable housing debate really has two components: providing affordable housing for people at 30 percent of the metro-wide median, and assisting and making sure that the people who need affordable housing make a wage [that allows them] to live in the housing we already have.

“And I really believe that this [ordinance] takes the pressure off the City to have to work with community development corporations and nonprofits in the private sector who support affordable housing, but also touch on the other end, which is ensuring that people who we touch on our end of government are paid a living wage.”

Workers will have to wait a whole calendar year to see the fruits of their labors multiply, however. Said Makarios, “The lowest wage workers in the City system are going to see a 20 percent wage increase. The ordinance will kick in on January 1, 2007, which gives us [the coalition] time to line up similar ordinances in Hennepin County, Ramsey County, and St. Paul. That’s why we built some time in there to deal with logistics.”

Although Makarios says that he and other coalition members are inspired by the results of their hard organizing work, they are not sitting on their laurels. “The coalition is very active right now in the city of St. Paul — in fact, they just had a major coup over there.

“Former Mayor Randy Kelly opposed the idea of an ordinance over there, but mayor-elect Chris Coleman has said that he fully supports it. We’re expecting that when he takes office in January it will be passed shortly — especially since the current St. Paul City Council also supports it,” Makarios says.

To those who would argue that the new ordinance will have a negative impact on the City’s finances, Makarios said, “These are very big contacts, very, very lucrative. So if a company is interested in having a multimillion-dollar contract with the City, they’re going to have to think about more than their bottom line.

“We’re talking about setting conditions when we’re handing over money to companies, so if they don’t want our public dollars, tough.”



651.224.4222 ordway.org



For more information on the Minneapolis Living Wage Ordinance, contact Ryan Greenwood at Progressive Minnesota, 651-641-6199, or go to ryan@progressivemn.org.

Shannon Gibney welcomes reader responses to shannongibney@gmail.com.

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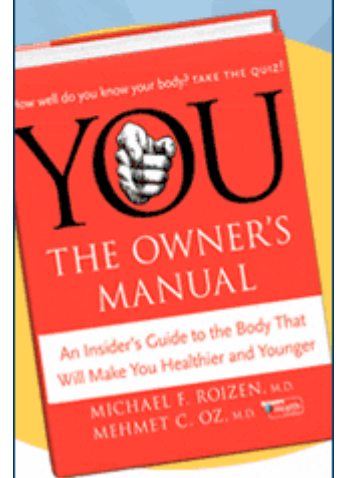
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