



City of Las Cruces®

PEOPLE HELPING PEOPLE

COUNCIL WORK SESSION SUMMARY ROUTING SLIP

Meeting Date October 27, 2014

TITLE: Minimum Wage Ordinance

- Are there attachments to the Council Work Session Summary? Yes No
- Will there be a Video Presentation for this item? Yes No
- Will there be a PowerPoint Presentation for this item? Yes No
- If "yes", will a copy of the PowerPoint Presentation be included on the Council Work Session Agenda? Yes No

DEPARTMENT / ORGANIZATION	SIGNATURE	PHONE NO.	DATE
Drafter/Staff Contact			
Department Director			
Other			
Assistant City Manager/CAO (if applicable)			
Assistant City Manager/COO (if applicable)			
City Manager		541-2076	10/22/14



Council Work Session Summary

Meeting Date: October 27, 2014

TITLE: MINIMUM WAGE ORDINANCE

PURPOSE(S) OF DISCUSSION:

- Inform/Update
- Direction/Guidance
- Legislative Development/Policy

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:

The City Council approved an Ordinance to increase minimum wage on June 4, 2014. An initiative process was undertaken to petition the City Council to adopt a different minimum wage ordinance with changed rationale and content. The City Council approved the initiative ordinance on September 8, 2014. When the second ordinance was discussed, every member of the City Council either voted for it or expressed support for it.

City Administration is tasked with implementing ordinances adopted by the City Council. The two ordinances contain different parameters in many areas. For simplicity, the City Manager has directed the City Attorney and all staff to assume that the first ordinance will be repealed concurrent with the amendment of the second. City Management is recommending a few changes to the September 8, 2014 ordinance with the intent of making it stronger, more enforceable, and consistent with other Las Cruces municipal codes and ordinances.

Additionally, there has been considerable public input and commentary about the City's Minimum Wage Ordinance. Both pros and cons have been offered as well as suggestions and recommendations.

The work session discussion will be presented by the City Manager and will cover several specific areas including: Intent/Nuisance, Enforcement, Exemptions, Hourly Rate, Timing and Tipped Workers. Recommendations will be made for the first three topics. Clarification and discussion will take place for the second three topics.

The work session is intended to provide the City Council a final opportunity to review and discuss elements of the new Minimum Wage requirement that we are getting close to implementing. There are several who have provided information and request that it be included in the agenda packet, see support information.

(Continue on additional sheets as required)

SUPPORT INFORMATION:

1. Attachment "A", Minimum Wage Ordinance September 8, 2014
2. Attachment "B", New Mexico Minimum Wage Act
3. Attachment "C", Conflict of Interest / Ethical Violations

Documents referenced and listed below were submitted to the City with a request they be included in the October 27th Work Session agenda packet:

1. Reference "1", Chris Erickson
2. Reference "2", Ronald Cauthon
3. Reference "3", Peter Ossorio
4. Reference "4", Bob Hearn
5. Reference "5" Café
6. Reference "6", Dan Schneider
7. Reference "7", Greater Las Cruces Chamber of Commerce
8. Reference "A-1", The Nation Article
9. Reference "A-2", Washington Times Article
10. Reference "A-3", Albuquerque Journal Poll and Article
11. Reference "A-4", National Conference of State Legislators
12. Reference "A-5", Notice Regarding Increase/Minimum Wage in Albuquerque – Document
13. Reference "A-6", Bureau of Labor Statistics News Release
14. Reference "A-7", City of Las Cruces Minimum Wage Discussion Document
15. Reference "A-8", Governing.com Article
16. Reference "A-9", Livingwage.mit.edu Article
17. Reference "A-10", Living Wage Calculator Article
18. Reference "A-11", Board of County Commissioners Santa Fe Ordinance No. 2014-5
19. Reference "A-12", New Mexico Department of Workforce Solutions Economic Analysis
20. Reference "A-13", New Mexico Department of Workforce Solutions 4th Quarter 2014
21. Reference "A-14", State Legislators March 2014 Article
22. Reference "A-15", Bureau of Labor Statistics Report 1048 March 2014 Article

(Continue on additional sheets as required)

Attachment "A"
Minimum Wage Ordinance September 8, 2014

COUNCIL BILL NO. 15-007
ORDINANCE NO. 2726

AN ORDINANCE ENACTING A NEW ARTICLE IN CHAPTER 14 – HUMAN RIGHTS, OF THE LAS CRUCES MUNICIPAL CODE, SETTING MINIMUM WAGES FOR CERTAIN EMPLOYEES WORKING WITHIN THE CITY LIMITS OF LAS CRUCES; PROVIDING FOR INDEXING THE MINIMUM WAGE TO INFLATION; ESTABLISHING PROCEDURES FOR ENFORCEMENT.

The City Council is informed that:

WHEREAS, the federal and State minimum wage has been unchanged since 2009, at \$7.25 and \$7.50, respectively; and

WHEREAS, efforts to increase the minimum wage at the Federal and State level are unlikely to be successful in the foreseeable future; and

WHEREAS, the current base tip wage for many restaurant workers of \$2.13 has been unchanged for over 20 years; and

WHEREAS, according to the US Census Bureau, approximately twenty-two percent of the Las Cruces population lived below the poverty level between 2008 and 2012; and

WHEREAS, the current minimum wage levels result in many low wage workers living below the poverty level and require public assistance and other services to compensate for the lack of a living wage; and

WHEREAS, the current minimum wage levels disadvantage many small businesses in Las Cruces because larger business establishments employ the great majority of minimum wage workers; and

WHEREAS, increasing the minimum wage in Las Cruces will inject millions of dollars into the local economy thereby allowing it to expand and resulting in more employment opportunities; and

WHEREAS, including employees of the City of Las Cruces in this minimum wage increase is both fair and will encourage other governmental entities to do likewise.

NOW, THEREFORE, be it ordained by the governing body of the City of Las Cruces:

(I)

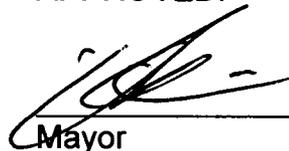
THAT Exhibit "A" which is attached hereto is hereby adopted and shall be referred to as "The Las Cruces Minimum Wage Ordinance."

(II)

THAT City staff is hereby authorized to do all deeds as necessary in the accomplishment of the herein above.

DONE AND APPROVED this 8th day of September, 20¹⁴.

APPROVED:



Mayor

ATTEST:



City Clerk

(SEAL)

Moved by: Sorg

Seconded by: Smith

APPROVED AS TO FORM:



City Attorney

VOTE:

Mayor Miyagishima:	<u>Aye</u>
Councillor Silva:	<u>Aye</u>
Councillor Smith:	<u>Aye</u>
Councillor Pedroza:	<u>Nay</u>
Councillor Small:	<u>Nay</u>
Councillor Sorg:	<u>Nay</u>
Councillor Levatino:	<u>Aye</u>

ARTICLE III. – MINIMUM WAGE

Section 14-60. - SHORT TITLE.

This ordinance may be cited as "The City of Las Cruces' Minimum Wage Ordinance."

Section 14-61. - DEFINITIONS.

For the purposes of this ordinance, the following definitions shall apply:

City shall mean the City of Las Cruces.

Employ includes to suffer or permit to work.

Employer includes any individual, partnership, association, corporation, business trust, legal representative or any organized group of persons employing one or more employees at any one time, acting directly or indirectly in the interests of an employer in relation to an employee and shall include the City, businesses having contracts with the City in excess of \$30,000 which provide services to or on behalf of the City, and businesses which are required to have a City issued business license, but does not include any other governmental entities.

Employee shall include any individual who is employed by an employer within the City (including a former employee where appropriate) but shall not include:

- (A) an individual employed in a bona fide executive, administrative or professional capacity and forepersons, superintendents and supervisors;
- (B) an individual engaged in the activities of an educational, charitable, religious or nonprofit organization where the employer-employee relationship does not, in fact, exist or where the services rendered to such organizations are on a

voluntary basis. The employer-employee relationship shall not be deemed to exist with respect to an individual being served for purposes of rehabilitation by a charitable or nonprofit organization, notwithstanding the payment to the individual of a stipend based upon the value of the work performed by the individual;

(C) students regularly enrolled in primary or secondary schools working after school hours or on vacation;

(D) registered apprentices and learners otherwise provided by law;

(E) persons eighteen years of age or under who are not students in a primary, secondary, vocational or training school;

(F) persons eighteen years of age or under who are not graduates of a secondary school;

(G) G.I. bill trainees while under training.

Minimum Wage shall mean the minimum hourly rates of monetary compensation for work as specified in this ordinance.

Tipped employee means an employee who customarily and regularly receives more than thirty dollars (\$30) per week in tips. Only those tips actually retained and reported as income for Federal Insurance Contributions Act (FICA) purposes by the employee shall be considered tips received by the employee. Tips resulting from Tip Pooling as defined in this section shall be considered as tips received by the employee. Nothing in this ordinance shall be construed to prohibit tip pooling among tipped employees.

Tipped minimum wage means the cash wage that a tipped employee must receive from their employer, as provided in Section 3.

Tip pooling means a written procedure which each tipped employee has read and signed, which sets out the method for sharing tips among tipped employees. The procedure must prohibit tips to be shared with the employer or any employee who is not a tipped employee.

Section 14-62. - MINIMUM WAGE PAYMENT REQUIREMENTS.

- (a) All employers shall pay all employees no less than the minimum wage, and shall pay tipped employees no less than the tipped minimum wage, for each hour worked within the municipal limits of the City, as provided in this section.
- (b) Beginning on January 1, 2015, the minimum wage shall be an hourly rate of \$8.40 an hour; beginning on January 1, 2016 the minimum wage shall be an hourly rate of \$9.20 an hour; and beginning on January 1, 2017 the minimum wage shall be an hourly rate of \$10.10 an hour.
- (c) Beginning January 1, 2018 and on January 1 of each year thereafter, the minimum wage provided for under this ordinance shall be adjusted by the increase, if any, in the cost of living. The increase in the cost of living shall be calculated based on the percentage increase, if any, as of August of the immediately preceding year over the level as measured by August of the previous year of the Consumer Price Index (All Urban Wage Earners and Clerical Workers, U.S. City Average for All Items) for the West Region or its successor index as published by the U.S. Department of Labor or its successor agency, with the amount of the minimum wage increase, if any, rounded up to the nearest five cents. The City or its designee shall publish the adjusted minimum wage rate for the forthcoming year on its internet home page by October 15 of each year, and it

shall become effective on January 1 of the forthcoming year. The minimum wage shall not be reduced if the Consumer Price Index has decreased during any applicable year.

(d) A tipped employee shall be paid no less than the following tipped minimum wage:

1) beginning January 1, 2015, 40% of the minimum wage required in subsection (b) as of that date; 2) beginning January 1, 2016, 50% of the minimum wage required in subsection (b) as of that date, and 3) beginning January 1, 2017 and thereafter, 60% of the minimum wage required in subsection (b) as of that date, and as adjusted by subsection (c) after January 1, 2018. The tipped minimum wage, when combined with tips actually retained and reported as income for Federal Insurance Contributions Act (FICA) purposes by the employee, shall equal not less than the minimum wage as provided in subsection (b).

(e) An employee shall not be required to work more than forty hours in any week of seven days unless the employee is paid the higher of one and one half times the employee's regular hourly rate of pay or one and one half times the minimum wage as provided in subsection (b), for all hours worked in excess of forty hours. Tipped employees shall be paid the higher of their average hourly wage, including tips, for the previous forty hours worked, or one and one half times the minimum wage as provided in subsection (b).

Section 14-63. - NOTICE, POSTING AND RECORDS.

(a) Notice to Employees. Every employer shall post in a conspicuous place at any workplace or job site where any employee works a notice published each year by

the City or its designee informing employees of the current minimum wage rate and of their rights under this ordinance. Every employer shall post such notices in English and Spanish.

- (b) Records. Employers shall maintain payroll records showing the hours worked daily by and the hourly wages paid to all employees, including tips. Employers shall retain such records for a period of not less than three years, and shall allow the City or its designee access to such records, with appropriate notice and at a mutually agreeable time, to monitor compliance with the requirements of this ordinance. Where an employer does not maintain or retain adequate records documented wages paid or does not allow the City or its designee reasonable access to such records, it shall be presumed that the employer paid no more than the applicable federal, state, or City minimum wage, absent clear and convincing evidence otherwise.

Section 14-64. IMPLEMENTATION AND ENFORCEMENT

- (a) It shall be a public nuisance for employers to violate this ordinance by: 1) paying their employees below the Minimum Wage as specified in Section 14-62.
- (b) To abate the public nuisance specified in paragraph (a), any employee receiving less than the minimum wage is entitled under this Ordinance to bring a civil action in the Third Judicial District Court, County of Dona Ana, State of New Mexico pursuant to §30-30-8, NMSA 1978. Upon prevailing, any employee shall recover reasonable attorney's fees, and costs.

Nonexclusive Remedies and Penalties. The remedies provided in this section are not exclusive, and nothing in this ordinance shall preclude any person from

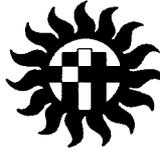
seeking any other remedies, penalties, or relief provided by law.

Section 14-65. - EFFECT.

This ordinance provides for payment of a minimum wage rate and shall not be construed to preempt or otherwise limit or affect the applicability of any other law, regulation, requirement, policy or standard that provides for payment of higher or supplemental wages, benefits or protections. Nothing contained in this ordinance prohibits an employer from paying more than the minimum wage rate established under this ordinance.

Section 14-66. - SEVERABILITY.

The requirements and provisions of this ordinance and their parts, subparts and clauses are severable. In the event that any section, paragraph, sentence, clause, word or phrase of this ordinance, or any requirement imposed pursuant to it, or the application thereof to any person or circumstance, is for any reason held to be invalid or unenforceable by any court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions of this ordinance, or their application to other persons or circumstances.



City of Las Cruces[®]

PEOPLE HELPING PEOPLE

Council Action and Executive Summary

Item # 3

Ordinance/Resolution# 2726

For Meeting of August 18, 2014
(Ordinance First Reading Date)

For Meeting of September 8, 2014
(Adoption Date)

Please check box that applies to this item:

QUASI JUDICIAL

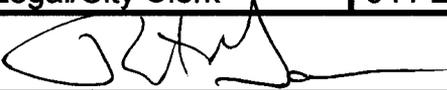
LEGISLATIVE

ADMINISTRATIVE

TITLE: AN ORDINANCE ENACTING A NEW ARTICLE IN CHAPTER 14 – HUMAN RIGHTS, OF THE LAS CRUCES MUNICIPAL CODE, SETTING MINIMUM WAGES FOR CERTAIN EMPLOYEES WORKING WITHIN THE CITY LIMITS OF LAS CRUCES; PROVIDING FOR INDEXING THE MINIMUM WAGE TO INFLATION; ESTABLISHING PROCEDURES FOR ENFORCEMENT.

PURPOSE(S) OF ACTION:

Create a new "Minimum Wage Ordinance."

COUNCIL DISTRICT: N/A		
<u>Drafter/Staff Contact:</u> Esther Martinez-Carrillo	<u>Department/Section:</u> Legal/City Clerk	<u>Phone:</u> 541-2115
<u>City Manager Signature:</u>		

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:

On August 4, 2014, City Council reviewed and approved the certification of signatures on an initiative petition proposing adoption of an ordinance setting minimum wages.

City Charter § 8.06 states that when an initiative petition has been determined sufficient, the City Council shall promptly consider the proposed initiative ordinance. If the City Council fails to adopt the proposed initiative ordinance in its entirety within sixty (60) days after the date the petition is finally determined sufficient, it shall promptly submit the proposed ordinance to the voters of the city.

SUPPORT INFORMATION:

1. Ordinance.
2. Exhibit "A", "The Las Cruces Minimum Wage Ordinance."

(Continue on additional sheets as required)

SOURCE OF FUNDING:

Is this action already budgeted? N/A			
	Yes	<input type="checkbox"/>	See fund summary below
	No	<input type="checkbox"/>	If No, then check one below:
	<i>Budget Adjustment Attached</i>	<input type="checkbox"/>	Expense reallocated from: _____
		<input type="checkbox"/>	Proposed funding is from a new revenue source (i.e. grant; see details below)
<input type="checkbox"/>		Proposed funding is from fund balance in the _____ Fund.	

Does this action create any revenue? N/A			
	Yes	<input type="checkbox"/>	Funds will be deposited into this fund: _____ in the amount of \$ _____ for FY _____.
	No	<input type="checkbox"/>	There is no new revenue generated by this action.

BUDGET NARRATIVE

N/A

FUND EXPENDITURE SUMMARY:

Fund Name(s)	Account Number(s)	Expenditure Proposed	Available Budgeted Funds in Current FY	Remaining Funds	Purpose for Remaining Funds
N/A	N/A	N/A	N/A	N/A	N/A

OPTIONS / ALTERNATIVES:

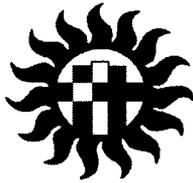
1. Vote "Yes"; this will adopt a new "Minimum Wage Ordinance."
2. Vote "No"; this will deny the new "Minimum Wage Ordinance" and require City Council to approve a Resolution Calling for a Special Municipal Election.
3. Vote to "Amend"; this is not an option.
4. Vote to "Table"; this ordinance may be table to a date no later than October 3, 2014.

REFERENCE INFORMATION:

The resolution(s) and/or ordinance(s) listed below are only for reference and are not included as attachments or exhibits.

N/A

2726



City of Las Cruces[®]

PEOPLE HELPING PEOPLE

COUNCIL ACTION AND EXECUTIVE SUMMARY PACKET ROUTING SLIP

For Meeting of August 18, 2014
(Ordinance First Reading Date)

For Meeting of September 8, 2014
(Adoption Date)

TITLE: AN ORDINANCE ENACTING A NEW ARTICLE IN CHAPTER 14 – HUMAN RIGHTS, OF THE LAS CRUCES MUNICIPAL CODE, SETTING MINIMUM WAGES FOR CERTAIN EMPLOYEES WORKING WITHIN THE CITY LIMITS OF LAS CRUCES; PROVIDING FOR INDEXING THE MINIMUM WAGE TO INFLATION; ESTABLISHING PROCEDURES FOR ENFORCEMENT.

Purchasing Manager's Request to Contract (PMRC) {Required?} Yes No

DEPARTMENT	SIGNATURE	PHONE NO.	DATE
Drafter/Staff Contact	<i>Esther Menting-Carrillo</i>	541-2115	8/5/14
Department Director	<i>Ray N. City Council</i>	541-2128	8/5/14
Other			
Assistant City Manager /CAO	<i>[Signature]</i>	541-2100	8/5/14
Management & Budget Manager	<i>[Signature]</i>	541-2106	8/5/14
Assistant City Manager/COO	<i>[Signature]</i>	541-2271	8/5/14
City Attorney	<i>Ray N. City Council</i>	541-2128	08/05/14
City Clerk	<i>Esther Menting-Carrillo</i>	541-2115	8/5/14

Legal Advertising Affidavit

Jamie Pfannenstiel, who, being duly sworn as the Advertising Assistant of the Las Cruces BULLETIN, a weekly newspaper of general distribution published in the City of Las Cruces, County of Doña Ana, State of New Mexico, disposes and states that the legal advertising for

CITY OF LAS CRUCES - CITY ATTORN

In the matter of:
**NOTICE OF INTENT TO ADOPT Council Bill No. 15-007;
Ordinance No. 2726**

In accordance with the laws of the State of New Mexico, the attached was published in its entirety 1 time(s) in the Las Cruces BULLETIN, the first publication date being 08/22/2014 and subsequent publications being: , , .


Jamie Pfannenstiel

Sworn to and subscribed
before me this day 08/22/2014
in the
CITY OF LAS CRUCES
COUNTY OF DOÑA ANA
STATE OF NEW MEXICO
My Commission expires: **May 6, 2017**


Notary Public



OFFICIAL SEAL
PAM ROSSI
NOTARY PUBLIC - STATE OF NEW MEXICO

My commission expires: 5/6/17

Advertising Costs: \$45.66

NOTICE OF INTENT TO ADOPT

The City Council of The City of Las Cruces, New Mexico, Hereby Gives Notice of Its Intent to Adopt The Following Ordinance at a Special City Council Meeting to be Held on September 8, 2014:

1. Council Bill No. 15-007; Ordinance No. 2726: An Ordinance Enacting a New Article in Chapter 14 - Human Rights, of the Las Cruces Municipal Code, Setting Minimum Wages for Certain Employees Working Within the City Limits of Las Cruces; Providing for Indexing the Minimum Wage to Inflation; Establishing Procedures for Enforcement.

Copies Are Available for Inspection During Working Hours at the Office of the City Clerk. **Witness My Hand and Seal** of the City of Las Cruces on this the **13th day of August 2014.**

Esther Martinez-Carrillo,
MMC, City Clerk

Date: 8/22, 2014

LAS CRUCES SUN-NEWS

PROOF OF PUBLICATION

I, being duly sworn, Frank Leto deposes and says that he is the Publisher of the Las Cruces Sun-News, a newspaper published daily in the county of Dona Ana, State of New Mexico; that the notice 54080 is an exact duplicate of the notice that was published once a week/day in regular and entire issue of said newspaper and not in any supplement thereof for 1 consecutive week(s)/day(s), the first publication was in the issue dated August 17, 2014 and the last publication was August 17, 2014

Despondent further states this newspaper is duly qualified to publish legal notice or advertisements within the meaning of Sec. 1-5 Chapter 167, Laws of 1937.

Signed



Publisher
Official Position

STATE OF NEW MEXICO

ss.

County of Dona Ana

Subscribed and sworn before me this

19th day of August, 2014



Notary Public in and for
Dona Ana County, New Mexico

9th June, 2018
My Term Expires

NOTICE OF INTENT TO ADOPT

The City Council of The City of Las Cruces, New Mexico, Hereby Gives Notice of Its Intent to Adopt The Following Ordinance at a Special City Council Meeting to be Held on September 8, 2014:

1. Council Bill No. 15-007; Ordinance No. 2726: An Ordinance Enacting a New Article in Chapter 14 – Human Rights, of the Las Cruces Municipal Code, Setting Minimum Wages for Certain Employees Working Within the City Limits of Las Cruces; Providing for Indexing the Minimum Wage to Inflation; Establishing Procedures for Enforcement.

Copies Are Available for Inspection During Working Hours at the Office of the City Clerk. Witness My Hand and Seal of the City of Las Cruces on this the 13th day of August 2014.

Esther Martinez-Carrillo, MMC
City Clerk

Pub #54080

Run Date: Aug 17, 2014



OFFICIAL SEAL
CARLA D. DEEMER
NOTARY PUBLIC State of New Mexico

My Commission Expires

6/9/18

Legal Advertising Affidavit

Jamie Pfannenstiel, who, being duly sworn as the Advertising Assistant of the Las Cruces BULLETIN, a weekly newspaper of general distribution published in the City of Las Cruces, County of Doña Ana, State of New Mexico, disposes and states that the legal advertising for

CITY OF LAS CRUCES - CITY ATTORN

In the matter of:
NOTICE OF ADOPTION Council Bill No. 15-007; Ordinance No. 2726:

In accordance with the laws of the State of New Mexico, the attached was published in its entirety 1 time(s) in the Las Cruces BULLETIN, the first publication date being 09/12/2014 and subsequent publications being: , , .


Jamie Pfannenstiel

Sworn to and subscribed
before me this day 09/12/2014
in the
CITY OF LAS CRUCES
COUNTY OF DOÑA ANA
STATE OF NEW MEXICO
My Commission expires: **May 6, 2017**


Notary Public



OFFICIAL SEAL
PAM ROSSI
NOTARY PUBLIC - STATE OF NEW MEXICO

My commission expires: 5/6/17

Advertising Costs: \$44.30

NOTICE OF ADOPTION

The City Council of the City of Las Cruces, New Mexico, Hereby Gives Notice of Its Adoption of The Following Ordinance at a Special City Council Meeting Held on September 8, 2014:

1. **Council Bill No. 15-007; Ordinance No. 2726:** An Ordinance Enacting a New Article in Chapter 14 - Human Rights, of the Las Cruces Municipal Code, Setting Minimum Wages for Certain Employees Working Within the City Limits of Las Cruces; Providing for Indexing the Minimum Wage to Inflation; Establishing Procedures for Enforcement.

Copies Are Available for Inspection During Working Hours at the Office of the City Clerk. Witness My Hand and Seal of the City of Las Cruces on this the 9th day of September 2014.

Esther Martinez-Carrillo,
MMC, City Clerk

Dates: 9/12, 2014

LAS CRUCES SUN-NEWS

NOTICE OF ADOPTION

PROOF OF PUBLICATION

I, being duly sworn, Frank Leto deposes and says that he is the Publisher of the Las Cruces Sun -News, a newspaper published daily in the county of Dona Ana, State of New Mexico; that the notice 54204 is an exact duplicate of the notice that was published once a week/day in regular and entire issue of said newspaper and not in any supplement thereof for 1 consecutive week(s)/day(s), the first publication was in the issue dated September 14, 2014, the last publication was September 14, 2014

Despondent further states this newspaper is duly qualified to publish legal notice or advertisements within the meaning of Sec. Chapter 167, Laws of 1937.

Signed



Publisher
Official Position

STATE OF NEW MEXICO
ss.

County of Dona Ana
Subscribed and sworn before me this

15th day of September, 2014



Notary Public in and for
Dona Ana County, New Mexico

9th June 2018
My Term Expires

The City Council of The City of Las Cruces, New Mexico, Hereby Gives Notice of Its Adoption of The Following Ordinance at a Special City Council Meeting Held on September 8, 2014:

1. Council Bill No. 15-007; Ordinance No. 2726: An Ordinance Enacting a New Article in Chapter 14 – Human Rights, of the Las Cruces Municipal Code, Setting Minimum Wages for Certain Employees Working Within the City Limits of Las Cruces; Providing for Indexing the Minimum Wage to Inflation; Establishing Procedures for Enforcement.

Copies Are Available for Inspection During Working Hours at the Office of the City Clerk. Witness My Hand and Seal of the City of Las Cruces on this the 9th day of September 2014.

Esther Martinez-Carrillo, MMC
City Clerk

Pub #54204
Run Date: Sep 14, 2014



OFFICIAL SEAL
CARLA D. DEEMER
NOTARY PUBLIC State of New Mexico

My Commission Expires 6/9/18

Attachment “B”

New Mexico Minimum Wage Act



**NEW MEXICO DEPARTMENT OF WORKFORCE SOLUTIONS
LABOR RELATIONS DIVISION
NEW MEXICO MINIMUM WAGE ACT**

50-4-21. Definitions. As used in the Minimum Wage Act [50-4-20 NMSA 1978]:

A. "employ" includes suffer or permit to work;

B. "employer" includes any individual, partnership, association, corporation, business trust, legal representative or any organized group of persons employing one or more employees at any one time, acting directly or indirectly in the interest of an employer in relation to an employee, but shall not include the United States, the state or any political subdivision of the state; provided, however, that for the purposes of Subsection A of Section [50-4-22](#) NMSA 1978, "employer" includes the state or any political subdivision of the state; and

C. "employee" includes an individual employed by an employer, but shall not include:

(1) an individual employed in domestic service in or about a private home;

(2) an individual employed in a bona fide executive, administrative or professional capacity and forepersons, superintendents and supervisors;

(3) an individual employed by the United States, the state or any political subdivision of the state; provided, however, that for the purposes of Subsection A of Section [50-4-22](#) NMSA 1978, "employee" includes an individual employed by the state or any political subdivision of the state;

(4) an individual engaged in the activities of an educational, charitable, religious or nonprofit organization where the employer-employee relationship does not, in fact, exist or where the services rendered to such organizations are on a voluntary basis. The employer-employee relationship shall not be deemed to exist with respect to an individual being served for purposes of rehabilitation by a charitable or nonprofit organization, notwithstanding the payment to the individual of a stipend based upon the value of the work performed by the individual;

(5) salespersons or employees compensated upon piecework, flat rate schedules or commission basis;

(6) students regularly enrolled in primary or secondary schools working after school hours or on vacation;

(7) registered apprentices and learners otherwise provided by law;

(8) persons eighteen years of age or under who are not students in a primary, secondary, vocational or training school;

(9) persons eighteen years of age or under who are not graduates of a secondary school;

(10) G.I. bill trainees while under training;

(11) seasonal employees of an employer obtaining and holding a valid certificate issued annually by the director of the labor relations division of the workforce solutions department. The certificate shall state the job designations and total number of employees to be exempted. In approving or disapproving an application for a certificate of exemption, the director shall consider the following:

(a) whether such employment shall be at an educational, charitable or religious youth camp or retreat;

(b) that such employment will be of a temporary nature;

(c) that the individual will be furnished room and board in connection with such employment, or if the camp or retreat is a day camp or retreat, the individual will be furnished board in connection with such employment;

(d) the purposes for which the camp or retreat is operated;

(e) the job classifications for the positions to be exempted; and

(f) any other factors that the director deems necessary to consider;

(12) any employee employed in agriculture;

(a) if the employee is employed by an employer who did not, during any calendar quarter during the preceding calendar year, use more than five hundred man-days of agricultural labor;

(b) if the employee is the parent, spouse, child or other member of the employer's immediate family; for the purpose of this subsection, the employer shall include the principal stockholder of a family corporation;

(c) if the employee: 1) is employed as a hand-harvest laborer and is paid on a piece-rate basis in an operation that has been, and is customarily and generally recognized as having been, paid on a piece-rate basis in the region of employment; 2) commutes daily from the employee's permanent residence to the farm on which the employee is so employed; and 3) has been employed in agriculture less than thirteen weeks during the preceding calendar year;

(d) if the employee, other than an employee described in Subparagraph (c) of this paragraph: 1) is sixteen years of age or under and is employed as a hand-harvest laborer, is paid on a piece-rate basis in an operation that has been, and is generally recognized as having been, paid on a piece-rate basis in the region of employment; 2) is employed on the same farm as the employee's parent or person standing in the place of the parent; and 3) is paid at the same piece-rate as employees over age sixteen are paid on the same farm; or

(e) if the employee is principally engaged in the range production of livestock or in milk production;

(13) an employee engaged in the handling, drying, packing, packaging, processing, freezing or canning of any agricultural or horticultural commodity in its unmanufactured state; or

(14) employees of charitable, religious or nonprofit organizations who reside on the premises of group homes operated by such charitable, religious or nonprofit organizations for persons who have a mental, emotional or developmental disability.

50-4-22. Minimum wages.

A. An employer shall pay an employee the minimum wage rate of six dollars fifty cents (\$6.50) an hour. As of January 1, 2009, an employer shall pay the minimum wage rate of seven dollars fifty cents (\$7.50) an hour.

B. An employer furnishing food, utilities, supplies or housing to an employee who is engaged in agriculture may deduct the reasonable value of such furnished items from any wages due to the employee.

C. An employee who customarily and regularly receives more than thirty dollars (\$30.00) a month in tips shall be paid a minimum hourly wage of two dollars thirteen cents (\$2.13). The employer may consider tips as part of wages, but the tips combined with the employer's cash wage shall not equal less than the minimum wage rate as provided in Subsection A of this section. All tips received by such employees shall be retained by the employee, except that nothing in this section shall prohibit the pooling of tips among employees.

D. An employee shall not be required to work more than forty hours in any week of seven days, unless the employee is paid one and one-half times the employee's regular hourly rate of pay for all hours worked in excess of forty hours. For an employee who is paid a fixed salary for fluctuating hours and who is employed by an employer a majority of whose business in New Mexico consists of providing investigative services to the federal government, the hourly rate may be calculated in accordance with the provisions of the federal Fair Labor Standards Act of 1938 and the regulations pursuant to that act; provided that in no case shall the hourly rate be less than the federal minimum wage.

50-4-22.1. Temporary state preemption; saving clause.

A. Except as provided in Subsection B of this section, cities, counties, home rule municipalities and other political subdivisions of the state shall not adopt or continue in effect any law or ordinance that would mandate a minimum wage rate higher than that set forth in the Minimum Wage Act [[50-4-20](#) NMSA 1978]. The provisions of this subsection expire on January 1, 2010.

B. A local law or ordinance, whether advisory or self-executing, in effect on January 1, 2007 that provides for a higher minimum wage rate than that set forth in the Minimum Wage Act shall continue in full force and effect until repealed.

50-4-24. Employers exempt from overtime provisions for certain employees.

A. An employer of workers engaged in the ginning of cotton for market, in a place of employment located within a county where cotton is grown in commercial quantities, is exempt from the overtime provisions of Subsection D of Section [50-4-22](#) NMSA 1978 if each employee is employed for a period of not more than fourteen weeks in the aggregate in a calendar year.

B. An employer of workers engaged in agriculture is exempt from the overtime provisions set forth in Subsection D of Section [50-4-22](#) NMSA 1978. As used in this subsection, "agriculture" has the meaning used in Section 203 of the federal Fair Labor Standards Act of 1938.

C. An employer is exempt from the overtime provisions set forth in Subsection D of Section [50-4-22](#) NMSA 1978 if the hours worked in excess of forty hours in a week of seven days are:

(1) worked by an employee of an air carrier providing scheduled passenger air transportation subject to Subchapter II of the federal Railway Labor Act or the air carrier's subsidiary that is subject to Subchapter II of the federal Railway Labor Act;

(2) not required by the employer; and

(3) arranged through a voluntary agreement among employees to trade scheduled work shifts; provided that the agreement shall:

(a) be in writing;

(b) be signed by the employees involved in the agreement;

(c) include a requirement that an employee who trades a scheduled work shift is responsible for working the shift so agreed to as part of the employee's regular work schedule; and

(d) not require an employee to work more than: 1) thirteen consecutive days; 2) sixteen hours in a single work day; 3) sixty hours within a single work week; or 4) can be required as provided in a collective bargaining agreement to which the employee is subject.

50-4-25. Posting of summary of the act.

Every employer subject to the Minimum Wage Act [[50-4-20](#) NMSA 1978] shall keep a summary of it, furnished by the labor commissioner [director of the labor and industrial division] without charge, posted in a conspicuous place on or about the premises wherein any person subject to the Minimum Wage Act is employed, and the summary shall clearly and conspicuously set forth the current minimum wage.

50-4-26. Enforcement; penalties; employees' remedies.

A. An employer who violates any of the provisions of the Minimum Wage Act is guilty of a misdemeanor and upon conviction shall be sentenced pursuant to the provisions of Section [31-19-1](#) NMSA 1978.

B. The director of the labor relations division of the workforce solutions department shall enforce and prosecute violations of the Minimum Wage Act. The director may institute in the name of the state an action in the district court of the county wherein the employer who has failed to comply with the Minimum Wage Act resides or has a principal office or place of business, for the purpose of prosecuting violations. The district attorney for the district wherein any violation hereof occurs shall aid and assist the director in the prosecution.

C. In addition to penalties provided pursuant to this section, an employer who violates any provision of Section [50-4-22](#) NMSA 1978 shall be liable to the employees affected in the amount of their unpaid or underpaid minimum wages plus interest, and in an additional amount equal to twice the unpaid or underpaid wages.

D. An action to recover such liability may be maintained in any court of competent jurisdiction by any one or more employees for and on behalf of the employee or employees and for other employees similarly situated, or such employee or employees may designate an agent or representative to maintain such action on behalf of all employees similarly situated.

E. The court in any action brought under Subsection D of this section shall, in addition to any judgment awarded to the plaintiff or plaintiffs, allow costs of the action and reasonable attorney fees to be paid by the

defendant. In any proceedings brought pursuant to the provisions of this section, the employee shall not be required to pay any filing fee or other court costs necessarily incurred in such proceedings.

F. In addition to any remedy or punishment provided pursuant to the Minimum Wage Act, a court may order appropriate injunctive relief, including requiring an employer to post in the place of business a notice describing violations by the employer as found by the court or a copy of a cease and desist order applicable to the employer.

G. Civil actions and appeals of civil actions brought to collect unpaid or underpaid wages, interest and any other amounts due under this section shall be heard by the court at the earliest possible date and shall be entitled to a preference over all other civil actions, to the same extent as civil actions to collect contributions pursuant to Section [51-1-36](#) NMSA 1978, on the calendar of the court.

50-4-26.1. Retaliation prohibited.

It is a violation of the Minimum Wage Act [[50-4-20](#) NMSA 1978] for an employer or any other person to discharge, demote, deny promotion to or in any other way discriminate against a person in the terms or conditions of employment in retaliation for the person asserting a claim or right pursuant to the Minimum Wage Act or assisting another person to do so or for informing another person about employment rights or other rights provided by law.

50-4-27. Authority of labor commissioner [director of the labor and industrial division] to promulgate rules; hearing on rules; notice; publication.

The state labor commissioner [director of the labor and industrial division] shall have the authority to promulgate and issue rules and regulations necessary to administer and accomplish the purposes of the Minimum Wage Act [[50-4-19](#) to [50-4-30](#) NMSA 1978]. Such rules and regulations shall be adopted after notice and public hearing. A copy of the notice of hearing together with a copy of the proposed regulations shall be filed with the librarian of the supreme court library at least twenty days prior to the hearing. In addition, a copy of the notice of hearing shall be sent to all known interested persons. Any interested person shall have the right to appear and present evidence.

Any VIOLATIONS should be reported promptly to the New Mexico Department of Workforce Solutions, Labor Relations Division at:

Albuquerque Office 121 Tijeras NE, Suite 3000, Albuquerque, NM 87102 (505) 841-4400

Las Cruces Office 226 South Alameda Blvd, Las Cruces, NM 88005 (575) 524-6195

Santa Fe Office 1596 Pacheco Street, Suite 201, Santa Fe, NM 87501 (505) 827-6817

New Mexico Statutes Annotated

*** This section is current through the First Session of the Fifty-First Legislature ***

CHAPTER 50. EMPLOYMENT LAW

ARTICLE 4. LABOR CONDITIONS; PAYMENT OF WAGES

N.M. Stat. Ann. §50-4-23 (2013) § 50-4-23. Persons with a disability; minimum wage; director powers and duties A. The director of the labor and industrial division of the labor department, to the extent necessary in order to prevent curtailment of opportunities for employment, shall, by regulation, provide for the employment under special certificates of individuals, including individuals employed in agriculture, whose earning or productive capacity is impaired by physical or mental disability or injury or any other disability, at wages that are lower than the minimum wage applicable under Section 50-4-22 NMSA 1978, but not less than fifty percent of such wage. B. The director, pursuant to regulations and upon certification of any state agency administering or supervising the administration of vocational rehabilitation services, may issue special certificates that allow the holder thereof to work at wages that are less than those required by Subsection A of this section and that are related to the workers' productivity, for the employment of: (1) workers with a disability who are engaged in work that is incidental to training or evaluation programs; and (2) persons with multiple disabilities and other persons whose earning capacity is so severely impaired that they are unable to engage in competitive employment. C. The director may, by regulation or order, provide for the employment of persons with a disability in work activities centers under special certificates at wages that are less than the minimums applicable under Section 50-4-22 NMSA 1978, or less than that prescribed in Subsection A of this section, and that constitute equitable compensation for such persons. As used in this subsection, "work activities centers" means centers planned and designed exclusively to provide therapeutic activities for persons with a disability whose physical or mental disability is so severe as to make their productive capacity inconsequential. D. The state agency administering or supervising the administration of vocational rehabilitation may issue a temporary certificate for a period not to exceed ninety days pursuant to Subsections A, B and C of this section and may request an extension of the certification by the director when it is determined that the severity of disability of an individual or circumstances warrants an extension of the certification.

HISTORY: 1953 Comp., § 59-3-22.1, enacted by Laws 1967, ch. 242, § 1; 2007, ch. 46, § 46.

N.M. Stat. Ann. § 50-4-23

NOTES: STATUTORY NOTES

THE 2007 AMENDMENT, effective June 15, 2007, throughout the section, substituted references to the "director of the labor and industrial division of the labor department" for references to the "state labor commissioner" and "persons with a disability" for "handicapped

persons\

other disability" for "mental deficiency\

C, corrected the section reference and substituted \"mental disability\" for \"mental impairment\" at the end. Minimum Wage JUDICIAL DECISIONS ANALYSIS BURDEN OF PROOF EMPLOYEES EXEMPTION LEGISLATIVE INTENT BURDEN OF PROOF Where a worker testified that he was unaware that he was rehired in a rehabilitative-client capacity, and the director of vocational rehabilitation for the employer testified that he was not sufficiently aware of the worker's drinking problem to classify him as an alcoholic, the employer failed to carry its burden of proof to establish an exemption under former

59-3-22.1, 1953 Comp. (now 50-4-23 NMSA 1978) from the Minimum Wage Act, former 59-3-

20, 1953 Comp. et seq. (now 50-4-20 NMSA 1978). State Ex Rel. State Labor Comm'r v. Goodwill Indus., 82 N.M. 215, 478 P.2d 543 (1970). EMPLOYEES Defendant employer was required to pay its worker the minimum wage as required by the Minimum Wage Act [50-4-20 NMSA 1978], as the worker was an employee rather than a

rehabilitative client and the employer did not obtain an exemption certificate under former 59-3-

22.1, 1953 Comp. from plaintiff, the state labor commissioner. State ex rel. State Labor Comm'r v. Goodwill Indus., 82 N.M. 215, 478 P.2d 543 (1970). EXEMPTION Where an employer, a non-profit corporation, hired one of its clients, an alcoholic, for the purpose of rehabilitating him but did not obtain a certificate of exemption from the minimum wage requirements, there was an employee and employer relationship to which the Minimum Wage Act, former 59-3-20, 1953 Comp. et seq. (now 50-4-20 NMSA 1978), applied, and the employer was not entitled to the exemption under former 59-3-22.1, 1953 Comp. (now 50-4-23 NMSA 1978). State Ex Rel. State Labor Comm'r v. Goodwill Indus., 82 N.M. 215, 478 P.2d 543 (1970). LEGISLATIVE INTENT Because the primary purpose of the New Mexico Subsequent Injury Fund was to encourage the employment of handicapped persons, pursuant to former 52-2-2A NMSA 1978, the Act was entitled to a liberal interpretation keeping in view its remedial and beneficent purposes. Mares v. Valencia County Sheriff's Dep't, 106 N.M. 744, 749 P.2d 1123 (Ct. App. 1988).

Attachment "C"

Conflict of Interest / Ethical Violations



INTER-DEPARTMENTAL MEMORANDUM

TO: Robert L. Garza, P.E., City Manager

FROM: Harry S. (Pete) Connelly, City Attorney *HS(p)c*

DATE: October 22, 2014

SUBJECT: Conflict of Interest / Ethical Violations

At the September 20, 2014 City Council meeting, Councillor Pedroza requested that you direct the City Attorney to render an opinion on the alleged "conflict of interest" and alleged "ethical violations" concerning three members of the governing body relative to their participation concerning the City's minimum wage ordinances (June 2 and September 8, 2014.)

To that end, attached hereto are the following documents:

City Council, Rules of Order, LCMC 1997, Section 2-27(e)(2) [page 1];
 City Council, Code of Ethics, LCMC 1997, Sections 2-1 through 2-15,
 [pages 2-22]; and
 Governmental Conduct, NMSA 1978, Sections 10-16-1, 10-16-2, 10-16-3,
 10-16-4, 10-16-11.1, and 10-16-14, [pages 23-26].

This opinion is based on the various purported actions of three City Councillors as they relate to the above ordinances and statutes.

I opine that the two City Councillors that engaged in obtaining signatures for an initiative petition on behalf of a 501(c)(3) organization in their role as "legislators" (compared to a role of a quasi-judicial member) is not a violation of any provisions of the above sections from the Las Cruces Municipal Code or the Governmental Conduct Act.

I further opine that the City Councillor, as a legislator, who disclosed to the City Council that his spouse lobbied on behalf of the New Mexico Restaurant Association in the past legislative session (and previous legislative sessions as the case may be), and the governing body declared the disclosure to be "no problem", or words to that effect. These actions taken by the Councillor and City Council were consistent with the City's Code of Ethics. Additionally, the alleged conflict of interest is tenuous at best and is not a violation of any provisions of the Las Cruces Municipal Code or the New Mexico Governmental Conduct Act.

If you have any questions, please call me at x2128.

From the Las Cruces Municipal Code:

- Rules of order, procedure. Section 2-27.e(2)

Conflict of interest. At the opening of each council meeting, the chairperson shall ask if any member of the city council, city manager, or any member of the city staff has any known conflict of interest with any item on the agenda.

From the Las Cruces Municipal Code:

- **ARTICLE I. - CODE OF ETHICS**
- **Sec. 2-1. - Statement of policy.**

The operation of a representative democratic government must require that those individuals elected, appointed, or hired to undertake such operation serve the public in an independent, impartial and responsible manner in order to protect and preserve the integrity of the public administration, and achieve and sustain the trust of the public being served. Within that context, it is imperative that governmental decisions and policies be made without conflicts of interest, personal gain or profit, or dismissal of the public good by those entrusted with decision and policy-making authorities and responsibilities.

To best ensure the above, appropriate and enforceable standards and guidelines are hereby established as adopted policy which defines standards of ethics and behavior expected of public officials, as well as establishing guidelines regarding the treatment of violations of such standards.

(Ord. No. 2113, § 1, 7-6-04)

- **Sec. 2-2. - Purpose and intent of article.**

The purpose of this Code of Ethics Ordinance enacted by the city council is:

(1)

To adopt an objective and enforceable standard of public behavior for the governing body, the city manager, and individuals appointed to boards, commissions, committees and other policy advisory and enforcement bodies and who have been appointed by and serve at the will of the governing body. The realm of ethical conduct by city employees will fall within the jurisdiction of adopted ordinances, policies and procedures dedicated to that sphere and not this article.

(2)

To assure that the above-referenced standards, while providing parameters for ethical behavior of the specified public officials, protect the rights of those individuals to pursue their individual economic and private interests, and protect their rights and ability to express their views on matters of general public interest.

(3)

To assure that established standards provide for an orderly procedure for raising and addressing questions of unethical behavior while protecting against the

raising of unfounded, unsubstantiated, or frivolous charges of unethical behavior.

(4)

To promote ethical practices by the specified public officials and thereby promote ethical behavior by employees of the city, and enhance the trust of the general public in the integrity of its public officials.

(Ord. No. 2113, § 1, 7-6-04)

• **Sec. 2-3. - Definitions.**

For purposes of this article, the following terms, phrases, words and their derivatives shall have the meanings given herein. When a right or duty is attributed to a specific office holder, i.e., mayor, councilor or chairperson, the same right and duty shall attribute to any designee to whom the right or duty is lawfully delegated.

Appointing authority means the mayor and city council having authority to appoint individuals to public positions.

Benefits means:

(1)

Monetary or non-monetary considerations offered to and received by a public official and which include, but are not limited to: a valuable act, advance, award, contract, compensation, contribution, deposit, emolument, employment, favor, fee, forbearance, fringe benefit, gift, gratuity, honorarium, loan, offer, payment, prerequisite, privilege, promise, reward, remuneration, service, subscription, or the promise that they will be conferred in the future.

(2)

Anything, regardless of monetary value, perceived or intended by either the one who offers it or the one to whom the offer is made to be sufficient in value to influence a public servant in the performance or non-performance of an official action; or which, under the circumstances, a reasonably prudent person in the position of the public servant would recognize as being likely to be intended to influence the public servant in the performance or non-performance of an official action.

(3)

Board shall, when used generically, mean any voting body, including boards, commissions, or committee established to participate in some manner in the conduct of the city government, and whose members are appointed in conformance with adopted ordinances or policies. When used in a capitalized form, i.e. Board, the word shall mean the Ethics Ordinance Enforcement Board that may be established under provisions of this article.

Business means a for-profit or nonprofit corporation, partnership, sole proprietorship, firm or other organization, or individual owning real property other than a personal residence.

Candidate means an individual who is a candidate for an elective city office or for an appointive city position as defined in the City Charter and the Las Cruces Municipal Code.

City manager means the person or his/her designee acting in that capacity, which holds the title as appointed and defined by the City's Charter and ordinance.

Confidential information means information obtained as a public official, written or unwritten, or during lawful executive or closed session, that is not available to members of the general public under the *Inspection of Public Records Act, NMSA 1978, §§ 10-14-1, et seq., or any other applicable statute, ordinances or laws.*

Conflict of interest means any specific instance when a public official's exercise of authority or discretion, based upon personal interests, direct or indirect, conflicts with his/her public duties, or when, to a reasonable person, it would appear that the action(s) of a public official are partial, biased, or otherwise compromised due to the public official's private interests or personal gain being in conflict with the public interest.

Ethics Ordinance Enforcement Board: A five member board randomly selected by the city clerk from the pool of existing city standard board members who will conduct formal hearings of complaints of violations by public officials of applicable federal, state or municipal laws, statues or ordinances; and shall render a written recommendation to the governing body for additional legal actions as provided by the City Charter, this article and/or federal and state laws and statutes.

External review counsel: An individual appointed and/or retained by the governing body who is not an employee of the city, and who may or may not be a licensed attorney whose role will be to investigate and review complaints referred to the governing body who will determine whether said complaint is, or is not, frivolous, and if not, refer the complaint for appropriate hearing.

Governing body means the mayor and city council as defined by the City Charter and ordinance.

Governmental body means a board, commission or committee appointed by the governing body.

Hearing officer or hearing committee: An individual or committee appointed and/or retained by the governing body who shall conduct formal hearings of complaints that pertain to violations of this article and who shall render a written recommendation to the governing body of sanctions to be taken in the case that the complaint is found to warrant official sanction.

Immediate family means a public official's spouse, parents, parents-in-law, sister, sister-in-law, brother, brother-in-law, stepparents, stepsister, or stepbrother or an individual claimed by the public official or his/her spouse as a dependent under the United States Internal Revenue Code.

Official act/action means any official decision, recommendation, approval, disapproval or other action that involves the use of discretionary authority.

Official duty means any official or ministerial action that a public official is obligated or authorized to perform by virtue of being a public official.

Public servant/official means, for purpose of this article, any member of the governing body or appointed board, commission, committee or other voting body, or a candidate for elective or appointive office and the city manager.

(Ord. No. 2113, § 1, 7-6-04)

• **Sec. 2-4. - Public officials; disclosure; retaliation.**

(a)

The city hereby adopts this Code of Ethics Ordinance as a general code of ethics for public servants/officials. This article shall prescribe standards appropriate for the ethical conduct of municipal government, and shall provide fundamental guidelines for the receipt, review, adjudication, and determination of complaints for violation of these standards.

(b)

A copy of this article shall be given to each public servant/official to whom this article is applicable, upon their declaration of candidacy, election or appointment to the official position that they each hold; and, said public servant/official shall sign a statement affirming receipt of this article, and acknowledging his/her compliance with provisions herein set forth.

(c)

Upon their declaration of candidacy, election or appointment each public official shall submit to the city clerk an affidavit of disclosure, which will be made available by said office for inspection upon request; and, such statement shall contain, as a minimum, the following information:

(1)

Name;

(2)

Address and telephone number;

(3)

Professional, occupation or business licenses;

(4)

Membership on other city boards, committees, commissions; boards of directors of public or private corporations, associations or organizations;

(5)

The nature, but not the extent or amount, of the public official's financial interest(s) in a business as defined in the definition section of this article.

(d)

A public official who files a complaint alleging a violation of this article may not be dismissed, threatened with dismissal, or otherwise singled out for retaliation by the city's governing body, any governmental body, or other public official.

(Ord. No. 2113, § 1, 7-6-04)

• **Sec. 2-5. - Prohibitions.**

The following prohibitions are to be imposed on the public officials to whom this article is applicable.

(1)

Private benefits or gifts:

a.

No public servant/official shall receive, solicit, accept or receive, directly or indirectly, from any person, including one whose identity is unknown to said public servant/official, any personal benefit under circumstances in which it can be reasonably inferred or determined that the benefit is intended to influence the public servant/official's performance or nonperformance of any official duty, or as a reward for any official action on the part of such public official, with the following exceptions:

1.

An occasional non-pecuniary gift of insignificant value not in excess of \$100.00.

2.

An award publicly presented in recognition of public service.

3.

An honorarium where the value is less than \$100.00, and where such honorarium is not made a condition of the officials' speech where such relates to the performance of public duties and where such honorarium does not include a reasonable reimbursement for meals, lodging, or actual travel expenses incurred in making such speech.

b.

No public servant/official shall solicit, receive and accept political contributions unless such contributions are properly reported as provided for in enacted ordinances or statutes, current or future, and are actually used in a political campaign.

c.

No public servant/official shall accept from any person, including any vendor, contractor, or business any personal benefit offered to the public servant/official or any partner-in-interest of the public servant/official, which is expressly or impliedly intended to influence the public servant/official's decision in a matter, currently or in the future, brought

before the governing body or governmental body, and shall make a public disclosure, in accordance with section 2-6 herein, of any such offer being made.

d.

No public servant/ official shall solicit, directly or indirectly from any person or entity, any personal benefit, regardless of value, or the promise of receiving a personal benefit in the future for special considerations regarding official public action(s) taken or pending.

(2)

Personal representation: No public servant/official shall personally represent, nor receive compensation for representing private interests before the governing body, or any governmental bodies.

(3)

Disclosure of confidential information: No public servant/official shall intentionally and knowingly disclose confidential information acquired by virtue of his/her office or employment, except as required in his/her official capacity and which its release is not otherwise authorized or required by applicable ordinances, laws or statutes. Also, no public servant/official may use confidential information acquired by virtue of his/her public office, for personal gain.

(4)

Use of city services: No public servant/official shall use city services, personnel, equipment or other resources for personal benefit, convenience or profit.

(5)

Financial interests: Recognizing that public servants/officials are also members of society sharing the same general, personal and economic interests in the decisions and policies of government, and further recognizing that public officials are entitled to engage in employment, professional and business activities to maintain a continuity of their professional or personal business interests, and further recognizing that instances may occur wherein the public servant/official's personal economic or business interests may come into conflict or be perceived to be in conflict with his/her official duties and responsibilities, the following shall apply:

a.

No public servant/official shall acquire, or negotiate to acquire a financial interest in any matter at a time when the public servant/official or any reasonable person, having all the relevant facts, would believe that the financial interest could create a direct or indirect conflict of interest, or the appearance of a conflict of interest.

b.

No public servant/official who has left office shall enter into a contract or transaction, directly or indirectly, with the city unless the contract or transaction is made after public notice and competitive bidding. No such contract or transaction shall be entered into for a period of six months subsequent to the official leaving office [where the contract or transaction

is the direct result of an official act by the public servant/official during his/her prior term of office].

c.

No public servant/official shall become a contractor or employee, directly or indirectly, with respect to a project or development on which the governing body, or related governmental body, has voted, and where such vote has occurred at least six months prior to the contract or employment being executed.

d.

No public servant/official shall, at any time, accept financial compensation for consulting, representing, or advising as to any pending city matter on which he/she has or may substantially act(ed).

e.

No public servant/official shall, during the term of his/her office, appointment or employment, acquire a financial interest, directly or indirectly, in any business venture or business property if a reasonable person, having all the relevant facts, would believe or have reason to believe that the acquisition will be, or may have been directly affected by the public servant/official's official act.

(Ord. No. 2113, § 1, 7-6-04)

• **Sec. 2-6. - Disclosure of conflict of interest.**

(a)

Self-disclosure: A public servant/official to whom this article is applicable, who has or may have a conflict of interest in a matter that requires his/her official action, shall, prior to the matter being decided, disclose the conflict of interest, be it real, potential, perceived or alleged. Such disclosure shall be in writing, submitted to the governing body through the mayor, and if appropriate, shall set forth evidence or a rationale supporting the official's belief that:

(1)

No conflict of interest exists; and/or

(2)

He/she is able to participate in the discussion, consideration and voting on the issue in question in a fair, objective manner, and consistent with the public interest.

(b)

Third-party disclosure: It is expected that each public servant/official shall disclose any real, potential or alleged conflict of interest. However, a conflict of interest may be disclosed by another public official, by a public employee, or by a member of the general public. However any such disclosure shall be in writing, submitted to the governing body in the form and method herein provided.

(c)

Limitations of participation and official acts: If a public servant/official, as member of the governing body or a governmental body, has or may have a real, potential, perceived or alleged conflict of interest in a matter coming before such body, the public servant/official shall not appear before such body, discuss, debate, deliberate about, act upon, vote upon or otherwise participate in or influence the decision-making process pertaining to the matter in question, unless and until all issues pertaining to such real, potential, perceived or alleged conflict have been resolved as provided for herein. All questions of conflict of interest of a public servant/official shall be resolved by the governing or governmental body of which such public servant/official is a member; and, in the case of the city manager, by the governing body.

(d)

Declaration of disclosure:

(1)

Member of governing body: A public servant/official (i.e. city councilor and/or mayor) as a member of the governing body, shall disclose any conflict of interest, be it real, perceived or alleged, direct or indirect, to the governing body by submitting a written or oral declaration to the mayor prior to any discussion, debate, determination or action being taken by the body regarding the business pending and to which the conflict of interest is attached. The mayor shall make such disclosure part of the public record at such time as the business or issue to which the conflict of interest is attached is placed before the governing body for consideration.

(2)

Member of governmental body: A public servant/official who is a member of a governmental body shall disclose any oral or written declaration stating any conflict of interest, be it real, perceived or alleged, direct or indirect, to the chairperson of the governmental body of which he/she is a member prior to any discussion, debate, determination or action being taken by that body regarding the business pending before and to which the conflict of interest is attached. The chairperson will make the disclosure part of the public record at such time as that the business or issue to which the conflict of issue is attached is placed before the governing body for consideration.

(3)

City manager: The city manager shall disclose in writing to the governing body through the mayor, any conflict of interest, be it real, perceived or alleged, direct or indirect.

(Ord. No. 2113, § 1, 7-6-04)

- **Sec. 2-7. - Other abuses or misuses of position.**

In addition to the prohibitions related to conflict of interest, and without limiting the generality of the foregoing, the public servants/officials to whom this article is applicable, the following prohibitions shall also apply.

No public servant/official shall:

- (1) Use his/her official position for a purpose that is, or would to a reasonable person appear, to be primarily for the private benefit of the public officer, rather than for the primary benefit of the city; or to achieve a private gain or an exemption from duty or responsibility for the public officer.
- (2) Use or permit the use of any city employee, funds or property under his/her official control, direction or custody for a purpose which is, or to a reasonable person would appear to be for other than a city purpose(s); provided that nothing shall prevent the public servant/official the use of city property which is available on equal terms to the public generally, or as may be otherwise permitted by established policies or ordinances.
- (3) Except in the course of official duties, assist any person in any city transaction where such public servant/official's assistance is, or to a reasonable person would appear to be enhanced by that public servant/official's position with the city; provided that this shall not prohibit a public officer from appearing on his/her own behalf or representing himself/herself as to any matter in which he/she has a proprietary interest, if not otherwise prohibited by established policy or ordinance.
- (4) Regardless of prior disclosures required by this article regarding financial or conflict of interest, a public servant/official shall not, directly or indirectly, influence or attempt to influence the selection of a business entity from doing business with the city where such public official or a member of his/her immediate family has a direct or indirect financial interest.
- (5) Act, or create the appearance of acting, on behalf of the city by making any policy statement, or by promising to authorize or to prevent any future official action of any nature when such public servant/official is not authorized to make such a statement.
- (6) Falsely represent his/her personal opinion to be the official position of the city, or falsely represent his/her personal opinion to be the official position of the governing body, a governmental body or the city manager. However, this shall not prohibit statements made by an elected official in the course of fulfilling his/her official responsibilities or in running for election to office; nor shall it

apply to the professional opinions of city officers or employees rendered in the course of performing their duties, provided that such opinions are clearly identified as professional opinions.

(7)

Use, or attempt to use, his/her official position improperly to unreasonably request, grant, or obtain in any manner any unlawful or unwarranted privileges, advantages, benefits or exemptions for themselves, or others, or to avoid the consequences of illegal acts for any person. Nothing in this provision shall be construed to prohibit or discourage a public official from performing his/her official duty or action zealously and enthusiastically.

(8)

Suppress any public document, record, report or any other public information available to the general public because it might tend to unfavorably affect his/her private financial, personal, or political interest.

(Ord. No. 2113, § 1, 7-6-04)

- **Sec. 2-8. - Interference with administration.**

No elected public servant/official or any person appointed to a decision-making or advisory governmental body shall give any orders or directives to any employee of the city, either publicly or privately, unless otherwise authorized by enacted or established policy, and shall deal with city employees who are under the direct supervision of the city manager solely through the manager. This provision shall not be construed to preclude an elected public servant/official or any person appointed to a decision-making or advisory governmental body from requesting data or information, directly from city employees or through city employees designated by the city manager to respond to such requests, on matters of public policy.

(Ord. No. 2113, § 1, 7-6-04)

- **Sec. 2-9. - Interference by administration.**

The city manager, as a public servant/official covered under this article, shall not interfere, directly or indirectly, with the policy development and enactment processes of the governing body or any governmental body involved in such processes. This provision shall not be construed to preclude the city manager from responding to a specific request for data or professional opinion(s), directly or through city employees designated by the city manager to respond to requests made by either a public official, the governing body or a governmental body, or persons acting on behalf of the governing body or governmental body, on matters of public policy.

(Ord. No. 2113, § 1, 7-6-04)

- **Sec. 2-10. - Levels of violation.**

(a)

Statutory: Violations of applicable federal, state and/or municipal laws, statutes or ordinances by a public servant/official shall be construed and considered as violations of this article, and shall be dealt with as hereinafter prescribed.

(b)

Non-statutory: Violations by a public servant/official of provisions set forth in this article and which are not matters of applicable federal, state and/or municipal laws, statutes or ordinances shall be construed and considered as violations of this article, and shall be dealt with as hereinafter prescribed.

(Ord. No. 2113, § 1, 7-6-04)

- **Sec. 2-11. - Enforcement; investigation; and hearings.**

(a)

Complaints; Filing and initial action. Any person, whether a public officer, public servant or a member of the general public, corporation, partnership, sole proprietorship or association, may file a complaint alleging a violation of this article by a public official covered under the provisions of this article. Such complaint shall be in writing and sworn to before a notary public. The complaint shall be filed with the city clerk who shall maintain the confidentiality of the complaint and complainant, and who shall subsequently refer the complaint to the Board in a prompt and expeditious manner. The city clerk shall also forward a copy of the confidential complaint to the external review counsel.

(b)

External review counsel. This individual shall review and investigate the submitted complaint pursuant to the procedures adopted for the investigation, filing and hearing of complaints to determine whether the complaint, as presented, is determined to be meritorious and warrants an official hearing. If such formal hearing is deemed warranted, the external review counsel shall refer the complaint to the Board. If the external review counsel determines that the complaint is frivolous or without merit, he or she shall submit to the city clerk a written statement so stating and recommending that the complaint be dismissed. Any complaint so dismissed shall maintain its confidentiality. The administration shall provide support resources as needed.

(1)

Investigation of complaints.

a.

Initiation. External review counsel shall initiate all investigations, whether upon complaint or otherwise. Investigations shall be conducted by external review counsel or referred to an appropriate assistant counsel or commissioned investigator for report and recommendations. Investigations, examinations and verifications shall be conducted so as to

preserve the private confidential nature of the investigation insofar as it is consistent with these rules and law.

b.

Disposition prior to formal investigation. If the complaint does not set forth allegations which if true state reasonable cause to believe that a violation of this article has been committed, external review counsel may dismiss the complaint, provided that all doubts shall be resolved in favor of conducting a formal hearing. Within 30 days after receipt of a complaint, if the allegations are serious enough to warrant a formal hearing, the external review counsel shall notify the person against whom the complaint is made (the respondent) of the nature of the complaint. Upon good cause shown to the Board, the Board may order the delay in notifying the respondent of the pending investigation. Upon the request of any person affected by a dismissal, or sua sponte, the chair of the Board may, at any time, order a further investigation of a complaint that has been dismissed by external review counsel.

c.

Procedure of formal investigation. Prior to the filing of a formal specification of charges with the board by external review counsel, the respondent shall always be advised of the general nature of the allegations and shall be given a fair opportunity to present any matter of fact or mitigation the respondent wants the external review counsel to consider. With the consent of the respondent, external review counsel may conduct any part of the investigation in the form of an informal hearing allowing parties to present evidence and requiring them to answer questions in compliance with this article.

d.

Investigation report. If external review counsel determines the file should be reviewed because of unique facts or allegations by a reviewing officer appointed by the chair of the board prior to a recommendation of dismissal or the filing of a specification of charges, external review counsel shall write a brief summary report to include the following:

1.

A summary statement of the facts of the situation with reference to the provisions of the Ethics Ordinance or other rule or law claimed to have been violated, and a statement of whether or not the external review counsel believes that there is probable cause to believe any violation has occurred;

2.

A statement of the opposing positions of the parties and of the facts external review counsel believes would find support in the evidence, together with an analysis of the probable result of a hearing in the event formal charges were filed;

3. The investigator's recommendations for further handling in accordance with this article.

e.

Special counsel; special board. If an investigation pursuant to section 2-11(a) of this article appears appropriate, whether upon complaint filed or otherwise, relating to external review counsel, a member of a hearing committee, or a member of the Board; relating to a spouse, parent, child or sibling of external review counsel or a board member; or relating to a partner or associate of a board member, the matter shall proceed in accordance with these rules except that:

- 1.

The board shall appoint a special counsel, who shall proceed in accordance with this article; and

- 2.

If the respondent is a member of a standard board or is a spouse, parent, child or sibling of a standard board member, the chair of the board or his/her designee, shall appoint a special board consisting of five members who have no affiliation with the respondent's standard board to hear the case and to report its findings, conclusions and recommendations directly to the governing body.

(2)

Formal charges; designation of hearing officer or committee.

a.

Initiation of proceedings. Formal proceedings shall be instituted by the filing of a specification of charges with the chairperson of the Board and the issuance by the chairperson of a formal notice to the respondent. A copy of the notice, together with a copy of the specification of charges shall be served upon the respondent.

b.

Contents of specification of charges. The specification of charges shall contain:

- 1.

A brief and plain statement of the charge, or if more than one, each of the separate charges of misconduct asserted against the respondent;

- 2.

The provisions of this article, statute or other law claimed to have been violated;

- 3.

The names and addresses of all known witnesses against the respondent;

4. The name and address of the particular external review counsel who is expected to prosecute the matter; and

5. Specification of charges shall be signed by external review counsel.

c.

Designation of hearing officer or committee and notice. Upon filing of the specification of charges, the chairperson of the Board, or designee, shall forthwith designate a hearing officer or a hearing committee to hear the matter, and shall mail copies of the specification of charges to the hearing officer or to the members of the committee. The hearing officer or hearing committee shall issue a formal notice to the respondent which shall advise him that formal charges of unprofessional conduct have been instituted against respondent and referred for hearing to a hearing officer or hearing committee giving the names and addresses of the members thereof and identification of its chairperson of the hearing committee. The notice shall formally advise the respondent of the following:

1.

The right to file an answer to the specification of charges;

2.

The facts alleged in the specification of charges shall be deemed admitted if not specifically denied by answer or if no answer is filed within the prescribed time, in which event the sole issue to be determined by the hearing officer or committee shall be the nature of the officer's or committee's recommendation of discipline to the Board after consideration of any facts in aggravation or mitigation of the respondent's fault;

3.

The right to be represented by counsel, to appear at all hearings, to confront and cross-examine the witnesses against him and to present relevant evidence in his/her own behalf;

4.

The right to the assistance of subpoenas to be issued at the respondent's request and to discovery in accordance with these rules; and

5.

Within ten days of receipt of notification of the designation of a hearing officer or the members of a hearing committee, the respondent has the right to object to the qualification of the hearing officer or any member of the hearing committee setting forth facts which establish that such member cannot impartially decide the matter. Any objection to the qualification of any member of the hearing committee to sit and deliberate upon the matter must be filed with the committee chairperson and will be passed upon by the

hearing officer or members of said committee in the exercise of their sound discretion. Any objection to the qualification of a hearing officer shall be to the chairperson of the Board. A hearing officer or any member of a hearing committee that is unable to sit impartially in any proceeding may withdraw upon the filing of a notice of recusal stating the reasons for the recusal.

d.

Service. Service of the specification of charges and formal notice shall be made upon the respondent in the manner prescribed by these rules. A copy of any procedural rules adopted by the governing body or the Board which have not been published in the list of city ordinances or rules shall be served on the respondent with the specification of charges. If service is by mail it shall be by certified mail, return receipt requested, directed to the respondent's address of record in the office of the city clerk and shall be complete upon receipt by the respondent, or five days after service or mailing, whichever is earlier.

(3)

Discovery. Upon a written showing of need, either party may apply to the hearing officer or chairperson of the hearing committee for permission to conduct discovery proceedings prior to the date set for formal hearing.

(4)

Hearings.

a.

Time for commencement. Within 30 days after the expiration of time for filing an answer, the hearing officer or chairperson of the hearing committee shall set a time and date for a formal hearing on the charges. The formal hearing shall be set no later than 120 days from the date of the expiration of time for filing an answer. Upon a showing of good cause, the chairperson of the Board may extend the time for the commencement of the hearing.

b.

Notice of hearings. The hearing officer or chairperson of the hearing committee shall give prompt written notice of the time and place of the hearings to the parties.

c.

Record of proceedings. The hearing officer or chairperson of the hearing committee shall arrange for the taking of a record of all evidence received during the course of the hearing. The expense for the transcript of proceedings shall be paid for by the city, but may be assessed against the respondent. The record in all hearings may be taken on an audio recording device approved by the administrative office of the courts or the chairperson of the hearing committee shall arrange for a stenographic record of the proceedings to be prepared. The hearing officer or committee shall cause a copy of the record to be filed with the Board,

together with the hearing committee's file of all pleadings and other material submitted to it and all exhibits. The record of the hearing shall comply with the Rules Governing the Recording of Judicial Proceedings.

d.

Procedure of hearings. Formal hearings will proceed in the following manner:

1. Formal hearings will be adversarial in nature, prosecuted by external review counsel and determined by the hearing officer or a majority vote of the hearing committee. The chairperson of the Board or, in emergencies, the vice chairperson of the Board, may designate another hearing officer or members of another committee to substitute for any absent or disqualified hearing officer or member, if necessary;
2. All witnesses shall be sworn;
3. External review counsel shall present evidence in support of all allegations in the specification of charges, followed by the respondent's evidence;
4. The hearing officer or committee chairperson shall preside and shall make rulings upon questions of admissibility of evidence and conduct of proceedings;
5. The hearing officer and all committee members may ask questions of any witness, including the respondent, at any stage of the proceedings;
6. Hearings may be adjourned from time to time at the discretion of the hearing officer or chairperson of the hearing committee;
7. The complaining witness or witnesses, the respondent, respondent's attorney and external review counsel may be present throughout the formal hearing. Other witnesses may be excluded, except when testifying, at the discretion of the chairperson of the committee; and
8. Within ten days after the conclusion of the hearing or within a time period otherwise agreed to by the parties and the hearing officer or committee, both parties shall have the right to submit proposed findings and conclusions after which the hearing officer or hearing committee shall consider the case and shall, within 30 days after the requested findings and conclusions are submitted, prepare, sign and transmit to the external review board its findings of fact, conclusions

of law and recommendations for discipline or other disposition of the matter. Upon the request of the hearing officer or chairperson of the hearing committee and upon a showing of good cause, the chairperson of the external review board may extend the time for preparation and transmission to the external review board of the hearing officer or committee's findings of fact, conclusions and recommendations, which request may be made before or after the 30 days, but such extension shall not exceed an additional 60 days without a further showing of good cause.

e.

Notice of findings, conclusions and recommendations. Upon the filing with the chairperson of the Board the record of the formal hearing and the findings of fact, conclusions of law and recommendations of any hearing officer or hearing committee, the chairperson of the Board shall give written notice of the filing date thereof with copies of the findings, conclusions of law and recommendations to external review counsel, the respondent and counsel for the respondent. The respondent may request a copy of the record of proceedings directly from the reporter and at the respondent's own expense. At the same time, the chairperson shall advise the parties that they have ten days from the date of mailing of the findings, conclusions and recommendations to request oral argument or permission to submit briefs before the Board if they wish to do so, and shall advise them of the names of the members of the panel of the board that will be designated to consider the matter.

f.

Record defined. As used in this article, "record" means:

1.

Any tape which was recorded by an audio recording device. Where the transcript of the proceedings is a tape, the hearing officer or chairperson of the hearing committee shall cause an index log to be prepared for the tape. The tapes shall not be transcribed for purposes of an appeal;

2.

A statement of facts and proceedings stipulated to by the parties for purposes of review; or

3.

Stenographic notes which must be transcribed when a "record" is required to be filed.

(Ord. No. 2113, § 1, 7-6-04)

- **Sec. 2-12. - Consideration by the ethics ordinance enforcement board.**

(a)

Appointment of hearing panel. Upon receipt of the findings of fact, conclusions of law and recommendations of the hearing officer or hearing committee, the chairperson of the Board shall appoint one or more members of the Board to serve as a hearing panel, with one appointed member designated as the chairperson.

(b)

Submission of briefs and requests for oral argument. On written request of a party or a panel member, the chair of the panel may allow oral argument or submission of briefs. Requests for oral argument and for submission of briefs shall be filed with the panel chair within ten days after service of the findings of fact, conclusions and recommendations of the hearing committee and shall state with specificity the issues to be addressed in the proposed argument or brief.

(c)

No additional evidence before the panel. The panel shall consider only evidence in the record of the hearing committee. No additional evidence will be admitted at the hearing before the panel.

(d)

Oral argument. When oral argument is allowed, the party requesting the oral argument shall proceed first, but may reserve a portion of the allotted time for rebuttal. The amount of time for oral argument may be determined by the panel.

(Ord. No. 2113, § 1, 7-6-04)

- **Sec. 2-13. - Ethics ordinance enforcement board decision.**

Within 30 days, following the submission of briefs or oral argument or receipt of the panel's findings and recommendations, whichever date is last; the panel shall render its decision. Upon a showing of good cause, the chairperson of the panel may extend the time within which the decision must be rendered by the panel. The panel may accept, reject or modify or increase the sanctions contained in the recommendations of the hearing officer or hearing committee. The panel is not restricted to the findings of the hearing committee and may render its decision based upon the record and any additional findings that it may make. The decision of the panel will be carried out by the Board in the following manner:

(1)

Dismissal. In the event of a dismissal, the Board shall so notify the complainant, the respondent, their respective counsel, and external review counsel;

(2)

Public reprimand or censure; probation. In the event of a determination of public reprimand or censure by the Board or probation, the Board shall arrange for the respondent to appear before the Board, and the chairperson of the Board or his/her designee shall deliver the reprimand orally and in writing. Copies of

the written reprimand shall be delivered to the respondent, his/her counsel and external review counsel;

(3)

Suspension. In the event of a determination by the board to recommend suspension by the governing body, it shall prepare its written report and recommendations over the signature of the chairperson of the board, or at his/her option, the chairperson of the reviewing panel and transmit the same with three copies of the entire record of the hearing and the pleadings filed in the proceedings to the clerk of the governing body. A copy of the report and recommendations shall be served on the respondent and his/her attorney, if any.

(Ord. No. 2113, § 1, 7-6-04)

• **Sec. 2-14. - Review by the governing body.**

(a)

Decisions subject to review. There are three methods for seeking review by the governing body of a recommendation or decision of the board:

(1)

If the decision recommends public censure by the governing body, suspension, removal, or the filing of an action with the district court, a respondent may request a hearing before the governing body by filing a request for hearing with the city clerk within 15 days of service of the decision and recommendations of the board on the respondent. The governing body shall thereafter set a hearing in accordance with these rules;

(2)

If the decision of the board is to assess costs, to impose a formal public reprimand by the board or to impose probation, within 15 days of service of the decision, the respondent may petition the governing body for a hearing, which the governing body, in its discretion, may grant. The petition must allege one of the following:

a.

The decision of the board is in conflict with a prior decision of the governing body;

b.

A significant question of law is involved;

c.

There is no substantial evidence in the record to support a material finding of fact upon which the decision of the Board is based; or

d.

The petition involves an issue of substantial public interest that should be determined by the governing body; or

(3)

If the decision of the board is to dismiss the charges, within 15 days of service of the decision, external review counsel may petition the governing body for a hearing, which the governing body, in its discretion, may grant. The petition must allege one or more of the following:

a.

The decision of the board is in conflict with a prior decision of the governing body;

b.

A significant question of law is involved;

c.

There is no substantial evidence in the record to support a material finding of fact upon which the decision of the board is based; or

d.

The petition involves an issue of substantial public interest that should be determined by the governing body.

(b)

Procedure. If a hearing is held in accordance with this rule, the city clerk shall notify the respondent and external review counsel of the time and place of the hearing. Proper notice shall be presumed by mailing to the address on file in the clerk's office. Briefs shall be submitted only if requested by the governing body. In this event, the city clerk will advise the parties of dates when their respective briefs must be submitted and the issues which are to be addressed.

(c)

Failure to request a hearing. If, within 15 days from the date that the recommendations of the board are served, a respondent has not requested or petitioned for a hearing with the governing body in accordance with this rule, and:

(1)

The recommendation is for public censure by the governing body, removal or the filing of an action with the district court, the governing body may issue its report accepting the recommendations of the Board or it may take such other action as it deems appropriate;

(2)

The decision is to impose a formal reprimand by the board or probation; the board may publish the public reprimand or place the respondent on probation in accordance with its decision.

(d)

Governing body decision. The governing body, in its discretion and under such conditions as it may specify, may:

(1)

Reject any or all of the findings, conclusions or recommendations of the board;

- (2) Accept any or all of the findings and conclusions of the board;
- (3) Impose the discipline recommended by the board or any other greater or lesser discipline that it deems appropriate under the circumstances including disbarment; or
- (4) Impose probation or other conditions as a type of discipline by itself or may defer the effect of the discipline imposed.

(Ord. No. 2113, § 1, 7-6-04)

• **Sec. 2-15. - Penalties.**

Upon recommendation of the hearing officer or the board, the governing body may:

- (1) Issue a public reprimand to the public official;
- (2) Reprimand, seek removal of or suspend from office the appointed or employed public servant/official;
- (3) Impose a period of probation and impose conditions it deems appropriate;
- (4) Refer, where appropriate, the complaint to the district attorney's office for investigation and prosecution;

File a complaint with the district court seeking removal of an elected public servant/official.

(Ord. No. 2113, § 1, 7-6-04)

From the New Mexico Statutes:

§ 10-16-1. Short title

Chapter 10, Article 16 NMSA 1978 may be cited as the "Governmental Conduct Act".

§ 10-16-2. Definitions

As used in the Governmental Conduct Act:

A. "business" means a corporation, partnership, sole proprietorship, firm, organization or individual carrying on a business;

B. "confidential information" means information that by law or practice is not available to the public;

C. "contract" means an agreement or transaction having a value of more than one thousand dollars (\$1,000) with a state or local government agency for:

- (1) the rendition of services, including professional services;
- (2) the furnishing of any material, supplies or equipment;
- (3) the construction, alteration or repair of any public building or public work;
- (4) the acquisition, sale or lease of any land or building;
- (5) a licensing arrangement;
- (6) a loan or loan guarantee; or
- (7) the purchase of financial securities or instruments;

D. "employment" means rendering of services for compensation in the form of salary as an employee;

E. "family" means an individual's spouse, parents, children or siblings, by consanguinity or affinity;

F. "financial interest" means an interest held by an individual or the individual's family that is:

- (1) an ownership interest in business or property; or
- (2) any employment or prospective employment for which negotiations have already begun;

G. "local government agency" means a political subdivision of the state or an agency of a political subdivision of the state;

H. "official act" means an official decision, recommendation, approval, disapproval or other action that involves the use of discretionary authority;

- I. "public officer or employee" means any elected or appointed official or employee of a state agency or local government agency who receives compensation in the form of salary or is eligible for per diem or mileage but excludes legislators;
- J. "standards" means the conduct required by the Governmental Conduct Act;
- K. "state agency" means any branch, agency, instrumentality or institution of the state; and
- L. "substantial interest" means an ownership interest that is greater than twenty percent.

§ 10-16-3. Ethical principles of public service; certain official acts prohibited; penalty

- A. A legislator or public officer or employee shall treat the legislator's or public officer's or employee's government position as a public trust. The legislator or public officer or employee shall use the powers and resources of public office only to advance the public interest and not to obtain personal benefits or pursue private interests.
- B. Legislators and public officers and employees shall conduct themselves in a manner that justifies the confidence placed in them by the people, at all times maintaining the integrity and discharging ethically the high responsibilities of public service.
- C. Full disclosure of real or potential conflicts of interest shall be a guiding principle for determining appropriate conduct. At all times, reasonable efforts shall be made to avoid undue influence and abuse of office in public service.
- D. No legislator or public officer or employee may request or receive, and no person may offer a legislator or public officer or employee, any money, thing of value or promise thereof that is conditioned upon or given in exchange for promised performance of an official act. Any person who knowingly and willfully violates the provisions of this subsection is guilty of a fourth degree felony and shall be sentenced pursuant to the provisions of Section 31-18-15 NMSA 1978.

§ 10-16-4. Official act for personal financial interest prohibited; disqualification from official act; providing a penalty

- A. It is unlawful for a public officer or employee to take an official act for the primary purpose of directly enhancing the public officer's or employee's financial interest or financial position. Any person who knowingly and willfully violates the provisions of this subsection is guilty of a fourth degree felony and shall be sentenced pursuant to the provisions of Section 31-18-15 NMSA 1978.

B. A public officer or employee shall be disqualified from engaging in any official act directly affecting the public officer's or employee's financial interest, except a public officer or employee shall not be disqualified from engaging in an official act if the financial benefit of the financial interest to the public officer or employee is proportionately less than the benefit to the general public.

C. No public officer during the term for which elected and no public employee during the period of employment shall acquire a financial interest when the public officer or employee believes or should have reason to believe that the new financial interest will be directly affected by the officer's or employee's official act.

§ 10-16-11.1. State agency or local government agency authority

Nothing in the Governmental Conduct Act shall be construed to preclude a state agency or local government agency from adopting and publishing ordinances, rules or standards that are more stringent than those required by the Governmental Conduct Act.

§ 10-16-14. Enforcement procedures

A. The secretary of state may refer suspected violations of the Governmental Conduct Act to the attorney general, district attorney or appropriate state agency or legislative body for enforcement. If a suspected violation involves the office of the secretary of state, the attorney general may enforce that act. If a suspected violation involves the office of the attorney general, a district attorney may enforce that act.

B. Violation of the provisions of the Governmental Conduct Act by any legislator is grounds for discipline by the appropriate legislative body.

C. If the attorney general determines that there is sufficient cause to file a complaint against a public officer removable only by impeachment, he shall refer the matter to the house of representatives of the legislature. If within thirty days after the referral the house of representatives has neither formally declared that the charges contained in the complaint are not substantial nor instituted hearings on the complaint, the attorney general shall make public the nature of the charges, but he shall make clear that the merits of the charges have never been determined. Days during which the legislature is not in session shall not be included in determining the thirty-day period.

D. Violation of the provisions of the Governmental Conduct Act by any public officer or employee, other than those covered by Subsection C of this section, is grounds for

discipline, including dismissal, demotion or suspension. Complaints against executive branch employees may be filed with the agency head and reviewed pursuant to the procedures provided in the Personnel Act. Complaints against legislative branch employees may be filed with and reviewed pursuant to procedures adopted by the New Mexico legislative council. Complaints against judicial branch employees may be filed and reviewed pursuant to the procedures provided in the judicial personnel rules.

E. Subject to the provisions of this section, the Governmental Conduct Act may be enforced by the attorney general. Except as regards legislators or statewide elected officials, a district attorney in the county where a person resides or where a violation occurred may also enforce that act. Enforcement actions may include seeking civil injunctive or other appropriate orders.

Reference "1"
Chris Erickson

Minimum wage will have little effect on overall economy
Workers are winners; businesses, consumers are losers

By Chris Erickson

Minimum wage is the topic de jour in Las Cruces. When people find out I'm an economist, it's the first question they ask. Friends from other cities are emailing me about it. My wife even is interested.

Two proposals are currently under consideration. One is a proposal to raise minimum wage to \$8.50 per hour. The other, proposed by the activist group New Mexico Comunidad en Accion y de Fe (CAFÉ), would raise minimum wage to \$10.10.

What everyone wants to know is, "What will be the effect of raising the minimum wage on the economy?"

And the answer is: "Not much!" That conclusion may be surprising to many of you, yet that is the conclusion that a spate of empirical studies over the last two decades.

For example, like most economists until recently, I've argued that minimum wage hurt the poor by eliminating jobs. After all, if you increase the price of something, demand falls. The only problem with this analysis is that it isn't supported by the data. There appears to be very little impact, if any, on employment from an increased minimum wage. Faced with the facts, I've had to re-evaluate my views on minimum wage.

While the overall economy won't be much affected, there will be winners and losers. My guesstimate is that an increase in minimum wage to \$10.10 per hour will increase overall production costs by something like 3% to 5%. Of course, cost increases for some businesses will be much more, for others less. Someone has to pay for these higher costs and it will be either businesses, consumers, or most likely both.

Here is the crux of the controversy. Minimum wage takes from consumers and business owners, and gives to low-wage workers. When deciding between winners and losers—workers, consumers, business people—the issues are not about efficiency, about which economists are specialists, but about fairness, which means that economists aren't much help. You're better off consulting a philosopher or even a clergy.

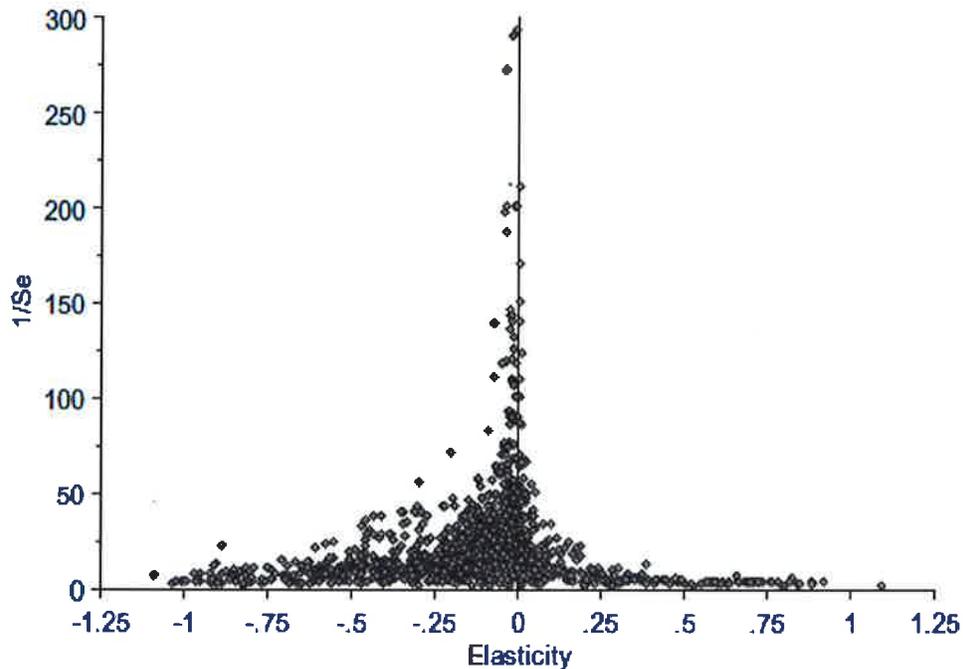
Of course, one obvious solution is to rely on the free market. After all, government imposed minimum wage reduces the freedom of both employee and employer to enter into free agreed to contracts. But relying on the market assumes workers are in a position to negotiate on an equal footing with business. In the real world, very often low-wage workers aren't in a position to negotiate equally with employers. They tend to be younger, not as well educated, perhaps suffering from physical or mental deficits. These are not people who can go toe to toe in negotiations.

When talking about fairness, there is another issue at least when it comes to baby boomers like myself, which is that the minimum wage is really very low right now, especially when compared

to when we were young. I earned \$1.60 per hour at my first job in the early 70's. That wage, adjusted for inflation is—guess what--\$10.10 an hour today.

Christopher A. Erickson, Ph.D., is professor of economics at NMSU. He has taught economics for 30 years. Opinion expressed may not be shared by the regents or administration of NMSU. Chris can be reached at chrerick@nmsu.edu.

FIGURE 2
Trimmed Funnel Graph of Estimated Minimum-Wage Effects ($n = 1,424$).



Source: Hristos Doucouliagos and T. D. Stanley (2009). Publication bias in minimum-wage Research? A meta-regression analysis. *British Journal of Industrial Relations* 47(2): 406-428.

The above diagram is a graphical summary of 1434 different studies on minimum wage published in academic journals.

Interpreting the diagram:

- Each dot represents a different study.
- Dots to the left indicate that the study found a negative impact of minimum wage on employment.
- Dots to the right indicate the opposite, that minimum wage increased employment.
- The higher up the dot, the more accurate the study.

Summary:

- Slightly more studies show a negative effect of minimum wage on employment than a positive effect but this can be accounted for by publication bias.
- The more accurate studies cluster around zero

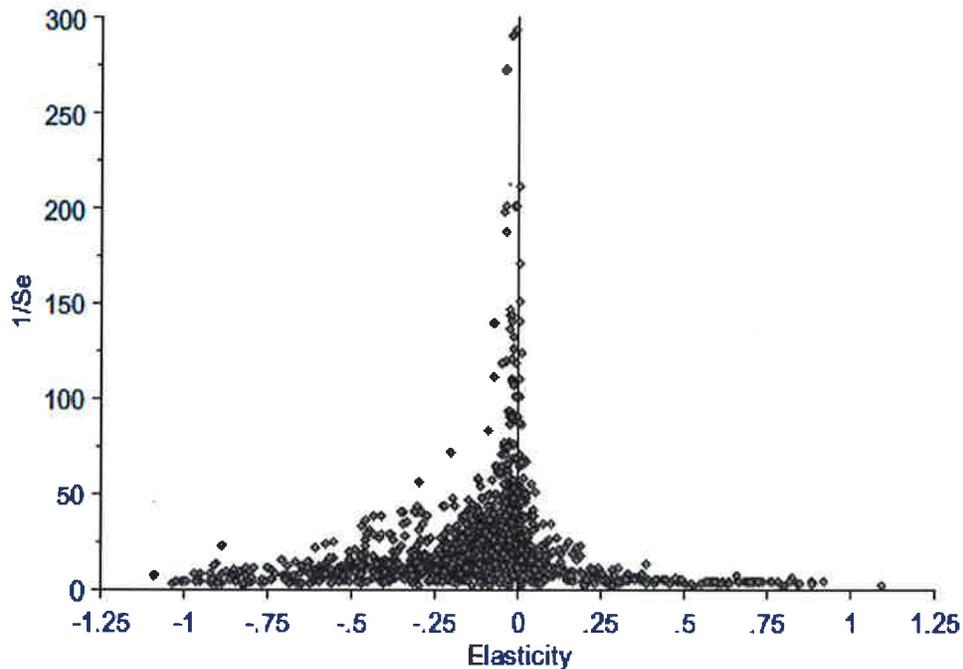
Conclusion:

- There is little evidence that minimum wage adversely affects employment, at least based on these 1434 studies.
- Even if there is an impact of minimum wage on employment, it is likely to be small.

Glossary:

- **Trimmed Funnel Graph:** A diagram that relates the accuracy of a study to its results.
- **Elasticity:** The sensitivity of employment to changes in minimum wage.
- **Se:** Standard error. The larger the standard error the less accurate the study. Thus the larger is $1/Se$ the more accurate the study.

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Reference "2"
Ronald Cauthon

From: Ronald Cauthon <ronandvi237@gmail.com>
Sent: Monday, October 13, 2014 4:03 PM
To: Robert Garza
Subject: Email City Manager

Ref: Minimum Wage Ordinance

Mr. Garza:

You requested comments from the public concerning the subject ordinance. My husband and I along with scores of other citizens have made comments, written letters to the Council and published letters in the Sun-News in support of an increased minimum wage. We will be out of town on the 27th. Our support is based on our own working experiences, that low-wage workers do *not* have the option of "negotiating" pay. We have both worked some temp jobs (in retirement) that were just barely over minimum. We did not get rich doing so.

We ask that the Mayor and the City Council follow the law by voting off the books the June ordinance. Then, we expect the initiative petition to be accepted as is.

There are two very good reasons for the ordinance to go into effect: No. 1 is that our economy is in a very slow recovery due in part to wages being stagnant and, No. 2: a local business community that is failing to see that their lack of vision is keeping our community known as a poor community and one that is not moving forward. As far as I can tell, the GLC Chamber of Commerce focuses solely on giving businesses tax breaks and incentives while totally ignoring the needs of this County's workers, the ones who produce the profit for those businesses. I am surprised that their business plans seem not to include rising costs; of supplies, of transport, of insurance premiums, etc., and state that a higher wage is what will fail their business. I am sure a good manager with a good management team will figure out that paying a better wage has positive effects; the most important is

retention, for training new workers is a personnel cost. Then, there's the multiplier of more dollars in circulation effect.

The forward move for better wages is happening all over this country. Las Cruces and its business community should move forward in agreement.

Violet and Ronald Cauthon
2117 Sugar Pine Way
373-0571

From the New York Times:

Raising the Minimum Wage, City by City

By THE EDITORIAL BOARD OCT. 11, 2014

(Reprinted from *The New York Times*)

(Continue reading the main story)

Stagnating wages and widening inequality are the central economic challenges of our day. Without wage growth, the gains from economic expansion — as measured by income and wealth — become increasingly concentrated at the top of the economic ladder in a self-reinforcing process that makes broad prosperity impossible.

With Congress unwilling to address those challenges, the states have picked up some of the slack. Currently, for example, 26 states and the District of Columbia have, or soon will have, raised their minimum wage above the paltry federal minimum of \$7.25 an hour.

Even so, these more robust state minimums tend to cluster around \$8 to \$10 an hour, which is better than \$7.25, but still lower than the \$11 to \$18 an hour that is needed to bring minimum wages in line with relevant benchmarks, including the cost of living, average wages and labor productivity.

That is where cities have come in, with mayors, city governments and grass-roots organizations emerging as the true leaders in efforts to raise wages from the bottom up.

In November, ballot measures in San Francisco and Oakland will let voters decide on raising their cities' minimum wages. In San Francisco, the push is for \$15 an hour by 2018, up from \$10.74 and equal to the nation's highest citywide minimum, which was enacted recently in Seattle. In Oakland, which does not have its own minimum wage now, the goal is \$12.25 an hour by 2015.

Other big cities are also in the process of raising their hourly minimums. In Los Angeles, the City Council has called for \$13.25 an hour by 2017 and for a study to chart a path to \$15.25 by 2019. In Chicago, city aldermen have proposed \$15 by 2016 for large employers, significantly higher than the \$13 by 2018 championed by Mayor Rahm Emanuel.

New York City, by comparison, is lagging, even though its higher cost of living and greater labor productivity should result in a higher minimum than elsewhere.

New York state law does not permit local governments to set minimums independent of the state, where the minimum, now a mere \$8 an hour, is scheduled to rise to a measly \$9 by 2016. (Ten states and the District of Columbia have legislated minimums higher than that.)

In a recent election-year about-face, Gov. Andrew Cuomo pledged to support a gradual increase in the state minimum to \$10.10 and to push for a new law to let New York City and other localities set minimums as much as 30 percent higher than the state level, or \$13.13 if the state minimum rises to \$10.10.

Mayor Bill de Blasio, for his part, recently issued an executive order to require businesses that receive substantial city subsidies to pay a “living wage” of at least \$13.13 an hour if they don’t offer benefits, or \$11.50 if they do, up from \$11.90 and \$10.30, respectively. The living-wage increase is expected to help 18,000 workers over the next five years. It is also expected to help Mr. de Blasio frame the coming debate in Albany over whether to give him the power to raise the city’s overall minimum wage.

Yet despite these efforts, it is important to realize that a state minimum of \$10.10 at some future date and a city minimum of \$13.13, while better than the status quo, would still be too low. The New York State minimum would be \$11.11 an hour today if it had simply kept up with inflation. It would be even higher if it had kept up with labor productivity.

As for New York City, \$13.13 an hour is well below the self-sufficiency standards that budget experts use to gauge how much families need to meet basic daily expenses. These standards show that a family in the Bronx in 2010 with two adults and two young children needed each adult to make at least \$15.69 an hour; higher hourly minimums were needed in most of Manhattan and the other boroughs.

Minimum wages have been so low for so long that any increase looks good by comparison. But New York State and New York City are lagging, not leading, in the drive for higher wages, a fact that becomes more glaring as other cities engage in the fight for \$15 an hour.

Reference "3"
Peter Ossorio

From: PETER OSSORIO Owner <peterossorio@centurylink.net>
Sent: Monday, October 20, 2014 9:26 AM
To: Ken Miyagishima; Miguel G. Silva; Greg Smith; Olga Pedroza; Nathan P. Small; Gill Sorg; Ceil Levatino
Cc: Robert Garza
Subject: Work Session 27 October
Attachments: Minimum Wage 102017.docx

Mr. Mayor and Councilors:

Attached is a letter to the Council as a body -- and to each of you in your individual capacities -- which I would like you to consider in conducting the work session on the minimum wage ordinance scheduled for 27 October.

Thank you,

Peter M. Ossorio

Peter M. Ossorio
5758 Lost Padre Mine Rd.
Las Cruces, NM 88011
peterossorio@centurylink.net (575) 522-3112
20 October 2014

Las Cruces City Council
700 Main Street
Las Cruces NM 88001
(via E-mail)

RE: Work Session on 27 October 2014

Dear Mayor Miyagishima and Councilors:

First, I wish to thank several of you who responded to various E-mail questions and comments of mine following the 15 September meeting.

Secondly, while some of my comments may sound similar to recent statements from other members of the community, they are my own conclusions and suggestions and are not “talking points” derived from or coordinated with others who have spoken out.

As you begin your work session, it seems to me that there are two preliminary matters upon which the Council is in overwhelming – if not unanimous – agreement: (1) **Although, it may or may not be legally necessary to explicitly repeal the Council’s previous minimum wage ordinance, to avoid any ambiguity or unnecessary contentiousness, the Council should do so before considering any other actions regarding minimum wage legislation;** and (2) regardless of your individual views about an appropriate minimum wage ordinance for Las Cruces, **you believe that if the Council had not passed the “ten-ten” ordinance, the voters of Las Cruces would have passed it in November.** (I reach the latter conclusion because of your individual comments and votes on ten-ten on 8 September: If those who do not want a \$10.10 minimum wage had believed that it would not pass, they could have simply let the voters reject it, thereby avoiding the present situation and any possibility of uncertain, costly litigation; those who favor a \$10.10 minimum wage but voted against adopting the ordinance – in effect voting to send it to the voters – obviously thought that it would pass.)

In 34 years of government service, I constantly had to distinguish between two related – but critically distinct – concepts: legality and legitimacy. I was commander of five different Army units over the years, as well as a federal prosecutor appearing before dozens of judges and juries and negotiating hundreds of plea agreements with defendants and their counsel. Army regulations and federal statutes and rules conferred considerable discretion in my making

decisions and taking actions which were perfectly “legal.” However, I quickly learned as a shiny new lieutenant that just because I could legally give a particular order to a grizzled sergeant, that did not necessarily make that order legitimate in the eyes of the troops. “Because I can” was rarely the right answer to maintain morale in an Army unit or the confidence of judges, juries, and opposing counsel. In short, **while ensuring that an action is legal, it is also important that it be widely perceived as legitimate.** Further – and this is the key to my primary suggestion for the coming work session – once legitimacy regarding a decision is lost, it can rarely be regained.

During my first tour in Viet-Nam, about two months after the Tet offensive in 1968, I was nearly killed in a mortar attack. A more experienced lieutenant in our tent heard the distinctive low thud of the mortar round leaving the tube; because of a mortar’s high arching trajectory, there are a few seconds before it lands and explodes. Without waiting to put on any clothes, I dived into the bunker built into the side of the tent; the lieutenant who yelled “incoming” and saved my life was about a second slower and died. I still have the jungle fatigues which were hanging above my cot – with multiple holes from the fragments which made them look like they had been eaten by moths. I seldom share this story, but do so now to try to impress upon you that it is rarely necessary to act as rapidly as other people urge.

My experience was the rare emergency exception. At your work session, **there is no need at this time for you to hastily jeopardize your individual and collective legitimacy** in the eyes of what you yourselves apparently believe would have been a majority of the voters. **Please publically commit to not interfering with the first phase of the ordinance which becomes effective 1 January 2015.**

Regardless of what you currently think is the right minimum wage for Las Cruces or you may later conclude after the opportunity for additional study, public input, and documented effects from the first phase, there is no compelling emergency worth losing the confidence of a majority of voters and trading *legitimacy* for a costly and uncertain determination of the *legality* of your actions.

Between January and July 2015, there is ample opportunity for the Council to ask the assistance of the chambers of commerce, Café, and any interested member of the public to provide verifiable data on the actual impact of an \$8.40 minimum wage. **There is time to rebuild trust and generate credibility for any possible future changes to the ordinance through monthly, data-driven reports from staff and public input.** Simply by way of example, I would not categorically reject discussion of possible “carve outs” or “two-tiers” or “stretch outs” for small and family businesses. Frankly, I do not know the magic number of employees which would be widely viewed as legitimately triggering an exclusion from or reduction of or delay of the minimum wage in order to protect local businesses from being steamrolled by mega-corporations. Nor does, I suspect, the Council. I have no idea how Café, the chambers, or

others would feel about specific exemptions or reductions or delays --- but, again, I suggest that the Council should not burn any bridges prematurely.

While I urge you not to act precipitously to change the dates, amounts, or coverage of the ten-ten ordinance, each of you through **your individual comments as councilors can provide a valuable public service at the work session. Please announce that whatever actions you may or may not take in the future, you will not agree to make *any* changes before April 2015.**

Many businesses probably don't like the specific timing and amount of the first phase of the ordinance – but they like uncertainty and instability even less. A responsible business person needs to be able to plan. S/he faces enough uncertainties in the market place; wondering whether some judge is going to reject or uphold (possibly even retroactively) a key element of personnel costs is a burden which none of you should impose. Three months of verifiable experience after January, combined with three months' notice of whether any changes will be made in July 2015, will provide everyone with some stability and predictability.

The minimum wage workers of Las Cruces deserve to know on the 27th whether they can make Christmas purchases next month with the assurance that, when the bills hit at the beginning of the New Year, they really will have an increased wage. **Your personal, public commitment will make a real difference for thousands of Las Cruces. In many cases, it may make the difference whether there is anything under the tree – or whether there even is a tree.**

If you have read this far, I thank you -- and won't reiterate the reasons why I personally fully support ten-ten. I will stress, however, that this issue has become transcendent and far more important than any substantive result; it goes to the heart of the democratic process and the legitimacy of this Council. **Have the courage to give the petitioners and a majority of voters what they had a right to *legitimately*, if not *legally*, expect.** Monitor the first-phase results closely and gather more input before considering altering the ordinance which you so recently passed.

Thank you for your time. I look forward to hearing each of you on the 27th publically announcing whether you will or will not vote for *any* changes to the ordinance before April 2015.

Sincerely,

Peter M. Ossorio

Cc: City Manager (Please provide printed copy in each Councilor's packet)

Reference "4"
Bob Hearn

Memo

From Bob Hearn

To Anyone who is interested

Subj Extended Look at Minimum Wage

News Release – Las Cruces passes City Minimum Wage Law. How does it work?

According to City Spokespeople –

The City decided, in its total compassion, involving all of its citizens, that everyone working in the City should be paid at least \$10.10 per hour. The new City law forces every business owner or operator to pay at least this much.

So, say a new employee is to be hired in the City. The business owner must start that new employee off at \$10.10 per hour.

Question – does the new employee have to show a need for that level of pay?

City – NO. The City is all heart, so our law says the business person must pay that much, whether the employee needs it or not.

Question – what if there are two or more people in the same household with similar jobs? That would create a household making \$40,000 to \$60,000 a year. Is that OK?

City – YES, definitely. We are all about Quality of Life here in Las Vegas, oops, I mean Las Cruces, and whatever these folks can get paid is fine.

Question – That works well for the employees. Since the WHOLE CITY is so behind this effort, does the WHOLE CITY kick in to help the business owners pay for the extra money these folks get paid?

City – Heavens NO – we all know the businesses are wealthy, and can take this added expense out of pocket with no trouble. We just think of it as their contribution to the welfare of everyone, and their chance to express the Now, if that's all, I need to run – got a golf game this afternoon.

That worked so well a month later – Las Cruces Passes Minimum Food Law

The City decided, in its total compassion, involving all of its citizens, that everyone buying groceries in the City should receive all of the groceries needed each month by a family of four, regardless of their family status, or ability to pay.

So, say a City resident is going through the line at a Grocery Store in the City, with the groceries typical for a family of four, but he or she can't pay for all of them. Then our law, expressing the full heart of our citizens, says the owner of the Grocery Store must provide those groceries to the shopper for free.

Question – what if there is only one single person living alone, or two or three people living in a family. Does each get the full load of groceries for a family of four?

City – YES. That is the size of our heart. We are a totally compassionate City.

Question - Question – That works well for the employees. Since the WHOLE CITY is so behind this effort, does the WHOLE CITY kick in to help the Grocery Store owners pay for the extra money these folks get paid?

City – Heavens NO – we all know the Grocery Stores are wealthy, and can take this added expense out of pocket with no trouble. We just think of it as their contribution to the welfare of everyone, and their chance to express the Now, if that's all, I need to run – got a golf game this afternoon.

Later on, the City passed the Las Cruces Minimum Medical Care Law

Substitute Doctor for Grocery –

Later on, the City passed the Las Cruces Minimum Rent Law

Substitute Property Owner for Doctor –

And the beat goes on –

I think the analogies are quite reasonable. The City TAKES, by LAW, from business people and hands out to others WITHOUT ANY SORT OF MEANS TESTING OR REQUIREMENTS OR LIMITATIONS in the name of Generosity.

Do we all know that there is virtually no other subsidy or welfare program that is free of all means testing and requirements? Food provided in pantries; Medical care; Rent subsidies; Affordable Housing; Food Stamps; Unemployment; - on and on, they ALL are tested and passed out with controls and records.

We need to think this all the way through -

Bob

September 9, 2014

From: Bob Hearn

To: The Editor, SunNews

Subj: Dealing with Minimum Wage

As a compassionate society, we recognize that some of our citizens do not have adequate access to the resources and services they need, and we provide assistance with programs like food stamps; rent subsidies, affordable housing, child care support, Medicaid, and unemployment, among others.

In each case, these programs are established by law, and funded by federal or state taxes so that the assistance is provided by those who can afford it, to those who need it.

The Minimum Wage is a curious exception. The program is established by law, recognizing that some do not earn enough to afford life's necessities. So through our governments we decide on a fair minimum amount that nearly all working people should be paid, above the market rate, called the Minimum Wage. To this point this program is much like all the others, but this program is different in the way it is funded.

We don't make the grocer pay for the food provided by food stamps; we don't make the landlord provide low-cost rent; we don't force the doctors to pay part of the cost of their patients' medical care; and we don't make the day-care centers provide their services at low cost to those who can't afford them. All of these programs are funded from taxes, collected from all of us.

But for the Minimum Wage, instead of paying the cost of that assistance with taxes, to which all contribute, our laws force the businesses who employ these workers to pay the extra amount. And many of these businesses, especially the small, local ones, are struggling to make ends meet, while they compete with Walmart and Dollar General, et al. Is that fair? If we all decide to raise the pay of the lowest wage earners that's fine, and in complete concert with providing assistance to those in need. But shouldn't we all, then, pay the cost of that assistance, out of the taxes we pay?

By forcing some businesses to raise their payroll costs to pay for the Minimum Wage program, we cause the unfortunate discussions we are having now, which set "single moms in poverty" against the "greedy business owner", and we divide our community as we all try to do good.

As we ask Las Cruces to show its heart and vote for a raise in the Minimum Wage, we are really asking to vote to force some of our businesses, small and large, to pay their employees more. Then the discussion turns from helping people to - Will employment fall? Will businesses be forced to close? Will the local economy grow or shrink? Will large national chain businesses

prosper at the expense of small, local businesses? Are the businesses prospering at the expense of the workers? That's not really anyone showing heart.

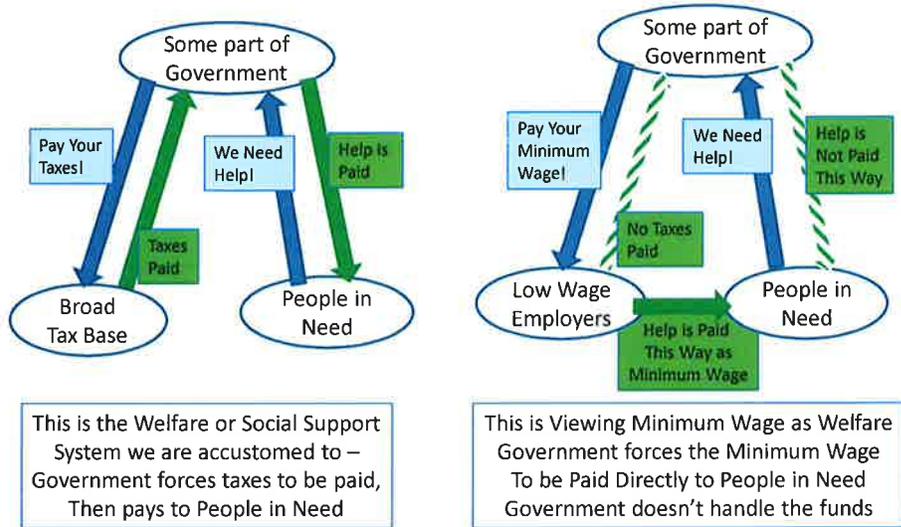
If we were voting on a tax increase to pay for the Minimum Wage increase, would it all seem the same? When was the last time we had such passionate discussions over unemployment insurance, or food stamps?

But today, businesses are paying the extra cost of an increased Minimum Wage, and that's our focus. Increasing the Minimum Wage clearly benefits some workers in need and is a good thing to do; but the benefits of that increase must be balanced against the total costs to the businesses who are forced to pay for it. That's only right and fair. Achieving a significant increase in the Minimum Wage while keeping the effects on the businesses manageable is a real contribution to the welfare of the community.

It looks like the City Council may be at that point now, as they come to grips with the need to rationalize the two city Minimum Wage ordinances. One offers higher increases and higher costs than the other – is there a middle ground? This is the sort of problem they are elected to deal with – it's hard, there are strong feelings on both sides, and there is a lot at stake; but there really are two valid points of view, and they each deserve to be heard and accounted for in reaching a solution.

Minimum Wage Viewed as Welfare

Key to "Welfare" – Government Forces Funds to Flow From where they are to people in need



Who Pays for Welfare?

Is it Fair for Employers of Low Wage Employees to be forced to pay this cost, when it is a cost that the whole society has decided should be paid?

Type of Support	Who Receives Support	Who Pays for the Support
Food Stamps	Those in Need	General Taxpayers
Medicaid	Those in Need	General Taxpayers
Child Care Support	Those in Need	General Taxpayers
Rental Assistance	Those in Need	General Taxpayers
Affordable Housing	Those in Need	General Taxpayers
TANF	Those in Need	General Taxpayers
Unemployment	Those in Need	General Taxpayers
Earned Income Tax Credit	Those in Need	General Taxpayers
Minimum Wage	Low Wage Employees	Employers Directly
WIC	Those in Need	General Taxpayers

It is entirely correct that Minimum Wage fits on this list

People say to their Government	Government responds to the Public generally	Help flows to the People who asked
We need better roads and sewers	Taxes will be raised on everyone to provide money for better roads and sewers	Government uses tax revenues to build roads and sewers where needed
We need better schools	Taxes will be raised on everyone to provide funds for better schools	Government uses tax revenues to upgrade things in the schools as needed, for everyone
I need help with my Rent	Taxes will be raised on everyone to provide a rent subsidy for the Needy	The Government pays then Needy a rent subsidy, paid for by taxing everyone (Section 8, et al)
I need help with my Food Bill	Taxes will be raised on everyone to provide a food subsidy for the Needy	The Government provides food subsidies, paid for by taxing everyone (Food Stamps, School Lunch, et al)
I need to have more money	Taxes will be raised on everyone to provide a food subsidy for the Needy	The Government pays money to the Needy, paid for by taxing everyone (Earned Income Tax Credit)
I need to earn (or be paid) more money	The businesses which employ you will be forced to pay you more	The Government forces businesses with low-paid employees to pay a Minimum Wage (hourly, not annual) to their employees, <u>without all businesses or taxpayers contributing.</u>

Do we see how the last item is different from all of the others? The Minimum Wage is a tax on the businesses who have low-paid workers – Walks like a tax, Quacks like a tax, It’s a tax.

The Government says “As a Society, we can’t let people who work at a job not make a decent amount of Money”. The President says that, and makes it a society obligation.

And we don’t make a differentiation between students working part-time to earn some money and struggling single mothers trying to keep a family going. There is no means-testing or qualifications – it’s one size trying to fit all.

Then we make only a small proportion of all businesses pay that bill, as the Minimum Wage Tax. That isn’t fair, equitable, or reasonable, no matter how you feel about the need to pay people more.

How much is that tax? It is the difference between the total payroll a business pays with MW, and the total it would have been if there were no MW. It’s not a little thing, for those who pay it.

Now, if everyone came to the table and figured it out and got a system that could work, that’s a good way. Then the Government just enforces that agreement and if it isn’t all fair, at least it gets everyone into the deal.

BUT – if the MW is set by Initiative process that is all gone. One party generates the solution, it goes to the voters, bypassing (largely) the due-process of the government, and if it gets enough YES votes, it becomes law. And the Government is forced to impose the MW tax on the businesses, who never got a say. They don't get a choice. And only one party put the deal together.

For the businesses, it's taxation without representation – pure and simple.

Just not a good idea for communities and society.

BETTER – Economic Development, so there are more jobs.

Tax everyone and use revenues to pay the needy among the low-paid, don't force the businesses to cover the cost alone. And means-test and control the subsidy which is wide open, now.

For those who THEN say “This is just welfare”, help them realize it is already welfare, we just don't call it that.

Reference "5"
Café



****SEE UPDATE ON PAGE 3****

We believe that the memo we sent to council in May is still very much relevant, as is the data and our purpose. An update to the current events can be found on page 3. Our purpose since the passage of the citizens initiative is to preserve and protect it in its entirety as well as protect and preserve the democratic process in Las Cruces.

Memo to City Councilors of the City of Las Cruces, Mayor Ken Miyagishima and City Manager Robert Garza

Subject: Regarding the Resolution on Minimum Wage proposed by Councilors Miguel Silva and Ceil Levatino

Friday May 30, 2014

On behalf of the Board of Directors, Staff and Executive Committee to Raise the Wage I submit the following concerns for your consideration and deliberation.

Background

First, we applaud the City Council for taking up the matter of wages and work for Las Cruces. Wages are intimately tied to ones ability to feel fulfilled, independent and able to secure a standard of living for him or herself and his or her family.

In 2013 NM CAFE brought the issue of raising the wage to \$8.50/hr to City Council through a resolution to support state legislation that was moving through the Senate and House. Then, Councilor Silva and Mayor Miyagishima opposed it. So much that Councilor Smith moved to amend the resolution to a point that it didn't even make mention of the state legislation. It passed with Councilor Silva and Mayor Miyagishima casting a "no" vote.

Earlier this year we began meeting with stakeholders including Councilor Silva who brought together businesses and all three chambers of commerce for us to meet and discuss the issue. It came as a surprise to us when Councilors Silva and Levatino proposed their resolution after our last meeting (Great Conversation) in April.

Progress is being made and we recognize the efforts. Since September of 2013, we began to talk to businesses, workers and congregations to discuss the possibility of submitting our own proposal, of which we are now collecting signatures to place on the ballot for Las Cruces to decide this matter for ourselves. We made this decision after we realized how we would have to compromise too much of what we valued as workers and people of faith.

Considerations

According to the MIT study that Councilor Silva refers to and the study that is the foundation for the resolution you will be considering on June 2nd, **the \$8.50 proposed will not, nor will it ever, get a family of three out of poverty.** A wage closer to \$12 per hour allows for the best opportunity for families to leverage their wealth through savings, tax credits and access to capital.

Because many minimum wage earners are already earning between \$7.50 and \$8.50 per hour we believe there will be no significant impact on the realities faced by workers or by those corporations paying sub-par wages. In addition, the small increase is then subject to review every four years - taking away any increase workers may see if any City Council chooses. Therefore this resolution rings as purely symbolic in the long run.

When the question of “what is ‘appropriate’ for our area?” comes up we must look at data. **The data tells us that the cost of living in Las Cruces is only -1.9% lower than that of Albuquerque,** yet the typical salary is +15.4% higher in Albuquerque than in Las Cruces. (Salary.com). **According to HUD, 97.8% of the county population spends more than 45% of their income on Housing and Transportation.** Two-Thirds of economic growth comes from consumer spending and when nearly half of a persons income goes to only two of the many necessities a person or family needs it is the recipe for an unstable and defunct local economy.

We believe that any increase to wages cannot exclude a set of workers based on the type of work they do. This is discrimination. To exclude tipped workers from any improvement to their wages unfair and it’s not made clear why this distinction was made.

It is also unclear to us how the health and child care considerations could be monitored, measured, approved and enforced. Especially when there is little an employee can do if an employer does not comply. We believe this items’ legality is questionable.

Finally we believe that Councilor Silva and Councilor Levatino have not spoken to any significant number of workers for their input. By comparison our team has spoken with over 30 local businesses and owners to craft our ordinance. It is also unfortunate that Councilor Levatino refuses to meet with our leaders and clergy so that we may gain a better understanding of her perspective on the issue.

We ask that City Councilors work to make every improvement to this resolution to the benefit of Las Cruces, consult with workers and different types of businesses, investigate the impact of raising the wage in real and significant ways for families that are the most economically marginalized and who have their hard work being taken advantage of by some of the biggest and most profitable corporations.

Sincerely,

Rabbi Larry Karol
NM CAFé Board President
On behalf of NM CAFé Staff, Leaders, Clergy and the Raise the Wage Executive Committee

Updated October 20, 2014

Background

As of May 2014, 100 Las Cruces residents collected 6,031 signatures to place an initiative in front of City Council. Council had 2 options: Approve it and it become law or Disapprove it and it goes to a special election.

However, it came as a surprise to us when Council found a third way. Pass it and Amend it. This was not what voters signed when we circulated the ordinance. These voters signed a petition for an ordinance that is now the law of the land. It is completely reasonable of them and us to expect the democratic process to be upheld and respected.

It is our position that no change be made to the \$10.10 ordinance.

We support the motion to repeal the former \$8.50 ordinance to clarify city policy.

At this point it is unclear to us that even amendments that could strengthen the policy would not open the floodgates to other potentially harmful amendments that some on council have proposed publicly.

We were also assured by the City Manager that the timeline, amounts for both the minimum wage and the tipped wage would not be changed or amended.

Second, we have heard many ideas for amendments - and some are healthy and strong.

However, these ideas need research and time. Moving too quickly without adequate information on too many changes will undoubtedly create bad policy. NM CAFé leaders spent two years studying the impact of minimum wage at the state and local level that helped inform the ordinance now on the books, with the help of the National Employment Law Project and NM Voices for Children to name a few.

Finally, there is the question as to **why we did not include repeal language of the June \$8.50 ordinance in the \$10.10 ordinance.** The language was already finalized by City Attorney and Clerk and we had started collecting signatures 3 days before the June 2nd vote at Council. It made no sense to include a repeal of an ordinance that did not yet exist, in the same way we could ask why didn't the June ordinance include language to repeal itself if the latter ordinance were to pass?

Attached to this memo you will find:

Raise the Wage Las Cruces!



Greetings Brothers & Sisters,

Our campaign is starting strong and full of generous spirit. If you are receiving this message it is because you have let us know that you want an economy that includes everyone. Not only in Las Cruces but across communities nationally and globally. It may not feel like it, but you can be a part of the tidal wave of economic dignity sweeping the nation right here in Las Cruces. As you may know our goal is to collect 2300 signatures of valid Las Cruces voters within 60 days. We believe we will be able to begin in May so NOW IS THE TIME TO GET TRAINED! Check the Action Box to the right for upcoming trainings. These weekly emails will help keep you updated on our campaign, pitch in when you can and learn how to tell the stories of what it's like to really try and get by on minimum wage in our country. If you have ideas or a submission to our weekly updates reach out to our communications manager, Rose Ann Vasquez

(roseann@organizenm.org). If you want to volunteer or get your congregation/community involved contact Angélica Rubio (angelica@organizenm.org).

It is time for us to say "Low pay is not okay in Las Cruces!"

Sarah Nolan, Director, NM CAFé



Susan Fitzgerald, CAFé Community Leader

Susan Fitzgerald is a member of Temple Beth-El congregation in Las Cruces and joined CAFé's leadership team in 2013 during the height of the immigration debate. As our local work transitioned to economic dignity, taking on the minimum wage at the municipal level, Susan took the lead in

developing the committee overseeing petition gathering for CAFé's minimum wage ballot initiative campaign and the congregational team lead at Temple Beth-El, who have committed to collecting 500 signatures during the May through July mobilization of petition gathering. Susan recently returned from Kansas City, where she joined our partner federation, Communities Creating Opportunity (CCO), to help collect over 15,000 signatures for a statewide initiative to bring early voting to Missouri. Susan demonstrates passion and commitment to social justice, values that exemplify our mission of unlocking the power of the people here in Las Cruces and Southern New Mexico.

UPCOMING EVENTS:

For more information visit our website www.OrganizeNM.org

Wed 4/23 5:30 pm
Raise the Wage Rally
LC City Hall 700 N. Main St.

Thurs 4/24 4:00 pm
Ribbon cutting & Open House
CAFé office 133 Wyatt Drive, #1

Sun-Tues 4/27-29 6pm
Regional Leadership Training
Holy Cross Retreat Center
600 Holy Cross Road

Thurs 5/1 5:30 pm
May Day Signature Launch!
LC City Hall 700 N. Main St.

On-going signature gathering trainings every Monday & Thursdays 5:30-6 CAFé office

Who you gonna call? Mythbuster!

We'd like to thank Bill Allen for providing us with our topic for myth busters this week from his guest column in the Sun News on 4/13/13, and here's an excerpt from his commentary:

Myth: "Good news ... a new minimum wage rate goes into effect! Bad news ... your employer's business is forced to close because it can't afford to pay you."

Fact: A 2012 report by the National Employment Law Project found that 2/3 of all low-wage workers are employed by large companies that make strong profits and can afford to pay their workers higher wages. We also know that locally in Las Cruces, 66% of all minimum wage earners are employed by businesses which employ 100 employees or more. Finally, there are a multitude of studies that show when the minimum wage increases there is no significant decrease in employment or business closures.

¹ NELP (2012). Big Business, Corporate Profits, and the Minimum Wage: Executive Summary. Retrieved on October 27, 2013 from http://nelp.3cdn.net/e555b2e361f8f734f4_sim6btdzo.pdf

Raise the Wage Las Cruces!



Greetings Brothers & Sisters,

A 13th Century rabbi in Spain, Yonah Gerondi, declared: “If you want to hire workers and you find that they are poor, they should become like members of your household who are in need. You should not disgrace them, for you shall treat them respectfully, and should pay their salaries.” Moses Maimonides, a 12th Century sage, listed eight degrees of *tzedakah*, which means righteous giving. The highest degree of that “ladder” of charity is “to help another to become self-supporting...by finding employment for one in need.” Both of these views agree with the biblical principle not to oppress one’s workers (Leviticus 19:15). In fact, nearly all of the references about employment in the Torah, the Five Books of Moses, are directed to employers. It was their responsibility to treat their workers with fairness, dignity, decency and respect.

In Las Cruces, we know that many hardworking people are struggling to make ends meet, living paycheck to paycheck. We hear from business owners about how the increase would hurt them, rather than how it would help their employees. This comes down to fairness, and what the Reverend Jim Wallis calls “the greater good”. We desire an economy that works for all and not just the wealthy. That is our vision, hope, and prayer.

Rabbi Larry Karol, Board Chair, NM CAFé



Harry Kurgans,
CAFé Community
Leader

Harry Kurgans recently joined the CAFé team,

bringing his leadership to the forefront as an outspoken proponent of the minimum wage ballot initiative. Not only is he a strong advocate for economic dignity and valuing workers, but he is also one of the 20,000 minimum wage workers residing in Las Cruces, who will be directly impacted by a positive change in public policy. Harry has shared his [story](#) on KRWG, when he participated in a recent action outside Congressman Steve Pearce's office, urging him to support the national campaign to raise the wage to \$10.10.

He will also be sharing his experiences as well as provide insight on CAFé's Las Cruces Minimum Wage Ballot Initiative on Thursday, April 24, at 7pm during the Progressive Voter Alliance monthly meeting.

UPCOMING EVENTS:

For more information visit our website www.OrganizeNM.org

Wed 4/23 5:30 pm
Raise the Wage Rally
LC City Hall 700 N. Main St.

Thurs 4/24 4:00 pm
Ribbon cutting & Open House
CAFé office 133 Wyatt Drive, #1

Sun-Tues 4/27-29 6pm
Regional Leadership Training
Holy Cross Retreat Center
600 Holy Cross Road

Thurs 5/1 5:30 pm
May Day Signature Launch!
LC City Hall 700 N. Main St.

On-going signature gathering
trainings every Monday &
Thursdays 5:30-6 CAFé office

Who you gonna call? Mythbuster!

Who are the hard working people whose income is not keeping up with the cost of living?

Myth: Minimum wage workers are teenagers.

Fact: About 18,000 workers earn \$15,000 or less, of whom over half (53%) are age 30 and older. The other half are 29 and younger, many who are raising children and heads of their household. About 60% are women, who are also breadwinners, and 64% workers are Hispanic. In addition, 16% are ages 55 and older.

To contribute to our weekly update email roseann@organizenm.org

To volunteer email angelica@organiznm.org

Raise the Wage Las Cruces!



Greetings Brothers & Sisters,

Here are facts not words. There are clerks and secretaries in the federal government earning more than your average public school teacher in New Mexico. You cannot use government, federal or otherwise, as an example of the kind of effect Mr. Huestis writes about. Walmart is in control of everything about that person's life while they are on duty at that store, regardless if they are a higher paid manager or a stockroom person. The realisms are: not having one more hour that would qualify me for benefits; being at the company's beck and call as far as when and what hours I would work; more output in less time to meet the company's new metrics approach in terms of the end of the quarterly spread in terms of profit. As the profits climb because of the raw physical labor (more output in less time), the benefits go to the higher wage earners as bonuses. Oh. That is the injection of realism; not just words.

At my door step at Catholic Charities of the Diocese of Las Cruces are employees of Albertsons, Walmart, Walgreens and other larger business magnets. These people are workers caught in a bind because they do not have enough hours to support their basic needs.

Excerpt from Dcn. Baca's Guest Commentary in the LC Sun News printed 5/6/14

Deacon Tom Baca, M.P.A., Director of Catholic Charities of the Diocese of Las Cruces



Jerry Nachison CAFé Community Leader

Jerry joined CAFé in September and his leadership has been instrumental in our local minimum wage campaign. As a member of Temple Beth-El, Jerry has spent

many hours (in his retirement!) organizing the congregation from within, creating opportunities for members to become involved in a growing movement of change-agents that will remain in tact beyond November. Jerry's demonstration of leadership is also shown in his research skills. He has kept team CAFé well informed on the latest news and stories, equipping the team with resources to help us navigate through the number of narratives that fail to recognize the dignity of work. Jerry remains hopeful and it shows through his passion for speaking truth. Through his letter writing campaigns to local press, Jerry voices his concerns and counters narratives by elevating our workers and our communities. When we win in November, it will be because of leaders like Jerry, who devote their time to pursuing an economy that works for all and not just the wealthy.

UPCOMING EVENTS:

For more information visit our website www.OrganizeNM.org

Wed 5/7 7:00 pm
Panel Discussion with PICO
Clergy, Sarah Nolan & Former
Labor Secretary, Robert Reich
Live link in body of this email.

Thursday 5/8 1pm
Chamber Economic Forum
Discussion will include
minimum wage
KRWG TV NMSU - Milton Hall
2915 McFie Circle

Friday, 5/16 5:30 pm
May Day Signature Launch!
LC City Hall 700 N. Main St.

**On-going signature gathering
trainings every Monday &
Thursdays 5:30-6 CAFé office**

Who you gonna call? Mythbuster!

Myth: If the minimum wage is increased, prices will rise significantly.

Fact: Prices continue to rise amidst this low-wage recovery. Low wage jobs dominate recovery growing 44% since 2008 compared to 26% growth in mid-wage jobs. (NELP) LC minimum wage has been stuck at \$7.50/hour since 2009. Tipped wage is frozen in time at \$2.13/hour for over 20 years.

What does this mean?

Real purchasing power of \$7.50 = \$6.88 in 2014 when adjusted for inflation. (Bureau of Labor Statistics)

Minimum wage workers have experienced a 8.2% decrease in their real income over the last 5 years. Wages decreased \$62 for part-time workers, \$99.20 for full-time.

Raise the Wage Las Cruces!



Greetings Brothers & Sisters,

Lying, thinking Last night How to find my soul a home Where water is not thirsty And bread loaf is not stone, I came up with one thing And I don't believe I'm wrong, That nobody, But nobody Can make it out here alone. ~ Maya Angelou

What a busy week in our campaign! After **49 days**, the City of Las Cruces released our petitions allowing us to finally begin collecting signatures to place our minimum wage increase on the ballot, and our leaders and staff came charging out of the gate!

Here's how the first day of collecting signatures went down:

- **40 volunteers at Wednesday's meeting commit to collecting 4,000 signatures in 24 days!**
- **30 signatures collected in 30 minutes at yesterday's press conference!**
- **Standing room only at yesterday's signature training!**
- **70 batches of petitions are in the hands of 25 volunteers at day's end for a potential of 1,400 signatures by the end of next week!**

AMAZING! And it's only DAY ONE!!

But, honestly, when you are making history and transforming lives, I would expect nothing less from our dedicated leaders. **It's full speed ahead so don't miss this opportunity! If you are a registered voter in Las Cruces, then you too can sign our petition and help collect signatures.**

Come by our office at 133 Wyatt Drive, Suite #1 to sign our petition and pick-up petitions to start collecting signatures. Our office hours are Monday-Friday 9am-6pm and Saturday 9am-1pm. Look for our **ROCKSTAR VOLUNTEERS** around town in their brown "Faith. Work. Dignity." t-shirts collecting signatures. Tell your friends and family about us and ask them to sign too. Be a part of history in the making! 18,000 hard working individuals and families are counting on us for improved wages and a shot at a better quality of life.

Follow our progress on our website at www.raisethe wage-lascruces.org. Follow us on Twitter @RaisetheWageLC #RaiseUPLC #WorkWithDignity & like us on Facebook Raise the Wage Las Cruces. Join our Dignity Movement today!



Angelica Rubio, Campaign Manager
Raise UP! Las Cruces

Sign and/or volunteer to collect signatures here:

Saturday's Farmer's Market
Downtown LC

Saturday, May 31, 4pm
Apodaca Park on Madrid Ave

Sunday, June 1
Immaculate Heart of Mary
Our Lady of Guadalupe
First Christian Church
Unitarian Universalist Church

Tuesday, June 3
Primary Election Day Polls
Branigan Library (Picacho Ave)
Desert Hills Elementary (Roadrunner Pkwy)
Jornada Elementary (Elks Dr)
DAC Government Bldg (Motel Blvd)
Shifts: 7-9am, 11am-1pm, 5-7pm

On-going signature gathering trainings every Monday & Thursday 5:30-6 CAFé office
Or just drop by & we'll train you on the spot! In 15 minutes, you'll be out the door collecting signatures & making history!

Who you gonna call? Mythbuster!

Myth: Small businesses cannot afford an increase in the minimum wage that will improve the lives of 18,000 workers in Las Cruces.

Fact:

- A small business is defined as having 10 employees or less.
- Most employees work in businesses that have **10 or more** workers.
- 66%, or 11,800, workers in LC are employed by big businesses
- 85% of small business already pay higher than the minimum wage.

Raise the Wage Las Cruces! Day 3



Greetings Brothers & Sisters,

When I dare to be powerful, to use my strength in the service of my vision, then it becomes less and less important whether I am afraid. ~ Audre Lorde

Day 3 was PHENOMENAL!! RAISE THE WAGE LC headquarters (aka CAFe office) was hustling & bustling today ALL DAY! Extra....Extra....Read all about it:

TOTAL # OF SIGNATURES COLLECTED...Drum roll please

673!!!

11 more ROCKSTAR VOLUNTEERS joined the ranks today for a total of **130 petitions** circulating in our community (130 petitions = 2,600 potential signatures), for a total of **36 volunteers**.

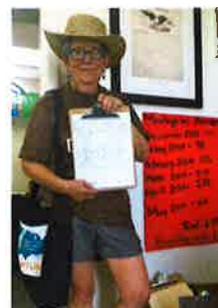
ALL OUR HARD WORK & DEDICATION IS PAYING OFF. At this rate, we will definitely have more than 1,000 signatures at Monday's, 6/2, City Council work session, which demonstrates our power - the POWER OF THE PEOPLE!

REMINDER: Please do your best to drop off completed petitions with signatures every day at the CAFe office by 7pm if possible and/or call in your hard count of signatures collected that day.

Let's gear up for Primary election day at the polls this Tuesday, 6/3. Shifts are 7-9am, 11am-1pm, and 5-7pm. We want to cover as many polls as possible so **SIGN UP FOR A SHIFT TODAY!** Bring a friend who is a registered LC Voter & we'll get them trained & out the door!

Follow our daily progress on our website at www.raisethewage-lascruces.org. Follow us on Twitter @RaisetheWageLC #RaiseUPLC #WorkWithDignity & like us on Facebook Raise the Wage Las Cruces. Join our Dignity Movement today!

Angelica Rubio, Campaign Manager
Raise UP! Las Cruces



Sign and/or volunteer to collect signatures here:

Saturday's Farmer's Market
Downtown LC

Sunday, June 1
Immaculate Heart of Mary
Our Lady of Guadalupe
First Christian Church
Unitarian Universalist Church
Our Lady of Health

Sunday, June 1, 6pm
Movies in the Park, Youngs Park

Monday, June 2
LC City Hall, 8am-1pm

Tuesday, June 3
Primary Election Day Polls
Branigan Library (Picacho Ave)
Desert Hills Elementary (Roadrunner Pkwy)
Jornada Elementary (Elks Dr)
DAC Government Bldg (Motel Blvd)
Good Samaritan (3025 Terrace Dr)

Thursday, June 5, 10am-7pm
Mtn. View Market Membership Day

Friday, June 6, 5-7pm
Downtown Art Ramble

On-going signature gathering trainings every Monday & Thursday 5:30-6 CAFe office
Or drop by office for a quick training & be on your way!

Raise the Wage Las Cruces! Day 4



Greetings Brothers & Sisters,

How wonderful it is that nobody need wait a single moment before starting to improve the world ~ Anne Frank

Day 4 was another remarkable day! Since pictures speak a thousand words, I'll leave it up to the pictures to tell the story of how wonderfully successful today was in our campaign. But first the unofficial running total is: (It will be official when we return to the office tomorrow.)

TOTAL # OF SIGNATURES COLLECTED...Drum roll please

1,197!!!

Congregation leaders and clergy took matters into their own hands today and made this happen!

I was in awe today watching leaders make announcements at church, setting up their tables, collect signatures and take charge. For me, today affirmed that this is much bigger than the ballot initiative. It is truly about our vision to create the community we want to live in - for our children, our neighbors, and each other. We are successfully building a base in Dona Ana County. A base of powerful faith leaders that will lead the way towards our vision of justice and dignity for all.

Get some rest tonight, and don't forget about joining us for the city council meeting tomorrow where we will update them on our **EXCELLENT START** towards our goal. Finally, there are still plenty of shifts left for primary election day, Tuesday 6/3, so sign up & spread the word! We want to cover as many polls as possible!

¡ADELANTE!

Follow our daily progress on our website at www.raisethewage-lascruces.org. Follow us on Twitter @RaisetheWageLC #RaiseUPLC #WorkWithDignity & like us on Facebook Raise the Wage Las Cruces. **Join our Dignity Movement today!**



Angelica Rubio, Campaign Manager
Raise UP! Las Cruces



Sign and/or volunteer to collect signatures here:
 Saturday's Farmer's Market
 Downtown LC

Monday, June 2
 LC City Hall, 8am-1pm

Tuesday, June 3
 Primary Election Day Polls
 Branigan Library (Picacho Ave)
 Desert Hills Elementary (Roadrunner Pkwy)
 Jornada Elementary (Elks Dr)
 DAC Government Bldg (Motel Blvd)
 Good Samaritan (3025 Terrace Dr)
 Shifts: 7-9am, 11am-1pm, 5-7pm

Thursday, June 5, 10am-7pm
 Mtn. View Market Membership Day

Friday, June 6, 5-7pm
 Downtown Art Ramble

On-going signature gathering trainings every Monday & Thursday 5:30-6 CAFe office
Or drop by office for a quick training & be on your way!

Raise the Wage Las Cruces! Primary Day



Greetings Brothers & Sisters,

It had long since come to my attention that people of accomplishment rarely sat back and let things happen to them. They went out and happened to things. ~ Leonardo da Vinci

Primary day is in the books! It is 3 AM and we are very happy to report our exceptional success especially in this extreme heat. Our unofficial running total is:

TOTAL # OF SIGNATURES COLLECTED...Drum roll please

1,769!!!

After the city council's vote to raise the minimum wage to \$8.50 in 2 years with no increase for tipped earners, our community's response to support our ballot initiative has been overwhelming. The positive energy is contagious and the city's heart is shining through.

Wearing the now, notorious, brown "Faith. Work. Dignity." t-shirts, Las Cruces are signing our petitions in massive numbers. In fact, many of our fellow residents stopped by our office and not only signed but also took petitions to collect signatures themselves. In fact, we now have **61 volunteers** and over 200 petitions circulating in our community. **61 volunteers is a number worth repeating!**

Our voices have been heard, and now it's time to make a statement together with our hardworking individuals and families. With this much support, we're confident that we can far exceed our goal. It's now in the hands of our community and we couldn't be more excited. This number - 1,769 - not only demonstrates an unwavering support for taking this issue to voters in November, but it publicly challenges the status quo, setting the stage for transforming public policy and driving our DIGNITY MOVEMENT forward.

¡ADELANTE!

Follow our daily progress on our website at

www.raisethewage-lascruces.org. Follow us on Twitter @RaisetheWageLC #RaiseUPLC #WorkWithDignity & like us on Facebook Raise the Wage Las Cruces.

Join our Dignity Movement today!



Angelica Rubio, Campaign Manager
Raise UP! Las Cruces

Sign and/or volunteer to collect signatures here:

Saturday & Wednesdays
Farmer's Market Downtown LC

Monday through Fridays
Las Cruces City Hall
Shifts: 10-noon, 12-2pm

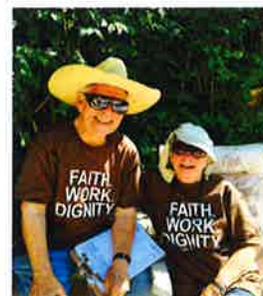
Thursday, June 5, 10am-9pm
Mtn. View Market Membership Day

Friday, June 6, 5-7pm
Downtown Art Ramble

Saturday, June 7
Walmarts
Walton Blvd & Valley Drive

Sunday, June 8
Congregations:
Immaculate Heart of Mary
Our Lady of Health
Holy Cross Catholic Church
St. Genevieve's Catholic Church

On-going signature gathering trainings every Monday & Thursday 5:30-6 CAFé office
Or drop by office for a quick training & be on your way!



Raise the Wage Las Cruces! June 6, 2014



Greetings Brothers & Sisters,

Arise, shine, for your light has come, and the glory of the Eternal One rises upon you! ~ Isaiah 60:1

Take a moment to celebrate our dedication to the vision of our community & dignity movement. The support has been overwhelming!

TOTAL # OF SIGNATURES COLLECTED...Drum roll please

2,163!!!

Our progress is amazing and everyone's efforts are truly appreciated by those of us in the community that are walking together in this **historical moment**.

Here is what Cassie Calway, a tipped earner who told her story at this Monday's council meeting had to say about the minimum wage ordinance the city council passed that did not include her:

"I went to the city council meeting last week and what I noticed was a small group of people making a very important decision about the future of a very large group of people. I noticed some anger and disdain towards the workers, it made me feel that they do not think we deserve what we are asking for. I believe that there is a seat at the table for workers, we just have to take it. Our combined voices will guarantee that we are heard above the smaller group that feels it has more power, and we need to come out of the shadows and shed light on our wants and needs."

I am confident that our "combined voices" will be heard when we deliver significantly more than the necessary 2,257 signatures we need to get this *people's issue* on the ballot in November. Our light is shining!

¡ADELANTE!



Follow our daily progress on our website at www.raisethewage-lascruces.org. Follow us on Twitter @RaisetheWageLC #RaiseUPLC #WorkWithDignity & like us on Facebook Raise the Wage Las Cruces.
Join our Dignity Movement today!

Angelica Rubio, Campaign Manager
Raise UP! Las Cruces

Sign and/or volunteer to collect signatures here:
Saturday & Wednesdays
Farmer's Market Downtown LC

Monday through Fridays
Las Cruces City Hall
Shifts: 8am-5pm

Friday, June 6, 5-7pm
Downtown Art Ramble

Saturday, June 7
Walmarts
Walton Blvd & Valley Drive

Sunday, June 8
Congregations:
Immaculate Heart of Mary
Our Lady of Health

On-going signature gathering trainings every Monday & Thursday 5:30-6 CAFe office
Or drop by office for a quick training & be on your way!

Progress Report:

71 Volunteers collecting signatures!

260 petitions circulating right now!

2,163 total signatures in our office!

Reminder: Please bring your signed petitions into the office as often as you can so we can have an accurate running total.

ATTENTION! Data entry volunteers needed! If you want to help but cannot collect signatures, we need your help to input signatures. Walk-ins welcome!

Raise the Wage Las Cruces! June 10, 2014



Greetings Brothers & Sisters,

If you are neutral in situations of injustice, you have chosen the side of the oppressor. ~ Bishop Desmond Tutu



3,069!

**10 Days left - let the countdown begin!
Let's make EACH DAY COUNT!**

We are so close and everyone has worked so unbelievably hard in the last 13 days! Your dedication inspires me. Your courage astounds me, and your sense of urgency demonstrates that this is more than just an issue. If it were just an issue, I and so many others wouldn't lose sleep at night. If it were just an issue, people wouldn't be seeking us out to offer their support. If it were just an issue, the opposition wouldn't feel so threatened. But they've figured out that it's more than just an issue - it represents **freedom**. **Freedom to participate. Freedom to walk in solidarity. Freedom to decide for oneself. Freedom to choose a dignified life.**

This week I met an extraordinary father. A single dad who relocated to Las Cruces to raise his children and give them quality of life away from the drugs & crime that they had known. He signed our petition asking, "Why not \$10.10 now?" He explained that he wanted to collect signatures but was working full-time so he would let me know. A few days passed & I hadn't seen him. The next day he came into the office & apologized. He explained that he has cancer & is currently receiving radiation. "I'm sorry" he said, "but sometimes the treatments put me down for a couple of days but I'm ready to help!" I didn't want to cry in front of him but I was moved to tears. The next day he returned a full page of signatures smiling proudly & took another one. "I'll fill out as many as I can," he announced. It was then that I realized

that it is more than just a petition that you hold in your hand, it is the light of freedom.



Let the People Decide!

Angelica Rubio, Campaign Manager



Sign and/or volunteer to collect signatures here:
Saturday & Wednesdays
8am-Noon
Farmer's Market Downtown LC

Monday-Fridays
Las Cruces City Hall
Shifts: 8am-5pm

Wed, 6/11, 5-9pm
Farmers Market

Saturday, June 14
Raft the Rio, La Llorona Park
Finish Line Festival, Mesilla Bridge

Sunday, June 15 (Father's Day)
St. Genevieve's Catholic Church
Holy Cross Catholic Church
Young Park
Apodaca Park
Park shifts: 11am-2pm, 5-7pm



Follow our daily progress on our website at www.raisethewage-lascruces.org. Follow us on Twitter @RaisetheWageLC #RaiseUPLC #WorkWithDignity & like us on Facebook Raise the Wage Las Cruces.
Join our Dignity Movement today!

Raise the Wage Las Cruces! June 14, 2014



Greetings Brothers & Sisters,

Indifference to injustice is more insidious than the injustice.

~ Dr. Cornel West

4,363!

90 Volunteers circulating over 400 petitions!

Over 4,000 signatures in 17 days!!

Let's give workers a BIG TIP & collect 2,000 more!

We have had another fantastic week towards improving the quality of life in our community this week. Let's take a moment to celebrate reaching our goal of collecting 4,000 signatures early. **Congratulations!**

We will also celebrate at our "Last Chance Bash" this Tuesday, 6/17, at 6pm at Klein Park, 155 N. Mesquite Street, in city District 1. This is an opportunity for residents to sign our petition in a fun, family setting so spread the word. There is also an opportunity to collect signatures in the surrounding neighborhood that evening. We will also have a quick base meeting before the celebration to summarize next steps.

So let's keep pushing forward to collect more signatures! I'm confident that we'll reach our goal of 6,000 signatures by the end of this week. **However if you are completely done collecting signatures, don't forget to turn in all your completed petitions into the CAFe office and you are REQUIRED to have a Circulator's Affidavit notarized.** The notarized Circulator's Affidavit must be turned into the City Clerk's office at the same time we turn in all of our signatures. **There will be a notary at the Last Chance Bash.**

I also wanted to give a **shout out to our data entry volunteers** who have been working hard to validate our signatures. They've quickly become part of our team & are working diligently day & night to get as many signatures verified in-house as possible. So far they've entered 2,203 SIGS!! **WE NEED MORE DATA ENTRY VOLUNTEERS - WALK-INS WELCOME!** We have work stations set-up at our office & it only takes a minute to learn & then you're off entering data & changing the world!!

Let the People Decide!

Angelica Rubio,
Campaign Manager



Sign and/or volunteer to collect signatures here:

Saturday & Wednesdays

8am-Noon

Farmer's Market Downtown LC

Monday-Fridays

Las Cruces City Hall

Walmart Supercenters

Shifts: 8am-5pm

Sunday, June 15 (Father's Day)

Holy Cross Catholic Church

Young Park

Apodaca Park

Park shifts: 11am-2pm, 5-7pm

Tuesday, 6/17, 6pm

CAFe's Last Chance Bash

Klein Park

155 N. Mesquite St.

REMINDER: Make sure people who sign our petitions are REGISTERED LC VOTERS & complete their name/address as shown on their voter registration!

Follow our daily progress on our website at www.raise-the-wage-lascruces.org. Follow us on Twitter @RaiseTheWageLC #RaiseUPLC #WorkWithDignity & like us on Facebook Raise the Wage Las Cruces.
Join our Dignity Movement today!

Raise the Wage Las Cruces! June 19, 2014



Greetings Brothers & Sisters,

By our unpaid labor and suffering, we have earned the right to the soil, many times over and over, and now we are determined to have it.

~ Anonymous, 1861

5,551!

We value hard workers and small businesses because what is good for workers is good for business. Raising the minimum wage now will add \$10 million to the Las Cruces economy, help 59% women and 64% Hispanic low-wage workers enhance their economic independence, and assure greater fairness and dignity because hard work deserves fair pay.

We set the welcome table and invite these words from Kenneth Servais, CAFé community leader and member of Immaculate Heart of Mary Cathedral. The main body of Kenneth's message is addressed to his fellow Christians as he also invites others into how Catholic Christians feel the impact of faith organizing, while the last paragraph demonstrates how his faith values have led him to engage in our work in a diverse interfaith community.

"In the past several months I have become more involved with the work that CAFé does – addressing in the larger community issues that the individual cannot do on one's own. It has been an intense learning curve for me. From the background of my faith community an embarrassing element has been "a well-kept secret" – the wealth of social teaching our faith community has addressed over a millennium and more recently in the past couple of hundred years. It does not do any good if it stays in books and never makes it to the pew/street. From the example of Jesus, who reached out to the oppressed, we are called to do similarly. Living the Christian message is more than going to church on Sundays.

First we need to do our best to live the message of Jesus with those we encounter every day – our family, then our fellow workers, and all we encounter in our daily walk of life. A most important aspect of Pentecost – a gift of the Holy Spirit – is the birth of community. We need the courage to connect with the larger community for the dignity of ALL life. One of the concerns of the founders of our country was the development of community and participation by the citizens. Voting is an important aspect of participation, and we are called to even more intimate participation. A goal for us to live as Christians in the words of Elizabeth Seton is 'to live simply so that others can simply live.' We need to live knowing the abundance around us rather than in the fear of scarcity. "

We are building community grounded in our faith values, courage, and in relationships across culture, religious beliefs, economic status, and gender. We are united like never before with one mission - to create a community that includes dignity and opportunity.

As a community, do we win if we only improve wages to \$10.10 by 2017? Winning means we continue to walk together in solidarity as an organized people. Winning means we begin to heal the hearts & minds of our transgressors towards compassion & justice. Winning means we heal layers of losses that our people have endured and begin to rebuild and restore our communities.

Let the People Decide!

Angelica Rubio, Campaign Manager



Upcoming Dates:

June 22-28th, PICO Natl. Retreat
Applegate, CA

Sarah, Rose Ann & Angelica will be out of the office.

June 22-28th Office Hours: 9am-5pm
Sara Melton, Laura Leyva & leaders will be holding down the fort!

Contact: Sara (613) 943-3105

Thursday, June 27, 4:30pm

LAST DAY to return signed petitions and notarized Circulator Affidavits

Monday, June 30, 3:00pm

Las Cruces City Hall

700 N. Main

Press event to turn-in all signatures to the City Clerk

REMINDER: You are required to complete a signed, notarized Circulator's Affidavit otherwise your signatures WILL NOT COUNT!



Follow our daily progress on our website at www.raisethewage-lascruces.org. Follow us on Twitter @RaiseTheWageLC #RaiseUPLC #WorkWithDignity & like us on Facebook Raise the Wage Las Cruces. Join our Dignity Movement today!

Raise the Wage Las Cruces! July 11, 2014



Greetings Brothers & Sisters,

Never forget that justice is what love looks like in public.

~ Cornel West

After collecting **6,031** signatures, we've taken a moment to celebrate & reflect. Our congregation teams met to reflect on power and building community. This past week we had a CAFé meeting to reflect on the power of our relationships and values. Here are some thoughts that were expressed in those reflections:

When asked about who is missing from our Dignity Movement, one response was *"No one should be. We need to reach out to all."* We identified groups that were missing like young people, people of color, small businesses, etc.

Another comment was, *"It is obvious that when people are offered something to do they will do it!"*

When asked about what 2015 looked like for CAFé, you, & your congregation, *"Promising, great foundation for civic engagement...much to look forward to."* Another person more to the point, simply said, *"Busy."*

After reflecting on our success collecting signatures, a faith leader stated, *"This is one of the first steps in our journey."*

We are on a journey indeed. A journey to transform our communities by bringing faith first to the public square. How do we do this? As Sarah conveyed in our meeting, **"Our relationships and values must be explicit."**

Can we move someone if we are not in relationship with them? Can we win by data and facts alone, leaving out compelling stories, including our own? People can argue data and facts, but they cannot argue stories. Why? Because stories are our lives & experiences, it is what we know, who we are, and why we do what we do like seek social justice; and no one can argue with that or stand in the way of it for that matter. They can try, but they can't take away from who we are, the dignity & love we feel when we are serving others in our faith and our values.



So I want to ask again, how are you inviting others to our Dignity movement, especially those who are waiting for your invitation?

Angelica Rubio, Campaign Manager



Upcoming Dates:

7/15 Tuesday

CAFé meets with Mayor Miyagishima

7/19 Saturday

CAFé meets with U.S. Senator Martin Heinrich

7/20 Sunday 5-7:00pm

CAFé fundraiser

Hosted by Susan & Pat Fitzgerald
4003 Shadow Mountain Road

7/21 Monday 5:30pm

Executive Comm. meeting

Taking nominations for new EC members!

7/31 Target date to enter the remaining 1500 signatures

DATA ENTRY VOLUNTEERS NEEDED!! Come in, bring your own computer if you'd like, & we'll have you working in no time!

8/4 Voter Registration trainings begin every Monday & Thursday 5:30 pm at the CAFé office

NOTE: These are separate from the County Clerk's training you receive to become a voter registrar

WANTED: Volunteers willing to help with story banks both written & video

Call Rose Ann 575.496.1116

COMMS meetings held every other Thursday 1pm CAFé office Next: 7/24

Follow our daily progress on our website at www.raise-the-wage-lascruces.org. Follow us on Twitter @RaiseTheWageLC #RaiseUPLC #WorkWithDignity & like us on Facebook Raise the Wage Las Cruces.
Join our Dignity Movement today!

Raise the Wage Las Cruces! July 25, 2014



Greetings Brothers & Sisters,

Sawabona! I see you! Sikhona! I am here! Ubuntu! I am because we are! ~ South African greeting

"In Africa there is a concept known as Ubuntu – the profound sense that we are human only through the humanity of others; that if we are to accomplish anything in this world it will in equal measure be due to the work and achievements of others." – Nelson Mandela

I know what it feels like to be seen when you feel invisible and at your lowest point. To feel a ray of hope when you're hopeless. A single mom struggling to raise 3 children all my life working 2, sometimes 3, jobs to pay the bills & keep food on the table, simply surviving and not living. It's degrading. Then 4 months of unemployment after graduating with my Master's degree put me on the path to foreclosure. It was like a death. My world had come crashing down yet the hectic pace of life was moving all around me. I felt as if I couldn't go on. Then someone saw me. They saw ME, not past me or through me. Actually an entire faith community saw me, and it was Sarah & CAFé. It was as if someone had punched a hole through the darkness. Finally hope had come to save me.

CAFé clergy & leaders, the world needs our voices. We need to amplify our stories so that others may hear & know that there is hope. Stories inspire us to act. Stories cross barriers binding us to one another through our shared values. Stories invite others into relationship, as I was invited into CAFé. Stories challenge the dominant narrative. Each of us has a compelling story to tell.

What is our hope and strategy? PICO's hope and our commitment is to have one million transformative conversations engaging first those that have been the most marginalized in our cities and states. **We will say to each child of God, "I see you. Your life and story matter to me."** Across the United States, we will be inviting 1 million people into conversations about what freedom in America could and should look like, and invite them to share in creating our vision.

I have 3 tools to help you tell your story & invite others to do so as well. In addition, we have 2 designated writers, Leslie Belt & Jerry Nachison, that have volunteered to help. The forms are attached to this email. Call me with any questions. Let's start writing & keep hope alive!

Raise the Wage update: We've been busy. First, many thanks to Susan & Pat Fitzgerald and all who made CAFé's first fundraiser a success!

In the past few weeks CAFé leaders have met with U.S. Senator Martin Heinrich, LC Mayor Ken Miyagishima, and the county clerk's office. Also thanks to Sen. Bill Soules for securing an opinion from the NM Attorney General's office regarding a concurrent/combined election. In short, we're moving ahead as planned to meet with all the parties involved to move the democratic process forward for our community.

On Tuesday, 7/29, is the deadline for Esther Martinez, LC City Clerk, to inform CAFé whether she validated 2,257 out of the 6,031 signatures collected. We will release a detailed press release about the steps we are taking in good faith to move the democratic process forward to make sure that voters in our community are allowed their right to vote.

The press release will make reference to the opinion from the AG's office and perhaps a memorandum from the County to the City regarding their support for a concurrent AND *combined* election with the city. We will outline the next steps of the process in the press release.

Let my People Vote!

Rose Ann Vasquez, Operations & Communications Manager



Upcoming Dates:

(NOTE: Dates subject to change)

7/29 Tuesday

Deadline for LC City Clerk to announce validation of signatures

8/4 Monday, 1 pm

City Council approves/disapproves validation

7/31 Target date to enter the

remaining 600 signatures

DATA ENTRY VOLUNTEERS

STILL NEEDED!! Please help!

We're almost there & it's critical we get this task done!

8/5 Tuesday, 5-6 pm

CAFé base meeting, Location TBD

8/12 Tuesday 5:30-7:30 pm

COMMS Speaker Bureau training
Location TBD

8/21 Thursday 6pm

CAFé action, Location TBA

8/4 Voter Registration trainings

begin every Monday & Thursday

5:30 pm at the CAFé office

NOTE: These are separate from the County Clerk's training you receive to become a voter registrar

WANTED: Volunteers willing to help with story banks

both written & video

Call Rose Ann 575.496.1116

COMMS meetings held every other Thursday 1pm CAFé office Next: 8/7

Follow our daily progress on our website at www.raisethe wage-lascruces.org. Follow us on Twitter @RaiseTheWageLC #RaiseUPLC #WorkWithDignity & like us on Facebook Raise the Wage Las Cruces.
Join our Dignity Movement today!

Raise the Wage Las Cruces! August 13, 2014



Greetings Brothers & Sisters,

"And let us consider how to stir up one another to love and good works, not neglecting to meet together, as is the habit of some, but encouraging one another, and all the more as you see the day drawing near." Hebrews 10:24-25

Civic engagement is more than raising awareness about the policies that impact our daily lives. It is about intentionally creating space for people to *actively participate* in shaping their lives and transforming our communities. Elections are about the future. When we step into a voting booth, we are voting for a vision of our future. People who have signed our petition to improve wages to \$10.10 in 2017 have done so with a vision for our community's future that they not only believe in but want to have an *active part* in its success.

CAFé's faith community is asking our city government to be good stewards of the process or act as "good government". Simply, to be inclusive not exclusive; to be efficient and effective, not wasteful; and to act in the best interest of voters. We have provided the city with all the information they have requested including an opinion from the Attorney General followed by an additional supporting letter supporting a concurrent and combined election. The County Clerk's office has met with the City and provided a detailed memorandum regarding the election, also supporting a concurrent and combined election. Previously we provided the documents used by Bernalillo county and city officials when they conducted their ballot initiative to raise the wage, including the NM State Supreme Court's decision to allow for a concurrent and combined election.

We must ask then in the face of all this data and a green light from all parties involved in support of a combined election on November 4th, if the City still decides to hold a separate election wasting significant taxpayer dollars, could this be considered a deliberate act of disenfranchising voters?

Again, citizens have participated in this historic moment in good faith trusting that our government will follow the letter of the law.

This is why your participation in the next few months is critical.

Our presence at the upcoming city council meetings is crucial - they need to see the faces of those that want to participate in the future of our community. We need your help **THIS WEEK** to make phone calls to invite those who signed our petition to also attend the city council meetings scheduled for this Monday, 8/18, and 9/8.

This Thursday, 8/14, we will also have our state partners coming down to LC to train us again on communications. Please join us from 5:30-7:30 for our Speaker's bureau training to learn how to best communicate our campaign message effectively. **We need at least 12 people at this meeting if not more!**

This Saturday, 8/16, we will launch our voter registration with a goal of registering 3,000 voters. Join us at First Christian Church, 1809 El Paseo Rd, from 8:30-9 with a training with the county clerk's office followed by a couple of hours of going into the community to register voters.

For all upcoming events, see the column on the right. **We need your help spreading the word and inviting other CAFé clergy & leaders to attend as many upcoming events as possible.**

We are halfway to the finish line! Let's persevere & keep the momentum going for the day is drawing near!

Angelica Rubio, Campaign Manager

Upcoming Dates:

(NOTE: Dates subject to change)

8/13 Wednesday - Friday 4-6:00 pm
Phone bank to turnout out signers to
Monday's city council meeting

8/14 Thursday 5:30-7:30 pm
First Christian Church
Spokesperson Training

8/16 Saturday First Christian Church
8:30-9:00 am Training
9:00-11:00 am Go to locations

8/17 Sunday
Church announcements to turn out
for city council meetings

8/18 Monday 1:00 pm
City council meeting, 1st reading of
ordinance to raise the wage
LC City Hall, 700 N. Main Street

8/19 Tuesday 5:30 pm CAFé office
Executive Committee meeting

9/7 Sunday
CAFé action to Raise UP Las Cruces!
Location & Time TBD

9/8 Monday 1:00 pm
City council VOTES on ordinance
LC City Hall, 700 N. Main Street

Voter Registration trainings begin
every Monday & Thursday
5:30 pm at the CAFé office

COMMS meetings held every other
Thursday 1pm CAFé office Next: 8/21

Follow our daily progress on our website at www.raise-the-wage-lascruces.org. Follow us on Twitter @RaiseTheWageLC #RaiseUPLC #WorkWithDignity & like us on Facebook Raise the Wage Las Cruces.
Join our Dignity Movement today!

Raise the Wage Las Cruces! August 25, 2014



Greetings Brothers & Sisters,

"It's not your duty to complete the work, but neither are you free to desist from it." ~ Rabbi Tarfon, Sayings of the Rabbi 2:16

**10 weeks to go until election day on November 4th!
Let the countdown begin...**

Two good things came out of the last city council meeting on 8/18. First, Mayor Miyagishima agreed to call a special meeting on Monday, 9/8, for the **final vote of our ordinance**; and, second, when asked TWICE, City Attorney Pete Connelly agreed that a combined and concurrent election with the county is possible. Good work, everyone!

Something also happened that we already know but should prompt us to perhaps bring it to the forefront is City Councilor Greg Smith's question about how the council deals with the conflicting ordinances (ours & the City's ordinance) if our ordinance to improve wages to \$10.10 by 2017 passes. Why is this important now? Sarah, our E.D., has always known we would have to **"Pass it! Protect it! and Preserve it!"** for the 18,000 workers who are counting on \$10.10 in the future.

Moving forward, we expect everyone to begin doing turnout for our upcoming **Raise UP! Las Cruces action on Sunday, 9/7**, at 5pm where we will give the platform for workers to lift up their stories, launch our local "Buycott", and build momentum going into the next day's final vote by the city council. **LET'S TURNOUT AS MANY PEOPLE AS POSSIBLE FOR BOTH DATES!!**

Both the LC Sun News and the Bulletin have agreed to write articles highlighting workers in the next couple of weeks putting real life experiences and faces to this issue. 2 ASKS: First, when you see a good story, please spread it around to all your lists & on social media! Second, if we could highlight 10 workers in the next 10 weeks (1 per week) that would be fabulous!! I'm happy to accompany you on 1-1s with anyone you'd like to invite to share their story & step into their power.

Lastly, we are moving FULL SPEED AHEAD with our voter registration campaign until early voting begins on Oct. 7th. We have had 2 trainings and already have 14 VRAs (Voter Registration Agents) out & about in the community registering people to vote! No matter how the city council votes on 9/8, we will continue to register as many voters in Dona Ana County staying true to our mission, which is civic participation, and voting is a first step for many to participate. We will join PICO's "Let My People Vote" nationwide campaign to close the gap between voter suppression and the promise of democracy.

Voter registration is designed similar to the way we gathered over 6,000 signatures on our petition with a few easy steps:

- Go to the county clerk's office & become a VRA and get your VR cards.
- Come to CAFé for a 5 minute training about procedure & then you're out the door ready to register people who are eligible to vote!



It's that easy! Plus we're asking that you bring 2 friends with you that want to help register people to vote. **YOU PLUS TWO!** This will help us reach our goal of registering thousands of new voters in Dona Ana County. It's a WIN-WIN!

Angelica Rubio, Campaign Manager

Upcoming Dates:

(NOTE: Dates subject to change)

8/26 Tuesday 5:30pm

CAFé meeting & Farewell
celebration for Laura
First Christian Church
1809 El Paseo Rd

9/7 Sunday 5:00 pm

CAFé action to Raise UP Las Cruces!
Mountainview Market on El Paseo
(tentative location)

9/8 Monday 1:00 pm

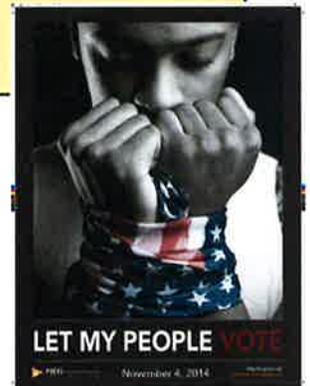
City council VOTES on ordinance
LC City Hall, 700 N. Main Street

Voter Registration trainings every
Monday & Thursday
5:30 pm at the CAFé office

VR Shirts over Labor Day weekend:

Wal-mart locations
Harvest Wine Festival
Farmer's Market
Local congregations

**Call Sara Melton (613) 943-3105
to fill a shift**



Raise the Wage Las Cruces! September 5, 2014



Greetings Brothers & Sisters,

"Hear my cry for mercy, as I cry to you for help, as I lift up my hands to your most holy place." ~ Psalm 28:2

This week leading up to our action has proven to me that workers are not only existing, but that they are existing in the shadows in **fear**. They are in fear of losing their jobs and understandably so. Workers who are our neighbors, aspiring students, caregivers who are caring for our children and elderly, workers who sit in the pews next to us in worship, and those who may even be part of our families.

Las Cruces workers have been led to believe that they are part of the problem and not part of the solution even though they contribute to our economy with their hard work.

Fear and exclusion are not the "Las Cruces way". The Las Cruces community I know is a generous community. Time and again our community comes together at various fundraisers throughout the year and each year the city surpasses what it raised the previous year, usually millions of dollars. Everyone I know from rich to poor come together to tackle life's struggles such as chronic and terminal illness, premature births, homelessness, etc. to improve our quality of life. **Individuals and families who are struggling from paycheck to paycheck having to make decisions about going to work or being able to take a day off to take a sick child to the doctor is a quality of life issue.**

Improving wages improves lives.

Sitting across the table from me as we shared a cup of coffee, a distraught mother pleaded, "Why am I not good enough? When he's sick and I'm holding him in my arms for hours trying to comfort him because I can't afford to take him to the doctor, what do I say to him? Why doesn't *my* child's future matter?"

On another morning, a worker who recently moved to Las Cruces shared with me that she thought she was going to make Las Cruces her home until she began wondering whether she really wants to live in a community that does not value "all its people".

A young man and father of a lively 1 year old daughter seemed anxious to share his story about his family's struggles so that others in similar situations wouldn't feel alone. He is articulate, intelligent, and passionate in conveying the hardships he faces on a daily basis, especially the fact that he is so close to getting his degree but was forced to put it on hold to make sure his family had what they needed - namely food on the table and a roof over their head - the basics. He seemed on board to share his story, and had met with CAFe clergy and leaders but finally confessed, "I'm afraid if I speak out that I'll lose my job."

Fear of losing your job is not dignified. Existing rather than living is not dignified. Having to choose between losing a day's pay or taking your child to the doctor is not dignified. Putting your dreams on hold is not dignified.

The Las Cruces community I know would not leave people out in the cold. The Las Cruces community I know comes together through hard times to improve our quality of life - rich or poor, brown or white, young or old. We value family and strive to include, not exclude, people. Moreover, people need to know they are part of the solution, and not the problem. People are makers, not takers, of the economy. Think about it, without consumers there would be no economy.



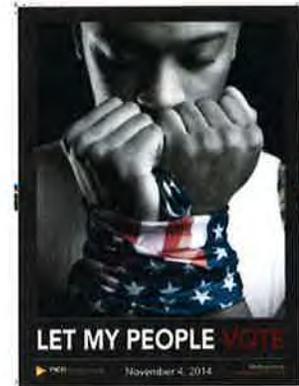
It's time to give people a chance to take back their dreams, secure their futures, and live decent lives. It's time for \$10.10!

Angelica Rubio, Campaign Manager

Upcoming Dates:
(NOTE: Dates subject to change)

9/7 Sunday 5:00 pm
Work with Dignity Rally &
BUYcott Local launch!
Mountainview Market on El Paseo
1300 El Paseo Rd.

9/8 Monday 1:00 pm
City council VOTES on ordinance
LC City Hall, 700 N. Main Street
PUBLIC PARTICIPATION



Total voter registration cards collected as of 9/5:

121

CAFe's Volunteer Team Goal: 350
Weeks to go: 4

To sign up for a VR shift: go to CAFe's website www.OrganizeNM.org or call Sara Melton at (631) 943-3105



Raise the Wage Las Cruces! September 22, 2014



Greetings Brothers & Sisters,

The following statement regarding the minimum wage ballot initiative vote was read by our Executive Director Sarah Nolan on Monday September 15, 2014 during public comment at the Las Cruces City Council Meeting.

Mayor Miyagishima, Mayor Pro Tem Smith and City Councilors:

Last week a majority of the council voted 4-3 to increase the minimum wage for thousands of workers in Las Cruces. Workers who right now rely on government programs to feed their children, friendly neighbors to give them a ride to work or the doctor when they can't afford to repair their car and family members who take care of children when childcare cannot be afforded.

The idea that families like mine when I was growing up feel like they matter that they can make ends meet when just the other day they were probably thinking the ends were never meant to meet. The odds were stacked against them. Not anymore and not today. This brings us joy.

The fragile but present hope I see in the faces of parents, the fragile but present hope I hear in their voices is what I bring to city hall chambers today.

It is in this spirit of joy and hope that I tell you today that it is not nor was it ever our intention to sue the city, recall electeds as some have whispered to us. That is not our purpose and it certainly isn't mine. Our first meeting with the City Clerk was February 3, 2014 to discuss our ballot initiative. Our purpose has always been to create the conditions so that our city doesn't leave 25% of our families living in poverty.

When we met with Councilors Levatino and Silva and dozens of businesses our purpose was to see if others also thought about how we no longer exclude 25% of our residents from a formal economy, to find like minds and hearts.

When we submitted ballot language on the 11th of April and when the petition was finally released to us on May 29th - we were filled with joy and love for our City because it was one step closer to getting families out of poverty.

Even on June 2nd - 3 days after we began to collect signatures and a majority of council voted an increase to \$8.50. Even if it still excluded tipped workers and we know that \$8.50 is still a poverty wage for a family of four - even then, we were excited to see the City Council responding to a need.

However, statements from several council people after the vote indicated that the \$8.50 was reasonable, just last week voted for \$10.10. A Councilor was quoted in the Sun News saying "a vote today for this proposal does not stop CAFe from collecting their signatures and putting this on the ballot."

So what was the purpose of the vote in June? What was the purpose of the Great Conversations in April? What was the purpose of passing our ordinance last week?

Our purpose has been clear from the beginning. Creating structural opportunities for struggling families so they no longer live in poverty. I am not so clear about the purpose of any of the actions city council has taken on the issue of minimum wage and I think many in our City feel the same way.



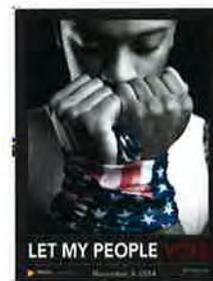
I want to believe that our government is good, is well intentioned and listens to its people. My trust in our democracy was shaken a little last week and our ordinance must be accepted as the law of the land as we submitted it as petitions were verified and as was adopted last week - \$10.10 by 2017 no exclusions.

Upcoming Dates:
(NOTE: Dates subject to change)

9/22, Monday, 5:30pm
Executive Committee Meeting
CAFe office, 133 Wyatt Dr. #1

9/30, Tuesday, 5:30pm
CAFe meeting
First Christian Church
1809 El Paseo Rd.

10/27, Monday, 1pm
LC City Council Worksession
City Hall, 700 N. Main St.
PUBLIC PARTICIPATION



Total voter registration cards collected as of 9/17:

220

CAFe's Volunteer Team Goal: 350
Weeks to go: 3

To sign up for a VR shift: go to CAFe's website www.OrganizeNM.org or call Sara Melton at (631) 943-3105



From Democracy Journals

JASON FURMAN

Please refer to
Fig. 6 on page 21

Poverty and the Tax Code

*Tax credits have arguably done more to reduce poverty than programs have.
It's time to expand them once again.*

The federal tax system has undergone a profound transformation in the last century in the way it treats low-income households. When it was first instituted in 1913, the modern income tax was levied on only the top 1 percent of earners, and when the payroll tax was added in 1937, it started at a rate of only 2 percent. As a result, the tax system effectively ignored low-income households. But a steady broadening of the income tax base and increases in payroll taxes meant that, by the late 1960s, the tax system was *adding* substantially to poverty by requiring payments from households that pushed some of them under the poverty line and pressed others still deeper into poverty.

A series of legislative measures passed since the 1970s has reversed this trend. In 1975, the earned-income tax credit (EITC) was created; in 1997, the child tax credit became law. Since their creation, both have been extended,

JASON FURMAN is the Chairman of the President's Council of Economic Advisers.

with an expansion included in almost every major tax bill since the mid-1970s. As a result, over the past century we have moved from a tax code that ignored the poor to one that exacerbated their condition to the one we have today that directly reduces poverty for households with children, while increasing incentives for work, education, and advancement.

Looking back at the history of poverty and the tax code in the last several decades reveals some important lessons for expanding opportunity and combating poverty going forward, including the value of having a pro-work, pro-family tax code. The most important new prospect in this area is expanding such an approach for households without children, a proposal that President Obama included in his 2015 budget, and an idea that is also being advanced across the political spectrum, from Senator Marco Rubio to Bush Administration economist Glenn Hubbard to Isabel Sawhill at the Brookings Institution.

This history also shows some of the limits in using the tax code—and government benefits more broadly—to create economically sustainable improvements in incomes. Ultimately, these approaches need to be part of a strategy that raises incomes widely and expands mobility and opportunity.

Trends in Poverty in the Last Five Decades

In January 1964, President Lyndon B. Johnson inaugurated an “unconditional war on poverty,” declaring that “[i]t will not be a short or easy struggle, no single weapon or strategy will suffice, but we shall not rest until that war is won.” What followed was a range of initiatives designed to improve the education, health, skills, and access to economic resources of those in need. Over the next several decades numerous other policies were added or reformed, with a particular focus on shifting to a system that better rewarded and encouraged work.

To measure the impact of the War on Poverty—as well as the broader impact of the economy on trends in poverty and inequality—we must reassess how poverty itself is measured. As part of President Johnson’s War on Poverty, an Official Poverty Measure was developed in the 1960s and subsequently adopted by the federal government. Unfortunately, while it originally provided an informative assessment of poverty, today it is woefully inadequate as a measure of individuals’ well-being, resulting in a distorted understanding of the level of poverty in the United States and, even more importantly, how poverty has changed over time.

The biggest limitation of the Official Poverty Measure is caused by its measure of family resources, which captures pre-tax income (wages and salaries)

plus cash transfers (Social Security, unemployment insurance), but not the effects of taxes, tax credits (such as the EITC), or non-cash transfers (such as the Supplemental Nutrition Assistance Program, or SNAP, also called “food stamps”). Because of this, it excludes a significant portion of initiatives directed at the poor. Additionally, the Official Poverty Measure has been found to have several technical and methodological shortcomings in its measure of the costs of basic needs. Fortunately, these deficiencies did not go unnoticed by the Census Bureau, which, under the leadership of Acting Commerce Secretary Rebecca Blank, published for the first time in 2011 a Supplemental Poverty Measure that represents a significant improvement upon the official measure in its methodology for calculating poverty thresholds and family resources.

All told, public programs have lifted an average of 27 million people per year out of poverty—and raised incomes for millions more—over the past 45 years.

Unlike the Official Poverty Measure, the Supplemental Poverty Measure tabulates family resources after tax and transfers, including measures such as the EITC. It also subtracts medical out-of-pocket expenses from families’ resources. Using this more inclusive measure, Christopher Wimer, Liana Fox, Irwin Garfinkel, Neeraj Kaushal, and Jane Waldfogel at the Columbia Population Research Center have created an “anchored” version of the Supplemental Poverty Measure that allows them to extend the measure back before the earliest Census estimates in 2009 and adjust poverty thresholds only for inflation. When compared to the Official Poverty Measure, the Supplemental Poverty Measure depicts a profoundly different trajectory for the War on Poverty over the last 50 years. Comparing and adjusting these measures makes it possible to pinpoint what’s responsible for these differing trajectories.

Looking just at “market income” (a household’s income from work and other sources, but not counting taxes or benefits), the poverty rate actually *increased* slightly from 1967 to 2012, as shown in Figure 1. This is likely due to the fact that cash income growth has been hampered by a rise in inequality in recent years. Economic growth is typically an important antidote to poverty—as long as gains from growth are shared with those in the bottom of the income distribution. Unfortunately, this has not been the case for almost 30 years; rising inequality has left incomes at the bottom relatively unchanged, resulting in the observed increase in poverty as measured without tax credits and benefits. Part of this trend is due to the 25 percent decline in the real value of the minimum wage since 1967, a point this article will return to.

Figure 1: Poverty Rate Without and With Tax Credits and Cash & In-Kind Benefits

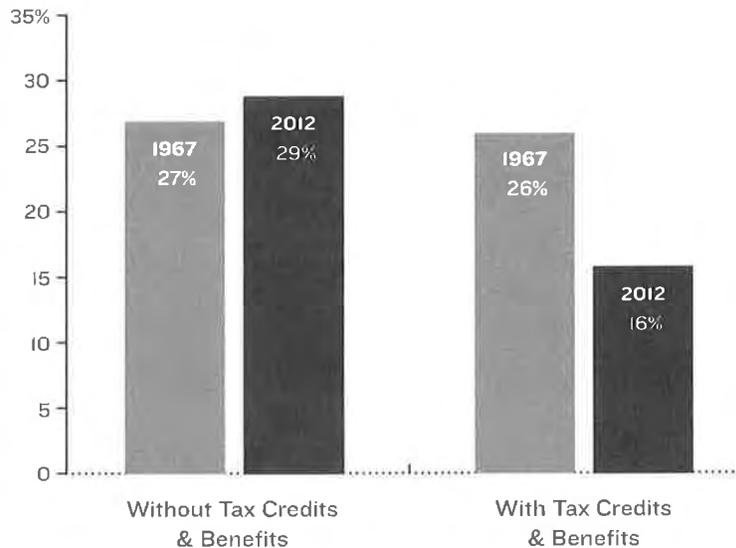


Figure 1 also shows the tremendous progress we’ve made in reducing actual poverty outcomes as experienced by individuals and families. In 1967, the net effect of the tax system and public programs together had a negligible impact on poverty, as benefits like Social Security for some families were effectively offset by taxes on other families that pushed them into poverty. By 2012, however, the net effect of public policies directly cut the poverty rate by more than a third. As a result, over the intervening period, the poverty rate was reduced by nearly 40 percent. Although the struggle persists for far too many, this progress is notable.

Much of this progress was the result of the creation and expansion of tax credits, as well as nutrition assistance, neither of which are included in the Official Poverty Measure. As such, the Official Poverty Measure fails to capture the significant progress in outcomes over this period. All told, public programs have lifted an average of 27 million people per year out of poverty over the past 45 years. This is particularly important whenever critics ask what we have gotten for what they claim are the trillions of dollars spent combating poverty in the last 50 years—we’ve gotten a total of 1.2 billion people-years cumulatively lifted over the poverty line, and higher incomes for many more.

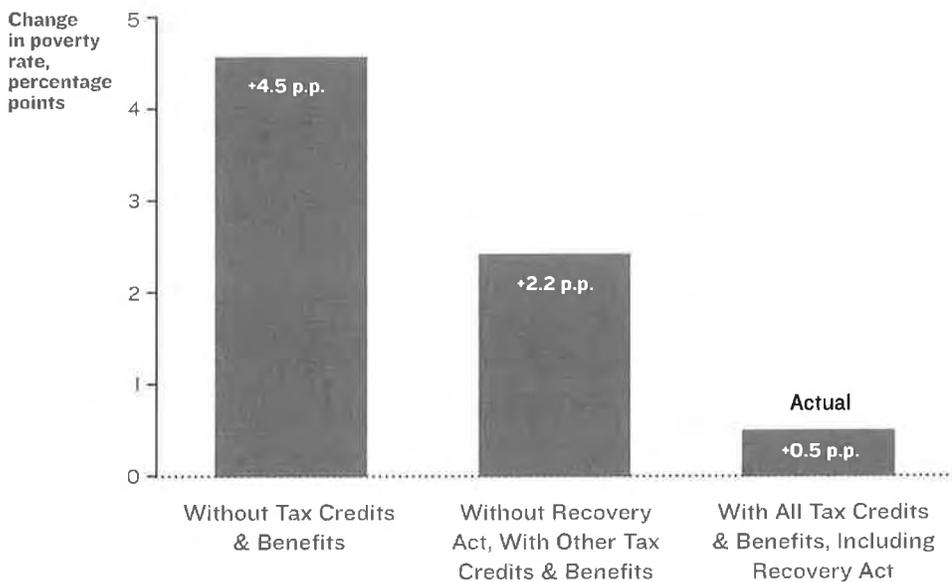
Poverty, the Business Cycle, and the Great Recession

While anti-poverty programs have had beneficial effects on the level and trend in poverty, they have also succeeded in lessening the impact of the business cycle on poverty, especially for those in “deep poverty” (that is, below 50

percent of the poverty line). Counting just market income, deep poverty rises sharply in recessions and tends to fall as the economy recovers. After accounting for taxes and benefits, however, the deep-poverty rate barely registers the business cycle: It is largely protected from dramatic rises during recessions, although it also does not fall that much faster in recoveries. In contrast, using the standard poverty line, we still see a greater reflection of the business cycle in poverty—although that too is changing, as is especially clear in the most recent recession.

The recent financial crisis dealt a severe blow to American families, wiping out more than \$13 trillion in household wealth, causing median household wealth to fall by 39 percent, and forcing eight million people out of their jobs. Without any tax or benefit policies, the poverty rate measured by market incomes would have risen by 4.5 percentage points from 2007 to 2010, as shown in Figure 2. That amounts to about *14 million more people*, including many from the middle class, who would have fallen into poverty, just based on the economy. Instead, the comprehensive measure of poverty fully reflecting taxes and benefits went up only half a percentage point—about 1.5 million people. While that amount is certainly lamentable, and we should be doing our best to avoid even that outcome, it is a massive difference from the 14 million that would have fallen into poverty absent those policies.

Figure 2: Change in Poverty Rate From 2007-2010, Without and With Tax Credits and Benefits



Moreover, this improvement in poverty was the result of a combination of pre-existing policies and important expansions in the American Recovery and Reinvestment Act, which bolstered tax credits such as the EITC and child tax credit, temporarily expanded SNAP benefits, and extended and temporarily expanded unemployment insurance benefits, in addition to giving states incentives to undertake ongoing unemployment insurance reforms. All told, the expansions in 2009 and beyond were responsible for more than 40 percent of the total poverty reduction from tax credits and benefits.

The Direct Impact of the EITC and Child Tax Credit

The creation of the EITC precipitated a dramatic shift in poverty-reduction policy to focusing on promoting work through anti-poverty programs. Initiated under President Nixon and signed into law by President Ford in 1975, the EITC provides a refundable tax credit for working families and individuals that can either offset income taxes or, if larger than the family's income tax liability, be given as a direct payment. President Reagan once called a bill that included an EITC expansion "the best anti-poverty, the best pro-family, the best job-creation measure to come out of Congress." The credit equals a fixed percentage of earnings from the first dollar of earnings up until a certain threshold, at which point the credit then stays flat as earnings continue to rise, and then is eventually phased out. Credit amounts vary significantly by marital status and number of children. In 2014, the maximum EITC for a household with two children is \$5,460, while for a childless household it's \$496.

The EITC is complemented by the child tax credit, which was originally established in 1997 to provide \$500 per child. At its inception, the child tax credit had limited refundability for working families (defined as those in which at least one parent works) with three or more children. The child tax credit has since been expanded to \$1,000 per child and is now refundable for 15 percent of earnings in excess of \$3,000 through 2017.

The EITC was expanded as part of legislation for revenue neutral tax reform (1986), permanent tax increases on high-income households (1990 and 1993), permanent tax cuts (2001), and temporary tax cuts (2009). Similarly, the child tax credit was first created in a deficit reduction bill (1997), expanded in a tax cut bill (2001), and further expanded in temporary countercyclical bills (2008 and 2009). Most recently, the EITC and child tax credit expansions were extended through 2017 by the American Taxpayer Relief Act of 2012. At the same time, 25 states and the District of Columbia have created EITCs that piggyback on the federal EITC, with the largest benefits going to families with incomes between about \$10,000 and \$23,000.

The creation and expansion of these tax credits have served as a powerful demonstration that the old adage “a program for the poor is a poor program” need not always be true. That idea, as it was originally propounded by architects of Social Security under Franklin D. Roosevelt, suggested that a program that was not designed to broadly benefit the entire population would be unpopular, subject to threats, and erode over time. Indeed, there has been a long-standing torrent of fierce criticism of the EITC and the partially refundable child tax credit, including claims of fraud, criticism of beneficiaries who end up not paying any federal taxes (going so far as to call them “lucky duckies”), and strong resistance to extending or expanding the benefits from these credits. But due to the effectiveness of these programs, their expansion over time has generally been hailed on a bipartisan basis as a market- and work-

President Reagan once called an expansion of the earned-income tax credit “the best anti-poverty ... measure to come out of Congress.”

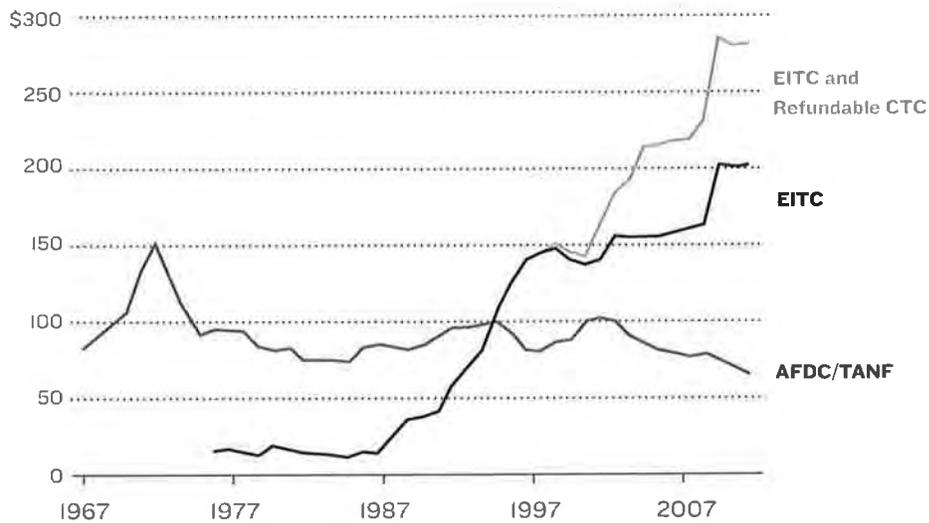
oriented way of expanding opportunity and reducing poverty. The political success of these credits over the years is also likely a function both of the inherent work requirement and the fact that they are administered through the tax code, which is a universal system.

These policies have also succeeded partly because they are not just tax credits for one section of the population, but are also measures that provide broader insurance to a much wider set of beneficiaries over time. While in any given year 13 percent of people receive these tax credits, one study found that over an 18-year period, because of fluctuations in income, *more than half of taxpayers* benefitted from the EITC. (As an aside, a similar point applies to other programs like nutrition assistance or unemployment insurance that are targeted at a specific set of households by income or work status at any point in time but benefit a much wider range of households over time and provide an insurance value to an ever wider set of households.)

The relative size and scope of the tax credits compared to traditional means-tested programs underscores the extent to which poverty-alleviation programs now emphasize employment. Today, expenditures for the EITC and the partially refundable portion of the child tax credit total \$79 billion annually, four times more than those for Temporary Assistance for Needy Families (TANF), the major welfare program that used to be known as Aid to Dependent Families and Children (AFDC), as shown in Figure 3. Moreover, programs like TANF have simultaneously been transformed to become more pro-work.

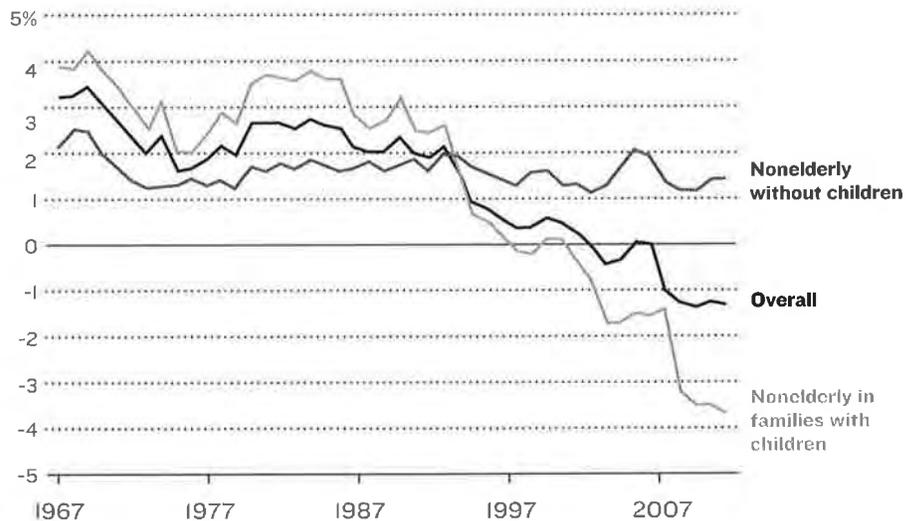
POVERTY AND THE TAX CODE

Figure 3: Real Per Capita Expenditures on Select Programs



The EITC and partially refundable child tax credit (CTC) have dramatically altered the impact of the tax code on poverty. In 1967, a household at the poverty line paid about 12 percent of its income in federal taxes all told, including payroll taxes. Paying those taxes pushed millions of families below the poverty line, in turn raising the overall poverty rate by 3.2 percentage points, as shown in Figure 4. The impact of the tax system on poverty for nonelderly households with children was even more pronounced, raising the poverty rate by 3.9 percentage points largely because, for those households, the poverty line is somewhat higher to reflect the greater needs of larger families.

Figure 4: Increase (+) / Decrease (-) in Poverty Rate Due to Taxes



The tax system today is dramatically different, working not to increase but to reduce the overall poverty rate by 1.3 percentage points in 2012. Instead of exacerbating the poverty rate for families with children, it lowers it—by a total of 3.7 percentage points in 2012. But the tax system still taxes low-income childless households, raising their after-tax poverty rate.

Although the changes to the tax system since the 1990s have reduced its contribution to poverty among families with children, it has only been since Democrats insisted that the refundability of the child tax credit be expanded as part of the 2008 stimulus that the tax system stopped increasing overall poverty. In 2009, the Recovery Act further expanded the refundability of the child tax credit and made two critical enhancements to the EITC: reducing the marriage penalty that had dramatically cut down on the credit for some low-income people with children who married; and expanding the tax credit for families with three or more children to reflect both their greater expenses and higher poverty rates. Taken together, the anti-poverty policies under the Recovery Act reduced poverty rates by 2.6 percentage points for families with three or more children and 1.3 percentage points for families with one or two children. The EITC and child tax credit policies first enacted in the Recovery Act now benefit 16 million families a year by an average of \$900 per family.

The Dynamic Effects of Tax Policies on Households

So far, this discussion of tax credits and other government benefits has focused on their direct effects. That is to say, it provides a static picture that takes a household's market income as given and asks how adding to or subtracting from it would affect whether or not the household was above or below the poverty line. Academic research has found that this assumption is reasonable in aggregate. For example, research generally finds that nutrition assistance does not discourage work, and thus one can measure its impact on poverty just by looking at the direct benefits it provides in lifting people above the poverty line.

In the case of tax credits, however, this methodology may understate the impact tax credits and other benefits have on poverty, and it entirely misses the impact they have on mobility and intergenerational outcomes. A raft of economic research since the 1990s has found that expansions in the EITC have increased labor force participation among single mothers with children, with little effect on participation among single women without children. Bruce Meyer and Dan Rosenbaum found that it was not just a trivial positive impact; in a paper published in a leading economics journal, they found it was

quantitatively very important, and the EITC could explain more of the very large increase in the participation rate for single mothers during the 1990s than the reduction of welfare benefits, welfare waivers, child care, and job training combined.

The most recent research has stressed that the benefits of tax credits are not limited to participation in the workforce but also extend to mobility and opportunity. Hilary Hoynes, Douglas Miller, and David Simon, economists at the University of California, Davis, have found that an increase in EITC income leads to a reduction in low birth weight for children, which is known to have important impacts on opportunity. Economists Gordon Dahl and Lance Lochner have shown that children in households that receive the EITC score higher on reading and math tests than their peers. Finally, work released recently by University of Texas economist Dayanand Manoli and Nicholas Turner of the Treasury Department's Office of Tax Analysis finds a significant impact of the EITC and tax refunds on college enrollment. In particular, a \$1,000 increase in tax refunds received in the spring of a student's senior year of high school increases college enrollment the following fall by roughly 2 to 3 percentage points.

The child tax credit has been less studied by itself, but research by Raj Chetty and John Friedman of Harvard and Jonah Rockoff of Columbia analyzed its effects in conjunction with the EITC and found that a \$1,000 tax credit increases a child's test score by 6 percent of a standard deviation. (For comparison, high-quality teachers increase achievement by about 10 percent of a standard deviation.) This improvement in test scores in turn implies higher college attendance rates and higher lifetime earnings.

Expanding the EITC for Households without Children

The major changes described thus far apply almost exclusively to households with children. As a result, the federal tax rate for a married couple with two children and with income just at the poverty line has gone from 10 percent in 1967 to -16 percent in 2012, as shown in Figure 5a. But the tax rate for a married couple with no children at the poverty line has been practically constant, going from 12 percent in 1967 to 11 percent in 2012. The same divergent trends appear among single parents, as seen in Figure 5b (note that this assumes single workers with children are filing as head of households). Overall, the

The President's proposal would double the childless earned-income tax credit to \$1,005 and lower the age threshold from 25 to 21.

emphasis on families with children has been appropriate. The tax system used to do more to add to poverty for households with children than for households without. And even with these changes the poverty rate for nonelderly households with children is still 1.8 percentage points higher than it is for households without children, due to their often higher needs, which is why it would not make sense to expand the childless EITC at the expense of the EITC for households with children.

Figure 5a: Federal Tax Rate at Poverty-Earning Level for Married Workers

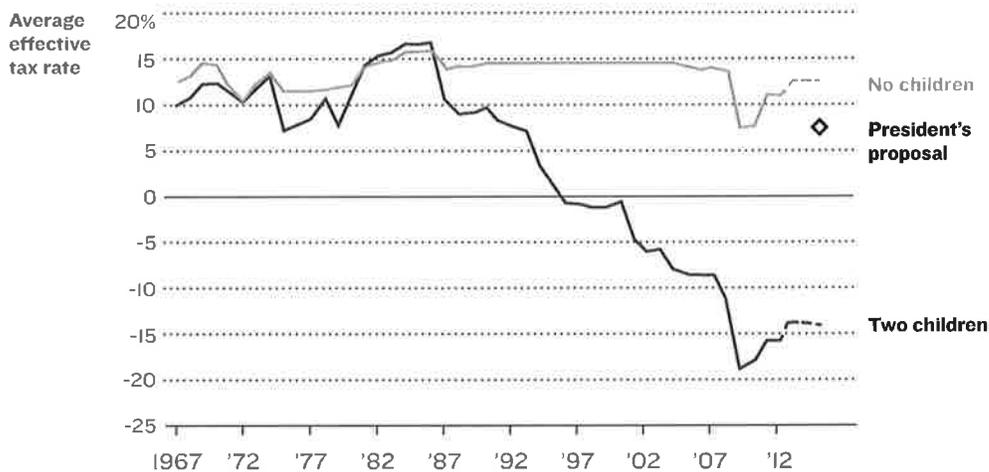
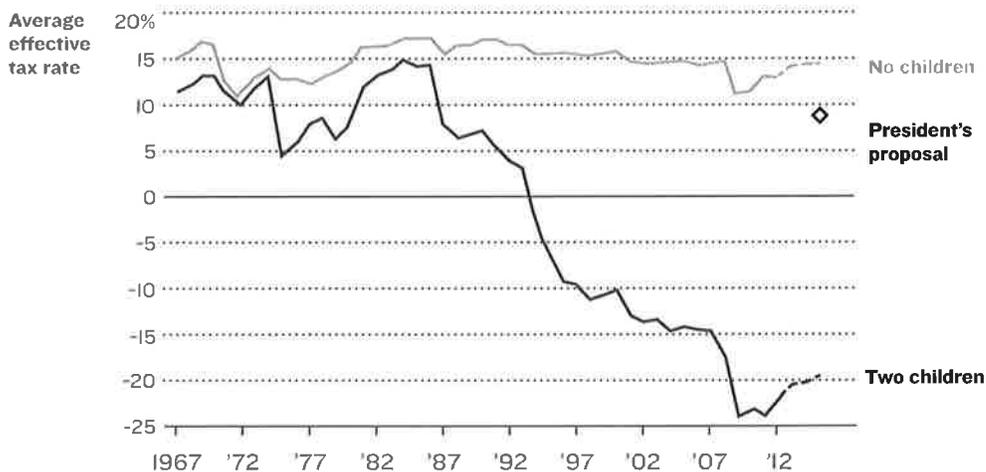


Figure 5b: Federal Tax Rate at Poverty-Earning Level for Single Workers



POVERTY AND THE TAX CODE

A small EITC for childless households was established in 1993. In 2015, it is expected to have a maximum value of \$503 and is fully phased out for individuals making more than \$14,790 (\$20,290 for married couples). A childless adult with wages equal to the poverty line is expected to face a federal tax burden of \$1,979—her total payroll and income tax burden minus an EITC gain of \$170—driving her deeper into poverty and making childless workers the sole demographic for which that is the case.

The President's proposal would double the childless EITC to be worth up to \$1,005 and lower the age threshold from 25 to 21 to help more lower-income young people, while also increasing the upper age limit from 65 to 67 to align with scheduled changes to Social Security's normal retirement age. The household at the poverty line would see its EITC expand from \$170 to \$842, more than eliminating its income taxes, although it would still pay net taxes on earnings when including payroll taxes. (Note that these workers would receive returns during retirement through Social Security and Medicare.) The proposal would benefit more than 15 million people by an average of \$430, including lifting about half a million people above the poverty line and reducing poverty for ten million more. The EITC expansion would be fully paid for by closing loopholes that let some high-income professionals avoid income and payroll taxes, including the carried-interest loophole.

The proposal is also designed to make the childless EITC more salient, with the raise to \$1,005 helping to make more low-wage, part-time, or part-year workers aware of it. The greater salience should induce some of the same behavioral impacts that have been demonstrated in the context of the EITC for households with children, including expanding participation in the workforce and higher paths for incomes. Research by Chetty, Friedman, and economist Emmanuel Saez has found that knowledge of the EITC varies geographically, with many regions not yet taking full advantage of the credit. The authors estimate that if average knowledge of the EITC were equal to that of the current top 10 percent of informed areas, there would be a threefold increase in favorable behavioral responses, such as take-up of the credit.

In addition, by making work more lucrative, an expanded credit could encourage those who are considering whether to replace employment with income support programs to remain in the labor force, thereby reducing expenditures on other social programs, and maybe even lower spending on the criminal justice system by making people less likely to turn to crime. Higher incomes could also encourage family formation, which is historically associated with lower poverty rates. Moreover, notwithstanding its name, many of

those who would benefit from expanding the “childless” worker EITC are noncustodial parents, especially fathers. Encouraging these fathers to participate in the labor market and supplementing their incomes will likely benefit their children as well.

The proposed expansion will particularly target several demographics with low or declining labor-force participation rates, including workers with a disability that limits their work capacity, who currently account for about 14 percent of childless EITC recipients; African-American men, whose labor force participation rate has fallen from 74 percent to 64 percent since 1972; and non-college-educated young people at the beginning of their careers. (At the same time, the proposed expansion will maintain protections that also prevent the childless-worker EITC from benefitting full-time students.)

By making work more lucrative, an expanded credit could encourage low-income workers to remain in the labor force.

Expanding the childless EITC has increasingly been advocated by members of both parties. Senator Marco Rubio called for an expanded wage supplement for workers without children. Michael Strain of the American Enterprise Institute has said the program should give “more support to

childless workers.” Glenn Hubbard, who chaired the Council of Economic Advisers under President George W. Bush, has written that “increasing the credit for childless workers to an amount closer to that for families with children would augment the direct work incentive and help counter poverty among the working poor.” These arguments have also received support from other conservatives, including Nobel Prize-winning economist Gary Becker and *New York Times* columnists David Brooks and Ross Douthat. On the other side of the aisle, Isabel Sawhill and Quentin Karpilow at the Brookings Institution recently proposed an EITC reform that would provide a “significant benefit” to childless single individuals. Likewise, the Center for Budget and Policy Priorities and economist John Karl Scholz have long proposed expanding the childless EITC.

What’s Next?

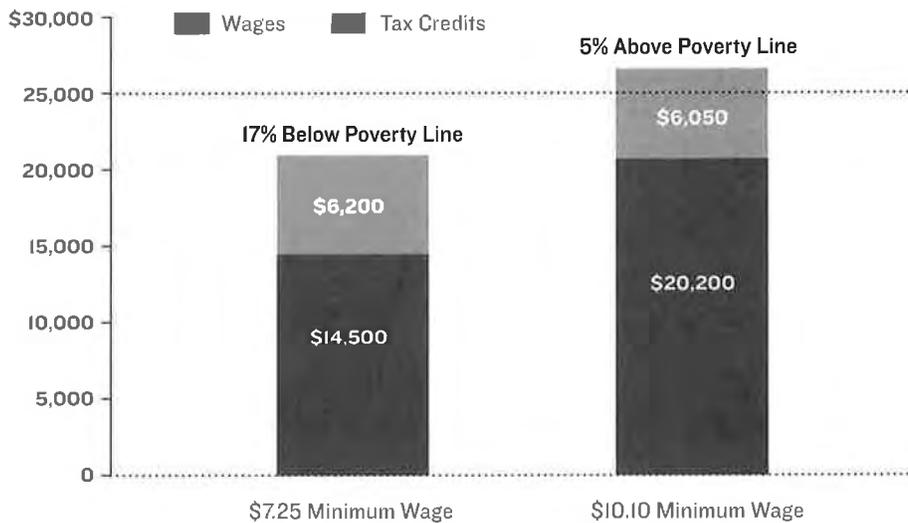
The history recounted here shows just how much has been accomplished through public policy, especially through the tax code. Protecting and preserving these highly effective measures most immediately means making permanent the changes to the EITC and child tax credit that are set to expire in 2017 and also protecting key programs like nutrition assistance. A key next step is to reform

and expand these programs. One of the best opportunities with the most current potential is expanding the childless EITC.

However, none of the above should be construed to mean that we should ignore the stagnant market incomes of low-income households. If we are to make significant progress that is economically and politically sustainable, we also need to focus on raising wages and increasing incomes.

This is one key motivation for the President’s support for legislation to raise the minimum wage for all Americans to \$10.10 an hour. Doing so in 2016 would raise a family of four with one full-time worker above the poverty line (as shown in Figure 6). As the President noted in his 2014 State of the Union address, “Americans overwhelmingly agree that no one who works full-time should ever have to raise a family in poverty.”

Figure 6: Earnings of Full-Time Worker at Minimum Wage Relative to Poverty Line for Family of Four



The goal of raising market wages and incomes is the motivation for much of the rest of the President’s economic agenda, including investments in education, infrastructure, and research as well as business tax reform and trade agreements and other policies designed to expand economic growth and to ensure that the benefits from growth are widely shared.

In 2064, when we look back on the War on Poverty at its one hundredth anniversary, if America still faces the same level of “market” poverty we do today,

JASON FURMAN

regardless of what further successes we have in reducing poverty through our tax and benefit system, we will have failed as an economy and a society. But this does not mean we should turn our back now on reforming and expanding measures like the childless EITC that boost post-tax incomes. In fact, encouraging work and mobility measures like the EITC are part of the broader strategy to raise pre-tax incomes—and working in tandem these efforts can help achieve a more just and more equal America. ■

Reference "6"
Dan Schneider

October 22, 2014

Mr. Garza,

First of all, our organization would like to thank you, the Mayor and those members of the City Council who tried to find a common ground solution in addressing the issue of minimum wage in Las Cruces.

The community activist group Café has framed the argument by saying that people of faith must support a \$10.10 minimum wage. This is not true. Advocating for an exact hourly wage amount that is appropriate for this community is not a matter of objective morality, as Café claims, but falls under the prudential judgment of our elected officials and city management to make after gathering input from the local business community, religious and other community leaders. What is in question here is the right of workers to have a *living wage*. The MIT Institute on poverty's has stated that number to be \$8.12 for workers in Dona Ana County, which both current laws exceed.

Practically speaking, many have tried to explain the impact of the \$10.10 minimum-wage on small businesses. As businesses are forced to raise prices to cover such a rapid increase in wages (forty percent higher than the current federal rate), demand for their goods and services will by necessity decrease. **This means eliminating jobs, cutting back on overtime, minimizing employee benefits, and finding other ways to stay competitive in an already economically depressed climate.** For some businesses that compete outside of this local market – agricultural-related businesses, for example -- it may mean moving across the state line to survive. For others, like two national restaurant chains that decided not to open in Las Cruces because of the Café initiative, it means taking those jobs to business-friendly cities.

The Café initiative will hurt the very people it purports to help. As such, the Southern New Mexico Business Coalition **encourages you to listen to the input of the local business community**, for we stand united with both the Greater Las Cruces Chamber of Commerce and the Hispano Chamber. We believe our input is important, for we are, after all, the ones who have helped build this community and are creating jobs in Las Cruces. We also care much more for our workers and their families than the activists who are here today and gone tomorrow.

Sincerely,

Dan Schneider
Southern New Mexico Business Coalition

Reference "7"
Greater Las Cruces Chamber of Commerce

Good afternoon Robert, as you know, the leadership and members of the Greater Las Cruces Chamber of Commerce and the Hispanic Chamber of Commerce attended many public discussions sessions in advance of the City Council passing a Min Wage Ordinance in June. Although we were reluctant to support any increase that was artificially mandated and not market driven, both Chambers supported and continue to support the actions of the City Council in June. It is important to note, we chose to work with City Council and staff to arrive at a compromise while other groups sought to dismiss and maneuver around the actions of the majority of the Council. As to our collective position today, we remain committed to the basic elements of the June ordinance with a few modifications:

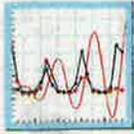
- 1) Min wage increase to \$8.00 July 1st and to \$8.50 Jan 1st 2016
- 2) (New) Min wage increase to \$9.20 Jan 1st 2019 and \$10.00 Jan 1st, 2022
- 3) Tip wage remains the same at \$2.13 an hour recognizing tip income increases as consumer prices increase to absorb market driven/mandated cost increases
- 4) CPI increase of up to 3% based on LOCAL inflationary calculations beginning annually Jan 1st 2023
- 5) (New) New hires may be paid \$7.50 per hour for the first 90 days then change to current min wage
- 6) (New) Any person 19 years or younger and any person 21 years old and younger who does not have a high school diploma or GED may be paid \$7.50 per hour
- 7) (New) Any person 20 years or older who presents a high school diploma or GED will be paid the current min wage

Bill Allen

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www.lascruces.org



Reference "A-1"
The Nation Article



THE SCORE/MIKE KONCZAL + BRYCE COVERT

Does the Minimum Wage Kill Jobs?

Throw a rock into the punditsphere and you'll hit someone arguing that minimum-wage increases kill jobs. We shouldn't boost the wage, these people argue, because companies will hire fewer of the lowest-paid workers—the very workers who are supposed to be helped. Meanwhile, social movements like Fight for 15 demand a higher minimum wage in order to raise the living standards of these workers.

To a degree, the relationship between the minimum wage and employment is still debated among economists. When thirty-eight of them were polled last year, they were split as to whether a \$9 hourly wage would cost jobs, with about a quarter unable to say one way or another. The debate pits the Congressional Budget Office, which found that a \$10.10 wage would reduce employment by 0.3 percent, against economists like David Cooper, who found that a higher minimum wage would support the creation of 85,000 new jobs.

So which is it: Does raising the minimum wage boost living standards for workers, or does it kill jobs for those who need them most?

Taking stock of all the conflicting research on the topic suggests the former: employment is unlikely to suffer from a higher wage. In 2009, Hristos Doucouliagos and T.D. Stanley published a paper that reviewed sixty-four studies and found that when the studies' findings were averaged out, the impact of raising the minimum wage on employment was close to zero. Also, the most statistically precise studies were the likeliest to find no impact. Increasing the wage by 10 percent could reduce employment by a mere 0.1 percent.

Critics suggest that employers of low-income workers will replace them with machines if their labor becomes more costly. But in the real world, businesses are run by human beings who make a range of choices. Bosses often respond to higher labor costs not by cutting workers, but by requiring workers to be more efficient.

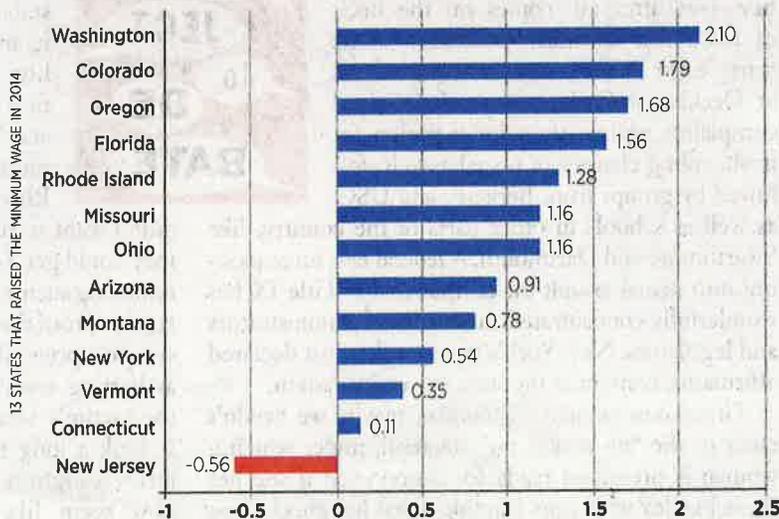
They may reduce bonuses for higher-paid employees. They could pass the cost on to customers through higher prices, although a review of academic papers found that a 10 percent wage increase raised prices by no more than 0.4 percent. Most important, employers are likely to find that a higher wage reduces costly job turnover among trained workers. Higher wages also put more money into workers' pockets—to the tune of some \$30 billion—which would then be spent at these businesses.

Real-world evidence is reassuring. In 2010, three economists looked at 1,381

have experienced higher employment growth than those that didn't. Washington, the state that has boasted the highest minimum wage for fifteen years, had a job-growth rate 0.3 percentage points above the national rate. It's impossible to draw a clear line of causation from a higher minimum wage to job growth, but the hikes clearly did not torpedo local economies. Across the board, there's little reason to think that a higher wage would decimate job growth and good reason to think it could give the economy—and workers—a boost.

Bryce Covert

PERCENTAGE CHANGE IN EMPLOYMENT IN STATES THAT RAISED THE MINIMUM WAGE



Source: Bureau of Labor Statistics PERCENTAGE CHANGE IN EMPLOYMENT: AUG.-DEC. 2013 TO JAN.-MAY 2014

counties over sixteen years, finding that minimum-wage hikes had no effect on employment. Other economists looked at every state-level minimum-wage increase over twenty-five years at times when unemployment was already high and found no evidence of an effect on job creation. Yet another group looked at the effect of state-level increases on teenagers—canaries in the coal mine of low-skilled employment—and found zero impact on their jobs.

Even this year, the thirteen states that raised their minimum wages on January 1

THE SCORECARD



Myth: The minimum wage is a living wage.

Reality: One full-time minimum-wage job used to be able to keep a family of three above the poverty line. Now it can't keep a single parent above the poverty line.



Myth: Mostly teenagers in short-term jobs make the minimum wage.

Reality: Nearly 90 percent of the workers who would be affected by a minimum-wage hike are older than 20, and 28 percent of them are parents.



Myth: Minimum-wage jobs like fast food are just entry points to better-paid careers.

Reality: In the minimum-wage fast-food industry, there are far fewer managerial positions to move into than in other industries, and few franchise ownership opportunities.



THE GLASS IS...

HALF-FULL: Ten states have passed minimum-wage increases this year, five above \$10 an hour.

HALF-EMPTY: Congressional Republicans have blocked a federal minimum-wage increase three times over the past three years despite supporting one under President George W. Bush.

Reference "A-2"
Washington Times Article

You are currently viewing the printable version of this article. To return to the normal page, please click here.

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EDITORS' PICKS: International crises be damned, Obama's fundraising trip must go on

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Report: Most of Santa Fe workers live elsewhere

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By Associated Press

Thursday July 10, 2014

SANTA FE, N.M. (AP) - A new report says more than half of the people who work in Santa Fe live outside the northern New Mexico city.

The report by economist Ashley Leach of the state Department of Workforce Solutions [\(?\)](#) says the number of commuters grew to 51 percent in 2011 from 42 percent in 2002.

Albuquerque is the biggest source of commuters at 15 percent, followed by Rio Rancho at 7 percent, the Santa Fe New Mexican (<http://bit.ly/1w5pmK0>) reported.

New Mexico's capital has long been known as a major commuting city in large part because of state government jobs.

While the report doesn't explain why the number of people commuting to Santa Fe for work has gone up, the report's findings are a concern to Santa Fe officials and civic leaders because of the dollars of spending that leave the city.

"Half of the people working here are not spending their wages here," said Mike Loftin, executive director of Homewise Inc., a nonprofit that helps low- and moderate-income people purchase homes.

Simon Brackley, president and CEO of the Santa Fe Chamber of Commerce, said it's troubling that so much potential tax revenue is leaving the city. "That's very, very significant in terms of [financing \(?\)](#) our civic amenities," he said.

Brackley said he would like the city to partner with other groups, including the chamber and the construction [industry \(?\)](#), on a campaign touting the advantages of living in Santa Fe.

"We have had a reputation as being an expensive place to live," he said. "However, I think that reputation is out of date because since then, we've had a recession, we've had a pretty major correction in terms of home prices, we've had construction of apartments and other living alternatives here."

outlasts Netherlands to go to World Cup final sports, B-1

SANTA FE CITY NEW MEXICAN

Locally owned and independent **Thursday, July 10, 2014** www.santafenewmexican.com

A-4 THE NEW MEXICAN Thursday, July 10, 2014



Santa Fe has always been known as a major commuting city. But a recently released study shows that more than half of its workforce lives outside the city. JANE PHILLIPS/THE NEW MEXICAN

Report shows more than half of workforce resides outside city

Working in Santa Fe, living elsewhere



Gary Perez checks his cellphone as he waits to board the Rail Runner commuter train. Perez has been riding the Rail Runner for the past two years, but commuting for three years to his job in Santa Fe from his Albuquerque home. The first year, he put 50,000 miles on his car, he said. JANE PHILLIPS/THE NEW MEXICAN

By Daniel J. Chacón
The New Mexican

The stretch between Albuquerque and Santa Fe has become a familiar sight for Reed Liming.

Every Monday through Friday for the past decade, Liming has spent about two hours and 20 minutes traveling between the two cities to get to his government job at Santa Fe's City Hall.

"It's a tradeoff," said Liming, who moved to Albuquerque from Santa Fe about 10 years ago to be close to his children. "Economists refer to it as 'opportunity cost.' For anything we do, we're giving up something else."

Liming isn't alone.

While New Mexico's capital has long been known as a major commuting city, largely driven by state government jobs, the number of people commuting to Santa Fe for work now exceeds the number of

people who live and work here, according to a new report.

In fact, more than half of the city's workforce lives outside city limits, according to a report by economist Ashley Leach of the state Department of Workforce Solutions. The biggest group of commuters, 15 percent, comes from Albuquerque, followed by Rio Rancho at 7 percent.

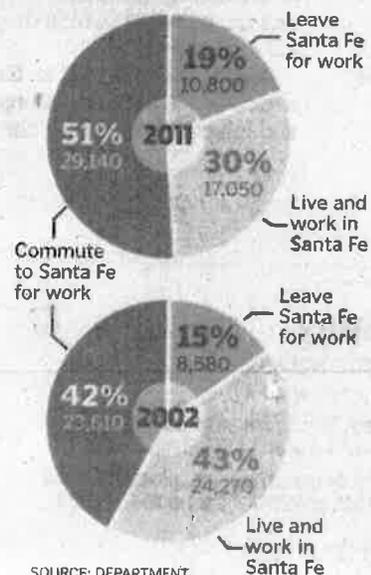
Leach analyzed commuting patterns for the city of Santa Fe between 2002 and 2011, the most current data available, and found that the number of people living outside the city but commuting in for work grew to 51 percent, up from 42 percent.

During the same period, the number of people leaving Santa Fe for work increased to 19 percent, from 15 percent, while the share of total workers who live and work in Santa Fe dropped to 30 percent, from 43 percent, according to

Please see **WORKFORCE**, Page A-4

More commuting

The number of people living and working in the city has dropped since 2002.



SOURCE: DEPARTMENT OF WORKFORCE SOLUTIONS
BRIAN BARKER/THE NEW MEXICAN

Workforce: Numbers raise concerns about losing tax revenue

Continued from Page A-1

Leach's analysis.

The numbers are raising concerns among city and civic leaders, who say it's not just the thousands of commuters but millions of dollars in potential tax revenue that's leaving the city.

"Half of the people working here are not spending their wages here," said Mike Loftin, executive director of Homewise Inc., a nonprofit that helps low- and moderate-income people purchase homes.

"I've always said that the low-hanging fruit in economic development is to get people to live near where they work because then they spend their money where they work. If there's only one thing we could do economic development-wise for Santa Fe, it would be to get the workforce to live here," Loftin said.

A 2007 study by Homewise found that the local economy loses an estimated \$301.6 million in annual spending when workers live outside Santa Fe and commute to work.

"To me, it raises some warning flags that we're losing so much revenue," said Simon Brackley, president and CEO of the Santa Fe Chamber of Commerce.

"When they take that \$300 million out of town, every time they spend that, whether it's on rent or mortgage or a grocery store or buying shoes, Santa Fe loses that tax revenue. That's very, very significant in terms of financing our civic amenities," he said.

The Department of Workforce Solutions report didn't list any factors for why the number of people commuting to Santa Fe for work has gone up.

But one contributing factor might be Santa Fe's higher minimum wage — at \$10.66 an hour the highest in New Mex-

ico. Though that is not a factor for higher-paid workers with the state or federal government, it might be increasing commuters among those in lower-paid industries, especially leisure and hospitality.

And the study does indicate that younger workers who earn less than \$1,250 a month are more likely to commute.

Matthew Martinez, president of the police union, estimates that more than half of the police force lives outside Santa Fe.

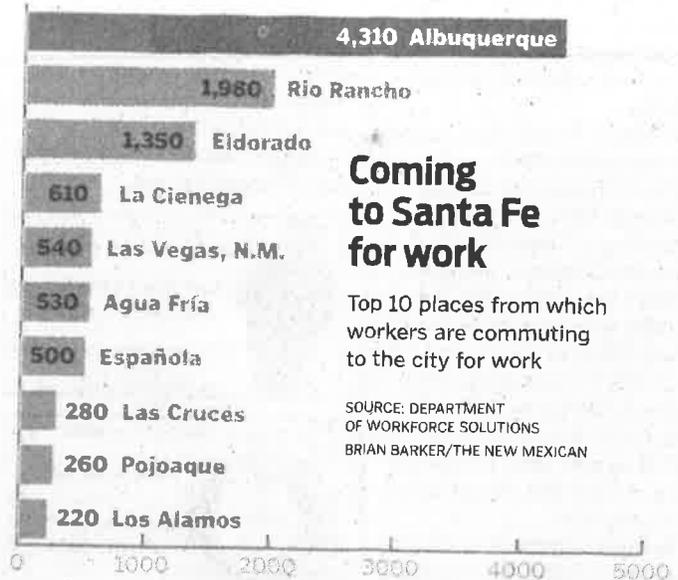
"I had an officer come up to me the other day and tell me that he was looking for a house here in Santa Fe," Martinez said. "There's a builder here in Santa Fe that also builds in Albuquerque. The floor plan that he was considering buying here in Santa Fe was \$360,000. The same floor plan in Albuquerque with a little bit more land was \$220,000."

But Martinez, who lives outside city limits, said police officers often don't want to live in the city where they work to avoid running into the criminals they encounter on the job.

"I've literally been told by a suspect that he was going to rape and kill my 2-year-old daughter at the time because he saw us at the baseball park," Martinez said. "That's the type of stuff that officers don't want to deal with."

Still, city officials recognize that the city's cost of living is literally driving employees away.

"The long-term viability of Santa Fe depends on providing more affordable housing opportunities in rental and home ownership here in the city," Mayor Javier Gonzales said in an email. "We also need to focus on building, retaining and aligning a skilled workforce to opportunities in the city, which requires collaboration with our educational institutions at all levels."



4,310 Albuquerque

1,980 Rio Rancho

1,350 Eldorado

610 La Cienega

540 Las Vegas, N.M.

530 Agua Fría

500 Española

280 Las Cruces

260 Pojoaque

220 Los Alamos

Coming to Santa Fe for work

Top 10 places from which workers are commuting to the city for work

SOURCE: DEPARTMENT OF WORKFORCE SOLUTIONS
BRIAN BARKER/THE NEW MEXICAN

Brackley said he would like the city to partner with other groups, including the chamber and the construction industry, on a campaign touting the advantages of living in Santa Fe.

"We have had a reputation as being an expensive place to live," he said. "However, I think that reputation is out of date because since then, we've had a recession, we've had a pretty major correction in terms of home prices, we've had construction of apartments and other living alternatives here. Of course people have to make the decision: Do you want to spend two hours on the highway or on the train every day — every day, that's a lot of time — or wouldn't you rather be home in 10 minutes and have a house in Santa Fe?"

The quality of the public schools could also factor in workers' decision to live outside the city, Loftin said.

"The Santa Fe Public Schools have not had a great reputation," he said. "I think that's changing. I think the new leadership at the schools is doing a really good job on making improvements. They've already reduced the dropout rates."

Dan Ware, spokesman for the state Forestry Division, has commuted to Santa Fe from Albuquerque for almost 11 years. He said he and his wife considered moving to Santa Fe, but then she'd have to commute to her job in Albuquerque.

"I commute because this is where the job is," he said. "I made that decision to apply for the job knowing that I'd be working in Santa Fe. My job is very meaningful to me, so it's worth it."

Ware, who spends about \$100 a week on gas, said he "got out of the habit" of taking the Rail Runner commuter train.

"It's almost embarrassing to admit," he said. "Here I could be taking the train every day and spending \$100 a month, but here I am driving my car and spending \$100 a week. The train is much more practical."

Loftin said there are proven incentives for people to live where they work, including down-payment assistance, reasonable mortgage programs and building affordable homes.

"This community knows how to do it. We just need to do more," he said.

"Maybe the timing of this report is a good thing because it gives us a focus," Loftin added. "It's like, at least do this, at least do something to keep the workforce here. There's other things we have to work on, too. But why this one matters so much is you don't have to figure out a brand-new thing. We know how to do this already. We just have to execute well and do more of it."

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Reference "A-3"
Albuquerque Journal Poll and Article

By James Monteleone / Journal Staff Writer

PUBLISHED: Monday, September 15, 2014 at 11:45 pm

Copyright © 2014 Albuquerque Journal

Two-thirds of New Mexico voters favor increasing New Mexico's \$7.50-an-hour minimum wage, with more than half saying the new rate should be between \$8 and \$10 an hour, according to a new Journal Poll.

In all, 68 percent of voters said they would support some increase. About one in four – 27 percent – said they opposed any hike.

Likely voters were then asked in an open-ended question what the minimum wage should be.

Overall, 53 percent of the full sample of voters said the minimum wage paid to workers in New Mexico should be between \$8 and \$10 an hour. Twelve percent said it should be more than \$10.

Specifically, when voters were asked what the hourly rate should be: 13 percent said \$8 to \$8.99; 16 percent said \$9 to \$9.99; 24 percent said \$10; 12 percent said more than \$10; 8 percent said they didn't know; and 27 percent said they opposed any increase.

"New Mexicans evidently feel that the \$7.50 minimum wage is just too low, given the size of these support levels," said Journal pollster Brian Sanderoff, president of Research & Polling Inc.

"New Mexico is still struggling economically," he said. "It has one of the highest poverty rates in the nation, and I suspect that's contributing to strong levels of support for increasing the wage."

The wage debate

The voter-survey support for raising the state minimum wage comes as two of the state's largest municipalities, Albuquerque and Santa Fe, have locally raised workers' minimum pay to \$8.50 and \$10.66, respectively. Las Cruces joined that effort last week with a vote to raise its wage to \$10.10, although the plan needs to be reconciled with an earlier ordinance establishing an \$8.50 hourly wage.

Democrats in the state Legislature have pushed for statewide increases.

A statewide proposal that would have raised the minimum wage to \$8.50 an hour was passed by the Legislature in 2013 but was vetoed by Republican Gov. Susana Martinez. Martinez said at the time of the veto that she would support no

more than a 30-cent increase over \$7.50 to keep New Mexico in line with neighboring states.

Earlier this year, Democrats in the Legislature sought to raise the wage through a constitutional amendment that would tie the wage to state economic indicators, but the proposal failed to get out of the Legislature.

Nationally, President Barack Obama has called for Congress to increase the federal \$7.25 minimum wage to \$10.10 an hour.

Journal pollster Sanderoff said it was surprising to see a plurality of New Mexico voters support a rate of at least \$10. That rate would be higher than the \$8 to \$8.99 many New Mexico politicians have recently advocated.

“It’s interesting,” he said. “Not only do 68 percent of New Mexico’s likely voters support a minimum wage increase; a high proportion of them support minimum wage increases that are at a higher rate than most politicians are talking about.”

Party breakdown

A majority of New Mexico voters in almost every subcategory – including age, gender, ethnicity, education and geographic region – supported raising the minimum wage.

Political affiliation was the only exception to that trend. Republicans, who are often cited for opposing a wage increase, were almost evenly split on the issue, the Journal Poll found.

Among Republicans, 46 percent said they supported raising the minimum wage; 49 percent said they opposed. Five percent of Republicans said they didn’t know.

“The fact that Republicans are equally split on the issue is probably the thing that stands out quite a bit in this poll,” Sanderoff said.

Eighty-five percent of Democrats, on the other hand, supported raising the minimum wage – a degree of support higher than in any other subset. Just 10 percent of Democrats said they opposed raising the wage.

Independent voters backed the wage increase 67 percent to 27 percent.

Methodology

The poll asked: “Do you support or oppose raising the state minimum wage, which is currently set at \$7.50 per hour?”

Voters also were asked, “If the minimum wage were increased, what hourly rate would you prefer it be set at?”

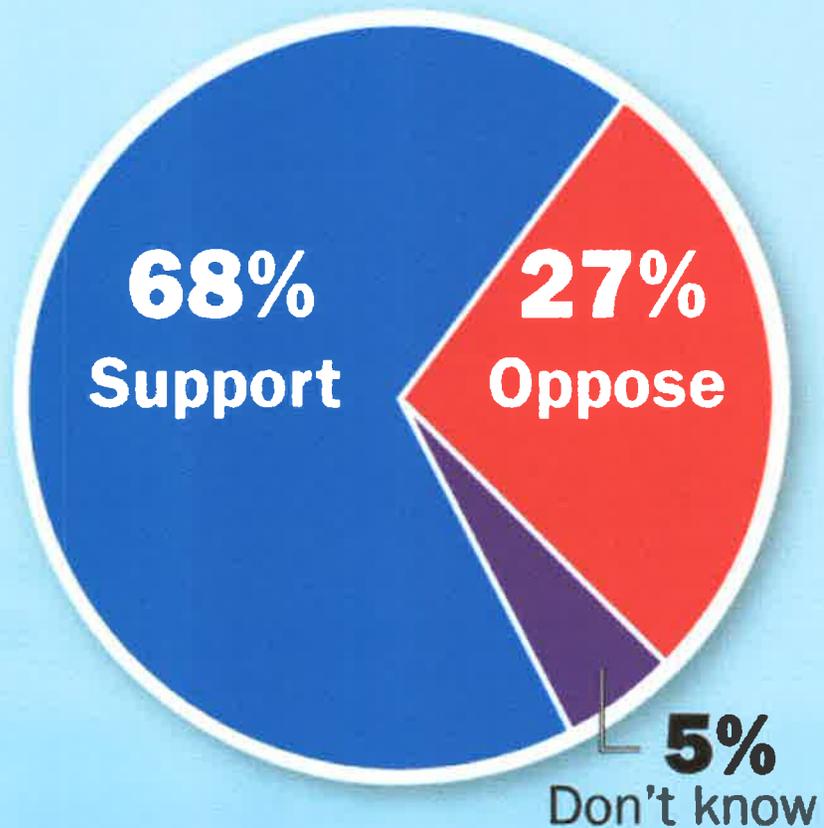
The Journal Poll was conducted Sept. 9 through 11 and is based on a scientific, statewide sample of 500 voters who cast ballots in the 2010 and 2012 elections and said they were likely to vote again this year.

The margin of error for the sample is plus or minus 4.4 percentage points.

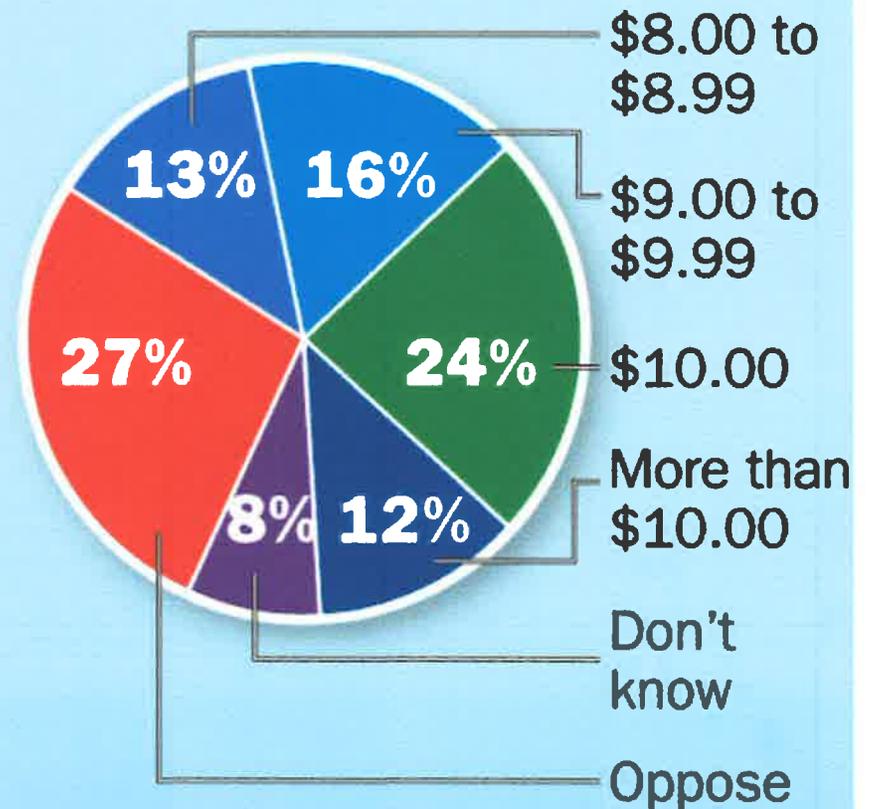
All interviews were conducted live by professional interviewers, with multiple callbacks to households that did not initially answer the phone. Both landlines (73 percent) and cellphone numbers (27 percent) of proven general election voters were used.

JOURNAL POLL

Raising the minimum wage?



Minimum wage: What should it be?



Sept. 9 to 11. Sample: 500 registered likely voters.
Margin of error plus or minus 4.4 percentage points.

Reference "A-4"
National Conference of State Legislators

2013-2014 State Action

	Current	Proposed or New		Start Date	Final MW Amount	Notes
	MW	Tipped	MW			
Connecticut	\$8.70		yes		\$ 10.10	
California	\$8.00			\$9.00 eff 7-1-14 \$10.00 eff 1-1-16	\$ 10.00	
Delaware	\$7.75		yes		\$ 8.25	
Hawaii	\$7.25			\$7.75 eff. 1/1/15 \$8.50 eff. 1/1/16 \$9.25 eff. 1/1/17 \$10.10 eff. 1/1/18	\$ 10.10	
Maryland	\$7.25		yes		\$ 10.10	
Michigan	\$7.40			\$8.15 eff. 9-1-14 \$8.50 eff. 1-1-1 \$8.90 eff. 1-1-17 \$9.25 eff. 1-1-18	\$ 9.25	Annual indexed increases begin in January 2019, linked to CPI, with increases not to exceed 3.5%
Minnesota	\$6.15/\$5.25 ⁶			<u>Large Employers</u> \$8.00 eff 8-1-14 \$9.00 eff 8-1-15 \$9.50 eff 8-1-16 <u>Small Employers</u> \$6.50 eff 8-1-14 \$7.25 eff 8-1-15 \$7.75 eff 8-1-16	\$ 7.75	Annual indexed increases will take effect January 1, 2018
Vermont	\$8.73		yes		\$ 8.73	Beginning January 1, 2007, and on each subsequent January 1, the minimum wage rate shall be increased by five percent or the percentage increase of the Consumer Price Index, or city average, not seasonally adjusted.
West Virginia	\$7.25		yes		\$ 8.75	
					\$ 83.03 Total	
					\$ 10.38 Average settling point all states	

<http://www.ncsl.org/research/labor-and-employment/state-minimum-wage-chart.aspx>

↑
Nat'l
Conf.
State
Legislators

Reference "A-5"
Notice Regarding Increase/Minimum Wage
in Albuquerque – Document

Measuring the Employment Impacts of the Living Wage Ordinance in Santa Fe, New Mexico

June 30, 2006

UNIVERSITY OF NEW MEXICO

BUREAU OF BUSINESS AND
ECONOMIC RESEARCH



Measuring the Employment Impacts of the Living Wage Ordinance in Santa Fe, New Mexico

By:
Nicholas Potter, M.S.

June 30, 2006

UNIVERSITY OF NEW MEXICO

BUREAU OF BUSINESS AND
ECONOMIC RESEARCH

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Executive Summary

In June of 2004, the living wage ordinance in Santa Fe increased the minimum wage for businesses with 25 or more employees from \$5.15 to \$8.50, a 65 percent increase. Previous economic studies of minimum wage impacts have found either no impact or some negative impact. This is a debate that has existed since the first minimum wage laws more than 60 years ago. A variety of differences between Santa Fe and other minimum wage areas make the effect of the living wage ordinance on employment particularly unclear, even neglecting the lack of consensus on the impacts of the minimum wage in general. Previously, BBER has examined trends in employment data and survey results in an effort to ascertain the effects of the living wage ordinance on local businesses and residents in Santa Fe. In this analysis, we follow a number of methodologies in the burgeoning economic literature on minimum wage impacts, in particular comparing changes in employment levels and growth rates before and after the living wage ordinance with the same changes in Albuquerque as a control region.

The first analysis compares the change in employment for each business with 25 or more employees before and after the living wage ordinance in Santa Fe to the same change in Albuquerque. Overall, employment for businesses in Santa Fe with 25 or more employees was an average of 0.35 employees higher per firm after the living wage ordinance than before it. Relative to Albuquerque, these same Santa Fe businesses had an increase of 2.7 employees. The change in specific industries in Santa Fe was not appreciably different from the change in Albuquerque except in the case of construction, for which negative employment changes were consistently found. However, it is difficult to tell whether this loss is due to the living wage ordinance or to falling investment in new buildings. In the accommodation and food services industry, which had the highest portion of its' workforce earning less than \$8.50 before the living wage ordinance (45 percent), results are actually positive relative to Albuquerque, showing a loss that is an average of 5.5 employees less per firm than in Albuquerque. Overall, this analysis found that the living wage analysis had no discernible impact on employment per firm, and that Santa Fe actually did better than Albuquerque in terms of employment changes.

A time-series analysis using total employment data from July 2002 to June 2005 found that employment at businesses with 25 or more employees increased after the living wage compared with the two years before. This increase is also positive relative to the change in Albuquerque. Again the significant except was construction, which showed negative employment changes. Here again accommodations and food services found a significant increase in employment levels relative to Albuquerque. A comparison of the differences between employment levels at businesses in

Santa Fe with 25 or more employees and businesses in Santa Fe with less than 25 employees also found no appreciable difference, as did comparing differences between Santa Fe and Albuquerque large businesses with Santa Fe and Albuquerque small businesses. In both of these cases, construction was again the only significant results.

In summary, the analysis shows that overall employment levels have been unaffected by the living wage ordinance. In contrast to prevailing economic theory, the accommodations and food services sector did comparatively better, while the construction sector was relatively negative, but for uncertain reasons. Other industries, such as retail and health care, showed negative changes relative to Albuquerque, but not at a statistically significant level.

I. Introduction

Determining the impact of any policy is a difficult process, often fraught with political and ideological overtones. This is perhaps nowhere more true than in examining the impacts of minimum wage laws. The literature examining the employment impacts of minimum wages is large and generally concludes that minimum wage laws do more harm than good. The significant exception to this is a variety of more recent work by David Card and Alan Krueger and others that indicate the increased minimum wages have very little impact on employment.

However, within the context of the debate on the employment effects of minimum wages, the Santa Fe Living Wage Ordinance (LWO) is unique in several ways. The vast majority of minimum wage laws have been enacted on at least a state-wide level¹, reducing the likelihood of firms moving out of the region to avoid having to pay higher wages. The Santa Fe region is much smaller, and one concern is that the LWO has caused the flight of businesses to just outside the Santa Fe municipality. In addition, minimum wage laws have usually applied broadly to all businesses, sometimes excepting the public sector. In this respect the Santa Fe LWO is also different, applying only to those firms with 25 or more employees. This substantially reduces the number of businesses directly required to increase wages² and limits the impacts of the minimum wage. At the same time businesses with less than 25 workers have no need to relocate to avoid higher wages. Finally, most minimum wage laws are fairly modest increases over the previous minimum wage, but in Santa Fe the increase to \$8.50 represents a 65 percent increase over the previous federal minimum wage of \$5.15. This is the largest one time percent increase in the minimum wage anywhere in the United States. Thus the situation in Santa Fe is one in which a variety of unusual factors may amplify or reduce the employment effects of the LWO, and impacts could therefore be substantially different from those found in other minimum wage increases.

We employ a variety of methods to estimate the impacts of the LWO, first examining employment levels in Santa Fe over the past several years. This provides a context within which to examine employment changes and determine whether those changes were caused by the LWO. A difference-in-differences method examines the before and after change in employment in Santa Fe and compares that change with the change in Albuquerque. A time-series analysis compares employment growth rates after the LWO to

¹ A few examples of city-wide minimum wages exist, including Baltimore, San Francisco, and now Santa Fe.

² A previous BBER study analyzing survey responses found that small businesses may have increased wages in order to pay a rate that is competitive with those businesses paying the living wage.

growth rates before the LWO. These two types of analysis, within the context of employment trends in Santa Fe in general, provide a variety of evidence regarding the employment impacts of the LWO.

II. Data

The ES-202 employer data set is used throughout this report. The data set is comprised of all firms paying unemployment insurance and is compiled by the New Mexico Department of Labor. Data is collected on the number of employees receiving pay during the pay period including the 12th of each month.

The data was corrected for misspelled city names and missing city and zip codes replaced³. Because many firms that are located outside the Santa Fe municipality list their city as Santa Fe, we restricted the Santa Fe data set to those firms listing Santa Fe as their city and zip codes of 87501, 87505, and 87507⁴. Additionally, we eliminated large firms within the 87505 zip code that were known to be located outside of the Santa Fe City boundary. The Albuquerque data set is determined by those firms listing Albuquerque as their city. All federal, state, and municipal public employers were removed. The resulting data set consists of monthly employment measures for private firms in Santa Fe and Albuquerque.

The difference analysis makes use of two annual employment averages, from July 2003 to June 2004 and from July 2004 to June 2005.

III. Method

Several methods have been utilized over the past several decades to examine the impacts of minimum wage laws. These analyses fall into two camps: the difference-in-differences approach spearheaded by Card and Krueger⁵ and used by Neumark and Wascher, and the analysis of time-series data used in a great number of studies⁶, including Yelowitz (2005) and Pollin and Wicks-Lim (2005).

³ City names were only changed for obvious misspellings. There are many cases where the main and physical addresses are the same or where the physical address is left blank. In these cases, missing physical location zip codes were replaced with main address zip codes

⁴ This is restrictive and eliminates some businesses that actually lie within Santa Fe, but in setting the data set it is better to be restrictive than inclusive. We'd rather miss some firms that should be included than include some firms that should be missed.

⁵ For example, see the debate between Card and Krueger (1994, 1995, 2000) and Neumark and Wascher (1995, 2000).

⁶ See Brown et al. 1982 for a comprehensive review of time-series analysis studies.

The difference-in-differences analysis compares a given control region to the region in which a minimum wage law was enacted. The before-and-after difference in each sample firm's employment in the minimum wage region is compared with the difference in employment for each sample firm in the control region; the idea being that minimum wage effects would be indicated by the "difference-in-differences" between the minimum wage region and the control region. This analysis rests on the assumption that no major shock occurs in the control region that does not occur in the minimum wage region, and vice-versa (except of course the minimum wage law itself). The worth of this analysis depends on the degree to which the minimum wage region and the control region behave similarly.

In our case, Santa Fe has extreme seasonal variability within any given year. In addition, there is substantial variation between years as well. This is largely tied to factors such as snow levels. To address this, we use annual employment averages for each business as our basic unit of measurement. To compare differences in employment levels before and after the living wage, we take the average annual employment before the living wage from July 2003 to June 2004, and after the living wage from July 2004 to June 2005. Any firm with missing employment values, such as those that went out of business or began business, was assigned zero employment in the periods with no entries. Using these annual averages, we compare the difference and proportion change⁷ in the average annual employment before and after the living wage between Santa Fe and Albuquerque.

The restriction of the LWO to businesses with 25 or more employees⁸ provides yet another level of distinction. In addition to a difference-in-differences between businesses with 25 or more employees in Santa Fe and Albuquerque, we analyze a difference-in-differences that includes all businesses. This third level of distinction provides another set of behaviors against which the behaviors of Santa Fe's large businesses are compared. The employment changes for businesses with 25 or more employees in Santa Fe to the changes for large businesses in Albuquerque as well as employment changes for small businesses in Santa Fe and in Albuquerque.

The second method of analysis involves the use of time series data. There are a large number of different time-series methods that have been used to evaluate the impacts of minimum wages on employment. Most often employment levels or annual changes after the living wage are compared with those from before the living wage in a simple time regression. If the

⁷ As in Card and Krueger (1994) and Card and Krueger (2000), we use the average of employment in the two years as the denominator.

⁸ Throughout this analysis, a business is considered in the large business category if they had 25 or more employees in the period before the LWO took effect.

post-minimum wage indicator is significant, it suggests that levels or differences were changed by the minimum wage. As can be imagined, it is difficult to attribute a significant change directly to the minimum wage law as any number of other shocks could have caused the given impact.

Alternatively, one can use a difference in total employment between the minimum wage region and a control region. In this case a significant indicator suggests that difference between the two regions was different after the minimum wage took effect. As with the difference-in-differences analysis, this method rests on the two regions behaving similarly in all other respects.

The time-series analysis makes use of total employment for private firms in Santa Fe and Albuquerque from July 2002 to June 2005. The first method uses an autoregression model to compare employment levels for businesses in Santa Fe with 25 or more employees after the LWO to levels before the LWO. A second method uses an autoregression model to make three comparisons: (1) The difference between employment levels at large businesses in Santa Fe and Albuquerque before and after the LWO, (2) The difference between employment at small and large businesses in Santa Fe before and after the LWO and (3) The difference between large firms in Santa Fe and Albuquerque and small firms in Santa Fe and Albuquerque before and after the LWO. This second method gives the impact of the LWO on Santa Fe employment compared with Albuquerque, while the first merely compares Santa Fe to itself before the LWO.

As with any comparison analysis, the selection of a useful control region is crucial to the conclusiveness of the results. This is particularly difficult in the case of Santa Fe for reasons already noted above, namely that Santa Fe is a small geographic region relatively isolated from comparable metropolitan areas. To determine the best control group, we compared employment in Santa Fe from 1996 to 2005 to employment in several different areas, including Taos, Taos County, Albuquerque, Santa Fe County (less Santa Fe City), Bernalillo County, Bernalillo County less Sandia National Laboratory (Sandia NL), and New Mexico as a whole (less Santa Fe City). In the smaller regions of Taos, Taos County and Santa Fe County, small economies led to substantial variability. We chose the best region based on a simple regression of annual percent change in employment in the potential control region on the annual percent change in employment in Santa Fe. Albuquerque provided the best fit, though Bernalillo County and Bernalillo County less Sandia NL were a close second and third best match. **Figure 1** shows the annual year-by-year percent change in employment in Santa Fe and Albuquerque.

Figure 1: Annual Year-by-Year Percent Employment Change in Santa Fe and Albuquerque



Lastly, a variety of different industry categories are examining in each case. The analysis looks at overall employment effects, but also examines those industries that may typically pay low wages: construction (NAICS code 23), retail (NAICS code 44 and 45), health care (NAICS code 62), and accommodations and food services (NAICS code 72). In addition, each of these industries is examined separately. Survey results from BBER’s earlier studies indicate that for any given business, 10 percent of employees in construction, 24 percent of employees in retail, 15 percent of employees in health care, and 45 percent of employees in accommodations and food services earn less than \$8.50. Hence we would expect the largest impacts to be found in the accommodations and food services industry.

IV. Results

A. Santa Fe Employment Trends

It is useful to set our analysis within the context of what has happened to Santa Fe employment over the period of the analysis. Annual total employment for businesses in Santa Fe with 25 or more employees increased slightly between the year before the LWO and the year after the LWO. Both the average employment for those firms also increased

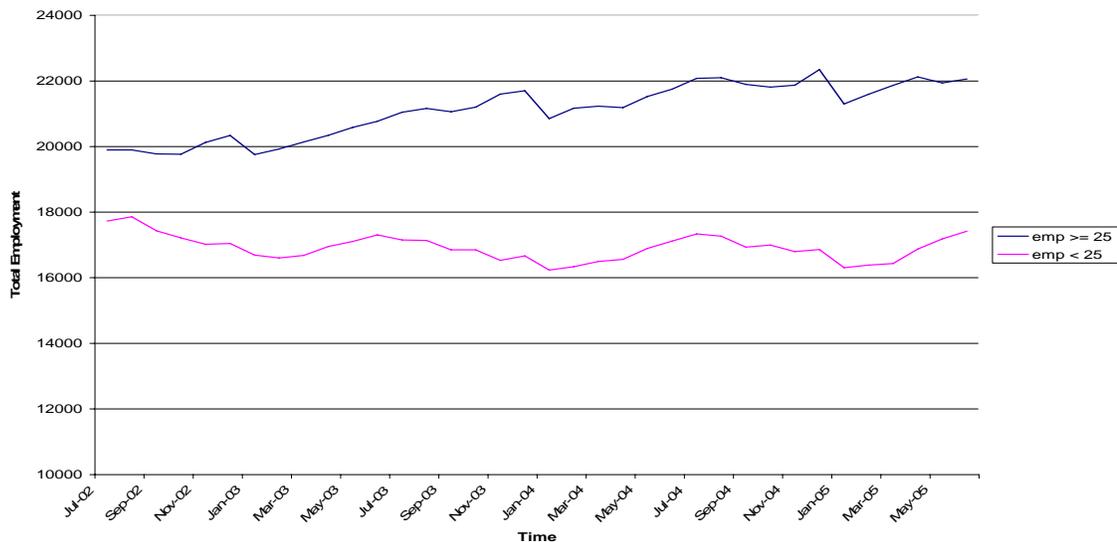
marginally, but the number of businesses fell by four. Small businesses, those with less than 25 employees, behaved very similar, losing two businesses, but having overall more employees and a slightly increased average number of employees per business. These numbers are shown in **Table 1**. At face value, these averages and totals indicate that there isn't much of a difference in the behaviors of small and large businesses in Santa Fe before and after the LWO. In both cases total employment and average employment increased while the number of businesses shrank slightly.

Table 1: Total and Average Employment and Number of Businesses in Santa Fe Before and After the LWO, 25 or More Employees and Less than 25 Employees

	<u>07/03-06/04</u>	<u>07/04-06/05</u>
25 Or More		
# Businesses	323	319
Total Employment	21,413	21,531
Avg. Employment	66.3	67.5
Less Than 25		
# Businesses	3913	3911
Total Employment	18,726	18,894
Avg. Employment	4.8	4.8

Figure 2 shows Santa Fe employment levels for the time period used in the time-series analysis below. Total employment in Santa Fe over time exhibits a regular season trend, shown in **Figure 2** and seen also above in **Figure 1**. Note that for small businesses, employment levels in Santa Fe peak regularly in June and July, falling off until January and then increasing, while employment levels for large businesses seem to peak twice, once around July and August and again around December and January. This belies the importance of the tourist industry and those two important tourist seasons for both small and large businesses. This trend is important because it indicates that beginning our analysis in December or January would include the decreasing portion of the annual employment cycle without including the increasing portion.

Figure 2: Monthly Employment Levels in Santa Fe for Businesses with 25 or More Employees and Businesses with Less than 25 Employees, July 2002 – June 2005



While the overall picture of employment in Santa Fe is that it has increased slightly after the LWO, the analysis in the next two sections will help to determine whether this trend is specific to Santa Fe or whether the behavior of Albuquerque businesses indicates any impacts from the LWO for Santa Fe.

B. Difference-in-Differences

Following the approach used in Card and Krueger, we estimate the difference-in-differences between Santa Fe and Albuquerque. The average difference in employment before and after the living wage for all businesses and just those with 25 or more employees is shown in **Table 2**. Looking just at the second Santa Fe column, the ES-202 data indicates that those businesses with an annual average of 25 or more employees in the year before or the year after the LWO increased their employment levels by .35 employees. This modest increase is larger than the average increase for businesses with less than 25 employees in Santa Fe (column one) and businesses with less than 25 employees in Albuquerque (column two). Furthermore, large businesses in Albuquerque actually decreased their employment by an average of 2.4 employees.

In the specific industry sectors of construction, retail, health care, and accommodations and food services, the change in employment is generally negative for all sizes of businesses in both Santa Fe and Albuquerque, indicating that the positive employment change overall originated in other sectors. The employment change in construction for businesses in Santa

Fe with 25 or more employees is -5.6 employees on average, a substantially more negative number than for small businesses in Santa Fe or Albuquerque, and in contrast to the average increase in employment for businesses with 25 or more employees in Albuquerque. The construction industry has some unique characteristics discussed in earlier reports, and will be discussed further below.

In the health care industry, the average decrease in employment for businesses in Santa Fe with 25 or more employees is quite large at 11.6, but while this is a much stronger negative change compared to smaller businesses in both cities, it is slightly smaller than the loss in Albuquerque, suggesting that the employment decreases are a general regional trend. The retail sector is similar, except that the decrease in Santa Fe for businesses with 25 or more employees is larger than the decrease in Albuquerque. Conversely, Santa Fe businesses with 25 or more employees in the accommodations and food services sector have a decrease that is much smaller than the decrease for similar businesses in Albuquerque.

In addition, the large size of the standard deviations indicates substantial variance in the employment changes among businesses. In Santa Fe 95 percent of businesses with 25 or more employees had employment changes ranging between an increase or decrease of about 50 employees. A large standard deviation is consistent throughout the various specific industries and even more pronounced in Albuquerque. This primarily indicates that between the year before the living wage and the year after the living wage businesses had a variety of employment behaviors ranging from a large expansion of the workforce to a significant reduction.

Table 2: Average Difference in Employment after the Living Wage in Santa Fe and Albuquerque, Businesses with Less Than 25 Employees and Businesses with 25 or more Employees

	Santa Fe		Albuquerque	
	emp<25	emp>=25	emp<25	emp>=25
All Industries	0.036	0.351	0.086	-2.402
4338, 374, 15531, 2295	2.803	27.920	3.332	66.572
Construction	-0.524	-5.607	-0.383	2.080
409, 28, 1131, 242	2.815	16.651	2.970	30.767
Retail	-0.413	-3.482	-0.447	-1.948
573, 66, 1457, 283	1.821	12.463	2.506	24.201
Health Care	-0.320	-11.600	-0.367	-12.836
298, 35, 999, 182	1.862	30.122	2.885	82.924
Accommodation and Food	-1.440	-4.273	-1.769	-9.800
172, 76, 564, 380	4.497	19.368	4.888	43.150

Note: the number of observations is listed underneath each industry by column. Standard deviations are listed in small text.

To examine these thoughts in more detail, we estimate the difference in the level and proportion change in employment between Santa Fe and Albuquerque. The method is identical to that used by Card and Krueger (2000), and allows us to estimate whether or not Santa Fe's employment change and Albuquerque's employment change shown in **Table 2** are significantly different. In particular, we would like to see whether the Santa Fe's higher decreases in the construction and retail sector are statistically significantly higher. **Table 3** shows the results of this analysis based on the employment changes of businesses with 25 or more employees only. The values in column 1 of **Table 3** correspond to the difference between the Santa Fe change (**Table 2**, column 2) and the Albuquerque change (**Table 2**, column 4).

Looking at employment levels, we can see that Santa Fe businesses with 25 or more employees before the living wage had an average employment increase of 2.7 employees relative to the decrease in Albuquerque. As we should expect from previous reports, the decrease in employment for Santa Fe businesses with 25 or more employees in the construction industry is a loss of 7.6 employees relative to the increases in Albuquerque. This value is statistically significant and matches overall trend data for the construction industry in Santa Fe versus Albuquerque. The retail sector for these large businesses in Santa Fe has a 1.5 employee loss relative to Albuquerque, while the health care sector had a 1.2 employee gain, but neither of these values is significant. As we might suspect from **Table 2**, Santa Fe businesses with 25 or more employees in the accommodations and food services industry, though having an average decrease in employment, have an increase of 5.5 employees relative to the decreases in Albuquerque. This result is also statistically significant. By and large, the results are not statistically significant and do not indicate that businesses with 25 or more employees in Santa Fe behaved differently than businesses in Albuquerque. If the results indicate anything, it is that large businesses in Santa Fe increased their employment compared to Albuquerque. The exception to this is the construction industry, which is discussed in the final discussion.

One problem with examining changes in employment levels is that the behavior of very large businesses can disproportionately affect the results. For example, consider that if a business with 500 employees fires 10 percent of them, they have decreased employment by 50 workers. If a business with only 50 employees lets go of 10 percent of its' workforce, it is only firing 5 workers. Businesses may thus be reducing by the same percent, but larger businesses will have larger fluctuations in employment levels. The large standard deviations shown in **Table 1** indicate that this is likely to be a significant problem. One method of addressing this is to examine the proportion change in employment, so that in the above

example both firms would have the same percent decrease. This reduces the impact of large fluctuations in the bigger firms.

Column 2 of **Table 2** repeats the same method using the proportion change in employment for each business. These results indicate that the average Santa Fe business with 25 or more employees increased its employment by 0.3 percent relative to those in Albuquerque. The extremely large decrease in the average Santa Fe construction business with 25 or more employees of 25 percent relative to Albuquerque is partially do to the large percent increase of businesses in Albuquerque, but is significantly negative nonetheless. Santa Fe businesses in the health care industry with 25 or more employees increased their employment relative to Albuquerque, but had a percentage decrease relative to Albuquerque. This largely due to the fact that Albuquerque has many more large businesses, and hence there are more largely negative outliers. Using percent changes reduces the impact of these outliers, and indicates that taking into account the difference in the size and number of businesses between Santa Fe and Albuquerque suggests little difference in the employment changes between the two cities.

**Table 3: Mean Employment Difference between Santa Fe's and Albuquerque's Employment Change from July 2003 - June 2004
Average to July 2004 - June 2005 Average,
Businesses with 25 or more Employees**

	<u>Change in Levels</u>	<u>Proportionate</u>
All Industries	2.754	0.003
2669	2.011	0.044
Construction	-7.687	-0.254
270	3.680	0.119
Retail	-1.534	-0.066
349	2.099	0.073
Health Care	1.236	-0.169
217	7.959	0.139
Accommodation and Food	5.527	0.084
385	3.307	0.088

Note: Standard errors are shown in small text and the number of observations is listed beneath each industry. Bold values are significant at the 10% level. The regression includes as the dependent variable the change or proportionate change in employment, with a dummy variable indicating Santa Fe as the only independent factor. A constant is also included in each case.

Another method of examining the differences between Santa Fe's and Albuquerque's employment changes is to include firms with less than 25 employees in the sample. This substantially increases the size of the sample, and provides additional information with which to estimate results. However, these results are very similar to those in **Table 3**, and so are not shown.

In all, the data from the difference-in-differences analysis show little impact from the LWO except possibly in the construction industry. While the accommodations and food services industry has the highest composition of workers earning less than the LWO, the results show that relative to Albuquerque this industry had positive employment changes. Otherwise, level changes show positive overall employment changes relative to Albuquerque, and both positive and negative employment changes for industries with lower wage workers. However, proportion changes indicate that there is little difference between changes in Santa Fe and Albuquerque overall, and significant decreases only in the case of the construction industry.

C. Time-Series Analysis

The time-series analysis consists of measuring the impact of the LWO on employment in Santa Fe by comparing normalized employment and percent annual changes in employment from before and after the LWO. Comparing these results with the results from similar analysis in Albuquerque gives us an idea of whether changes in employment levels in Santa Fe after the LWO are substantially different from changes in Albuquerque over the same time period.

Looking at annual employment growth shown in **Figure 1**, we can see that employment growth in Santa Fe has generally been stronger than that in Albuquerque. Since some time in 2001, growth rates between Santa Fe and Albuquerque have been more similar. This is important because it establishes a context in which we consider the impacts of the LWO on employment in Santa Fe. In order to avoid comparing against the high growth in Santa Fe in the later 1990's, our time-series analysis looks at the three year period from July 2002 to June 2005⁹. This also neutralizes to some extent the effects of the strong seasonal variance in Santa Fe's employment, since it begins and ends with the peak employment season. For this reason, and because it is also the time at which the LWO takes effect, it is more conclusive to examine data over this period than say from January 2002 to December 2005.

As an initial estimate of the effect of the LWO on employment in Santa Fe, we look at total employment in Santa Fe for businesses with 25 or more employees. **Table 4** shows the results of a regression comparing employment and log employment levels after the living wage to before it. The results show that total employment at Santa Fe businesses with 25 or more employees averaged 35 employees higher in the year after the living

⁹ The inclusion of Santa Fe's earlier strong growth years, as we should expect, weights the results in favor of the LWO.

wage took effect than in the two previous years. The log results can be interpreted as about a 0.1 percent increase. As with the differences analysis, construction shows a decrease in employment, reducing employment in Santa Fe by 76 employees after the LWO, roughly a 6.9 percent decrease. The health care industry and the retail industry are similarly negative, while the accommodations and food services sector is again quite positive.

Table 4: Total Employment in Santa Fe after the Living Wage Ordinance as Compared with Employment Before the Living Wage Ordinance, Businesses with 25 or more Employees Only

	Level	Percent
All Industries	35.3	0.001
	301.1	0.014
Construction	-75.6	-0.069
	37.7	0.033
Retail	-27.3	-0.006
	80.6	0.019
Health Care	-37.5	-0.011
	25.7	0.007
Accommodation and Food	98.2	0.020
	82.8	0.018

Note: The sample size consists of 36 monthly employment observations. The regression is the AR(1) prais method of STATA with robust standard error estimation and includes only a constant, a living wage dummy indicator as the independent variable and a time trend variable. Standard errors are shown in small text.

While **Table 4** compares employment at businesses with 25 or more employees in Santa Fe after the LWO to levels before the LWO, it is more reliable to compare this behavior to the behavior of other employment categories. **Table 5** shows the results from three separate regressions. In the first column, the difference between log employment at Santa Fe businesses with 25 or more employees and log employment at Albuquerque businesses with 25 or more employees before the LWO is compared with the difference after the LWO. These results are in line with the difference-in-difference results, indicating that Santa Fe businesses with 25 or more employees had positive employment change relative to Albuquerque after the LWO. As before, the only significant result is that construction employment at large Santa Fe businesses was 8 percent lower after the LWO relative to large Albuquerque businesses. Other results are not statistically significant, and conform to earlier results showing small decreases in health care and retail, and significant increases in accommodations and food services for businesses in Santa Fe relative to Albuquerque.

The second column compares the difference in log employment levels at Santa Fe businesses with 25 or more employees to log employment levels at Santa Fe businesses with less than 25 employees. Though earlier analysis has suggested some wage increase by these smaller businesses (presumably to remain competitive with the wage rates for large businesses), if the LWO had a negative impact on employment levels in large businesses, we would expect that relative to small businesses these levels would have declined after the LWO. The results in column two show that this is generally not true. The only significant result is again in the construction sector, which shows a 7.6 percent decrease in employment levels relative to small businesses in Santa Fe. For all other industries, it appears that for the most part large businesses in Santa Fe had similar changes in employment levels after the living wage as small businesses in Santa Fe.

The third column compares the difference in the difference between Santa Fe and Albuquerque large businesses and the difference between Santa Fe and Albuquerque small businesses. In essence, it combines the methods in columns one and two to compare employment levels at large businesses in Santa Fe to all other businesses in Santa Fe and Albuquerque. The results here suggest that relative to the difference between Santa Fe and Albuquerque small businesses the difference between Santa Fe and Albuquerque large businesses is decreasing for all industries, though again only the results for the construction industry are statistically significant. This indicates that after the LWO, either large Santa Fe businesses are increasing employment more than large Albuquerque businesses or small Albuquerque businesses are increasing employment more than small Santa Fe businesses. Thus the negative value for overall employment is not at odds with the results in column one and column two.

Table 5: Percent Change in Difference After the Living Wage Ordinance

	Large Santa Fe vs. Albuquerque	Santa Fe Large vs. Small	Santa Fe vs. Albuquerque Large vs. Small
All Industries	0.012	0.008	-0.010
	0.142	0.006	0.017
Construction	-0.081	-0.076	-0.106
	0.024	0.010	0.019
Retail	-0.007	0.022	-0.006
	0.014	0.010	0.013
Health Care	-0.002	0.001	-0.021
	0.009	0.008	0.030
Accommodation and Food	0.031	0.026	-0.006
	0.019	0.009	0.015

Note: The sample for employment at businesses with 25 or more employees (first column) consists of 36 monthly differences between Santa Fe and Albuquerque. For all Santa Fe businesses (second column), the sample consists of 36 monthly differences between businesses with 25 or more employees and businesses with less than 25 employees. For all businesses, the sample consists of 36 monthly employment differences in the difference between Albuquerque and Santa Fe businesses with 25 or more employees and Albuquerque and Santa Fe businesses with less than 25 employees. The prais autocorrelation regression with robust errors is used, and includes a constant and a dummy variable indicating the time period after the living wage took effect.

Taken together, **Tables 4** and **5** suggest some interesting trends in Santa Fe employment before and after the LWO. Health care employment is significantly lower for large firms after the LWO, but the results in **Table 5** suggest that this trend is similar to behavior in Albuquerque. This idea is also supported by the values in **Table 2**. Of course, construction losses relative to Albuquerque are the most consistent result, and some further examination of its source is warranted. Since construction is notoriously variable, it is easily possible that projects in Albuquerque stimulated additional employment for large construction businesses in that city, causing the negative value seen in column one.

V. Discussion

The first method used in this report is a firm level analysis that compares the average annual employment change before and after the LWO for Santa Fe businesses with 25 or more employees to the same changes in Albuquerque. The results are a comparison of the average change in employment for Santa Fe businesses versus Albuquerque businesses. They conclusively show that large Santa Fe businesses on average increased their employment levels by 2.7 employees per firm more than Albuquerque did. The behavior for specific industries is not statistically different from Albuquerque except in the case of the construction industry, which shows a lost of 7 employees, and the accommodations and food services industry, which shows a 5 employee increase relative to Albuquerque.

Looking at the percent increase or decrease for the same firms, the average employment change per firm overall and for each industry shows no statistical difference between Santa Fe and Albuquerque. Here the only significant result suggests that large construction businesses in Santa Fe decreased their employment by 25 percent relative to businesses in Albuquerque.

In both the level and percent result, a significant negative effect is conspicuously lacking, indicating that the decline in employment occurs in both Santa Fe and Albuquerque and that there is no statistical difference between the two. Thus under this analysis the LWO cannot have caused any employment loss.

The second analysis includes a third year of data, from July 2002 to June 2003, and looks at monthly employment totals for businesses with 25 or more employees in Santa Fe and in Albuquerque. Except in a few cases, these results are similar to those for our first analysis, showing no statistical difference between the change in employment levels after the LWO in Santa Fe and the same change in Albuquerque except in construction.

The negative construction results are conspicuous, and have been discussed in earlier reports on overall employment trends. Several possible factors could have contributed to the consistent negative results seen throughout this report. Construction as an industry is extraordinarily variable, making comparison between different regions or different time periods unreliable as a method of assessing change. Other economic factors are also at work. In Santa Fe, residential housing units permitted increased in the four quarters after the LWO, indicated strong growth in building. However, non residential construction contracts are lower after the LWO, as are gross receipts¹⁰. In general, it appears that the construction boom in Santa Fe slowed earlier than in Albuquerque; 2005 contract awards for Santa Fe County are 10% lower than in 2004 (Reynis et al. 2005, 25-26). This may have had something to do with mandated living wages, but almost certainly was affected by skyrocketing real estate prices.

In conclusion, employment levels overall appear unaffected by the LWO. While construction employment has decreased, decreasing construction activity makes it difficult to tell how much if any of that is due to the LWO may have suffered negative employment impacts. Most unexpectedly, employment change in accommodations and food services is positive after the LWO relative to Albuquerque. As the industry with the highest proportion of low wage workers, we would expect negative effects from the LWO to be particularly strong in that industry. Furthermore, the negative results for some of the low wage industries coupled with overall positive results indicate that there is strong growth in other industries not typically

¹⁰ This discussion is dealt with in depth in Reynis et al. 2005.

associated with low wage workers. All of this suggests that whatever employment changes, positive or negative, the living wage ordinance may have caused were generally not strong enough to make a significant impact on Santa Fe employment levels.

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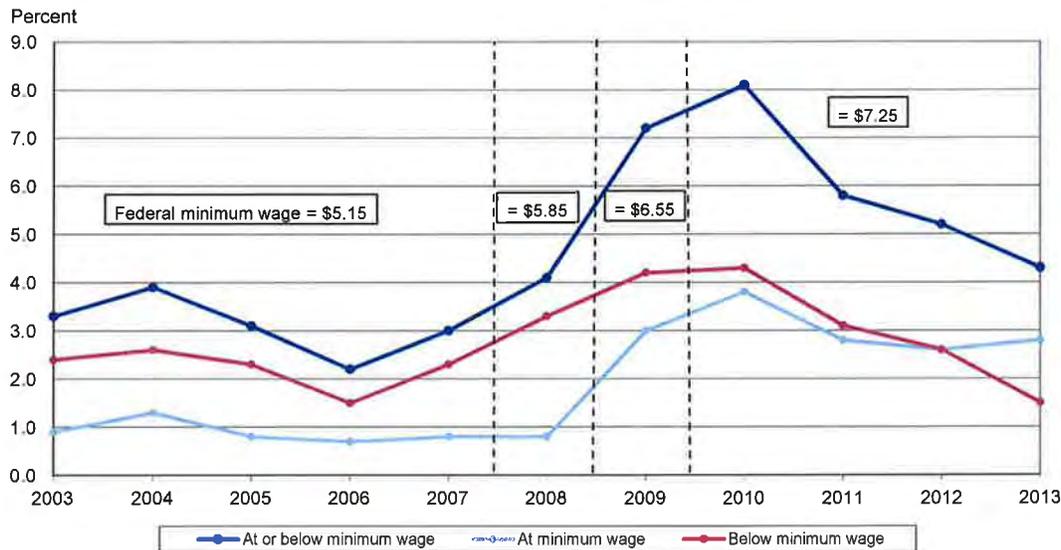
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MINIMUM WAGE WORKERS IN KENTUCKY—2013

Of the 1.2 million workers paid hourly rates in Kentucky in 2013, 32,000 earned exactly the prevailing federal minimum wage of \$7.25 per hour, while 17,000 earned less, the U.S. Bureau of Labor Statistics reported today. Regional Commissioner Janet S. Rankin noted that the 49,000 Kentucky workers earning the federal minimum wage or less made up 4.3 percent of all hourly-paid workers in the state, matching the 4.3 percent of the hourly-paid workforce earning the federal minimum wage or less nationwide. (The Kentucky minimum wage is equal to the prevailing federal minimum wage.)

In 2006, 26,000 hourly-paid workers earned the prevailing Federal minimum wage or less in Kentucky—the lowest level since data was first available in 2000—accounting for 2.2 percent of all workers paid an hourly wage. (See chart 1). In 2007, the Federal minimum wage began increasing after holding steady for nearly a decade. The initial result in Kentucky was that more workers fell into this category, peaking at 91,000 in 2010, before declining in each of the last three years.

Chart 1. Percentage of hourly-paid wage and salary workers with earnings at or below the prevailing federal minimum wage in Kentucky, annual averages, 2003-2013



Source: U.S. Bureau of Labor Statistics.

From 2012 to 2013, the portion of hourly-paid workers in Kentucky who earned at or below the federal minimum wage declined from 5.2 to 4.3 percent. The percentage of workers earning less than the federal minimum declined 1.1 percent in 2013, while the share earning exactly the minimum wage increased 0.2 percent. As a result, 2013 was the first year in Kentucky that the percentage of workers with earnings at the federal minimum wage rate was greater than the portion with wages *below* the minimum.

Of the 49,000 workers earning the prevailing federal minimum wage or less in Kentucky in 2013, 34,000, or 69 percent, were women. These women represented 5.8 percent of all women paid hourly rates in the state. There were 16,000 men earning the prevailing minimum wage or less in Kentucky; they made up 2.9 percent of all men who were paid hourly rates in the state. (See table A.)

Overall, employed wage and salary workers earning hourly rates in Kentucky had median hourly earnings of \$12.42 in 2013; nationally, the median was \$12.93. The median hourly rates for men and women in Kentucky in 2013 were \$13.50 and \$11.96, respectively. (See table A.) For the nation, the comparable figures were \$14.00 per hour for men and \$12.12 per hour for women.

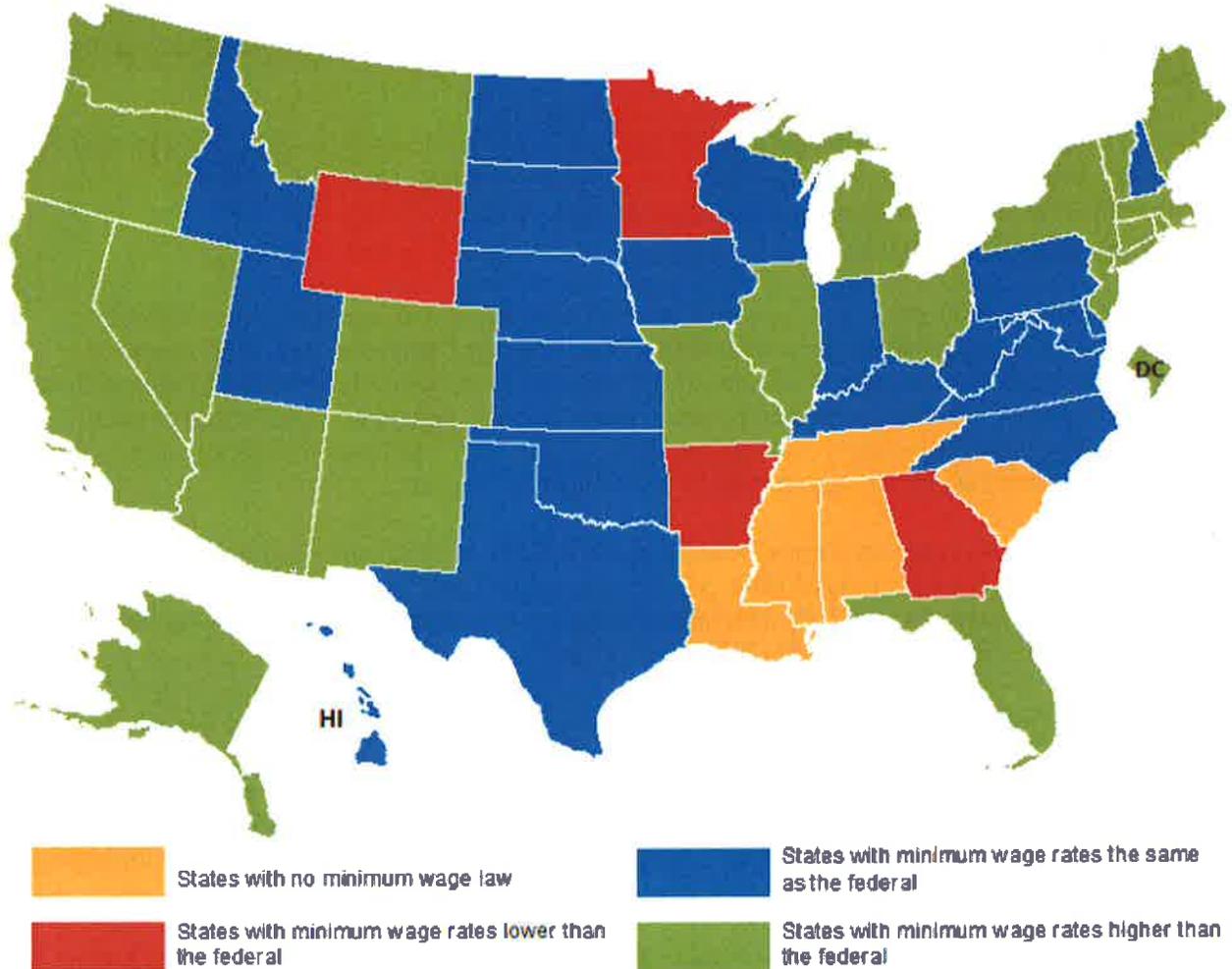
Table A. Employed wage and salary workers¹ paid hourly rates with earnings at or below the prevailing federal minimum wage in Kentucky, by sex, annual averages, 2003-2013

Kentucky	Number of workers (in thousands)				Percent of workers paid hourly rates			Median earnings (in dollars)
	Total paid hourly rates	At or below minimum wage			At or below minimum wage			
		Total	At minimum wage	Below minimum wage	Total	At minimum wage	Below minimum wage	
Total, both sexes								
2003	1,103	36	10	26	3.3	0.9	2.4	10.17
2004	1,148	45	15	30	3.9	1.3	2.6	10.37
2005	1,120	35	9	26	3.1	0.8	2.3	11.01
2006	1,175	26	8	18	2.2	0.7	1.5	11.19
2007	1,152	35	9	26	3.0	0.8	2.3	11.41
2008	1,101	45	9	36	4.1	0.8	3.3	11.67
2009	1,070	77	32	45	7.2	3.0	4.2	11.70
2010	1,119	91	43	48	8.1	3.8	4.3	12.18
2011	1,077	63	30	33	5.8	2.8	3.1	12.08
2012	1,147	60	30	30	5.2	2.6	2.6	12.42
2013	1,150	49	32	17	4.3	2.8	1.5	12.42
Total, men								
2003	533	13	5	8	2.4	0.9	1.5	11.73
2004	578	22	8	14	3.8	1.4	2.4	11.65
2005	547	7	2	5	1.3	0.4	0.9	12.04
2006	591	13	4	9	2.2	0.7	1.5	12.40
2007	584	15	5	10	2.6	0.9	1.7	12.75
2008	559	17	2	15	3.0	0.4	2.7	12.96
2009	522	25	6	19	4.8	1.1	3.6	12.62
2010	521	27	14	13	5.2	2.7	2.5	13.94
2011	508	21	12	9	4.1	2.4	1.8	12.85
2012	563	19	11	8	3.4	2.0	1.4	13.68
2013	559	16	10	6	2.9	1.8	1.1	13.50
Total, women								
2003	570	24	5	19	4.2	0.9	3.3	9.27
2004	571	23	7	16	4.0	1.2	2.8	9.79
2005	573	28	8	20	4.9	1.4	3.5	10.08
2006	583	13	5	8	2.2	0.9	1.4	10.35
2007	568	20	4	16	3.5	0.7	2.8	10.19
2008	541	28	7	21	5.2	1.3	3.9	10.62
2009	549	52	26	26	9.5	4.7	4.7	10.84
2010	598	62	28	34	10.4	4.7	5.7	11.04
2011	568	42	18	24	7.4	3.2	4.2	11.58
2012	583	42	20	22	7.2	3.4	3.8	11.52
2013	591	34	23	11	5.8	3.9	1.9	11.96

¹ All self-employed persons are excluded, whether or not their businesses are incorporated.

In 2013, Kentucky's proportion of hourly-paid workers earning at or below the federal minimum wage ranked near the middle among the 50 states and the District of Columbia. Tennessee had the highest proportion of hourly-paid workers earning at or below the prevailing Federal minimum wage, 7.4 percent, followed by Idaho at 7.1 percent. The states with the lowest percentage of workers earning the federal minimum wage or below included Oregon, California, and Washington, all less than 2.0 percent. It should be noted that, as of January 1, 2014, 21 states and the District of Columbia had laws establishing minimum wage standards that exceeded the federal level of \$7.25 per hour. (See table 1 and chart 2.)

Chart 2. Minimum wage laws in the States, January 1, 2014



Source: U.S. Department of Labor, Wage and Hour Division.

Technical Note

The estimates in this release are obtained from the Current Population Survey (CPS), which provides the basic information on the labor force, employment, and unemployment. This survey is conducted monthly for the U.S. Bureau of Labor Statistics by the U.S. Census Bureau, using a scientifically selected national sample of about 60,000 eligible households representing all 50 states and the District of Columbia. Information on earnings is collected from one-fourth of the CPS sample each month. Data in this summary are annual averages.

Statistics based on the CPS data are subject to both sampling and nonsampling error. The differences among data for the states reflect, in part, variations in the occupation, industry, and age composition of each state's labor force. In addition, sampling error for the state estimates is considerably larger than it is for the national data.

Minimum wage worker data, particularly levels, for each year are not strictly comparable with data for earlier years because of the introduction of revised population controls used in the CPS. For technical documentation and related information, including reliability of the CPS estimates, see www.bls.gov/cps/documentation.htm.

It should be noted that the presence of a sizable number of workers with reported wages below the minimum does not necessarily indicate violations of the Fair Labor Standards Act, as there are exemptions to the minimum wage provisions of the law. The estimates of the numbers of minimum and subminimum wage workers presented in the accompanying tables pertain to workers paid at hourly rates; salaried and other non-hourly workers are excluded. As such, the actual number of workers with earnings at or below the prevailing minimum is undoubtedly understated.

The prevailing federal minimum wage was \$2.90 in 1979, \$3.10 in 1980, and \$3.35 in 1981-89. The minimum wage rose to \$3.80 in April 1990, \$4.25 in April 1991, \$4.75 in October 1996, and \$5.15 in September 1997. On July 24, 2007, the federal minimum wage increased to \$5.85 per hour; on July 24, 2008, to \$6.55 per hour; and on July 24, 2009, to \$7.25 per hour.

The principal definitions used in connection with the earnings series in this release are described below:

Median hourly earnings. The median is the amount which divides a given earnings distribution into two equal groups, one having earnings above the median and the other having earnings below the median. The median is less sensitive to extreme wages than the mean; this makes it a better measure for highly skewed distributions.

Wage and salary workers. Workers age 16 and over who receive wages, salaries, commissions, tips, payment in kind, or piece rates. Data refer to earnings on a person's sole or principal job. The group includes employees in both the private and public sectors but, for the purposes of the earnings series, excludes all self-employed persons, regardless of whether or not their businesses are incorporated.

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: 202-691-5200; Federal Relay Service: 800-877-8339.

Table 1. Employed wage and salary workers paid hourly rates with earnings at or below the prevailing federal minimum wage by State, 2013 annual averages

State	Number of workers (in thousands)				Percent distribution				Percent of workers paid hourly rates		
	Total paid hourly rates	At or below minimum wage			Total paid hourly rates	At or below minimum wage			At or below minimum wage		
		Total ¹	At minimum wage	Below minimum wage		Total ¹	At minimum wage	Below minimum wage	Total ¹	At minimum wage	Below minimum wage
Total, 16 years and over	75,948	3,300	1,532	1,768	100.0	100.0	100.0	100.0	4.3	2.0	2.3
Alabama	1,125	77	44	33	1.5	2.3	2.9	1.9	6.8	3.9	2.9
Alaska	202	6	4	2	0.3	0.2	0.3	0.1	3.0	2.0	1.0
Arizona	1,421	58	24	34	1.9	1.8	1.6	1.9	4.1	1.7	2.4
Arkansas	651	44	30	14	0.9	1.3	2.0	0.8	6.8	4.6	2.2
California	8,915	118	48	70	11.7	3.6	3.1	4.0	1.3	0.5	0.8
Colorado	1,238	39	7	32	1.6	1.2	0.5	1.8	3.2	0.6	2.6
Connecticut	845	22	5	17	1.1	0.7	0.3	1.0	2.6	0.6	2.0
Delaware	203	11	5	6	0.3	0.3	0.3	0.3	5.4	2.5	3.0
District of Columbia	108	4	1	3	0.1	0.1	0.1	0.2	3.7	0.9	2.8
Florida	4,058	181	39	142	5.3	5.5	2.5	8.0	4.5	1.0	3.5
Georgia	2,162	103	54	49	2.8	3.1	3.5	2.8	4.8	2.5	2.3
Hawaii	325	15	10	5	0.4	0.5	0.7	0.3	4.6	3.1	1.5
Idaho	411	29	21	8	0.5	0.9	1.4	0.5	7.1	5.1	1.9
Illinois	3,026	96	22	74	4.0	2.9	1.4	4.2	3.2	0.7	2.4
Indiana	1,731	108	61	47	2.3	3.3	4.0	2.7	6.2	3.5	2.7
Iowa	921	50	30	20	1.2	1.5	2.0	1.1	5.4	3.3	2.2
Kansas	773	35	21	14	1.0	1.1	1.4	0.8	4.5	2.7	1.8
Kentucky	1,150	49	32	17	1.5	1.5	2.1	1.0	4.3	2.8	1.5
Louisiana	1,000	53	27	26	1.3	1.6	1.8	1.5	5.3	2.7	2.6
Maine	390	13	4	9	0.5	0.4	0.3	0.5	3.3	1.0	2.3
Maryland	1,334	66	30	36	1.8	2.0	2.0	2.0	4.9	2.2	2.7
Massachusetts	1,573	54	12	42	2.1	1.6	0.8	2.4	3.4	0.8	2.7
Michigan	2,531	96	17	79	3.3	2.9	1.1	4.5	3.8	0.7	3.1
Minnesota	1,533	64	43	21	2.0	1.9	2.8	1.2	4.2	2.8	1.4
Mississippi	637	39	20	19	0.8	1.2	1.3	1.1	6.1	3.1	3.0
Missouri	1,561	73	31	42	2.1	2.2	2.0	2.4	4.7	2.0	2.7
Montana	285	6	2	4	0.4	0.2	0.1	0.2	2.1	0.7	1.4
Nebraska	567	29	17	12	0.7	0.9	1.1	0.7	5.1	3.0	2.1
Nevada	757	20	8	12	1.0	0.6	0.5	0.7	2.6	1.1	1.6
New Hampshire	369	11	6	5	0.5	0.3	0.4	0.3	3.0	1.6	1.4
New Jersey	1,908	92	34	58	2.5	2.8	2.2	3.3	4.8	1.8	3.0
New Mexico	460	20	2	18	0.6	0.6	0.1	1.0	4.3	0.4	3.9
New York	4,188	178	88	90	5.5	5.4	5.7	5.1	4.3	2.1	2.1
North Carolina	2,251	130	73	57	3.0	3.9	4.8	3.2	5.8	3.2	2.5
North Dakota	221	7	4	3	0.3	0.2	0.3	0.2	3.2	1.8	1.4
Ohio	3,304	137	32	105	4.4	4.2	2.1	5.9	4.1	1.0	3.2
Oklahoma	947	60	29	31	1.2	1.8	1.9	1.8	6.3	3.1	3.3
Oregon	978	12	4	8	1.3	0.4	0.3	0.5	1.2	0.4	0.8
Pennsylvania	3,471	189	96	93	4.6	5.7	6.3	5.3	5.4	2.8	2.7
Rhode Island	286	12	2	10	0.4	0.4	0.1	0.6	4.2	0.7	3.5
South Carolina	1,128	65	40	25	1.5	2.0	2.6	1.4	5.8	3.5	2.2
South Dakota	254	12	6	6	0.3	0.4	0.4	0.3	4.7	2.4	2.4
Tennessee	1,575	117	51	66	2.1	3.5	3.3	3.7	7.4	3.2	4.2
Texas	6,270	400	223	177	8.3	12.1	14.6	10.0	6.4	3.6	2.8
Utah	773	36	22	14	1.0	1.1	1.4	0.8	4.7	2.8	1.8
Vermont	182	7	2	5	0.2	0.2	0.1	0.3	3.8	1.1	2.7
Virginia	1,806	112	58	54	2.4	3.4	3.8	3.1	6.2	3.2	3.0
Washington	1,793	30	18	12	2.4	0.9	1.2	0.7	1.7	1.0	0.7
West Virginia	446	22	12	10	0.6	0.7	0.8	0.6	4.9	2.7	2.2
Wisconsin	1,728	91	59	32	2.3	2.8	3.9	1.8	5.3	3.4	1.9
Wyoming	176	9	5	4	0.2	0.3	0.3	0.2	5.1	2.8	2.3

Note: Data exclude all self-employed persons whether or not their businesses are incorporated. These data are based on a sample and therefore are subject to sampling error; the degree of error may be quite large for less populous states.

Reference "A-7"
City of Las Cruces Minimum Wage Discussion
Document

City of Las Cruces Minimum Wage Discussion

REGIONAL Living Wage Comparison

	Las Cruces	Carlsbad	Rio Rancho	Alb.	Santa Fe	El Paso	Tucson	Sierra Vista
Current MW / City	\$7.50	\$ 7.50	\$ 7.50	\$ 8.60	\$ 10.66	\$ 7.25	\$ 7.90	\$ 7.90
MIT	\$ 8.12	\$ 7.17	\$ 8.47	\$ 8.47	\$ 9.32	\$ 7.87	\$ 8.37	\$ 8.13
Governing Magazine		\$ 8.19	\$ 8.06			\$ 7.92	\$ 8.26	\$ 8.06
Present State MW	\$ 7.50	\$ 7.50	\$ 7.50	\$ 7.50	\$ 7.50	\$ 7.25	\$ 7.90	\$ 7.90

Source:

Governing Magazine

<http://www.governing.com/gov-data/economy-finance/city-minimum-wages-adjusted-for-cost-of-living-data-map.html>

MIT Living Wage Calculator

<http://livingwage.mit.edu/>

Reference "A-8"
Governing.com Article

Where the Minimum Wage Has the Least Buying Power

BY: Mike Maciag | March 27, 2014

For long, minimum wage legislation has largely been confined to state capitals and Washington.

What's often lost in the debate is that the largest discrepancies in the actual buying power of minimum wages are found at the local level. So, while minimum-wage workers feel the pinch everywhere, it's far more difficult to make a living in the nation's most expensive urban centers.

Only a handful of cities set a wage floor for all workers. But as the debate ramps up, the issue could increasingly be decided at the local level, especially if President Barack Obama's push to raise the federal minimum wage fails to gain traction.

Officials could particularly begin to feel pressure in cities where minimum wages most trail steadily climbing living costs.

Governing calculated adjusted minimum wages by comparing the highest federal, state or local minimum wages with the Council for Community and Economic Research's Cost of Living Index for more than 300 cities, shown below. In 14 larger jurisdictions reviewed, the adjusted minimum wage amounts to less than \$6 per hour relative to other cities. Elsewhere, in a few cities with higher minimum wage requirements and lower costs of living, the buying power is closer to \$9 or \$10.

Perhaps nowhere is the issue more pressing than New York City, where Mayor Bill de Blasio continues to lobby the state legislature and Gov. Andrew Cuomo for authority to raise the city's wage, set to increase from \$8 to \$8.75 an hour at the end of the year. In fact, Manhattan's current minimum wage is less than \$4 when adjusted for cost of living, the lowest of any area reviewed.

Price-level data indicates low-income workers face similarly steep hurdles in other high-cost cities. Not too far behind New York City are Honolulu and Hilo, Hawaii, where the minimum wage remains frozen at the federal rate of \$7.25 an hour.

For low-wage workers in expensive cities, housing costs are often of greatest concern. Jim Martin, director of the nonprofit Association of Community Employment Programs for the Homeless (ACE) in New York, said affordable housing is so scarce that many clients end up living in shelters after obtaining full-time jobs. And even if employers offer health coverage, some can't afford the paycheck deduction. "They're so at risk of getting back on that carousel of homelessness because of their wage," Martin said.

As is typical of workers on the lower rungs of the economic ladder, those completing ACE's employment training program mostly land jobs in the service industry. Former ACE clients obtaining jobs in 2012 reported average starting wages of \$8.81 per hour. Nationwide, 4.3 percent of hourly workers were paid at or below the \$7.25 per hour federal minimum last year, and nearly 18 percent earned less than \$9 per hour, according to Labor Department estimates.

On the opposite end of the spectrum are cities in parts of the Midwest and Pacific Northwest, particularly Washington state. While that doesn't mean quite as much in the Seattle area—where the cost of living is higher—the buying power of the minimum wage in cities like Spokane and Vancouver is roughly double that of New York City.

Coupled with the varying costs of goods and services is the fact that about half of states mandate wages above the federal minimum for most employers. At \$9.32 per hour, Washington's state minimum wage is also the nation's highest. Thirteen states raised wage requirements at the beginning of the year, either by inflation adjustments or ballot initiatives.

In his State of the Union address, President Obama called on states and localities to forget waiting for Congress and raise minimum wages on their own, and some appear poised to do so.

Richmond, Calif., city councilmembers voted last week to increase the city's wage to \$12.30 an hour by 2017. In Portland, Maine, Mayor Michael Brennan is holding a series of public meetings to gauge support for a citywide minimum wage. Similar campaigns are underway in Los Angeles, San Diego and Oakland.

REFERENCE "A-8"

Last year, Washington, D.C., and two neighboring counties in Maryland all passed local minimum wage hikes of their own.

Sylvia Allegretto, an economist at the University of California, Berkeley, said she expects to see more movement on proposals to raise the minimum wage at both the state and local levels. "They're aware that service industry workers can't really live and thrive in these high cost-of-living areas," she said.

Here's how the political fight typically plays out: Union-backed groups push local officials to raise the minimum wage, or lead campaigns to put the issue directly to voters. They're then typically met with opposition from the restaurant industry and local chambers of commerce. When local activists wage campaigns to boost pay or benefits requirements, chambers of commerce frequently respond by lobbying state lawmakers to block localities' from passing ordinances. Several mostly red states maintain laws barring local governments from establishing minimum wages, while the legality of local adoption is unclear in others.

Such a scenario played out last year in Orange County, Fla., where organizers pushed through a requirement for employers to provide mandatory sick leave. State lawmakers responded by broadening Florida's existing law that prevented localities from setting wage requirements to include benefits as well.

The Florida League of Cities opposed the measure, arguing the state shouldn't make policy calls for localities. Kraig Conn, a lobbyist for the association, said few local governments in the state have taken up raising the minimum wage. "With the state preemption in place, the conversation is pretty short lived," he said.

Allegretto points out that the issue generally enjoys a high passage rate when it's put to voters.

Industry groups contend that companies spanning multiple jurisdictions incur administrative costs when wage and benefit requirements vary. "It creates inequalities and inconsistencies within a company that can be very difficult to address," said Samantha Padgett, general counsel for the Florida Retail Federation.

The Mississippi Legislature passed its own local preemption bill last year, stating the net effect of locally mandated wages would be "economically unstable" and result in a "decrease in the standard of living" for citizens. More recently, a Republican state senator introduced a local preemption bill in the Oklahoma legislature after a labor union filed a petition to raise the minimum wage in Oklahoma City.

Legal barriers help explain why local minimum-wage laws are rare— just eight cities and counties had ordinances in place earlier this year.

As a result of state actions, some localities enact more limited "living wage" laws, setting a floor for wages of only government employees and private employers with city contracts. Baltimore passed the first such law in 1994, and about 130 other municipalities have since followed suit, according to the National Employment Law Project. Last week, Milwaukee (Wisc.) County Board members approved a minimum wage of \$11.33 per hour for employment tied to service contracts and developments receiving county subsidies.

As Congress appears unlikely to push up the federal minimum wage anytime soon, organizers may opt to direct more of their lobbying efforts at local officials.

"Local leaders feel the pressure coming from the ground in a much more direct way than state and federal officials," said Jennifer Epps-Addison, executive director of Wisconsin Jobs Now, a group that backed the Milwaukee County measure.

LOCAL AREA MINIMUM WAGES MAP

Dark green areas shown below represent localities with the highest minimum wage requirements when adjusted for cost of living. (Click to open interactive map in new window)

COMPARE CITIES' COST-OF-LIVING ADJUSTED MINIMUM WAGES

Cost-of-living adjusted minimum wages for 308 localities with available cost index data are listed below. Adjusted minimum wages shown are relative to other cities:

REFERENCE "A-8"

Lowest Adjusted Wage Rank	Local Area	Current Minimum Wage	Adjusted Minimum Wage
1	Manhattan, NY	\$8.00	\$3.63
2	Honolulu, HI	\$7.25	\$4.29
3	Brooklyn, NY	\$8.00	\$4.67
4	Hilo, HI	\$7.25	\$5.01
5	New York (Queens), NY	\$8.00	\$5.26
6	Orange County, CA	\$8.00	\$5.65
7	Bethesda-Gaithersburg-Frederick, MD	\$7.25	\$5.72
8	Boston, MA	\$8.00	\$5.73
9	Fairbanks, AK	\$7.75	\$5.76
10	Kodiak, AK	\$7.75	\$5.85
11	Juneau, AK	\$7.75	\$5.86
12	Oakland, CA	\$8.00	\$5.88
13	Washington, DC	\$8.25	\$5.89

Source: *Governing* calculations of cities' highest minimum wages and Council for Community and Economic Research's Cost of Living Index, 2013 annual average composite score.

HOW ADJUSTED MINIMUM WAGES WERE CALCULATED

Governing computed adjusted minimum wages by comparing the highest federal, state or local minimum wages with the Council for Community and Economic Research's Cost of Living Index for cities. This index, one of the only sources of local-level cost-of-living data, considers housing, food, utilities, transportation, health care, and goods and services costs.

This article was printed from: <http://www.governing.com/topics/mgmt/gov-cities-where-minimum-wage-has-most-least-buying-power.html>

Reference "A-9"
Livingwage.mit.edu Article

Living Wage Calculation for Las Cruces city, Dona Ana County, New Mexico

<http://livingwage.mit.edu/places/3501339380>

The living wage shown is the hourly rate that an individual must earn to support their family, if they are the sole provider and are working full-time (2080 hours per year). The state minimum wage is the same for all individuals, regardless of how many dependents they may have. The poverty rate is typically quoted as gross annual income. We have converted it to an hourly wage for the sake of comparison. Wages that are less than the living wage are shown in red.

Hourly Wages	1 Adult	1 Adult, 1 Child	1 Adult, 2 Children	1 Adult, 3 Children	2 Adults	2 Adults, 1 Child	2 Adults, 2 Children	2 Adults, 3 Children
Living Wage	\$8.12	\$16.92	\$21.25	\$26.91	\$12.86	\$15.59	\$16.99	\$20.07
Poverty Wage	\$5.21	\$7.00	\$8.80	\$10.60	\$7.00	\$8.80	\$10.60	\$12.40
Minimum Wage	\$7.50	\$7.50	\$7.50	\$7.50	\$7.50	\$7.50	\$7.50	\$7.50

Typical Expenses

These figures show the individual expenses that went into the living wage estimate. Their values vary by family size, composition, and the current location.

Monthly Expenses	1 Adult	1 Adult, 1 Child	1 Adult, 2 Children	1 Adult, 3 Children	2 Adults	2 Adults, 1 Child	2 Adults, 2 Children	2 Adults, 3 Children
Food	\$242	\$357	\$536	\$749	\$444	\$553	\$713	\$904
Child Care	\$0	\$467	\$779	\$1,092	\$0	\$0	\$0	\$0
Medical	\$137	\$410	\$431	\$415	\$282	\$404	\$384	\$393
Housing	\$479	\$576	\$576	\$795	\$517	\$576	\$576	\$795
Transportation	\$285	\$555	\$639	\$686	\$555	\$639	\$686	\$698
Other	\$69	\$159	\$209	\$277	\$121	\$153	\$175	\$204
Required monthly income after taxes	\$1,212	\$2,524	\$3,170	\$4,014	\$1,919	\$2,325	\$2,534	\$2,994
Required annual income after taxes	\$14,544	\$30,288	\$38,040	\$48,168	\$23,028	\$27,900	\$30,408	\$35,928
Annual taxes	\$2,355	\$4,909	\$6,168	\$7,812	\$3,722	\$4,527	\$4,921	\$5,824
Required annual income before taxes	\$16,899	\$35,197	\$44,208	\$55,980	\$26,750	\$32,427	\$35,329	\$41,752

Typical Hourly Wages

These are the typical hourly rates for various professions in this location. Wages that are below the living wage for one adult supporting one child are marked in red.

Occupational Area	Typical Hourly Wage
Management	\$36.11
Business and Financial Operations	\$27.76
Computer and Mathematical	\$32.68
Architecture and Engineering	\$35.76
Life, Physical and social Science	\$30.99
Community and Social Services	\$17.22
Legal	\$28.14
Education, Training and Library	\$21.36
Arts, Design, Entertainment, Sports and Media	\$15.82
Healthcare Practitioner and Technical	\$28.13

Occupational Area	Typical Hourly Wage
Healthcare Support	\$11.12
Protective Service	\$16.03
Food Preparation and Serving Related	\$8.72
Building and Grounds Cleaning and maintenance	\$9.60
Personal care and Services	\$9.02
Sales and Related	\$10.66
Office and Administrative Support	\$13.24
Farming, Fishing and Forestry	\$8.62
Construction and Extraction	\$15.92
Installation, Maintenance and Repair	\$17.65
Production	\$14.31
Transportation and Material Moving	\$12.65

Reference "A-10"
Living Wage Calculator Article

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Living Wage Calculation for Las Cruces city, Dona Ana County, New Mexico

displaying_results

The living wage shown is the hourly rate that an individual must earn to support their family, if they are the sole provider and are working full-time (2080 hours per year). The state minimum wage is the same for all individuals, regardless of how many dependents they may have. The poverty rate is typically quoted as gross annual income. We have converted it to an hourly wage for the sake of comparison. Wages that are less than the living wage are shown in red.

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Poverty Wage	\$5.21	\$7.00	\$8.80	\$10.60	\$7.00	\$8.80	\$10.60	\$12.40
Minimum Wage	\$7.50	\$7.50	\$7.50	\$7.50	\$7.50	\$7.50	\$7.50	\$7.50

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Food	\$242	\$357	\$536	\$749	\$444	\$553	\$713	\$904
Child Care	\$0	\$467	\$779	\$1,092	\$0	\$0	\$0	\$0
Medical	\$137	\$410	\$431	\$415	\$282	\$404	\$384	\$393
Housing	\$479	\$576	\$576	\$795	\$517	\$576	\$576	\$795
Transportation	\$285	\$555	\$639	\$686	\$555	\$639	\$686	\$698
Other	\$69	\$159	\$209	\$277	\$121	\$153	\$175	\$204
Required monthly income after taxes	\$1,212	\$2,524	\$3,170	\$4,014	\$1,919	\$2,325	\$2,534	\$2,994
Required annual income after taxes	\$14,544	\$30,288	\$38,040	\$48,168	\$23,028	\$27,900	\$30,408	\$35,928
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Life, Physical and social Science	\$30.99
Community and Social Services	\$17.22
Legal	\$28.14
Education, Training and Library	\$21.36
Arts, Design, Entertainment, Sports and Media	\$15.82

REFERENCE "A-10"

Occupational Area	Typical Hourly Wage
Healthcare Practitioner and Technical	\$28.13
Healthcare Support	\$11.12
Protective Service	\$16.03
Food Preparation and Serving Related	\$8.72
Building and Grounds Cleaning and maintenance	\$9.60
Personal care and Services	\$9.02
Sales and Related	\$10.66
Office and Administrative Support	\$13.24
Farming, Fishing and Forestry	\$8.62
Construction and Extraction	\$15.92
Installation, Maintenance and Repair	\$17.65
Production	\$14.31
Transportation and Material Moving	\$12.65

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Reference "A-11"
Board of County Commissioners Santa Fe
Ordinance No. 2014-5

THE BOARD OF COUNTY COMMISSIONERS OF
SANTA FE COUNTY

ORDINANCE NO. 2014 - 5

AN ORDINANCE AMENDING ORDINANCE NO. 2014-1 (AN ORDINANCE ESTABLISHING A LIVING WAGE WITHIN SANTA FE COUNTY; SPECIFYING EMPLOYERS SUBJECT TO THE LIVING WAGE; MAKING FINDINGS AS TO THE NECESSITY OF A LIVING WAGE; ESTABLISHING A PROHIBITION ON RETALIATION FOR REPORTING VIOLATIONS OF THE LIVING WAGE; PROVIDING FOR REMEDIES AND PENALTIES; SPECIFYING ENFORCEMENT OFFICERS; PROVIDING THE PROCESS TO BE EMPLOYED UPON COMPLAINTS OF VIOLATION; ESTABLISHING SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE), TO MODIFY THE BASE WAGE FOR TIPPED EMPLOYEES

BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF SANTA FE COUNTY THAT ORDINANCE NO. 2014-1, IS AMENDED AS FOLLOWS:

1. Section Five (Minimum Wage Payment Requirements), subsection B is amended to read as follows:

B. An employer shall pay an employee who customarily and regularly receives more than thirty dollars (\$30.00) a month in tips and/or commissions:

(i) the base wage; and

(ii) an amount determined by subtracting from the living wage both the base wage and the tips and commissions actually received by an employee; provided that, if the result of this calculation is less than zero, no additional wages are due under this subparagraph (ii).

Until January 1, 2015, the base wage is the minimum cash wage that must be paid to tipped employees under the federal Fair Labor Standards Act of 1938, 29 U.S.C., Chapter 8. Commencing on January 1, 2015, the base wage shall be thirty percent of the living wage established by this Ordinance. On January 1, 2015 the base wage rate shall be three dollars and twenty cents (\$3.20) per hour. Thereafter, the base wage shall increase simultaneous with each living wage increase. Tips received by an employee shall be determined in accordance with the federal Fair Labor Standards Act of 1938, 29 U.S.C., Chapter 8, and implementing regulations.

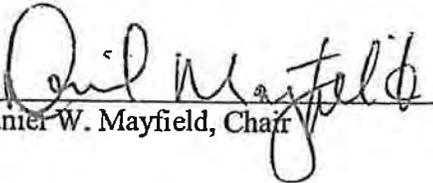
2. All provisions of Ordinance No. 2014-1 not herein amended shall remain in full force and effect.

FILED
CLERK
SANTA FE COUNTY
2014
MAY
15
10:00 AM

3. This Ordinance shall become effective thirty days after recordation pursuant to NMSA 1978, Section 4-37-9 (1975).

PASSED, ENACTED AND ADOPTED THIS 27th DAY OF May, 2014.

**BOARD OF COUNTY COMMISSIONERS
OF SANTA FE COUNTY**


Daniel W. Mayfield, Chair

ATTEST:


Geraldine Salazar
Santa Fe County Clerk

5-27-2014



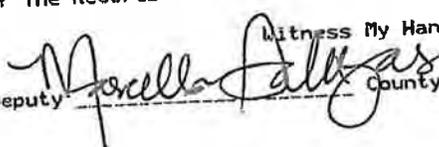
APPROVED AS TO FORM:


Gregory S. Shaffer, County Attorney

COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss

BCC ORDINANCE
PAGES: 2

I Hereby Certify That This Instrument Was Filed for
Record On The 28TH Day Of May, 2014 at 04:33:51 PM
And Was Duly Recorded as Instrument # 1737797
Of The Records Of Santa Fe County

Witness My Hand And Seal Of Office
Geraldine Salazar
Deputy  County Clerk, Santa Fe, NM



Reference "A-12"
New Mexico Department of Workforce Solutions
Economic Analysis

NEW MEXICO DEPARTMENT OF WORKFORCE SOLUTIONS
ECONOMIC RESEARCH AND ANALYSIS

TABLE A - Civilian Labor Force, Employment,
Unemployment and Unemployment Rate 2014 1/

	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	ANNUAL AVERAGE
Bernalillo County													
Civilian Labor Force	298,885	301,877	302,193	297,158									
Employment	278,241	279,880	280,101	279,622									
Unemployment	20,644	21,997	22,092	17,536									
Rate	6.9%	7.3%	7.3%	5.9%									
Catron County													
Civilian Labor Force	1,495	1,521	1,476	1,546									
Employment	1,383	1,399	1,370	1,467									
Unemployment	112	122	106	79									
Rate	7.5%	8.0%	7.2%	5.1%									
Chaves County													
Civilian Labor Force	25,824	26,056	26,104	25,709									
Employment	24,115	24,223	24,257	24,283									
Unemployment	1,709	1,833	1,847	1,426									
Rate	6.6%	7.0%	7.1%	5.5%									
Cibola County													
Civilian Labor Force	12,057	12,170	12,030	11,850									
Employment	11,275	11,312	11,181	11,189									
Unemployment	782	858	849	661									
Rate	6.5%	7.1%	7.1%	5.6%									
Colfax County													
Civilian Labor Force	6,364	6,309	6,279	5,932									
Employment	5,925	5,851	5,829	5,547									
Unemployment	439	458	450	385									
Rate	6.9%	7.3%	7.2%	6.5%									
Curry County													
Civilian Labor Force	21,753	21,983	21,824	21,550									
Employment	20,641	20,734	20,596	20,636									
Unemployment	1,112	1,249	1,228	914									
Rate	5.1%	5.7%	5.6%	4.2%									
De Baca County													
Civilian Labor Force	822	832	832	819									
Employment	789	787	789	784									
Unemployment	33	45	43	35									
Rate	4.0%	5.4%	5.2%	4.3%									

1/ Estimates are not seasonally adjusted unless noted.

Estimates are subject to revision.

1/13 Benchmark

5/23/2014

NEW MEXICO DEPARTMENT OF WORKFORCE SOLUTIONS
ECONOMIC RESEARCH AND ANALYSIS

TABLE A - Civilian Labor Force, Employment,
Unemployment and Unemployment Rate 2014 1/

	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	ANNUAL AVERAGE
UNITED STATES 2/3/													
Civilian Labor Force	154,381	155,027	155,627	154,845									
Employment	143,526	144,134	145,090	145,767									
Unemployment	10,855	10,893	10,537	9,079									
Rate	7.0%	7.0%	6.8%	5.9%									
Seasonally Adj. Rate	6.6%	6.7%	6.7%	6.3%									
NEW MEXICO													
Civilian Labor Force	925,116	935,342	934,928	919,238									
Employment	860,980	867,029	866,334	864,645									
Unemployment	64,136	68,313	68,594	54,593									
Rate	6.9%	7.3%	7.3%	5.9%									
Seasonally Adj. Rate	6.6%	6.7%	7.0%	6.8%									
Albuquerque MSA 4/													
Civilian Labor Force	390,564	394,480	394,923	388,198									
Employment	362,673	364,809	365,097	364,473									
Unemployment	27,891	29,671	29,826	23,725									
Rate	7.1%	7.5%	7.6%	6.1%									
Seasonally Adj. Rate	7.0%	7.1%	7.3%	7.2%									
Farmington MSA 5/													
Civilian Labor Force	54,958	55,350	55,360	54,254									
Employment	51,290	51,357	51,390	51,151									
Unemployment	3,668	3,993	3,970	3,103									
Rate	6.7%	7.2%	7.2%	5.7%									
Seasonally Adj. Rate	6.5%	6.6%	6.9%	6.8%									
Las Cruces MSA 6/													
Civilian Labor Force	92,354	94,539	94,763	92,919									
Employment	85,168	86,907	87,017	86,597									
Unemployment	7,186	7,632	7,746	6,322									
Rate	7.8%	8.1%	8.2%	6.8%									
Seasonally Adj. Rate	7.3%	7.4%	7.7%	7.5%									
Santa Fe MSA 7/													
Civilian Labor Force	74,468	75,403	75,289	74,094									
Employment	70,283	70,923	70,885	70,692									
Unemployment	4,185	4,480	4,404	3,402									
Rate	5.6%	5.9%	5.8%	4.6%									
Seasonally Adj. Rate	5.3%	5.3%	5.6%	5.5%									

1/ Estimates are not seasonally adjusted unless noted.

2/ Numbers in thousands

3/ Source: U.S. Dept. of Labor, Bureau of Labor Statistics

4/ Metropolitan Statistical Area - Bernalillo, Sandoval, Torrance & Valencia Counties

5/ Metropolitan Statistical Area - San Juan County

6/ Metropolitan Statistical Area - Doña Ana County

7/ Metropolitan Statistical Area - Santa Fe County

Estimates are subject to revision.

1/13 Benchmark

5/23/2014

Reference "A-13"
New Mexico Department of Workforce Solutions
4th Quarter 2014

QUARTERLY CENSUS OF EMPLOYMENT & WAGES



FOURTH QUARTER 2013

Published May 2014

**QUARTERLY CENSUS OF
EMPLOYMENT AND WAGES**

FOURTH QUARTER 2013

STATE OF NEW MEXICO

SUSANA MARTINEZ, GOVERNOR

NEW MEXICO DEPARTMENT OF WORKFORCE SOLUTIONS

CELINA BUSSEY, SECRETARY

Economic Research & Analysis

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TECHNICAL NOTE:

This publication contains quarterly employment and wage data for workers covered by New Mexico Unemployment Insurance (UI) laws (this includes all state and local government workers), and for federal government employees covered by the Unemployment Compensation for Federal Employees (UCFE). Employment data represents the number of workers on the payroll during the pay period including the 12th day of the month. This includes both full-time and part-time workers. Wages represent the gross amount of all payrolls for all pay periods paid within the quarter, regardless of the timing of the services performed. Commissions, bonuses, and overtime pay is included.

Approximately 97 percent of non-agricultural workers are covered under UI. Non-agricultural workers are covered when the employer has a total payroll for any calendar quarter of \$450 or more, or if there are one or more persons (part-time workers included) in employment in any part of the week in each of 20 weeks within a calendar year. Agricultural workers are covered when the employer has a total payroll for any calendar quarter of \$20,000 or more, or if there are ten or more persons (part-time workers included) in employment at any time in each of 20 weeks within a calendar year. Domestic workers are covered when the employer has a total payroll for any calendar quarter of \$1,000 or more.

Exclusions from UI coverage include, but are not limited to, independent insurance and real estate agents paid solely by commission, students in the employ of the school, college or university in which they are enrolled and regularly attending classes, and churches or church-sponsored organizations operated primarily for religious purposes.

In accordance with BLS policy, data reported under a promise of confidentiality are not published in an identifiable way and are used only for specified statistical purposes. BLS withholds the publication of UI-covered employment and wage data for any industry level when necessary to protect the identity of cooperating employers. Totals at the industry level for the States and the Nation include the undisclosed data suppressed within the detailed tables. However, these totals do not reveal the suppressed data. In the following tables, an asterisk is used to represent data that is not disclosed due to confidentiality.

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PRIVATE SECTOR WAGE RANKING BY COUNTY - FOURTH QUARTER 2013

RANK	COUNTY	AVERAGE WEEKLY WAGES
1	Los Alamos County	\$1,640
2	County Unknown	\$1,185
3	Lea County	\$1,052
4	Eddy County	\$1,015
5	Harding County	\$956
6	Santa Fe County	\$954
7	San Juan County	\$908
8	No Primary County	\$905
9	De Baca County	\$890
10	Sandoval County	\$830
11	Bernalillo County	\$804
12	Grant County	\$739
13	Cibola County	\$675
14	Curry County	\$645
15	Otero County	\$626
16	Union County	\$621
17	Chaves County	\$619
18	Rio Arriba County	\$612
19	Socorro County	\$607
20	Doña Ana County	\$598
21	Torrance County	\$591
22	Taos County	\$560
23	Mora County	\$550
24	Lincoln County	\$547
25	Valencia County	\$534
26	Quay County	\$531
27	Roosevelt County	\$524
28	Colfax County	\$523
29	McKinley County	\$515
30	Luna County	\$509
31	Sierra County	\$475
32	Guadalupe County	\$472
33	San Miguel County	\$457
34	Hidalgo County	\$445
35	Catron County	\$412

PRIVATE SECTOR WAGE RANKING BY TWO-DIGIT INDUSTRY - FOURTH QUARTER 2013

RANK	TWO-DIGIT NAICS	INDUSTRY TITLE	AVERAGE WEEKLY WAGES
1	21	Mining	\$1,465
2	22	Utilities	\$1,454
3	54	Professional and Technical Services	\$1,453
4	52	Finance and Insurance	\$1,382
5	55	Management of Companies and Enterprises	\$1,223
6	31-33	Manufacturing (31-33)	\$1,053
7	42	Wholesale Trade	\$1,007
8	51	Information	\$920
9	23	Construction	\$868
10	48-49	Transportation and Warehousing (48-49)	\$861
11	62	Health Care and Social Assistance	\$797
12	53	Real Estate and Rental and Leasing	\$728
13	61	Educational Services	\$672
14	56	Administrative and Waste Services	\$651
15	81	Other Services, Ex. Public Admin	\$589
16	11	Agriculture, Forestry, Fishing & Hunting	\$514
17	44-45	Retail Trade (44-45)	\$507
18	71	Arts, Entertainment, and Recreation	\$406
19	72	Accommodation and Food Services	\$314

PRIVATE SECTOR WAGE RANKING BY THREE-DIGIT INDUSTRY - FOURTH QUARTER 2013

RANK	THREE-DIGIT NAICS	INDUSTRY TITLE	AVERAGE WEEKLY WAGES
1	523	Financial Investment & Related Activity	\$6,991
2	324	Petroleum & Coal Products Manufacturing	\$2,026
3	486	Pipeline Transportation	\$1,936
4	211	Oil and Gas Extraction	\$1,824
5	334	Computer and Electronic Product Mfg	\$1,588
6	221	Utilities	\$1,454
7	541	Professional and Technical Services	\$1,453
8	325	Chemical Manufacturing	\$1,435
9	212	Mining (except Oil and Gas)	\$1,426
10	213	Support Activities for Mining	\$1,360
11	336	Transportation Equipment Manufacturing	\$1,350
12	551	Management of Companies and Enterprises	\$1,223
13	533	Lessors, Nonfinancial Intangible Assets	\$1,148
14	622	Hospitals	\$1,142
15	562	Waste Management and Remediation Service	\$1,131
16	333	Machinery Manufacturing	\$1,124
17	425	Electronic Markets and Agents/Brokers	\$1,101
18	423	Merchant Wholesalers, Durable Goods	\$1,076
19	237	Heavy and Civil Engineering Construction	\$1,070
20	524	Insurance Carriers & Related Activities	\$1,031
21	484	Truck Transportation	\$1,004
21	488	Support Activities for Transportation	\$1,004
23	322	Paper Manufacturing	\$994
24	517	Telecommunications	\$972
25	515	Broadcasting (except Internet)	\$957
26	621	Ambulatory Health Care Services	\$950
27	335	Electrical Equipment and Appliances	\$931
28	518	ISPs, Search Portals, & Data Processing	\$921
29	331	Primary Metal Manufacturing	\$904
30	332	Fabricated Metal Product Manufacturing	\$900
31	519	Other Information Services	\$897
32	424	Merchant Wholesalers, Nondurable Goods	\$890
33	327	Nonmetallic Mineral Product Mfg	\$871
34	511	Publishing Industries	\$863

PRIVATE SECTOR WAGE RANKING BY THREE-DIGIT INDUSTRY - FOURTH QUARTER 2013

RANK	THREE-DIGIT NAICS	INDUSTRY TITLE	AVERAGE WEEKLY WAGES
35	522	Credit Intermediation & Related Activity	\$847
36	481	Air Transportation	\$839
37	532	Rental and Leasing Services	\$827
38	441	Motor Vehicle and Parts Dealers	\$822
39	236	Construction of Buildings	\$819
40	493	Warehousing and Storage	\$815
41	512	Motion Picture & Sound Recording Ind	\$814
42	238	Specialty Trade Contractors	\$813
43	454	Nonstore Retailers	\$809
44	492	Couriers and Messengers	\$798
45	326	Plastics & Rubber Products Manufacturing	\$791
46	339	Miscellaneous Manufacturing	\$699
47	711	Performing Arts and Spectator Sports	\$694
48	313	Textile Mills	\$689
49	811	Repair and Maintenance	\$683
50	323	Printing and Related Support Activities	\$680
51	311	Food Manufacturing	\$672
51	531	Real Estate	\$672
51	611	Educational Services	\$672
54	446	Health and Personal Care Stores	\$652
55	337	Furniture and Related Product Mfg	\$649
56	813	Membership Organizations & Associations	\$648
57	561	Administrative and Support Services	\$622
58	487	Scenic and Sightseeing Transportation	\$614
59	442	Furniture and Home Furnishings Stores	\$602
60	444	Building Material & Garden Supply Stores	\$584
61	112	Animal Production	\$583
62	491	Postal Service	\$555
63	443	Electronics and Appliance Stores	\$549
64	623	Nursing and Residential Care Facilities	\$547
65	315	Apparel Manufacturing	\$543
66	312	Beverage & Tobacco Product Manufacturing	\$528
66	712	Museums, Parks and Historical Sites	\$528
68	321	Wood Product Manufacturing	\$524

PRIVATE SECTOR WAGE RANKING BY THREE-DIGIT INDUSTRY - FOURTH QUARTER 2013

RANK	THREE-DIGIT NAICS	INDUSTRY TITLE	AVERAGE WEEKLY WAGES
69	111	Crop Production	\$512
70	453	Miscellaneous Store Retailers	\$511
71	314	Textile Product Mills	\$508
72	814	Private Households	\$464
73	445	Food and Beverage Stores	\$448
74	316	Leather and Allied Product Manufacturing	\$433
75	812	Personal and Laundry Services	\$420
76	447	Gasoline Stations	\$393
77	452	General Merchandise Stores	\$391
78	721	Accommodation	\$386
79	485	Transit and Ground Passenger Transport	\$378
80	624	Social Assistance	\$374
81	115	Agriculture & Forestry Support Activity	\$356
82	713	Amusement, Gambling & Recreation Ind	\$346
83	448	Clothing and Clothing Accessories Stores	\$343
84	451	Sporting Goods/Hobby/Book/Music Stores	\$336
85	722	Food Services and Drinking Places	\$299

TOTAL (Private and Government) EMPLOYMENT AND WAGES BY COUNTY - FOURTH QUARTER 2013

COUNTY	NUMBER OF UNITS	EMPLOYMENT				COVERED TOTAL WAGES	AVERAGE WEEKLY WAGES	2013 ANNUAL AVERAGE	
		OCTOBER	NOVEMBER	DECEMBER	QUARTERLY AVERAGE			EMPLOYMENT	WEEKLY WAGES
Statewide	56,416	798,720	796,803	796,185	797,236	\$8,435,585,000	\$814	790,507	\$785
Bernalillo County	18,048	313,206	314,444	314,792	314,147	\$3,414,891,451	\$836	311,005	\$819
Catron County	102	674	654	622	650	\$4,323,693	\$512	663	\$545
Chaves County	1,737	20,783	20,791	20,789	20,788	\$174,175,509	\$645	20,613	\$621
Cibola County	425	7,718	7,725	7,713	7,719	\$68,248,571	\$680	7,680	\$674
Colfax County	549	4,794	4,674	4,884	4,784	\$37,409,313	\$602	5,053	\$545
Curry County	1,228	17,159	17,125	17,000	17,095	\$145,545,197	\$655	16,758	\$640
De Baca County	87	475	476	476	476	\$4,636,027	\$749	475	\$584
Doña Ana County	4,370	71,551	71,172	71,590	71,438	\$629,137,305	\$677	70,317	\$666
Eddy County	1,621	26,738	26,891	26,887	26,839	\$349,226,488	\$1,001	26,333	\$958
Grant County	786	9,500	9,506	9,477	9,494	\$90,085,217	\$730	9,492	\$735
Guadalupe County	161	1,341	1,329	1,333	1,334	\$8,982,810	\$518	1,312	\$507
Harding County	35	178	179	177	178	\$1,722,814	\$745	166	\$654
Hidalgo County	164	1,752	1,647	1,577	1,659	\$15,131,356	\$702	1,632	\$716
Lea County	1,984	32,371	32,387	32,134	32,297	\$429,379,555	\$1,023	31,684	\$969
Lincoln County	853	6,371	6,231	6,287	6,296	\$47,244,321	\$577	6,408	\$550
Los Alamos County	432	15,271	15,276	15,261	15,269	\$305,555,950	\$1,539	15,547	\$1,450
Luna County	523	8,303	7,341	7,241	7,628	\$62,600,722	\$631	7,681	\$614
McKinley County	1,138	20,439	20,543	20,569	20,517	\$166,219,923	\$623	20,502	\$612
Mora County	114	704	682	665	684	\$5,170,562	\$581	675	\$570
Otero County	1,197	17,529	17,497	17,451	17,492	\$150,442,629	\$662	17,741	\$648
Quay County	318	2,698	2,664	2,669	2,677	\$19,998,073	\$575	2,617	\$558
Rio Arriba County	710	9,440	9,305	9,205	9,317	\$76,053,786	\$628	9,359	\$606
Roosevelt County	442	6,415	6,333	6,277	6,342	\$48,393,646	\$587	6,275	\$581
Sandoval County	2,065	29,450	29,282	29,135	29,289	\$301,176,969	\$791	29,388	\$811
San Juan County	3,014	50,496	49,672	49,724	49,964	\$566,764,731	\$873	49,350	\$839
San Miguel County	592	8,296	8,296	8,282	8,291	\$60,999,403	\$566	8,211	\$565
Santa Fe County	5,560	61,499	61,381	60,879	61,253	\$753,476,178	\$946	60,642	\$807
Sierra County	337	3,542	3,381	3,222	3,382	\$23,734,018	\$540	3,258	\$540
Socorro County	360	5,246	5,290	5,293	5,276	\$47,807,567	\$697	5,281	\$673
Taos County	1,273	10,222	10,338	10,797	10,452	\$79,692,039	\$587	10,352	\$572
Torrance County	333	3,544	3,209	3,179	3,311	\$25,955,607	\$603	3,164	\$604
Union County	181	1,249	1,237	1,229	1,238	\$10,009,223	\$622	1,250	\$589
Valencia County	1,101	13,523	13,570	13,513	13,535	\$103,097,378	\$586	13,391	\$571
No Primary County	1,853	10,917	10,950	10,651	10,839	\$127,719,449	\$906	10,898	\$898
County Unknown	2,679	5,197	5,200	5,077	5,158	\$79,433,179	\$1,185	5,215	\$1,110

Reference "A-14"
State Legislators March 2014 Article



Maximum Divide on

Studies abound on the minimum wage, but the conclusions drawn vary greatly.

BY JEANNE MEJEUR

To paraphrase an old joke, if there were only two economists left in the world, they would disagree about the minimum wage. Does it cost jobs or create jobs? It's a valid question, but the answer depends on who you ask.

Opponents of minimum wages contend that increased labor costs force businesses to cut staff, costing jobs. That sounds reasonable. Proponents of minimum wages argue that giving workers more disposable income puts money back into the economy, which in turn creates jobs. That makes sense, too.

So what's the answer?

Studies abound on the minimum wage. Some make common sense arguments while others use enough fancy math to dazzle any economist. Most studies are published by interest groups that either support or oppose a minimum wage, or from authors connected to such interest groups. If you read enough of these studies, you'll likely come to the realization that, almost without exception, they are trying to persuade you more than inform you.

The Pro Arguments

Commonly used arguments supporting increases to the minimum wage follow.

1. Increases put more money into the pockets of low-income workers. According to a 2013 Congressional Research Service report, a single parent with two children who works full time at the current minimum wage would be earning around \$15,000 and living at 76 percent of the federal poverty level. If the federal minimum wage was raised from the current \$7.25 to \$9.00 an hour, the same family would be at 94 percent of the poverty line.
2. Minimum wage increases shrink the gap between low-wage and higher-paid workers, lessening income inequality, both within individual businesses and in the larger economy.
3. Minimum wage increases put more money into the economy since low-income workers are more likely to spend their higher wages than are their higher paid counterparts, who are more

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Minimum Wage

likely to save them. This increased demand for goods and services tends to stimulate the economy which, in turn, leads to job creation.

4. Higher minimum wages reduce turnover among low-wage workers. Lower turnover rates are a net positive for businesses, since high turnover increases training costs and results in lower productivity.

The Con Arguments

Following are the most commonly cited arguments against minimum wage increases.

1. It results in job losses. Labor costs are the largest share of the budget for many businesses. Mandatory increases in hourly wages mean that businesses will be forced to cut jobs or reduce hours to maintain their bottom line. That could mean no income or reduced income for low-wage workers.
2. There are better ways to address poverty, such as income tax credits for low-income workers or tax policies that encourage asset development and savings for low-income families.
3. Increased labor costs will be passed on to consumers through increased prices. Higher prices lead to decreased demand, which can have a depressive effect on the economy.
4. Increased labor costs result in lower profits for businesses. Lower profits mean that businesses have less money to put back into their enterprises for job creation and business expansion.

So there you have it: There is no definitive study, no final answer. Whatever your opinion on minimum wage, you can find a study that will back it up.

The last increase in the federal minimum wage was in 2009. In constant dollars, the minimum wage that was worth \$7.25 in 2009 is now worth \$6.67, due to the increased cost of living.

A seemingly indisputable fact is that, despite 22 increases in the 75 years since it was established in 1938, the federal minimum wage has not kept pace with inflation. In real dollars, the peak value of the federal minimum wage was in 1968, when the wage was set at \$1.60. That would be \$10.56 in today's economy, well above the current \$7.25.

From a consumer's point of view, the average cost of a loaf of bread in 1968 was 22 cents, accounting for 14 percent of an hour's pay at the \$1.60 minimum wage. The average cost of a

Who Earns Minimum Wage?

According to the Bureau of Labor Statistics, based on 2012 figures:

- ◆ Around 3.6 million (or 4.8 percent) of the 75 million workers paid on an hourly basis earn \$7.25 an hour or less.
- ◆ More than half of minimum wage workers are under the age of 25.
- ◆ Six percent of women and 3 percent of men earn minimum wages.
- ◆ The leisure and hospitality sector has the highest proportion of minimum wage workers.
- ◆ Louisiana, Oklahoma, Texas and Idaho have the highest percentage of minimum wage workers.
- ◆ Alaska, Oregon, California, Montana and Washington have the lowest percentage of minimum wage workers.

Source: The Bureau of Labor Statistics, 2012 data

loaf of bread in 2012 was \$1.88, which accounts for 26 percent of an hour's pay at the current minimum wage. No matter how you slice it, the minimum wage hasn't kept up with inflation.

Congress Stalls, States Act

The lack of action on the federal level has prompted many states to consider increases to their state minimum wages.

All but five have adopted state minimum wages. Alabama, Louisiana, Mississippi, South Carolina and Tennessee have no state minimum wage, relying solely on the federal minimum wage for workers who are covered by the Fair Labor Standards Act. In addition, New Hampshire repealed its state minimum wage in 2011, but left a statutory reference to the federal minimum wage.

Nineteen states have set their state minimum wage to match the federal wage of \$7.25, as have Guam, Puerto Rico and the U.S. Virgin Islands.

Twenty-one states and the District of Columbia have established state minimum wages that are above the federal minimum wage. The highest state minimum wage is in Washington, at \$9.32. California is set to surpass that in January 2016, when the state minimum wage will increase to \$10.00 per hour.

Minimum wage continues to be a hot issue in state legislatures. As of Feb. 1, lawmakers had introduced legislation to increase the minimum wage in Delaware, Georgia, Iowa, Hawaii, Kentucky, Maryland, Massachusetts, Missouri, Nebraska, New Hampshire, New Jersey, New Mexico, New York, Oklahoma, Pennsylvania, Rhode Island, Tennessee, Utah, Washington and West Virginia. Delaware has already enacted an increase effective July 1, 2014, and Washington, D.C., passed an increase that is under review in Congress.

Federal Proposals

The first minimum wage was set at \$0.25 an hour in 1938 by the Fair Labor Standards Act. Congress has raised it 22 times since. In February, President Obama raised the minimum wage to \$10.10 for federal contractors only. Meanwhile, in Congress, several bills on the minimum wage have been introduced. A quick look at these follows.

Fair Minimum Wage Act of 2013 (S. 460 and H.R.1010)

- ◆ Increases to \$8.20, \$9.15, and \$10.10 over three years
- ◆ Indexes subsequent increases
- ◆ Increases tipped wage to \$3
- ◆ Indexes future tipped wage increases

Fair Minimum Wage Act of 2013 (H.R. 3746)

- ◆ Increases to \$8.50, \$10, and \$11 over three years
- ◆ Indexes subsequent increases

Minimum Wage Fairness Act (S. 1737)

- ◆ Increases to \$8.20, \$9.15, and \$10.10 over three years
- ◆ Indexes subsequent increases
- ◆ Increases tipped wage to \$3
- ◆ Indexes future tipped wage increases
- ◆ Raises limits on business expenses

Original Living American Wage Act (H.R. 229)

- ◆ Adjusts federal minimum every four years
- ◆ Keeps minimum wage at 15 percent above poverty line

WAGES Act (H.R. 650)

- ◆ Raises tipped wage to \$3.75 and \$5 over two years
- ◆ Indexes future tipped wage increases

Catching Up To 1968 Act of 2013 (H.R.1346)

- ◆ Increases to \$10.10
- ◆ Indexes subsequent increases
- ◆ Raises tipped wage to 70 percent of the minimum wage

During the 2013 legislative session, lawmakers in 23 states and the District of Columbia introduced legislation to increase their state minimum wage, and bills passed in seven states. Four states—California, Connecticut, New York and Rhode Island—enacted minimum wage hikes that were signed into law.

Legislatures in Maine, New Jersey and New Mexico passed bills as well, but they were vetoed by the governors. Voters in New Jersey had the final say on the issue, however. They approved a constitutional amendment in the 2013 November election that raised the minimum wage and tied future increases to the cost of living.

The Indexing Option

States have taken a couple of different approaches to raising the minimum wage. The traditional method has been to establish a specific dollar amount with a specific effective date. Rhode Island's 2013 bill is an example of that approach. The General Assembly passed a law establishing \$8.00 as the minimum wage beginning Jan. 1, 2014.

Sometimes a legislature will enact a multiple-step increase, as California lawmakers did last year. Its state minimum wage will increase to \$9.00 on July 1, 2014, and jump to \$10.00 on Jan. 1, 2016.

Other states have taken a different approach called indexing, which provides automatic annual increases based on the increased cost of living as determined by the Consumer Price Index. Eleven states have adopted indexed minimum wages since 2001. Interestingly, in 10 of the states, indexing was approved by voters. Vermont is the only state where the legislature approved indexing of the minimum wage.

Which approach is best? Both have their advantages and disadvantages.

Indexing

- ◆ The minimum wage increases automatically without discussion or debate, avoiding legislative squabbles.
- ◆ Regular increases allow workers' wages to keep pace with inflation.
- ◆ It allows businesses to plan ahead for their labor costs, since they know in advance that wages will increase each year.
- ◆ The increases tend to be slightly larger overall, with an 18 cent an hour average annual increase.

Step Increases

- ◆ Lawmakers can discuss and debate whether an increase is currently needed.



- ◆ Minimum wage bills often ignite battles as they go through the legislative process.
- ◆ Step increases take additional factors into account, such as the impact of natural disasters, high unemployment, or economic downturns, rather than looking only at inflation.
- ◆ Step increases tend to be larger when adopted, sometimes up to \$1 an hour, but when averaged over the affected years, the increases are actually slightly smaller at an average of 16 cents an hour annually.

Public Opinion

Where does the public stand on the issue? In a Gallup poll conducted in November 2013, 76 percent of the public supported raising the federal minimum wage to \$9.00 an hour. In the same poll, 69 percent of those asked supported an increase to \$9.00 an hour and indexing future increases to the cost of living, to keep pace with inflation.

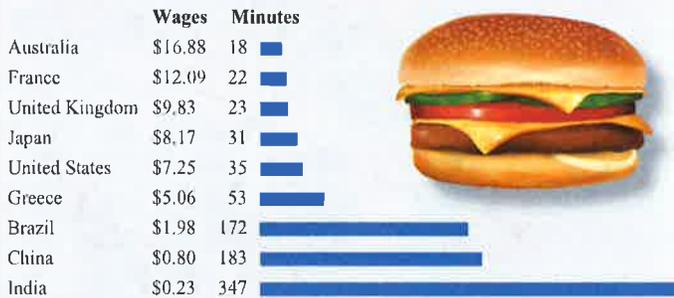
The same poll found that the level of support varies according to party affiliation but still has broad support among voters of all stripes. When asked whether they supported increasing the federal minimum wage to \$9.00 an hour, 91 percent of Democrats, 76 percent of independents and 58 percent of Republicans said yes.

There was a bigger divide regarding indexing or “inflation-proofing” the minimum wage. Ninety-two percent of Democrats, 71 percent of independents and 43 percent of Republicans said they supported raising the federal minimum wage to \$9.00 an hour and indexing future increases to inflation.

Pro or con, indexing or not, with minimum wage bills in Congress going nowhere, the issue continues to be hotly debated in state legislatures. It’s likely voters in several states will see minimum wage ballot measures when they go to the polls for the mid-term elections this fall.

Burgernomics

Here’s how many minutes it takes, earning minimum wage, to make enough to buy a burger around the world.



Source: “The Economist” magazine developed the Big Mac index in 1986 as a way to measure whether foreign currencies are at their “correct” level. It compares exchange rates in different countries to see if they result in the same purchasing power for an identical item—the burger. The ConvergEx Group, a global brokerage firm, adapted the news magazine’s burgernomics to minimum wages in various countries to come up with this chart. Minimum-Wage.org provided the wage rates in “international dollars,” which is based on the U.S. dollar in 2009.

Minimum Wage Rates for 2014

	Minimum Wage	Indexed to CPI
Alabama	none	
Alaska	\$7.75	
American Samoa	varies	
Arizona	\$7.90	X
Arkansas	\$6.25	
California	\$9.00 (in July)	
Colorado	\$8.00	X
Connecticut	\$8.70	
Delaware	\$7.25	
District of Columbia	\$8.25	
Florida	\$7.93	X
Georgia	\$5.15	
Guam	\$7.25	
Hawaii	\$7.25	
Idaho	\$7.25	
Illinois	\$8.25	
Indiana	\$7.25	
Iowa	\$7.25	
Kansas	\$7.25	
Kentucky	\$7.25	
Louisiana	none	
Maine	\$7.50	
Maryland	\$7.25	
Massachusetts	\$8.00	
Michigan	\$7.40	
Minnesota	\$6.15	
Mississippi	none	
Missouri	\$7.50	X
Montana	\$7.90	X
Nebraska	\$7.25	
Nevada	\$8.25	X
New Hampshire	repealed	
New Jersey	\$8.25	X
New Mexico	\$7.50	
New York	\$8.00	
North Carolina	\$7.25	
North Dakota	\$7.25	
Ohio	\$7.95	X
Oklahoma	\$7.25	
Oregon	\$9.10	X
Pennsylvania	\$7.25	
Puerto Rico	\$7.25	
Rhode Island	\$8.00	
South Carolina	none	
South Dakota	\$7.25	
Tennessee	none	
Texas	\$7.25	
Utah	\$7.25	
Vermont	\$8.73	X
U.S. Virgin Islands	\$7.25	
Virginia	\$7.25	
Washington	\$9.32	X
West Virginia	\$7.25	
Wisconsin	\$7.25	
Wyoming	\$5.15	

Source: NCSL

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Characteristics of Minimum Wage Workers, 2013



below the figure of 13.4 percent in 1979, when data were first collected on a regular basis. (See table 10.)

This report presents highlights and statistical tables of minimum wage workers in 2013. The data are obtained from the Current Population Survey (CPS), a national monthly survey of approximately 60,000 households conducted by the U.S. Census Bureau for the U.S. Bureau of Labor Statistics (BLS). Information on earnings is collected from one-fourth of the CPS sample each month.

The CPS does not include questions on whether workers are covered by the minimum wage provisions of the federal Fair Labor Standards Act (FLSA) or by individual state or local minimum wage laws. The estimates of workers paid at or below the federal minimum wage are based solely on the hourly wage they report (which does not include overtime pay, tips, or commissions). For more information on concepts and definitions of minimum wage data, see the technical notes section at the end of this report.

In 2013, 75.9 million workers age 16 and older in the United States were paid at hourly rates, representing 58.8 percent of all wage and salary workers. Among those paid by the hour, 1.5 million earned exactly the prevailing federal minimum wage of \$7.25 per hour. About 1.8 million had wages below the federal minimum. Together, these 3.3 million workers with wages at or below the federal minimum made up 4.3 percent of all hourly paid workers.

The percentage of hourly paid workers earning the prevailing federal minimum wage or less declined from 4.7 percent in 2012 to 4.3 percent in 2013. This remains well

Highlights

Age. Minimum wage workers tend to be young. Although workers under age 25 represented only about one-fifth of hourly paid workers, they made up about half of those paid the federal minimum wage or less. Among employed teenagers (ages 16 to 19) paid by the hour, about 20 percent

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earned the minimum wage or less, compared with about 3 percent of workers age 25 and older. (See tables 1 and 7.)

Gender. Among workers who were paid hourly rates in 2013, about 5 percent of women had wages at or below the prevailing federal minimum, compared with about 3 percent of men. (See table 1.)

Race and Hispanic or Latino ethnicity. The percentage of hourly paid workers with wages at or below the federal minimum wage was little different among the major race and ethnicity groups. About 5 percent of Black workers, 4 percent of White workers and Hispanic or Latino workers, and 3 percent of Asian workers earned the federal minimum wage or less. (See table 1.)

Education. Among hourly paid workers age 16 and older, about 10 percent of those without a high school diploma earned the federal minimum wage or less, compared with about 4 percent of those who had a high school diploma (with no college) and about 2 percent of college graduates. (See table 6.)

Marital status. Of those paid an hourly wage, never-married workers, who tend to be young, were more likely (8 percent) than married workers (2 percent) to earn the federal minimum wage or less. (See table 8.)

Full- and part-time status. About 10 percent of part-time workers (persons who usually work fewer than 35 hours per week) were paid the federal minimum wage or less,

compared with about 2 percent of full-time workers. (See tables 1 and 9.)

Occupation. Among major occupational groups, the highest percentage of hourly paid workers earning at or below the federal minimum wage was in service occupations, at about 11 percent. Almost two-thirds of workers earning the minimum wage or less in 2013 were employed in service occupations, mostly in food preparation and serving-related jobs. (See table 4.)

Industry. The industry with the highest percentage of workers earning hourly wages at or below the federal minimum wage was leisure and hospitality (19 percent). Just over half of all workers paid at or below the federal minimum wage were employed in this industry, the vast majority in restaurants and other food services. For many of these workers, tips may supplement the hourly wages received. (See table 5.)

State of residence. The states with the highest percentages of hourly paid workers earning at or below the federal minimum wage were Tennessee and Idaho (both a little more than 7 percent). The states with the lowest percentages of hourly paid workers earning at or below the federal minimum wage were Washington, California, and Oregon (all less than 2 percent). It should be noted that some states have minimum wage laws establishing standards that exceed the federal minimum wage. (See tables 2 and 3.)

Statistical Tables

CHARACTERISTICS OF MINIMUM WAGE WORKERS, 2013

Table 1. Wage and salary workers paid hourly rates with earnings at or below the prevailing federal minimum wage, by selected characteristics, 2013 annual averages

Characteristic	Number of workers (in thousands)				Percent distribution				Percentage of workers paid hourly rates		
	Total paid hourly rates	At or below minimum wage			Total paid hourly rates	At or below minimum wage			At or below minimum wage		
		Total	At minimum wage	Below minimum wage		Total	At minimum wage	Below minimum wage	Total	At minimum wage	Below minimum wage
Age and gender											
Total, 16 years and older.....	75,948	3,300	1,532	1,768	100.0	100.0	100.0	100.0	4.3	2.0	2.3
16 to 24 years.....	15,110	1,663	855	808	19.9	50.4	55.8	45.7	11.0	5.7	5.3
16 to 19 years.....	4,089	797	476	321	5.4	24.2	31.1	18.2	19.5	11.6	7.9
25 years and older.....	60,838	1,638	677	961	80.1	49.6	44.2	54.4	2.7	1.1	1.6
Men, 16 years and older.....	37,544	1,243	622	621	49.4	37.7	40.6	35.1	3.3	1.7	1.7
16 to 24 years.....	7,558	655	382	273	10.0	19.8	24.9	15.4	8.7	5.1	3.6
16 to 19 years.....	1,975	332	205	127	2.6	10.1	13.4	7.2	16.8	10.4	6.4
25 years and older.....	29,985	587	240	347	39.5	17.8	15.7	19.6	2.0	0.8	1.2
Women, 16 years and older.....	38,404	2,058	910	1,148	50.6	62.4	59.4	64.9	5.4	2.4	3.0
16 to 24 years.....	7,552	1,007	473	534	9.9	30.5	30.9	30.2	13.3	6.3	7.1
16 to 19 years.....	2,115	466	272	194	2.8	14.1	17.8	11.0	22.0	12.9	9.2
25 years and older.....	30,852	1,051	437	614	40.6	31.8	28.5	34.7	3.4	1.4	2.0
Race and Hispanic or Latino ethnicity											
White ¹	59,515	2,554	1,160	1,394	78.4	77.4	75.7	78.8	4.3	1.9	2.3
Men.....	29,947	950	470	480	39.4	28.8	30.7	27.1	3.2	1.6	1.6
Women.....	29,569	1,605	691	914	38.9	48.6	45.1	51.7	5.4	2.3	3.1
Black or African American ¹	10,233	500	276	224	13.5	15.2	18.0	12.7	4.9	2.7	2.2
Men.....	4,590	208	121	87	6.0	6.3	7.9	4.9	4.5	2.6	1.9
Women.....	5,643	292	155	137	7.4	8.8	10.1	7.7	5.2	2.7	2.4
Asian ¹	3,495	114	43	71	4.6	3.5	2.8	4.0	3.3	1.2	2.0
Men.....	1,606	44	18	26	2.1	1.3	1.2	1.5	2.7	1.1	1.6
Women.....	1,888	70	25	45	2.5	2.1	1.6	2.5	3.7	1.3	2.4
Hispanic or Latino ¹	14,706	643	318	325	19.4	19.5	20.8	18.4	4.4	2.2	2.2
Men.....	8,365	280	123	157	11.0	8.5	8.0	8.9	3.3	1.5	1.9
Women.....	6,341	363	195	168	8.3	11.0	12.7	9.5	5.7	3.1	2.6
Full- and part-time status											
Full-time workers ²	55,387	1,173	447	726	72.9	35.5	29.2	41.1	2.1	0.8	1.3
Men.....	30,309	475	184	291	39.9	14.4	12.0	16.5	1.6	0.6	1.0
Women.....	25,078	698	263	435	33.0	21.2	17.2	24.6	2.8	1.0	1.7
Part-time workers ²	20,453	2,125	1,085	1,040	26.9	64.4	70.8	58.8	10.4	5.3	5.1
Men.....	7,188	766	438	328	9.5	23.2	28.6	18.6	10.7	6.1	4.6
Women.....	13,265	1,359	648	711	17.5	41.2	42.3	40.2	10.2	4.9	5.4

¹ Estimates for the race groups—White, Black or African American, and Asian—do not sum to totals because data are not presented for all races. Persons whose ethnicity is identified as Hispanic or Latino may be of any race.

² The distinction between full- and part-time workers is based on hours usually worked. These data will not sum to totals because full- or part-time status on the principal job is not identifiable for a small number of multiple jobholders. Full time is 35 hours or more per week; part time is less than 35 hours.

Note: Data exclude all self-employed persons whether or not their businesses are incorporated.

Source: U.S. Bureau of Labor Statistics.

CHARACTERISTICS OF MINIMUM WAGE WORKERS, 2013

Table 2. Wage and salary workers paid hourly rates with earnings at or below the prevailing federal minimum wage, by census region and division, 2013 annual averages

Region and division	Number of workers (in thousands)				Percent distribution				Percentage of workers paid hourly rates		
	Total paid hourly rates	At or below minimum wage			Total paid hourly rates	At or below minimum wage			At or below minimum wage		
		Total	At minimum wage	Below minimum wage		Total	At minimum wage	Below minimum wage	Total	At minimum wage	Below minimum wage
Total, 16 years and older....	75,948	3,300	1,532	1,768	100.0	100.0	100.0	100.0	4.3	2.0	2.3
Northeast.....	13,212	577	248	329	17.4	17.5	16.2	18.6	4.4	1.9	2.5
New England.....	3,645	120	31	89	4.8	3.6	2.0	5.0	3.3	0.9	2.4
Middle Atlantic.....	9,567	458	217	241	12.6	13.9	14.2	13.6	4.8	2.3	2.5
Midwest.....	18,149	795	341	454	23.9	24.1	22.3	25.7	4.4	1.9	2.5
East North Central.....	12,319	526	190	336	16.2	15.9	12.4	19.0	4.3	1.5	2.7
West North Central.....	5,829	269	151	118	7.7	8.2	9.9	6.7	4.6	2.6	2.0
South.....	26,851	1,532	769	763	35.4	46.4	50.2	43.2	5.7	2.9	2.8
South Atlantic.....	13,496	695	313	382	17.8	21.1	20.4	21.6	5.1	2.3	2.8
East South Central.....	4,488	282	147	135	5.9	8.5	9.6	7.6	6.3	3.3	3.0
West South Central.....	8,867	556	309	247	11.7	16.8	20.2	14.0	6.3	3.5	2.8
West.....	17,735	396	174	222	23.4	12.0	11.4	12.6	2.2	1.0	1.3
Mountain.....	5,522	216	91	125	7.3	6.5	5.9	7.1	3.9	1.6	2.3
Pacific.....	12,214	179	83	96	16.1	5.4	5.4	5.4	1.5	0.7	0.8

Note: Data exclude all self-employed persons whether or not their businesses are incorporated.

The four major regions and nine census divisions of the United States are as follows:

Northeast:

 New England: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont

 Middle Atlantic: New Jersey, New York, and Pennsylvania

Midwest:

 East North Central: Illinois, Indiana, Michigan, Ohio, and Wisconsin

 West North Central: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota

South:

 South Atlantic: Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, and West Virginia

 East South Central: Alabama, Kentucky, Mississippi, and Tennessee

 West South Central: Arkansas, Louisiana, Oklahoma, and Texas

West:

 Mountain: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming

 Pacific: Alaska, California, Hawaii, Oregon, and Washington

Source: U.S. Bureau of Labor Statistics.

CHARACTERISTICS OF MINIMUM WAGE WORKERS, 2013

Table 3. Wage and salary workers paid hourly rates with earnings at or below the prevailing federal minimum wage, by state, 2013 annual averages

State	Number of workers (in thousands)				Percent distribution				Percentage of workers paid hourly rates		
	Total paid hourly rates	At or below minimum wage			Total paid hourly rates	At or below minimum wage			At or below minimum wage		
		Total	At minimum wage	Below minimum wage		Total	At minimum wage	Below minimum wage	Total	At minimum wage	Below minimum wage
Total, 16 years and older....	75,948	3,300	1,532	1,768	100.0	100.0	100.0	100.0	4.3	2.0	2.3
Alabama.....	1,125	77	44	33	1.5	2.3	2.9	1.9	6.8	3.9	2.9
Alaska.....	202	6	4	2	0.3	0.2	0.3	0.1	3.0	2.0	1.0
Arizona.....	1,421	58	24	34	1.9	1.8	1.6	1.9	4.1	1.7	2.4
Arkansas.....	651	44	30	14	0.9	1.3	2.0	0.8	6.8	4.6	2.2
California.....	8,915	118	48	70	11.7	3.6	3.1	4.0	1.3	0.5	0.8
Colorado.....	1,238	39	7	32	1.6	1.2	0.5	1.8	3.2	0.6	2.6
Connecticut.....	845	22	5	17	1.1	0.7	0.3	1.0	2.6	0.6	2.0
Delaware.....	203	11	5	6	0.3	0.3	0.3	0.3	5.4	2.5	3.0
District of Columbia.....	108	4	1	3	0.1	0.1	0.1	0.2	3.7	0.9	2.8
Florida.....	4,058	181	39	142	5.3	5.5	2.5	8.0	4.5	1.0	3.5
Georgia.....	2,162	103	54	49	2.8	3.1	3.5	2.8	4.8	2.5	2.3
Hawaii.....	325	15	10	5	0.4	0.5	0.7	0.3	4.6	3.1	1.5
Idaho.....	411	29	21	8	0.5	0.9	1.4	0.5	7.1	5.1	1.9
Illinois.....	3,026	96	22	74	4.0	2.9	1.4	4.2	3.2	0.7	2.4
Indiana.....	1,731	108	61	47	2.3	3.3	4.0	2.7	6.2	3.5	2.7
Iowa.....	921	50	30	20	1.2	1.5	2.0	1.1	5.4	3.3	2.2
Kansas.....	773	35	21	14	1.0	1.1	1.4	0.8	4.5	2.7	1.8
Kentucky.....	1,150	49	32	17	1.5	1.5	2.1	1.0	4.3	2.8	1.5
Louisiana.....	1,000	53	27	26	1.3	1.6	1.8	1.5	5.3	2.7	2.6
Maine.....	390	13	4	9	0.5	0.4	0.3	0.5	3.3	1.0	2.3
Maryland.....	1,334	66	30	36	1.8	2.0	2.0	2.0	4.9	2.2	2.7
Massachusetts.....	1,573	54	12	42	2.1	1.6	0.8	2.4	3.4	0.8	2.7
Michigan.....	2,531	96	17	79	3.3	2.9	1.1	4.5	3.8	0.7	3.1
Minnesota.....	1,533	64	43	21	2.0	1.9	2.8	1.2	4.2	2.8	1.4
Mississippi.....	637	39	20	19	0.8	1.2	1.3	1.1	6.1	3.1	3.0
Missouri.....	1,561	73	31	42	2.1	2.2	2.0	2.4	4.7	2.0	2.7
Montana.....	285	6	2	4	0.4	0.2	0.1	0.2	2.1	0.7	1.4
Nebraska.....	567	29	17	12	0.7	0.9	1.1	0.7	5.1	3.0	2.1
Nevada.....	757	20	8	12	1.0	0.6	0.5	0.7	2.6	1.1	1.6
New Hampshire.....	369	11	6	5	0.5	0.3	0.4	0.3	3.0	1.6	1.4
New Jersey.....	1,908	92	34	58	2.5	2.8	2.2	3.3	4.8	1.8	3.0
New Mexico.....	460	20	2	18	0.6	0.6	0.1	1.0	4.3	0.4	3.9
New York.....	4,188	178	88	90	5.5	5.4	5.7	5.1	4.3	2.1	2.1
North Carolina.....	2,251	130	73	57	3.0	3.9	4.8	3.2	5.8	3.2	2.5
North Dakota.....	221	7	4	3	0.3	0.2	0.3	0.2	3.2	1.8	1.4
Ohio.....	3,304	137	32	105	4.4	4.2	2.1	5.9	4.1	1.0	3.2
Oklahoma.....	947	60	29	31	1.2	1.8	1.9	1.8	6.3	3.1	3.3
Oregon.....	978	12	4	8	1.3	0.4	0.3	0.5	1.2	0.4	0.8
Pennsylvania.....	3,471	189	96	93	4.6	5.7	6.3	5.3	5.4	2.8	2.7
Rhode Island.....	286	12	2	10	0.4	0.4	0.1	0.6	4.2	0.7	3.5
South Carolina.....	1,128	65	40	25	1.5	2.0	2.6	1.4	5.8	3.5	2.2
South Dakota.....	254	12	6	6	0.3	0.4	0.4	0.3	4.7	2.4	2.4
Tennessee.....	1,575	117	51	66	2.1	3.5	3.3	3.7	7.4	3.2	4.2
Texas.....	6,270	400	223	177	8.3	12.1	14.6	10.0	6.4	3.6	2.8
Utah.....	773	36	22	14	1.0	1.1	1.4	0.8	4.7	2.8	1.8
Vermont.....	182	7	2	5	0.2	0.2	0.1	0.3	3.8	1.1	2.7
Virginia.....	1,806	112	58	54	2.4	3.4	3.8	3.1	6.2	3.2	3.0
Washington.....	1,793	30	18	12	2.4	0.9	1.2	0.7	1.7	1.0	0.7
West Virginia.....	446	22	12	10	0.6	0.7	0.8	0.6	4.9	2.7	2.2
Wisconsin.....	1,728	91	59	32	2.3	2.8	3.9	1.8	5.3	3.4	1.9
Wyoming.....	176	9	5	4	0.2	0.3	0.3	0.2	5.1	2.8	2.3

Note: Data exclude all self-employed persons whether or not their businesses are incorporated. These data are based on a sample and therefore are subject to sampling error; the degree of error may be quite large for less populous states.

Source: U.S. Bureau of Labor Statistics.

CHARACTERISTICS OF MINIMUM WAGE WORKERS, 2013

Table 4. Wage and salary workers paid hourly rates with earnings at or below the prevailing federal minimum wage, by occupation, 2013 annual averages

Occupation	Number of workers (in thousands)				Percent distribution				Percentage of workers paid hourly rates		
	Total paid hourly rates	At or below minimum wage			Total paid hourly rates	At or below minimum wage			At or below minimum wage		
		Total	At minimum wage	Below minimum wage		Total	At minimum wage	Below minimum wage	Total	At minimum wage	Below minimum wage
Total, 16 years and older.....	75,948	3,300	1,532	1,768	100.0	100.0	100.0	100.0	4.3	2.0	2.3
Management, professional, and related occupations.....	16,104	157	103	54	21.2	4.8	6.7	3.1	1.0	0.6	0.3
Management, business, and financial operations occupations.....	4,649	38	16	22	6.1	1.2	1.0	1.2	0.8	0.3	0.5
Professional and related occupations.....	11,455	119	87	32	15.1	3.6	5.7	1.8	1.0	0.8	0.3
Service occupations.....	18,613	2,099	735	1,364	24.5	63.6	48.0	77.1	11.3	3.9	7.3
Healthcare support occupations.....	2,888	87	40	47	3.8	2.6	2.6	2.7	3.0	1.4	1.6
Protective service occupations.....	1,937	61	28	33	2.6	1.8	1.8	1.9	3.1	1.4	1.7
Food preparation and serving related occupations.....	7,107	1,540	428	1,112	9.4	46.7	27.9	62.9	21.7	6.0	15.6
Building and grounds cleaning and maintenance occupations.....	3,801	183	114	69	5.0	5.5	7.4	3.9	4.8	3.0	1.8
Personal care and service occupations.....	2,880	228	125	103	3.8	6.9	8.2	5.8	7.9	4.3	3.6
Sales and office occupations.....	19,934	675	501	174	26.2	20.5	32.7	9.8	3.4	2.5	0.9
Sales and related occupations.....	7,844	477	360	117	10.3	14.5	23.5	6.6	6.1	4.6	1.5
Office and administrative support occupations.....	12,089	196	140	56	15.9	5.9	9.1	3.2	1.6	1.2	0.5
Natural resources, construction, and maintenance occupations.....	8,452	93	46	47	11.1	2.8	3.0	2.7	1.1	0.5	0.6
Farming, fishing, and forestry occupations.....	644	35	16	19	0.8	1.1	1.0	1.1	5.4	2.5	3.0
Construction and extraction occupations.....	4,486	38	18	20	5.9	1.2	1.2	1.1	0.8	0.4	0.4
Installation, maintenance, and repair occupations.....	3,322	21	12	9	4.4	0.6	0.8	0.5	0.6	0.4	0.3
Production, transportation, and material moving occupations.....	12,846	276	147	129	16.9	8.4	9.6	7.3	2.1	1.1	1.0
Production occupations.....	6,646	105	48	57	8.8	3.2	3.1	3.2	1.6	0.7	0.9
Transportation and material moving occupations.....	6,200	171	99	72	8.2	5.2	6.5	4.1	2.8	1.6	1.2

Note: Data exclude all self-employed persons whether or not their businesses are incorporated.

Source: U.S. Bureau of Labor Statistics.

CHARACTERISTICS OF MINIMUM WAGE WORKERS, 2013

Table 5. Wage and salary workers paid hourly rates with earnings at or below the prevailing federal minimum wage, by industry, 2013 annual averages

Industry	Number of workers (in thousands)				Percent distribution				Percentage of workers paid hourly rates		
	Total paid hourly rates	At or below minimum wage			Total paid hourly rates	At or below minimum wage			At or below minimum wage		
		Total	At minimum wage	Below minimum wage		Total	At minimum wage	Below minimum wage	Total	At minimum wage	Below minimum wage
Total, 16 years and older.....	75,948	3,300	1,532	1,768	100.0	100.0	100.0	100.0	4.3	2.0	2.3
Private sector.....	66,622	3,145	1,440	1,705	87.7	95.3	94.0	96.4	4.7	2.2	2.6
Agriculture and related industries.....	742	31	14	17	1.0	0.9	0.9	1.0	4.2	1.9	2.3
Nonagricultural industries.....	65,880	3,113	1,426	1,687	86.7	94.3	93.1	95.4	4.7	2.2	2.6
Mining.....	592	5	2	3	0.8	0.2	0.1	0.2	0.8	0.3	0.5
Construction.....	4,474	37	18	19	5.9	1.1	1.2	1.1	0.8	0.4	0.4
Manufacturing.....	8,889	94	51	43	11.7	2.8	3.3	2.4	1.1	0.6	0.5
Durable goods.....	5,461	50	24	26	7.2	1.5	1.6	1.5	0.9	0.4	0.5
Nondurable goods.....	3,427	44	27	17	4.5	1.3	1.8	1.0	1.3	0.8	0.5
Wholesale and retail trade.....	12,446	487	350	137	16.4	14.8	22.8	7.7	3.9	2.8	1.1
Wholesale trade.....	1,637	19	8	11	2.2	0.6	0.5	0.6	1.2	0.5	0.7
Retail trade.....	10,809	468	343	125	14.2	14.2	22.4	7.1	4.3	3.2	1.2
Transportation and utilities.....	3,310	36	17	19	4.4	1.1	1.1	1.1	1.1	0.5	0.6
Information.....	1,140	32	22	10	1.5	1.0	1.4	0.6	2.8	1.9	0.9
Financial activities.....	3,362	29	14	15	4.4	0.9	0.9	0.8	0.9	0.4	0.4
Professional and business services.....	6,161	129	77	52	8.1	3.9	5.0	2.9	2.1	1.2	0.8
Education and health services.....	12,803	278	162	116	16.9	8.4	10.6	6.6	2.2	1.3	0.9
Leisure and hospitality.....	9,546	1,814	620	1,194	12.6	55.0	40.5	67.5	19.0	6.5	12.5
Other services.....	3,157	172	93	79	4.2	5.2	6.1	4.5	5.4	2.9	2.5
Public sector.....	9,326	157	93	64	12.3	4.8	6.1	3.6	1.7	1.0	0.7
Federal.....	1,749	13	6	7	2.3	0.4	0.4	0.4	0.7	0.3	0.4
State.....	2,627	55	38	17	3.5	1.7	2.5	1.0	2.1	1.4	0.6
Local.....	4,950	88	48	40	6.5	2.7	3.1	2.3	1.8	1.0	0.8

Note: Data exclude all self-employed persons whether or not their businesses are incorporated.

Source: U.S. Bureau of Labor Statistics.

CHARACTERISTICS OF MINIMUM WAGE WORKERS, 2013

Table 6. Wage and salary workers paid hourly rates with earnings at or below the prevailing federal minimum wage, by educational attainment, 2013 annual averages

Educational attainment	Number of workers (in thousands)				Percent distribution				Percentage of workers paid hourly rates		
	Total paid hourly rates	At or below minimum wage			Total paid hourly rates	At or below minimum wage			At or below minimum wage		
		Total	At minimum wage	Below minimum wage		Total	At minimum wage	Below minimum wage	Total	At minimum wage	Below minimum wage
Total, 16 years and older.....	75,948	3,300	1,532	1,768	100.0	100.0	100.0	100.0	4.3	2.0	2.3
Less than a high school diploma.....	9,436	927	546	381	12.4	28.1	35.6	21.5	9.8	5.8	4.0
Less than 1 year of high school.....	2,828	146	74	72	3.7	4.4	4.8	4.1	5.2	2.6	2.5
1 to 3 years of high school.....	5,388	671	410	261	7.1	20.3	26.8	14.8	12.5	7.6	4.8
4 years of high school, no diploma.....	1,219	109	62	47	1.6	3.3	4.0	2.7	8.9	5.1	3.9
High school graduates or more.....	66,512	2,373	986	1,387	87.6	71.9	64.4	78.5	3.6	1.5	2.1
High school graduates, no college.....	25,796	980	478	502	34.0	29.7	31.2	28.4	3.8	1.9	1.9
Some college or associate degree.....	26,857	1,133	434	699	35.4	34.3	28.3	39.5	4.2	1.6	2.6
Some college, no degree.....	17,595	933	356	577	23.2	28.3	23.2	32.6	5.3	2.0	3.3
Associate degree.....	9,263	200	78	122	12.2	6.1	5.1	6.9	2.2	0.8	1.3
Occupational program.....	4,140	89	34	55	5.5	2.7	2.2	3.1	2.1	0.8	1.3
Academic program.....	5,122	112	45	67	6.7	3.4	2.9	3.8	2.2	0.9	1.3
Bachelor's degree and higher.....	13,859	260	74	186	18.2	7.9	4.8	10.5	1.9	0.5	1.3
Bachelor's degree.....	10,819	231	67	164	14.2	7.0	4.4	9.3	2.1	0.6	1.5
Master's degree.....	2,386	22	6	16	3.1	0.7	0.4	0.9	0.9	0.3	0.7
Professional degree.....	321	6	0	6	0.4	0.2	0.0	0.3	1.9	0.0	1.9
Doctoral degree.....	333	1	1	0	0.4	0.0	0.1	0.0	0.3	0.3	0.0

Note: Data exclude all self-employed persons whether or not their businesses are incorporated.

Source: U.S. Bureau of Labor Statistics.

CHARACTERISTICS OF MINIMUM WAGE WORKERS, 2013

Table 7. Wage and salary workers paid hourly rates with earnings at or below the prevailing federal minimum wage, by age and gender, 2013 annual averages

Age and gender	Number of workers (in thousands)				Percent distribution				Percentage of workers paid hourly rates		
	Total paid hourly rates	At or below minimum wage			Total paid hourly rates	At or below minimum wage			At or below minimum wage		
		Total	At minimum wage	Below minimum wage		Total	At minimum wage	Below minimum wage	Total	At minimum wage	Below minimum wage
Total											
Total, 16 years and older.....	75,948	3,300	1,532	1,768	100.0	100.0	100.0	100.0	4.3	2.0	2.3
16 to 24 years.....	15,110	1,663	855	808	19.9	50.4	55.8	45.7	11.0	5.7	5.3
16 to 19 years.....	4,089	797	476	321	5.4	24.2	31.1	18.2	19.5	11.6	7.9
20 to 24 years.....	11,021	866	379	487	14.5	26.2	24.7	27.5	7.9	3.4	4.4
25 years and older.....	60,838	1,638	677	961	80.1	49.6	44.2	54.4	2.7	1.1	1.6
25 to 34 years.....	17,607	703	249	454	23.2	21.3	16.3	25.7	4.0	1.4	2.6
25 to 29 years.....	9,430	436	158	278	12.4	13.2	10.3	15.7	4.6	1.7	2.9
30 to 34 years.....	8,177	267	91	176	10.8	8.1	5.9	10.0	3.3	1.1	2.2
35 to 44 years.....	14,195	355	144	211	18.7	10.8	9.4	11.9	2.5	1.0	1.5
35 to 39 years.....	7,035	184	73	111	9.3	5.6	4.8	6.3	2.6	1.0	1.6
40 to 44 years.....	7,160	170	71	99	9.4	5.2	4.6	5.6	2.4	1.0	1.4
45 to 54 years.....	15,097	314	135	179	19.9	9.5	8.8	10.1	2.1	0.9	1.2
45 to 49 years.....	7,464	159	68	91	9.8	4.8	4.4	5.1	2.1	0.9	1.2
50 to 54 years.....	7,633	155	67	88	10.1	4.7	4.4	5.0	2.0	0.9	1.2
55 to 64 years.....	10,713	155	89	66	14.1	4.7	5.8	3.7	1.4	0.8	0.6
55 to 59 years.....	6,558	96	55	41	8.6	2.9	3.6	2.3	1.5	0.8	0.6
60 to 64 years.....	4,155	58	33	25	5.5	1.8	2.2	1.4	1.4	0.8	0.6
65 years and older.....	3,227	111	60	51	4.2	3.4	3.9	2.9	3.4	1.9	1.6
65 to 69 years.....	1,866	51	28	23	2.5	1.5	1.8	1.3	2.7	1.5	1.2
70 years and older.....	1,361	60	33	27	1.8	1.8	2.2	1.5	4.4	2.4	2.0
Men											
Total, 16 years and older.....	37,544	1,243	622	621	49.4	37.7	40.6	35.1	3.3	1.7	1.7
16 to 24 years.....	7,558	655	382	273	10.0	19.8	24.9	15.4	8.7	5.1	3.6
16 to 19 years.....	1,975	332	205	127	2.6	10.1	13.4	7.2	16.8	10.4	6.4
20 to 24 years.....	5,584	325	178	147	7.4	9.8	11.6	8.3	5.8	3.2	2.6
25 years and older.....	29,985	587	240	347	39.5	17.8	15.7	19.6	2.0	0.8	1.2
25 to 34 years.....	9,281	286	109	177	12.2	8.7	7.1	10.0	3.1	1.2	1.9
25 to 29 years.....	4,927	171	71	100	6.5	5.2	4.6	5.7	3.5	1.4	2.0
30 to 34 years.....	4,354	116	39	77	5.7	3.5	2.5	4.4	2.7	0.9	1.8
35 to 44 years.....	7,112	116	44	72	9.4	3.5	2.9	4.1	1.6	0.6	1.0
35 to 39 years.....	3,569	59	22	37	4.7	1.8	1.4	2.1	1.7	0.6	1.0
40 to 44 years.....	3,543	57	22	35	4.7	1.7	1.4	2.0	1.6	0.6	1.0
45 to 54 years.....	7,181	83	36	47	9.5	2.5	2.3	2.7	1.2	0.5	0.7
45 to 49 years.....	3,579	41	18	23	4.7	1.2	1.2	1.3	1.1	0.5	0.6
50 to 54 years.....	3,601	42	18	24	4.7	1.3	1.2	1.4	1.2	0.5	0.7
55 to 64 years.....	4,915	55	29	26	6.5	1.7	1.9	1.5	1.1	0.6	0.5
55 to 59 years.....	3,020	33	17	16	4.0	1.0	1.1	0.9	1.1	0.6	0.5
60 to 64 years.....	1,895	22	12	10	2.5	0.7	0.8	0.6	1.2	0.6	0.5
65 years and older.....	1,496	47	21	26	2.0	1.4	1.4	1.5	3.1	1.4	1.7
65 to 69 years.....	860	21	8	13	1.1	0.6	0.5	0.7	2.4	0.9	1.5
70 years and older.....	636	27	14	13	0.8	0.8	0.9	0.7	4.2	2.2	2.0
Women											
Total, 16 years and older.....	38,404	2,058	910	1,148	50.6	62.4	59.4	64.9	5.4	2.4	3.0
16 to 24 years.....	7,552	1,007	473	534	9.9	30.5	30.9	30.2	13.3	6.3	7.1
16 to 19 years.....	2,115	466	272	194	2.8	14.1	17.8	11.0	22.0	12.9	9.2
20 to 24 years.....	5,437	541	201	340	7.2	16.4	13.1	19.2	10.0	3.7	6.3
25 years and older.....	30,852	1,051	437	614	40.6	31.8	28.5	34.7	3.4	1.4	2.0
25 to 34 years.....	8,326	418	140	278	11.0	12.7	9.1	15.7	5.0	1.7	3.3
25 to 29 years.....	4,503	265	87	178	5.9	8.0	5.7	10.1	5.9	1.9	4.0
30 to 34 years.....	3,823	152	53	99	5.0	4.6	3.5	5.6	4.0	1.4	2.6
35 to 44 years.....	7,082	239	100	139	9.3	7.2	6.5	7.9	3.4	1.4	2.0
35 to 39 years.....	3,465	126	51	75	4.6	3.8	3.3	4.2	3.6	1.5	2.2
40 to 44 years.....	3,617	113	49	64	4.8	3.4	3.2	3.6	3.1	1.4	1.8
45 to 54 years.....	7,916	231	99	132	10.4	7.0	6.5	7.5	2.9	1.3	1.7
45 to 49 years.....	3,885	118	50	68	5.1	3.6	3.3	3.8	3.0	1.3	1.8
50 to 54 years.....	4,031	113	49	64	5.3	3.4	3.2	3.6	2.8	1.2	1.6
55 to 64 years.....	5,798	99	59	40	7.6	3.0	3.9	2.3	1.7	1.0	0.7
55 to 59 years.....	3,538	63	38	25	4.7	1.9	2.5	1.4	1.8	1.1	0.7
60 to 64 years.....	2,260	35	21	14	3.0	1.1	1.4	0.8	1.5	0.9	0.6
65 years and older.....	1,731	64	39	25	2.3	1.9	2.5	1.4	3.7	2.3	1.4
65 to 69 years.....	1,005	31	20	11	1.3	0.9	1.3	0.6	3.1	2.0	1.1
70 years and older.....	725	33	19	14	1.0	1.0	1.2	0.8	4.6	2.6	1.9

Note: Data exclude all self-employed persons whether or not their businesses are incorporated.

Source: U.S. Bureau of Labor Statistics.

CHARACTERISTICS OF MINIMUM WAGE WORKERS, 2013

Table 8. Wage and salary workers paid hourly rates with earnings at or below the prevailing federal minimum wage, by marital status, age, and gender, 2013 annual averages

Marital status, age, and gender	Number of workers (in thousands)				Percent distribution				Percentage of workers paid hourly rates		
	Total paid hourly rates	At or below minimum wage			Total paid hourly rates	At or below minimum wage			At or below minimum wage		
		Total	At minimum wage	Below minimum wage		Total	At minimum wage	Below minimum wage	Total	At minimum wage	Below minimum wage
Total											
Total, 16 years and older...	75,948	3,300	1,532	1,768	100.0	100.0	100.0	100.0	4.3	2.0	2.3
Never married.....	28,651	2,205	1,047	1,158	37.7	66.8	68.3	65.5	7.7	3.7	4.0
16 to 24 years.....	13,536	1,558	813	745	17.8	47.2	53.1	42.1	11.5	6.0	5.5
25 years and older.....	15,115	648	234	414	19.9	19.6	15.3	23.4	4.3	1.5	2.7
25 to 54 years.....	13,891	615	219	396	18.3	18.6	14.3	22.4	4.4	1.6	2.9
Married, spouse present..	34,479	684	310	374	45.4	20.7	20.2	21.2	2.0	0.9	1.1
16 to 24 years.....	1,146	68	30	38	1.5	2.1	2.0	2.1	5.9	2.6	3.3
25 years and older.....	33,333	617	280	337	43.9	18.7	18.3	19.1	1.9	0.8	1.0
25 to 54 years.....	24,592	484	204	280	32.4	14.7	13.3	15.8	2.0	0.8	1.1
Other marital status.....	12,818	411	175	236	16.9	12.5	11.4	13.3	3.2	1.4	1.8
16 to 24 years.....	428	37	12	25	0.6	1.1	0.8	1.4	8.6	2.8	5.8
25 years and older.....	12,390	373	163	210	16.3	11.3	10.6	11.9	3.0	1.3	1.7
25 to 54 years.....	8,416	272	105	167	11.1	8.2	6.9	9.4	3.2	1.2	2.0
Men											
Total, 16 years and older...	37,544	1,243	622	621	49.4	37.7	40.6	35.1	3.3	1.7	1.7
Never married.....	14,954	910	477	433	19.7	27.6	31.1	24.5	6.1	3.2	2.9
16 to 24 years.....	6,867	622	370	252	9.0	18.8	24.2	14.3	9.1	5.4	3.7
25 years and older.....	8,087	288	107	181	10.6	8.7	7.0	10.2	3.6	1.3	2.2
25 to 54 years.....	7,513	272	102	170	9.9	8.2	6.7	9.6	3.6	1.4	2.3
Married, spouse present..	17,514	234	106	128	23.1	7.1	6.9	7.2	1.3	0.6	0.7
16 to 24 years.....	517	21	7	14	0.7	0.6	0.5	0.8	4.1	1.4	2.7
25 years and older.....	16,997	213	99	114	22.4	6.5	6.5	6.4	1.3	0.6	0.7
25 to 54 years.....	12,493	155	66	89	16.4	4.7	4.3	5.0	1.2	0.5	0.7
Other marital status.....	5,076	99	39	60	6.7	3.0	2.5	3.4	2.0	0.8	1.2
16 to 24 years.....	174	14	6	8	0.2	0.4	0.4	0.5	8.0	3.4	4.6
25 years and older.....	4,902	85	33	52	6.5	2.6	2.2	2.9	1.7	0.7	1.1
25 to 54 years.....	3,568	57	21	36	4.7	1.7	1.4	2.0	1.6	0.6	1.0
Women											
Total, 16 years and older...	38,404	2,058	910	1,148	50.6	62.4	59.4	64.9	5.4	2.4	3.0
Never married.....	13,697	1,294	569	725	18.0	39.2	37.1	41.0	9.4	4.2	5.3
16 to 24 years.....	6,669	936	443	493	8.8	28.4	28.9	27.9	14.0	6.6	7.4
25 years and older.....	7,028	358	126	232	9.3	10.8	8.2	13.1	5.1	1.8	3.3
25 to 54 years.....	6,377	343	117	226	8.4	10.4	7.6	12.8	5.4	1.8	3.5
Married, spouse present..	16,965	451	204	247	22.3	13.7	13.3	14.0	2.7	1.2	1.5
16 to 24 years.....	629	47	23	24	0.8	1.4	1.5	1.4	7.5	3.7	3.8
25 years and older.....	16,336	404	181	223	21.5	12.2	11.8	12.6	2.5	1.1	1.4
25 to 54 years.....	12,099	330	138	192	15.9	10.0	9.0	10.9	2.7	1.1	1.6
Other marital status.....	7,742	312	136	176	10.2	9.5	8.9	10.0	4.0	1.8	2.3
16 to 24 years.....	253	24	7	17	0.3	0.7	0.5	1.0	9.5	2.8	6.7
25 years and older.....	7,488	288	129	159	9.9	8.7	8.4	9.0	3.8	1.7	2.1
25 to 54 years.....	4,848	216	84	132	6.4	6.5	5.5	7.5	4.5	1.7	2.7

Note: Data exclude all self-employed persons whether or not their businesses are incorporated. Other marital status includes married, spouse absent; divorced; separated; and widowed persons.

Source: U.S. Bureau of Labor Statistics.

CHARACTERISTICS OF MINIMUM WAGE WORKERS, 2013

Table 9. Wage and salary workers paid hourly rates with earnings at or below the prevailing federal minimum wage, by usual hours worked per week on primary job, 2013 annual averages

Usual hours worked per week on primary job	Number of workers (in thousands)				Percent distribution				Percentage of workers paid hourly rates		
	Total paid hourly rates	At or below minimum wage			Total paid hourly rates	At or below minimum wage			At or below minimum wage		
		Total	At minimum wage	Below minimum wage		Total	At minimum wage	Below minimum wage	Total	At minimum wage	Below minimum wage
Total, 16 years and older.....	75,948	3,300	1,532	1,768	100.0	100.0	100.0	100.0	4.3	2.0	2.3
Hours vary.....	5,111	402	175	227	6.7	12.2	11.4	12.8	7.9	3.4	4.4
0 to 34 hours.....	18,419	1,893	955	938	24.3	57.4	62.3	53.1	10.3	5.2	5.1
0 to 4 hours.....	371	34	23	11	0.5	1.0	1.5	0.6	9.2	6.2	3.0
5 to 9 hours.....	962	131	70	61	1.3	4.0	4.6	3.5	13.6	7.3	6.3
10 to 14 hours.....	1,498	218	135	83	2.0	6.6	8.8	4.7	14.6	9.0	5.5
15 to 19 hours.....	2,252	263	147	116	3.0	8.0	9.6	6.6	11.7	6.5	5.2
20 to 24 hours.....	5,450	546	275	271	7.2	16.5	18.0	15.3	10.0	5.0	5.0
25 to 29 hours.....	2,733	263	130	133	3.6	8.0	8.5	7.5	9.6	4.8	4.9
30 to 34 hours.....	5,153	437	174	263	6.8	13.2	11.4	14.9	8.5	3.4	5.1
35 hours or more.....	52,418	1,007	403	604	69.0	30.5	26.3	34.2	1.9	0.8	1.2
35 to 39 hours.....	6,039	283	95	188	8.0	8.6	6.2	10.6	4.7	1.6	3.1
40 hours or more.....	46,379	725	308	417	61.1	22.0	20.1	23.6	1.6	0.7	0.9
40 hours.....	40,381	658	294	364	53.2	19.9	19.2	20.6	1.6	0.7	0.9
41 hours or more.....	5,998	67	14	53	7.9	2.0	0.9	3.0	1.1	0.2	0.9
41 to 44 hours.....	595	3	—	3	0.8	0.1	—	0.2	0.5	—	0.5
45 to 48 hours.....	2,038	24	4	20	2.7	0.7	0.3	1.1	1.2	0.2	1.0
49 to 59 hours.....	2,282	29	8	21	3.0	0.9	0.5	1.2	1.3	0.4	0.9
60 hours or more.....	1,083	11	2	9	1.4	0.3	0.1	0.5	1.0	0.2	0.8

Note: Data exclude all self-employed persons whether or not their businesses are incorporated. Estimates of usual hours worked presented in this table differ from usual full- or part-time status (as shown in table 1) because of a sizable number of workers whose usual hours vary on the primary job. Dash indicates no data.

Source: U.S. Bureau of Labor Statistics.

CHARACTERISTICS OF MINIMUM WAGE WORKERS, 2013

Table 10. Wage and salary workers paid hourly rates with earnings at or below the prevailing federal minimum wage, by gender, 1979–2013 annual averages

(Numbers in thousands)

Year and gender	Total wage and salary workers	Workers paid hourly rates					
		Total	Percentage of total wage and salary workers	At prevailing federal minimum wage	Below prevailing federal minimum wage	Total at or below prevailing federal minimum wage	
						Number	Percentage of hourly paid workers
Total							
1979.....	87,529	51,721	59.1	3,997	2,916	6,912	13.4
1980.....	87,644	51,335	58.6	4,686	3,087	7,773	15.1
1981.....	88,516	51,869	58.6	4,311	3,513	7,824	15.1
1982.....	87,368	50,846	58.2	4,148	2,348	6,496	12.8
1983.....	88,290	51,820	58.7	4,261	2,077	6,338	12.2
1984.....	92,194	54,143	58.7	4,125	1,838	5,963	11.0
1985.....	94,521	55,762	59.0	3,899	1,639	5,538	9.9
1986.....	96,903	57,529	59.4	3,461	1,599	5,060	8.8
1987.....	99,303	59,552	60.0	3,229	1,468	4,698	7.9
1988.....	101,407	60,878	60.0	2,608	1,319	3,927	6.5
1989.....	103,480	62,389	60.3	1,790	1,372	3,162	5.1
1990.....	104,876	63,172	60.2	1,096	1,132	1,228	15.1
1991.....	103,723	62,627	60.4	1,290	1,377	1,523	18.4
1992.....	104,668	63,610	60.8	2,982	1,939	4,921	7.7
1993.....	106,101	64,274	60.6	2,625	1,707	4,332	6.7
1994.....	107,989	66,549	61.6	2,132	1,995	4,128	6.2
1995.....	110,038	68,354	62.1	1,956	1,699	3,656	5.3
1996.....	111,960	69,255	61.9	1,861	1,863	1,724	15.4
1997.....	114,533	70,735	61.8	1,764	1,990	1,754	16.7
1998.....	116,730	71,440	61.2	1,593	2,834	4,427	6.2
1999.....	118,963	72,306	60.8	1,146	2,194	3,340	4.6
2000.....	122,089	73,496	60.2	898	1,752	2,650	3.6
2001.....	122,229	73,392	60.0	656	1,518	2,174	3.0
2002.....	121,826	72,508	59.5	567	1,579	2,146	3.0
2003.....	122,358	72,946	59.6	545	1,555	2,100	2.9
2004.....	123,554	73,939	59.8	520	1,483	2,003	2.7
2005.....	125,889	75,609	60.1	479	1,403	1,882	2.5
2006.....	128,237	76,514	59.7	409	1,283	1,692	2.2
2007.....	129,767	75,873	58.5	1,267	1,462	1,729	12.3
2008.....	129,377	75,305	58.2	1,286	1,940	1,226	13.0
2009.....	124,490	72,611	58.3	1,980	1,592	1,572	14.9
2010.....	124,073	72,902	58.8	1,820	2,541	4,361	6.0
2011.....	125,187	73,926	59.1	1,677	2,152	3,829	5.2
2012.....	127,577	75,276	59.0	1,566	1,984	3,550	4.7
2013.....	129,110	75,948	58.8	1,532	1,768	3,300	4.3

See footnote at end of table.

CHARACTERISTICS OF MINIMUM WAGE WORKERS, 2013

Table 10. Wage and salary workers paid hourly rates with earnings at or below the prevailing federal minimum wage, by gender, 1979–2013 annual averages—Continued

(Numbers in thousands)

Year and gender	Total wage and salary workers	Workers paid hourly rates					
		Total	Percentage of total wage and salary workers	At prevailing federal minimum wage	Below prevailing federal minimum wage	Total at or below prevailing federal minimum wage	
						Number	Percentage of hourly paid workers
Men							
1979.....	49,400	28,392	57.5	1,353	846	2,199	7.7
1980.....	48,700	27,709	56.9	1,696	983	2,678	9.7
1981.....	48,844	27,576	56.5	1,533	1,119	2,652	9.6
1982.....	47,591	26,481	55.6	1,587	697	2,284	8.6
1983.....	47,856	26,831	56.1	1,658	585	2,243	8.4
1984.....	50,022	28,140	56.3	1,626	490	2,116	7.5
1985.....	51,015	28,893	56.6	1,544	440	1,984	6.9
1986.....	51,942	29,666	57.1	1,336	408	1,743	5.9
1987.....	52,938	30,474	57.6	1,283	364	1,647	5.4
1988.....	53,912	31,058	57.6	1,066	311	1,377	4.4
1989.....	54,789	31,687	57.8	733	379	1,112	3.5
1990.....	55,553	32,104	57.8	1,385	1,712	11,097	13.4
1991.....	54,618	31,639	57.9	1,114	1,795	11,909	16.0
1992.....	54,826	32,155	58.6	1,231	653	1,885	5.9
1993.....	55,475	32,337	58.3	1,091	573	1,664	5.1
1994.....	56,570	33,528	59.3	891	674	1,565	4.7
1995.....	57,669	34,420	59.7	796	542	1,338	3.9
1996.....	58,473	34,838	59.6	1,755	1,619	11,374	13.9
1997.....	59,825	35,521	59.4	1,673	1,147	11,820	15.1
1998.....	60,973	35,761	58.7	628	1,039	1,667	4.7
1999.....	61,914	36,073	58.3	446	768	1,214	3.4
2000.....	63,662	36,720	57.7	319	582	901	2.5
2001.....	63,647	36,544	57.4	247	497	744	2.0
2002.....	63,272	36,000	56.9	217	582	799	2.2
2003.....	63,236	35,853	56.7	213	493	706	2.0
2004.....	64,145	36,806	57.4	210	470	680	1.8
2005.....	65,466	37,652	57.5	189	459	648	1.7
2006.....	66,811	38,193	57.2	146	422	568	1.5
2007.....	67,468	37,790	56.0	186	1,460	1,546	11.4
2008.....	66,846	37,334	55.9	190	1,638	1,728	11.9
2009.....	63,539	35,185	55.4	1,368	1,990	11,358	13.9
2010.....	63,531	35,498	55.9	669	943	1,612	4.5
2011.....	64,686	36,457	56.4	648	785	1,433	3.9
2012.....	65,898	37,113	56.3	567	696	1,263	3.4
2013.....	66,794	37,544	56.2	622	621	1,243	3.3

See footnote at end of table.

CHARACTERISTICS OF MINIMUM WAGE WORKERS, 2013

Table 10. Wage and salary workers paid hourly rates with earnings at or below the prevailing federal minimum wage, by gender, 1979–2013 annual averages—Continued

(Numbers in thousands)

Year and gender	Total wage and salary workers	Workers paid hourly rates					
		Total	Percentage of total wage and salary workers	At prevailing federal minimum wage	Below prevailing federal minimum wage	Total at or below prevailing federal minimum wage	
						Number	Percentage of hourly paid workers
Women							
1979.....	38,129	23,329	61.2	2,644	2,070	4,714	20.2
1980.....	38,944	23,626	60.7	2,990	2,104	5,095	21.6
1981.....	39,672	24,294	61.2	2,778	2,394	5,172	21.3
1982.....	39,777	24,365	61.3	2,561	1,651	4,212	17.3
1983.....	40,433	24,989	61.8	2,603	1,492	4,095	16.4
1984.....	42,172	26,003	61.7	2,499	1,348	3,847	14.8
1985.....	43,506	26,869	61.8	2,356	1,198	3,554	13.2
1986.....	44,961	27,863	62.0	2,125	1,192	3,317	11.9
1987.....	46,365	29,078	62.7	1,946	1,105	3,051	10.5
1988.....	47,495	29,820	62.8	1,542	1,008	2,550	8.6
1989.....	48,691	30,702	63.1	1,056	994	2,050	6.7
1990.....	49,323	31,069	63.0	1,711	1,420	12,131	16.9
1991.....	49,105	30,988	63.1	1,792	1,582	13,374	110.9
1992.....	49,842	31,454	63.1	1,751	1,286	3,036	9.7
1993.....	50,626	31,937	63.1	1,534	1,133	2,667	8.4
1994.....	51,419	33,021	64.2	1,241	1,322	2,563	7.8
1995.....	52,369	33,934	64.8	1,161	1,157	2,318	6.8
1996.....	53,488	34,418	64.3	1,106	1,244	12,350	16.8
1997.....	54,708	35,214	64.4	1,092	1,843	12,935	18.3
1998.....	55,757	35,680	64.0	965	1,794	2,760	7.7
1999.....	57,050	36,233	63.5	700	1,426	2,126	5.9
2000.....	58,427	36,777	62.9	579	1,170	1,749	4.8
2001.....	58,582	36,848	62.9	409	1,021	1,430	3.9
2002.....	58,555	36,508	62.3	350	997	1,347	3.7
2003.....	59,122	37,093	62.7	332	1,062	1,394	3.8
2004.....	59,408	37,133	62.5	310	1,013	1,323	3.6
2005.....	60,423	37,957	62.8	290	944	1,234	3.3
2006.....	61,426	38,321	62.4	263	861	1,124	2.9
2007.....	62,299	38,082	61.1	1181	1,002	11,183	13.1
2008.....	62,532	37,972	60.7	1196	1,302	11,498	13.9
2009.....	60,951	37,426	61.4	1612	1,603	12,215	15.9
2010.....	60,542	37,404	61.8	1,151	1,598	2,749	7.3
2011.....	60,502	37,469	61.9	1,029	1,366	2,395	6.4
2012.....	61,679	38,163	61.9	999	1,288	2,287	6.0
2013.....	62,316	38,404	61.6	910	1,148	2,058	5.4

¹ Data for 1990–1991, 1996–1997, and 2007–2009 reflect changes in the minimum wage that took place during those years.

Note: The comparability of historical labor force data has been affected at various times by methodological and conceptual changes in the Current Population Survey (CPS). Information about historical comparability is available at www.bls.gov/cps/documentation.htm#comp.

Source: U.S. Bureau of Labor Statistics.

Technical Notes

The estimates in this report were obtained from the Current Population Survey (CPS), which provides information on the labor force, employment, and unemployment. The survey is conducted monthly for the U.S. Bureau of Labor Statistics (BLS) by the U.S. Census Bureau using a scientifically selected national sample of about 60,000 eligible households representing all 50 states and the District of Columbia. The survey also provides data on earnings, which are based on one-fourth of the CPS monthly sample and are limited to wage and salary workers. All self-employed workers, both incorporated and unincorporated, are excluded from these earnings estimates.

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Concepts and definitions

The principal definitions used in connection with the estimates of minimum wage workers presented in this report are described briefly below.

Wage and salary workers. These are workers age 16 and older who receive wages, salaries, commissions, tips, payments in kind, or piece rates on their sole or principal job. This group includes employees in both the private and public sectors. All self-employed workers are excluded whether or not their businesses are incorporated.

Workers paid by the hour. These are employed wage and salary workers who report that they are paid at an hourly rate on their job. Historically, workers paid an hourly wage have made up approximately three-fifths of all wage and salary workers. Estimates of workers paid by the hour include both full- and part-time workers unless otherwise specified.

Hourly earnings. Data are for wage and salary workers who are paid by the hour and refer to a person's sole or

principal job. Hourly earnings for hourly paid workers do not include overtime pay, commissions, or tips received.

Workers paid at or below the prevailing federal minimum wage. The estimates of the number of workers with reported earnings at or below the federal minimum wage pertain only to workers who are paid hourly rates. Salaried workers and other nonhourly paid workers are excluded.

Regular collection of earnings data in the basic CPS began in 1979. The prevailing federal minimum wage for 1979 and later years is listed below.

Federal minimum wage	Effective date
\$2.90	January 1, 1979
\$3.10	January 1, 1980
\$3.35	January 1, 1981
\$3.80	April 1, 1990
\$4.25	April 1, 1991
\$4.75	October 1, 1996
\$5.15	September 1, 1997
\$5.85	July 24, 2007
\$6.55	July 24, 2008
\$7.25	July 24, 2009

Estimates of the annual average number of minimum wage workers for years when the minimum wage increased during the year reflect both minimum wage levels in effect during the year. For example, data for 2007 reflect the number of workers at or below the federal minimum of \$5.15 for January to July and \$5.85 for August to December.

Full-time workers. People who usually work 35 hours or more per week at their sole or principal job are defined as working full time.

Part-time workers. People who usually work fewer than 35 hours per week at their sole or principal job are defined as working part time.

Race. In the survey process, race is determined by the household respondent. In accordance with the Office of Management and Budget guidelines, White, Black or African American, Asian, American Indian or Alaska Native, and Native Hawaiian or Other Pacific Islander are terms used to describe a person's race. The latter two race groups and people who selected more than one race are included in totals but not separately identified in this report because the number of survey respondents is too small to develop estimates of sufficient quality.

Hispanic or Latino ethnicity. This refers to people who identified themselves in the survey process as being of Hispanic, Latino, or Spanish origin. People whose ethnicity is identified as Hispanic or Latino may be of any race.

Interpreting minimum wage data

The CPS does not include questions on whether workers are covered by the minimum wage provisions of the federal Fair Labor Standards Act (FLSA) or by individual state or local minimum wage laws. The estimates of workers paid at or below the federal minimum wage are based solely on the hourly wage they report (which does not include overtime pay, tips, or commissions). It should be noted that some respondents might round hourly earnings when answering survey questions. As a result, some workers might be reported as having hourly earnings above or below the federal minimum wage when, in fact, they earn the minimum wage.

Some workers reported as earning at or below the prevailing federal minimum wage may not in fact be covered by federal or state minimum wage laws because of exclusions and exemptions in the statutes. Thus, the presence of workers with hourly earnings below the federal minimum wage does not necessarily indicate violations of the FLSA or state statutes in cases where such standards apply.

Estimates of the number of minimum wage workers in this report pertain only to workers who are paid hourly rates. Salaried workers and other workers who are not paid by the hour are excluded, even though some have earnings that, if converted to hourly rates, would be at or below the federal minimum wage. Consequently, the estimates presented in

this report likely understate the actual number of workers with hourly earnings at or below the minimum wage. BLS does not routinely estimate the hourly earnings of workers not paid by the hour because of data quality concerns associated with constructing such an estimate.

A number of states have established minimum wage rates that exceed the federal level. (Information on state minimum wage laws is available at www.dol.gov/whd/minwage/america.htm.) Users should be cautious about comparing state estimates in this report because of differing statutory minimum wages. It also should be noted that the CPS sample is based on residence; workers report their earnings on their job, which may or may not be located in the same state in which they live. In addition, the degree of sampling error may be quite large for some state estimates.

Reliability

Statistics based on the CPS are subject to both sampling and nonsampling error. When a sample, rather than the entire population, is surveyed, there is a chance that the sample estimates may differ from the true population values they represent. The component of this difference that occurs because samples differ by chance is known as sampling error, and its variability is measured by the standard error of the estimate. There is about a 90-percent chance, or level of confidence, that an estimate based on a sample will differ by no more than 1.6 standard errors from the true population value because of sampling error. BLS analyses are generally conducted at the 90-percent level of confidence.

The CPS data also are affected by nonsampling error. Nonsampling error can occur for many reasons, including the failure to sample a segment of the population, inability to obtain information for all respondents in the sample, inability or unwillingness of respondents to provide correct information, and errors made in the collection or processing of the data. For example, respondents may round their hourly earnings to whole dollars when answering survey questions.

Information about the reliability of data from the CPS is available on the BLS website at www.bls.gov/cps/documentation.htm#reliability.