

## Living Wage Nonprofit Impact

### Summary Survey Results

In an effort to gather data pertaining to the impact of the Living Wage Ordinance, specifically in relation to nonprofit contractors, the Office of Community & Economic Development developed and distributed a brief survey. The online survey was sent on Friday, November 9th to approximately eighty contacts within thirty-eight local nonprofits, with a request to complete the survey by Wednesday, November 14th. Twenty-eight of the agencies to which the survey was sent are currently funded by the City of Ann Arbor, Washtenaw County, or both; the other ten agencies are funded by the United Way only. These ten were also included due to the likelihood that they have been subject to the living wage ordinance in the past. A total number of thirty contacts completed and submitted the survey anonymously. The questions and summary of results are as follows:

1. Are you currently subject to the City and/or County Living Wage Ordinance?

Both	14
City	5
County	7
Skipped Q	4
<b>Total</b>	<b>30</b>

2. How much in additional annual wages does your agency pay as a direct or indirect result of the Living Wage Ordinance?

- 8 respondents replied with a total of \$156,592
- The average amount indicated among these 8 respondents was \$19,572, with a range of \$1,040 to \$43,000 annually.
- 12 respondents replied with \$0 or NA
- 10 respondents skipped the question

3. How many employees, annually, are paid the living wage as a direct or indirect result of the Living Wage Ordinance?

- 12 respondents replied with a total of 130 employees
- 16 respondents replied with 0
- 2 respondents skipped the question.

4. If your agency pays additional wages as a direct or indirect result of the Living Wage Ordinance, what sources of revenue are utilized to cover those costs?

- Of the 12 respondents indicating they paid a living wage to current employees, the most common response was fundraising additional grants.

5. What positive impacts, if any, has the Living Wage Ordinance had on your organization?

- 10 (30%) respondents indicated that the Living Wage Ordinance creates a standard for pay and provides a decent salary to employees
- 6 respondents indicated none or NA
- 6 respondents skipped the question

6. What negative impacts, if any, has the City/County Living Wage Ordinance had on your organization?

- 14 (47%) of respondents indicated the following impacts:
  - Over-payment of entry level staff beyond market rate.
  - Underpayment of full-time essential high-skilled positions due to pay requirements for contingent and/or low-skilled employees.
  - Paying other staff the same amount for the sake of parity.
  - Decrease in the level of direct services by reducing the amount of staff hours dedicated to a program or project.
  - Workers on SSI are limited to fewer hours at a higher rate of pay, despite wanting to work more hours and being willing to work at a lower wage.

7. Are there other thoughts, comments, and/or feedback regarding the Living Wage Ordinance that you would like to share?

- 17 respondents. The agencies providing professional services (e.g., medical) indicated that the living wage ordinance is not a factor due to the higher salary required regardless of the living wage. Of the agencies relying on entry-level staff, most indicated support for the living wage but explained that there are negative impacts, including:
  - Grant awards do not increase in proportion to the Living Wage Ordinance.
  - The Ordinance does not take into account new healthcare laws (e.g., adults up to the age of 26 have insurance through their parents but must receive the higher living wage).
  - The City itself is exempt from paying its own staff a living wage.

#### **List of Human Service Agencies Receiving the Survey**

Ann Arbor Teen Center, Inc. (Neutral Zone)  
Avalon Housing, Inc.  
Big Brothers Big Sisters of Washtenaw County  
Catholic Social Services of Washtenaw County  
Child Care Network  
Community Action Network  
Domestic Violence Project, Inc.  
Food Gatherers  
HIV/AIDS Resource Center  
Home of New Vision  
Interfaith Hospitality Network of Washtenaw County  
Jewish Family Services of Washtenaw County  
Legal Services of South Central Michigan  
Literacy Coalition of Washtenaw County (CSS)  
Michigan Ability Partners  
Ozone House, Inc.

Peace Neighborhood Center  
Perry Nursery School of Ann Arbor  
Planned Parenthood Mid and South Michigan  
Shelter Association of Washtenaw County  
SOS Community Services  
The Family Learning Institute  
The Regents of the University of Michigan - Ann Arbor Meals on Wheels  
The Regents of the University of Michigan - The Housing Bureau for Seniors  
The Student Advocacy Center of Michigan  
The Women's Center of Southeastern Michigan  
Washtenaw Association for Community Advocacy  
Ypsilanti Meals on Wheels