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# The University and the Living Wage

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How Higher Education Institutions Can Meet the Needs of Its Employees

By

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On my honor I have neither given nor received any unacknowledged aid on this paper.

## **Introduction**

Universities are among the most important institutions in societies. Not only are universities places to study and gain knowledge, universities are also a place of ideas and innovations, often leading social change. As influential leaders in society, universities are doing their institutions and societies an injustice by failing to provide all university workers a just and living wage.

In her paper “Universities and a Living Wage: Much More than a Minimum Wage,” Joan Oguntimein sought to define and discuss the resources that constitute a living wage, and discuss how Harvard University, University of Virginia, and University of Miami have dealt with the issue of providing a living wage to their workers. This paper seeks to supplement and continue Oguntimein’s work. The first section seeks to define the Living Wage and define the University as an agent for social change. The next section focuses on how the University, with the help of the federal government, can meet the different components of the living wage, focusing particularly on wages, healthcare benefits, childcare, family leave benefits, and on campus support, providing examples already used by current universities. The final section of this paper will make direct recommendations to universities seeking to provide a living wage to their employees.

## **The Living Wage, the Poverty Line and the Basic Needs Budget Approach**

Most living wage campaigns are committed to the idea that people who work full time should be able to support their families and not live in poverty. If working people “labor in jobs

in which earnings are inadequate to meet even poverty standards of income, their families will remain poor; furthermore, their poverty will be reproduced from one generation to the next” (Fusfeld 35). A living wage campaign seeks to attack the problem of poverty at its source: income. A living wage is defined by Oguntimein as an income that “provides workers wage and non-wage supports that allow them to work one full-time job, support themselves and their families according to the general standard of living of society and effectively participate and contribute to civic life and engagement” (Oguntimein 2-3). More than a mere wage, the living wage provides a means to cover cost of living expenses such as food, clothing, transportation, healthcare, and childcare expenses. To be able to provide workers a living wage, the wage has to be supplemented with non-cash supports, such as healthcare benefits, childcare subsidies, and family leave benefits, so that the worker may meet the diverse needs of his family.

As Oguntimein notes, “to define a living wage, we must face the issue of the adequacy of the federal poverty line” (Oguntimein 3). In the mid- 1960’s, the federal government adopted the official “poverty line.” The poverty line is the amount of annual income estimated by the U.S government to be necessary for minimal economic survival and social participation in the United States (Blank 10). Calculations of the poverty line are based on the U.S Department of Agriculture’s estimation of the minimal amount of money a family of a given size needed to spend in order to maintain adequate nutrition multiplied by three because at that time the average family’s total expenditures were three times their food budget. Updated each year by the Consumer Price Index, this has been the U.S. definition of poverty ever since (Blank 10).

There are several limits to the U.S. poverty line measure. The poverty line cannot be a definitive measure of those in need of assistance. Since the current definition of poverty was

set in the mid- 1960s many noncash public assistance programs such as Food Stamps, Medicare, and subsidized housing assistance, have grown in size (Blank 10). These benefits are not counted in the family's poverty status, so this could cause number of families below the poverty line to be overstated. On the other hand, taxes that the family has to pay and unavoidable work expenses (such as clothes, transportation costs), healthcare and childcare costs are not included in the calculation of a family's poverty status. Since the poverty line does not take into account taxes and expenses, the number of families below the poverty line can be underestimated (Blank 11). These inconsistencies are dangerous. A poverty line risks excluding families who may actually need assistance by not taking into account variables such as transportation, childcare or healthcare costs.

The absolute poverty line fails to adjust for changing living standards of society. Time, income, and human behavior change what is required to fully participate in society. Although, by updating the official absolute, poverty line with changes in the Consumer Price Index, poverty is adjusted for inflation, no changes have been made that would adjust for changes in patterns of spending, such as the increasing cost of healthcare in the United States (Blank 10). While the poverty line is far from meaningless or arbitrary, using it as the only criterion to make wage and benefit calculations can become quite problematic.

Some suggest using the basic needs budget approach as a guideline to define minimally adequate standards of living. The basic needs budget approach "defines basic categories of need (food, housing, transportation, clothing, healthcare, childcare) and assigns costs to each category." Meeting basic needs would be calculated as the amount of income earned that would provide after-tax funds equal to these total costs (Weldon and Targ 83). The

disadvantage to this approach is that it does not capture the way in which basic needs depend on social context, so therefore, varies across time and space (Weldon and Targ 84). For example, a car may be needed in a rural area, but not in a city like New York City where there is widely available mass transit. This can produce widely fluctuating costs of living in various places.

While calculating and determining a minimally adequate standard of living is widely variable across regions and controversial, the Economic Policy Institute (EPI) has calculated a basic needs budgets for 400 areas in the US using a consistent methodology to capture the costs of living and variation in income need arising from family type across the country (Weldon and Targ 84). The EPI call the basic needs budget a “realistic picture of how much income it takes for a safe and decent standard of living”(Pollin 104).

Many people disagree about what constitutes a basic need. While some define basic needs as food, shelter, and clothes, which favors a poverty line approach to measuring poverty, I constitute need as things needed to adequately participate in society which includes food, shelter, clothes, but also counts healthcare, transportation, childcare, education, internet access, etc. This approach favors a more basic needs budget approach. Universities, which run with a goal to flourish and develop individuals should choose a basic needs budget approach model, which includes measurements for development, more than mere sustenance.

### **The University as an Agent of Social Change**

Universities have always been a setting for social change and developments, not only reinforcing prevailing norms and beliefs, but they are also instrumental in changing them

(Wilkinson, 326). Portrayed as the “marketplace of ideas,” universities are one of the most influential social institutions of American societies (Wilkinson, 329). In the United States, the university is thought of as “a collectivity of scholars interacting around a hierarchy of academic values and a shared teaching-learning ethos. Intellectual growth and societal change are inherent in this dual mission” (Wilkinson, 325). In the past, campus mobilization for social change has occurred against racially discriminatory admissions practices, women’s rights, war, and for civil rights. These campus mobilization campaigns garnered media attention, public dialogue, and helped society move toward greater social change. Universities must turn their call for social change to examine their own communities

The University is more than a community of scholars; it also includes the lower paid staff whose work and commitment the University depends on. This includes the maintenance, food service staff, and janitors, some of the lowest paid workers in the University. These workers are important members of the University community with a stake in the prosperity of the University. As these workers have a stake in the University, it should have a stake in these workers, whose well being it should be concerned with just as it is concerned with the well being of its students and faculty. The University has an obligation to ensure that those who work daily to make sure that the University continues to function, are able to live in decency.

The University’s community includes more than students and professors, but also the workers who make sure that the university can continue to function. This group includes the maintenance and food services workers and janitors, some of the lowest paid personnel in the University. These workers are important members of the University community with a stake in the prosperity of the University. As these workers have a stake in the University, it should have

a stake in them, whose well being it should be concerned with just as it is concerned with the well being of its students and faculty. Providing all University employees with a living wage should be a priority of all college and universities. By ensuring that the employees are paid a living wage, not only is the institution making sure that its employees are able to live and raise their families in decency, but it is also fighting poverty in its community and setting an example to the community in which it resides. By simply ensuring that inequality and injustices are not perpetuated within its community through wage injustice, the University is not only making a commitment to its employees but becoming an agent of change, a leader in fighting poverty in the United States.

### **Wage**

Most living wage campaigns agree that the federal minimum wage at \$7.25 is not a living wage. The modern living wage movement, which began in the mid-1990s, approach was to “tie the living wage standard to the federal government’s official poverty line” (Pollin, 104). This set the living wage at least high enough to maintain his or her family above the official poverty line (Pollin 104). However, as argued earlier, the federal poverty line is deficient as a means to measure the threshold for poverty, just as the minimum wage is an inadequate tool for achieving a living wage. A revised poverty threshold at 140 percent of the official poverty threshold in 2009 would be about \$11.50. This would put a single mother with two children, working full time with no vacation or healthcare at the revised poverty line (Pollin 104). The EPI, using a basic needs budget estimates that this single working mother would have to receive \$17.50 an hour in Lincoln, Nebraska and \$31.60 in Boston (Pollin 104). Whether moving from

\$11.50 an hour or \$31.60, it is increasingly clear that the minimum wage is deficient. It can be seen as even more unfair when considering inflation and labor productivity. The fact that minimum wage “has been falling in inflation-adjusted dollars while productivity has been rising means that profit opportunities have soared while low-wage workers have gotten nothing from the country’s productivity bounty” (Pollin, 105).

As Oguntimein notes, “It would be impossible to provide a single wage that constitutes a living wage for all workers and their families” (Oguntimein 4). The minimum wage is an inadequate tool for achieving a minimum wage. To determine a wage that would be just for all, one must take into account the size of the family, the number of wage earners (single parent or two parent households), the cost of living in the city of residence, and the living expenses and needs that every family must meet: housing, food, healthcare, childcare, clothing and transportation, as well as in-kind and tax refund subsidies. This makes calculating a just living wage as complex as the diverse multitude of families dependent on wages from their employers. As Oguntimein notes, “a single wage cannot address the wide array of family and non-family settings and broadly varying needs of all workers” (Oguntimein 4).

While raising the minimum wage too high or too fast may discourage business from hiring low-wage workers, raising wages should not be dismissed as a very important part of the living wage. Raising wages, therefore, directly raising income, can be the most direct way of increasing standards of living, so it should not be dismissed because some argue that businesses cannot handle it. Many opponents of a minimum or living wage argue that the law of demand says that when you raise the price of anything, like low-wage labor, demand must fall, “but these critics regularly neglect a crucial feature of the law of demand, which is that it



holds only when everything else in the economy remains unchanged. But, it is more plausible that other things are likely to change with a minimum wage increase” (Pollin 105). From 2001-2005, the eleven states that had minimum wage levels above the federal minimum wage, employment growth was slightly faster than those states that operated with the \$5.15 minimum (Pollin 105). Careful studies on how living wage laws operate in San Francisco, Los Angeles, Boston, and Santa Fe showed that business kept employing low-wage workers basically as before (Pollin 105). In a study of 36 cities with living wage laws, Michigan State University Economics professor, David Nuermark, found that the slight job losses caused by the higher wages are more than offset by the decrease in poverty among working families” (Roston 2).

Oguntimein, rightly, points out three main points for why a single wage would not be feasible in a request to attain a living wage. First, Oguntimein notes that a single wage would exceed the needs of some workers while leaving the needs of other workers unmet (Oguntimein 5). Second, she also acknowledges that paying workers different pay according to their family needs would be invasive and “could open the door for discrimination and undermines [sic] the principle of equal pay for equal work that women and minorities have fought hard to establish” (Oguntimein 6). Finally, Oguntimein notes that the wages that employers would actually have to pay employees to reach a living wage would be steep, too steep for employers who would have to “double or even triple wages in a short amount of time” (Oguntimein 6).

Georgetown University tackles the living wage with direct wage increases. The Georgetown Living Wage Coalition was created in 2002 after student activists decided to take

on the University about the wage of the lowest paid workers at the University. The average hourly wage of these workers was \$11.33, well below a living wage in Washington, D.C. Many workers had to hold one job at Georgetown and one elsewhere to make ends meet (McCarthy 22)

In March 2005, after rejecting a university living wage proposal that they deemed inadequate, and tired of the “academic masonry” of usual “stonewalls” erected by University officials--“appointing committees, holding meetings and more meetings,”--students became restless (McCarthy 22). Two dozen students staged a hunger strike on behalf of the Georgetown’s 450 underpaid janitors, food service workers, and other low-wage staff. Students went without food for nine days fueled by intense print and broadcast coverage, and supported by local labor leaders (McCarthy 22).

After the nine-day hunger strike, the University announced on March 24, 2005 the new wage and benefit guidelines for workers. The total compensation of workers hired through third-party contracting agencies rose to a minimum of \$13 an hour on July 1, 2005 and \$14 an hour July 1, 2007 (National Catholic Reporter). Non-contracted employees received \$14.08 an hour beginning July 1. After 2008, the university agreed to adjust compensation packages based on the consumer price index and area labor conditions, a key provision pushed by the Georgetown Living Wage Coalition (National Catholic Reporter). In all, it would cost the university \$550,000 for the two years after the strike (Raghavan). This new “Just Employment Policy” of Georgetown takes into account the costs of housing, health care, child care, transportation, taxes, food and other basic necessities, known as a living wage (Raghavan).

Georgetown's administration, as discussed in the wages section, decided to use only wage raises to answer the immense pressure and press that the hunger strike put on the administration. Although the university argued that their wage increase takes into account various components of the living wage, is this wage increase provided by the university enough? Although a raise from \$11.33 an hour to \$14 hour is a substantial , is this enough? The EPI basic budget needs calculator determined that a wage earner in a single-parent two-child household would need to earn \$30.50 an hour with no vacation to make ends meet ("One Parent..."). Even in a two-parent, two-child family, where both earners are working, both earners would have to make at least \$16.25 to make ends meet ("Two parents..."). This figure is especially salient in light of the fact that the Georgetown living wage only included wage, without other benefits.

Although Georgetown's substantial wage increase is something to be applauded, the wage-only approach to the living wage comes into question. Why didn't Georgetown choose to include healthcare benefits when healthcare can benefit employees with different sized families without one paying more?

When discussing wage and poverty, the Earned Income Tax Credit (EITC) cannot go unmentioned. The EITC is a federal income subsidy for poor people who have jobs that provided them, in 2007, with an average of \$2,000 to offset their low wages (Pollin 106). The EITC is the country's largest antipoverty program, with a total of about forty billion dollars per year being sent to about twenty million families (Pollin 106). Therefore, wages, although a very large and important part of a just living wage, cannot be the only thing considered. Living wage opponents argue that the EITC is a much more effective than a wage increase as a means for helping the poor that will discourage businesses from hiring workers. These living wage critics

claim that the EITC is better targeted, since all of its money is targeted at the poor, instead of a wage increase that would benefit middleclass housewives and teenagers (Pollin 106). However, the EITC should be seen as a complement to a proper increase in wages instead of as a tool for businesses to continue to pay destitute wages. Even so, “eighty to ninety percent of the workers who get living wage increases are adults well into their long-term career paths. The overwhelming majority also come from families living below a basic budget line” (Pollin 106). Providing a decent living wage is that “it rewards work directly, in people’s paychecks” (Pollin 106). The most effective strategy would be to “push the minimum wage just to the point before it does begin to discourage hiring. Beyond that, the ETIC can serve as a needed income supplement” (Pollin 106). The EITC is one of the most important pieces of anti-poverty legislation needed to supplement the low wages paid to full time workers.

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Wage levels are important when considering a living wage, but, if universities and other employers are going to be able to provide workers with a living wage, wages must be supplemented with healthcare, childcare, family leave benefits, and other supplements that will offset the costs of unavoidable life expenses. While wages are the most direct way of providing income, providing benefits such as healthcare coverage can help meet the needs of diverse families and better than a single wage can. The wage is important, but it cannot be the only thing considered when trying to provide workers with a living wage.

## **Healthcare**

A living wage must include health benefits. Healthcare is not a commodity, it is a necessary, unavoidable expense necessary to live and function as an individual in society.

During a time of rapidly increasing healthcare costs, employers are shifting greater proportions of the costs to the employee, increasing the proportion of wage needs for all family types (Weldon and Targ, 92). Removing the costs of healthcare brings single parent families closer to being able to meet their needs through earnings (Weldon and Targ 92). Providing healthcare benefits to workers enables the University to help address diverse family needs of employees without treating employees differently.

Universities must make sure that they are not only offering full-time employees healthcare benefits but that they are offering them affordable benefits. Employer-sponsored health insurance premiums have nearly doubled since 2000, at a rate three times faster than wages (“Hidden Costs of Health...”). In 2008 the average premium purchased through an employer was \$12,680, which is nearly the annual earnings of a full time minimum wage job (“Hidden Costs of Health...”). Universities should make sure that healthcare does not exceed more than 8-10% of family income; this could mean subsidizing some of the premiums of the lower paid workers. However, the University cannot be left alone when dealing with the rapidly rising costs of healthcare.

On March 23, 2010, President Barack Obama signed the Affordable Health Care for America Act (H.R. 3962) into law. It has been lauded as the “biggest attack on economic inequality since inequality began rising more than three decades ago” and as the “most sweeping piece of federal legislation since Medicare was passed in 1965” (Leonhardt). This bill extends Medicaid to people with incomes under or near the federal poverty line and subsidizes private insurance for people earning up to four times the poverty level (Starr). Most of the provisions of the healthcare law, most particularly the provision that will cover 30-32 million

uninsured, will not take effect until 2014. However, after a long period of rising inequality, the Affordable Care Act, when it completely takes effect, will boost the living standards of low-wage workers and their families. This is much needed help for employers to meet the needs of their workers as they struggle to deal with rising healthcare costs. The Affordable Care Act joins the State Children's Health Insurance Program (SCHIP) and Medicaid, state-run programs designed to cover children and low income families and children.

### **Childcare**

A living wage must enable working parents to properly take care of children and other dependent family members. If the costs of healthcare and childcare are removed from basic needs budgets, wage levels would become much more closer to living wages (Weldon and Targ 94). Since the United States has not invested in a comprehensive, universal early care and education system, universities determined to provide a living wage for their employees should provide workers with the ability to use safe and affordable childcare. The average American family spends between 6 and 18% of their income on childcare and lower income families end up spending a larger portion of their income on childcare ("An Exploratory Study of the Impacts..." 345). For families with incomes below the poverty line, childcare expenditures can eat up to one third of income (Weldon and Targ 91). The availability of childcare is an important limitation for low-income workers (Weldon and Targ 91). High quality, safe, and reliable childcare arrangements can be costly and difficult to find for both single-parent and dual-parent households. Low quality childcare does not meet children's developmental needs and can result in poor employment outcomes for parents ("An Exploratory Study of the

Impacts..." 344). Even if a stable childcare arrangement is located, break downs in childcare due to child illness or provider unreliability are common. Single-parent households and low-income families are more likely to experience childcare problems that interfere with their ability to get to or stay at work ("An Exploratory Study of the Impacts..." 346). There are many arguments that employer intervention in childcare can decrease employee absenteeism, decrease work family conflict, and increase productivity ("An Exploratory Study of the Impacts.." 344). A 2007 study of healthcare workers in New York City found an enhanced childcare subsidy resulted in fewer missed days, fewer disciplinary actions, and reduced family stress. The University, as an employer, has several options when considering an adoption of work-life initiatives that support the childcare needs of its employees.

The Flexible Spending Account (FSA) is the most commonly used employee intervention to support child care ("An Exploratory Study of the Impacts..." 344). FSA is a federally subsidized pretax account that allows employees to set aside pre-tax funds for child expenses that the employer can create under Internal Revenue Service (IRS) regulations ("An Exploratory Study of the Impacts.." 345). Employees place pretax incomes into these accounts and an employer can contribute to these funds. By law, "FSAs are limited to \$5,000 a year, regardless of the number of children, and can be used only to reimburse parents for childcare costs from providers who provide a tax ID and among families in which both parents are employed (full time or part time), attending school, or looking for work. The funds the University contributes to eligible employees' FSAs can be used to pay for any form of legal childcare including child-care centers, preschools, summer camps, licensed family child care homes, and license-exempt relatives, friends, or neighbors." ("Employer-Supported Child Care..." 1342). Unlike on-site

childcare centers, FSAs are easy to administer, versatile, and have the potential to meet a broad range of employee needs because of its flexibility to be used as a voucher-type program (“An Exploratory Study of the Impacts...” 346). By using FSAs, the vouchers are processed through the payroll system and neither income nor payroll taxes are charged, allowing the employee to use all of the funds for child care (“Employer-Supported Child Care...” 1342). FSAs are popular because they are easy to administer, the management costs are tax deductible, and employee and employers save their share of Medicare and Social Security on deposited funds (“An Exploratory Study of the Impacts...” 346).

An exploratory study of the impacts of an employer supported childcare program of workers at Cornell University was conducted by Taryn Morrissey and Mildred Warner in 2007. Cornell University, a large university with over 10,000 employees located in a small, rural city provides an employer-supported voucher program for its employees (“Employer-Supported Child Care...” 1341). Since Cornell University is located in a relatively small rural city, Ithaca, New York, the supply center-based slots are limited, making licensed family care and informal childcare arrangements the two major sources of childcare. Cornell University’s voucher program was designed to support a broad spectrum of employees with different incomes, educational attainment, and background characteristics. People who used the voucher program ranged from lower paid janitorial and cafeteria staff to higher paid academic researchers and professors (“Employer-Supported Child Care...” 1341). Cornell’s goal was that no employee would spend more than 20% of his or her household income on child care (“Employer-Supported Child Care...” 1342).



## Flexible Work Arrangements

A living wage should also include policies that support life outside of work. Working parents need flexibility at work so that they do not have to choose between keeping their jobs and adequately parenting their children (Cancian and Danziger 25). Because many low income workers have limited sick leave and inflexible work hours, it is difficult for them to deal with the unexpected demands of child-rearing (Cancian and Danziger 25). Single parents, who are overrepresented among the poor, are likely to be the only adults available to manage their children's health, education, and other needs, and, therefore, need flexible work benefits to handle unexpected children's leave without getting fired (Cancian and Danziger 25). Compared to other families, low-income families are less able to buy market substitutes, from childcare to prepared meals, when parental supervision is required (Cancian and Danziger 25).

The Family and Medical Leave Act (FMLA; United States Public Law 103-03) is a legislative attempt to help workers respond to the short-term demands of taking care of children, elderly parents, and pressing family issues that working families face without losing their jobs. Under this law, employers with 50 or more workers must offer their employees job-protected unpaid leave of up to 12 weeks to take care of a newborn, sick or newly adopted child, or a spouse or parent or to tend to the employee's personal serious medical condition (Baird and Reynolds 326). The FMLA was meant to provide workers with family and medical leave without sacrificing their jobs. The FMLA, however, is limited because it provides only unpaid leave and covers only workers who have worked at least 1,250 hours in the prior year and who work in firms with 50 or more employees. This means that low-income workers are less likely to be eligible under this policy than their higher paid peers (Waldfogel 245).

## **University Benefits, Classes, and Career Workshops**

It is very much in the power of universities to offer its employees access to the wide range of resources the University campus can offer including skills classes and other services. A University can provide employees with resources and equipment that could be extremely beneficial to employees. To support the health of the employee, and subsidize costs of joining a gym, a University can give employees access to the gyms, fitness centers, and general sporting areas open to the students. The University could also offer staff free or discounted rates to fitness classes offered to students. A University can provide workers with access to learning materials. This includes full access to all museums, libraries, catalogs, and research databases available to undergraduates. Universities can offer employees a chance to audit or take classes not for credit. The University could also work with the museums in its area to offer discounts for its employees.

Universities can also offer employees classes and career training workshops. This can include workshops on filing taxes, filling out forms for assistance such as EITC, Medicare, and Medicaid. The Northwestern University Living wage campaign won a victory in its efforts to get Northwestern to provide a living wage to its offered full access to the University library and parking and shuttle service to university workers. Northwestern partnered with local banks to offer employees bank classes including classes entitled “Loan Lessons and Basics,” “Protecting Your Identity,” “Home Buying,” “Understanding Your Credit,” offered in English and Spanish (Walsh 1). Northwestern also offered education subsidies for classes towards earning a degree (Walsh 1).

## **Recommendations for Universities Seeking Living Wage Policies**

Universities wishing to provide a living wage should acknowledge that they cannot do so without the help of local, state, and national government, and then take action to make sure that the governments are helping them. Universities should lobby local, state, and national governments to enact policies that ensure that their workers and, simultaneously, all low wage workers get the support they need to live and raise their families in decency. Universities should lobby for and support local, state, and national minimum wage and living wage ordinances. Universities should lobby for programs that help low wage workers meet the daily demands of their family, such as the EITC or other income supplement programs. Universities should support and lobby for programs that help families take care of children, such as early education programs, childcare subsidies and voucher programs, paid maternal and paternal leave, and an expansion of FMLA. Universities should support and lobby for programs that help workers with families take care of their health and the health of their families such as SCHIP, Medicaid and Medicare. There are many programs that universities can lobby local, state, and national governments that will help them meet their employees' needs.

I recommend that universities seeking to provide a living wage to its employees develop an independent and permanent committee for the purpose of reviewing the University's living wage policies each year, making recommendations on how the University can meet the needs of its lowest paid employees. While many of the "committees" and "task forces" of the living wage campaigns discussed in this paper and Oguntimein's paper were reactions to protests, universities can proactively create a committee that can judiciously consider how the University

can address the multiple components involved in the living wage. Members of this committee should have representation from lower paid staff (food services, maintenance, janitorial), administrative staff (administrative assistants, secretaries, business office personnel), students, faculty, and university officials (deans, the budget office, president). For example, a living wage committee could comprise of two representatives from food services, maintenance, and janitorial services each, two administrators, three students, four faculty, and four university officials. Similar to the Harvard Committee on Employment and Contracting Policies Oguntimein details, the University committee should compile and release easily accessible data on low-wage workers annually, and make recommendations to the University about on achieving a just living wage for all of its employers (Oguntimein 19). This committee should be transparent and accessible to the university community, and its recommendations should have considerable influence on the university's decision making. A permanent, representative, transparent, proactive, and passionate committee that has influence on University policy can help develop just living wage policies.

Universities must take responsibility to provide a living wage based on the basic-needs budget approach. The basic-needs budget approach gives a realistic view on the costs associated with raising a family in safety in decency. As discussed previously, the basic-needs budget approach outlined by Economic Policy Institute's living wage calculator give a better estimation of the costs faced by families than the federal poverty line. While there is disagreement as to what qualifies as a need, focusing on wage, healthcare, childcare, worker flexibility, and university benefits is justified and feasible for universities seeking to provide living wages for its employees. I recommend that universities use a basic-needs budget

approach, updated annually, when considering the wages and in-kind supports they should provide to their employees.

Universities should regard healthcare, not as a commodity, but as a necessary human need in order to live and function in the world. As such, the university should make healthcare an important part of any discussion of the living wage. Given the importance of healthcare, its high cost outside of employer coverage, and increasing costs in general, the university should help provide health insurance coverage to its full time employees either through wage increases or University provided health insurance. Given the high costs that employees have to face when buying insurance individually, the university should extend healthcare coverage to all full-time employees, making sure that healthcare premiums do not rise above 10-12% of the employee's income, so that he or she will opt for the plan.

Given the cost of safe and dependable childcare and its lack of availability in some places, the university cannot ignore provision for childcare when calculating a living wage. Universities should make the type of childcare support that they provide their employees a priority.

Variables include the size of the university, the size of the town in which it resides, number of childcare facilities in the area, and the preference of the employee. Possibilities include on-site childcare centers, support for nontraditional work hours, and federal vouchers, to supporting local Head Start and after school programs. Universities need to be flexible, creative, and innovative when determining how to best meet their employees' childcare needs.

Workers should have the ability to have a family and support a life outside of work. Family leave, sick leave, and maternal and paternal leave are all family friendly policies that the University can control. I recommend that in addition to the twelve weeks of unpaid maternal or

paternal leave, identical to the provisions of the FMLA, that universities provide at least seven days of paid sick leave to attend to personal and family sicknesses and emergencies.

Universities come already equipped with many resources that can be included in employees' benefit packages. Universities can permit university employees access to libraries, museums, gyms, as well as access to classes, and free or subsidized parking. An organized employee ride system, volunteer student tutors, skills classes, and special services from local businesses would also support a decent livelihood for employees. Universities should get creative about how they use existing resources to help employees.

Finally, the employee's wage should be determined by the amount of money left over from the basic-needs budget after deducting the in-kind support such as healthcare and childcare provided. Using the basic-needs budget approach, even with in-kind deductions, the wage that the university employee receives should be well beyond the federal minimum wage of \$7.25 an hour.

## **Conclusion**

Universities have an obligation to provide all of their employees with a living wage. University commitment to providing all workers with a living wage will not only benefit the University employees; it will also benefit the community around it by raising families out of poverty. These recommendations are only starting points when thinking about the living wage on university campuses. Universities can use their own special resources to balance their finite endowment with the costs of providing workers a living wage. They can challenge members of their own community to come up with creative and innovative ways to meet the needs of its

lowest paid employees. This bring university employees, students, faculty, and administrators together under one goal and spark the passion, creativity, and innovation that a University hopes to bring to its community. If universities across the nation can create models for providing their employees with a just living wage, they can become leaders in living wage policies, setting examples of successful living wage models for small businesses, large corporations, and even state and federal governments. If universities across the nation make a commitment to providing all workers with a living wage, they will, once again, take a leading role in promoting social change and justice in the United States.

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