

**Study of Living Wage Ordinance in the City of
Ventura: The Economic Impact on Workers,
Contractors and the City**

Conducted for

The City of Ventura

By

The Center for Leadership and Values

**School of Business
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Jamshid Damooei, PhD
Professor of Economics and
Co-Director of
Center for Leadership and Values
California Lutheran University

Charles Maxey, PhD
Professor and Dean of Business School
Co-Director of
Center for Leadership and Values
California Lutheran University

Executive Summary

A living wage ordinance (LWO) requires employers to pay wages that are above federal or state minimum wage levels, often based on the cost of living in a specific community. One of the compelling rationale behind the ordinance is that city and county governments should not contract with or subsidize employers who pay poverty-level wages in that community. At the same time, those who do not support this proposition argue that despite the good intentions of those who promote this law, its imposition may not reach the objectives for which it is intended.

The City of Ventura enacted a Living Wage Ordinance in May 2006. Advocates for the passage of the Living Wage Ordinance began their effort for passing this ordinance as early as 1998. The city of Ventura's law mandates that employees receive a minimum hourly salary of \$12.50 without medical benefits or \$9.75 if benefits are offered. Similar to ordinances in Oxnard, Port Hueneme and unincorporated Ventura County, it applies primarily to companies that contract with the city to provide services, such as gardening and janitorial work. Enacting the ordinance provided a significant increase compared with the state's minimum wage of \$6.75 an hour. One of the underlying reasons for the efforts to enact a LWO in city of Ventura is the clear breakdown of upward mobility in low paying jobs in many places around the country and in Southern California.

Imposing any wage restriction in mainstream economics is viewed as price control (price floor in this case) and the theoretical prediction is a likely reduction in the number of jobs offered and thus a negative development in terms of loss of economic efficiency and occurrence of a deadweight loss for the economy concerned. Such assumptions are based on treating demand for unskilled labor as a normal downward sloping demand curve in all circumstances. The theory further assumes the lack of existence of any negative externalities, the non-existence of any social-side benefit as positive externalities, and irrelevance of government as an advocate of maintaining an acceptable level of living for all its constituencies.

The reality of such interventions may be quite different based on the empirical evidence. The primary reason for this study and many other similar studies is to search for the true economic impact of living wage ordinances in California and many other states since the early 1990's. In order to test many of these conflicting hypotheses, we developed three separate questionnaires for the employees, owners/managers of companies, and the city of Ventura. The questions in each questionnaire were based on specific hypotheses pointed out in recent literature concerning the impact of a living wage ordinance. The objective was to examine the validity of these arguments based on the findings from our respondents.

Our findings brought interesting insight into the discussion of the LWO and its passage in the city of Ventura. We started this research by posing a number of propositions that have been examined in current literature. A detailed account of the findings can be found in the report. A summary of the questions and the answers are presented as follows:

I. The Prediction: A living wage ordinance increases the existing wage rate and as a result may reduce the number of jobs offered.

Our Findings: Our research shows that the increase in the cost of payroll did not force the contractors to reduce the number of people they hired. Managers of all three companies agreed that a LWO brought to their attention the need to look for more skilled workers at the entry level. In order to shed more light on this question, we can mention that only one respondent agreed that “a LWO made our company reduce our hiring of entry level employees to make up for higher wages and the impact on our payroll.” One disagreed and the other one was not sure about it. The results of how a LWO reduces the opening of entry level jobs according to our study are not conclusive.

II. The Prediction: Cities and counties may lose through an increase in cost of contracts and the tendency of contractors to increase the cost of their goods and services to make up for the increase in their payroll costs.

Our Findings: One of the respondents agreed that “To be able to keep our expenses manageable because of the LWO we have to charge the city more on other cost items.” A second respondent was not sure and the third one disagreed with this statement. Putting these three responses together suggests that charging the city more in order to make up for the higher wages that companies have to pay is not a regular and widely followed practice in the city of Ventura.

III. The Prediction: Companies may increase prices to consumers in an effort to recover the increase in wages to be paid.

Our Findings: Two of the respondents agreed with the statement that “Being subject to the LWO did not force us to increase our prices to our customers within the city.” One respondent disagreed with this statement. The overall response based on our findings is that in most cases, passage of the LWO did not force companies to increase their costs to their customers.

IV. The Prediction: Companies may leave the city in an effort to avoid paying the higher cost of workers.

Our Findings: Two of the respondents strongly disagreed and one disagreed with the statement that “Our company is planning to discontinue its contract or stop seeking another contract because of the LWO that the city has passed since 2006.” In response to a related question, we learned that one of the respondents strongly agreed and the second one agreed with the statement that “Enforcement of a LWO in city of Ventura did not discourage us from bidding for a contract in this city.” The third respondent was not sure about it.

V. The Prediction: Paying living wage constraint wages within the firm further reduces upward mobility within the company and this will contribute to wage depression over time.

Our Findings: The study shows that paying higher wages because of a LWO did not force companies to be reluctant to increase wages of other workers within their companies.

- VI. The Prediction:** Living wage laws benefit working families with few or no negative effects. This can happen through increased productivity and reduction in workers' turnover.

Our Findings: One agreed with the statement that "LWO was very useful for us as it helped to bring down our employee turnover and this brought significant savings through lesser cost of training and hiring and enjoying a greater learner curve of our existing employees." The other two were not sure about the validity of this statement. In a similar question focusing on workers' productivity, one of the respondents agreed, one was not sure and the third one disagreed with the statement: "We are/were able to make up for the increase in our cost because of the LWO through increase in productivity of our workers."

- VII. The Prediction:** Reduction in Absenteeism, which will result in greater productivity and an effective reduction in the real wage that the companies pay to their workers.

Our findings: The response of the employees to this question has a strong significance. A higher percentage of workers agreed that the LWO helped them miss work less.

- VIII. The Prediction:** The bidding environment will improve following the implementation of a living wage ordinance. The competitive bidding process itself may be an important reason behind constrained growth in contract prices following adoption of living wage ordinances.

Our Findings: Companies in general accepted the notion that the LWO brought more efficient companies to bid for city contracts. At the same time, some were troubled about the impact of a living wage on their ability to bid for contracts in cities that do not have a LWO.

- IX. The Prediction:** Some companies take a lower profit and adjust their expenses in order to remain competitive. Furthermore, higher wages may be a good discipline by creating more stable businesses.

Our Findings: Two of three respondents agreed with the statement that "a LWO improved bidding condition in the city and brought more efficient firms to get these contracts." The third respondent was not sure about it. This provides support for the view that a LWO attracts more efficient and productive firms to the city.

Finally, we asked many questions to workers about their experiences and their perceptions of how the Living Wage Ordinance impacted their work and living conditions. We also asked companies to tell us how this ordinance impacted their bidding

ability, profitability and cost of operation in the City of Ventura. A complete account of the responses can be found in the report. A condensed summary of it is presented below:

From a financial perspective, the three companies operate with a wide range of impact on their cost and profitability. The cost of payroll according to these companies varies from 10% to 35%. With regard to profitability, two of them said the change in profit was zero and one mentioned a 15% reduction. The change in annual budget for one company was zero percent, the second one a mere 5% and the third company mentioned a 35% increase in their annual budget.

We asked many questions to the workers that were rooted in learning about workers' attitudes and relationships with their companies in relation to the ordinance and its impact on their lives from a financial perspective.

The living wage ordinance made a significant impact on raising the wages of low pay workers who work for the city or companies who have contracts with the city. Our data supports an increase of over 30% since the time of the passage of this ordinance in May of 2006. The same conclusion was reached when we compared the average pay to workers who work in the City of Ventura compared with what they currently get paid in cities that do not have a LWO. Overall, it is clear that the percentage of those receiving health insurance through their jobs improved but at a much more moderate rate than could be expected. Still, an overwhelming majority of the workers and their families are unable to get insurance through their work.

The majority of workers said that they feel more valued by their employers as a result of the LWO. This feeling goes a long way to reduce some of the tensions that we find in many working environments and it will certainly come to be a source of positive change in the work environment.

Looking at the profile of the workers shows that an overwhelming majority of them are from minorities, married with children, between the ages of 25 to 40, and with children and other dependents who live with them. It is not difficult to conclude that passage of the living wage is a great help for families that are most likely to be in some level of poverty. Enabling these families to help themselves is an important step in reduction of poverty in general, and child poverty in particular.

We asked different questions from the city staff that have experience with the LWO and its impact on the workers who work for the city and benefit from this ordinance. The questions ranged from the impact of the ordinance on the workers, the city's own practice, perception and attitude of workers as understood by these managers, and their own assessment of the effectiveness of the ordinance. The responses we received had many gaps. We reported a more detailed account of it in the report and a selected number of responses are given in this summary.

We learned that the city asks for quarterly certified payroll. In response to the question of whether the city makes random checks/audits or not, the respondents said that there is not any procedure for such audits. In responding to the question of whether the city has a special system that allows anonymous reporting of a LWO violator, the response was negative. In responding to the question that whether the city has found any violation since the passage of the LWO, the response was that this has not happened.

Our overall conclusion is that city of Ventura enacted a policy that benefits its workers and their families, attracts more efficient companies to contract with the city, and these companies provide greater stability for themselves and for their workers. This is without a doubt a big step in the right direction that should be applauded and encouraged.

1. Introduction

In 1994, Baltimore became the first municipality in the nation to pass a living wage ordinance (LWO). Since the passage of the LWO in Baltimore, a number of cities and districts have followed this initiative and passed similar legal measures. In the fifteen years to follow, some of the ordinances have been repealed; others have been modified, while a few are prompting neighboring jurisdictions to adopt similar labor rules.¹

A living wage ordinance requires employers to pay wages that are above federal or state minimum wage levels, often based on the cost of living for each community. Living wage and the need to enact this ordinance in various communities can be argued from various perspectives. One of the compelling rationales behind the ordinance is that city and county governments should not contract with or subsidize employers who pay poverty-level wages in that community. This is the same as saying that tax money should not be used for supporting poverty or below poverty level living in a community. At the same time those who do not support this proposition argue that despite the good intentions of those who promote this law, its imposition may not reach the objectives for which it is intended. This study and many other studies that have been conducted with one principal issue in common, which is to examine some of these assumptions with the explicit objective of separating the myths from the realities. The idea is to explain, if possible, why a community should pass this ordinance and whether in doing so the overall gains surpass some of the possible losses.

In 2001, the County of Ventura Board of Supervisors enacted a Living Wage Ordinance in order to support the county's working residents to reach their economic goals. The ordinance is administered by the County Executive Office. The ordinance exempted employers with less than 5 full-time persons for each working day in 20 or more days per year, entities operating under a Collective Bargaining Agreement, in-home support service workers, board and care services and printing/copying services. It also excluded the following services:

- Contracts subject to Federal or State Laws (e.g., Prevailing Wage Construction contracts).
- Contracts between county and governmental entities.
- Contracts between county and financial/banking institutions.
- Contracts for professional services requiring specialized skills or licensure (e.g., consultant, lawyer, doctor, experts, etc.)
- Contracts between county and non-profit corporations (IRS Code Section 501(c)(3))

¹ For more information, see American City and County on-line publication:
http://americancityandcounty.com/admin/bene_retirement/government_wage_laws_varied/

In addition, a large number of local and county government entities were exempt from the provision of this ordinance.² In brief, although passing this ordinance was an important step in impacting the wage structure of the county's lowest paid workers, the real impact has been rather small in terms of its coverage of all county low wage workers.

In May of 2006, the Ventura City Council passed a living wage ordinance. The ordinance was designed to cover city employees that work over 1,000 hours per year and the employees of city service contractors that hold contracts worth over \$25,000 per year. It requires payment of \$9.75 per hour if the employer provides health insurance of at least \$2.75 an hour or \$12.50 per hour if health insurance is not provided. Both amounts were subject to an annual indexation. The city of Ventura was not the only city in the county to enact the ordinance and a number of the surrounding municipalities followed the example of Ventura County and passed such ordinances. The list includes the following:

- The County of Ventura (2001)
- City of Oxnard (2002).
- City of Port Hueneme (2003).
- City of Santa Barbara (2006).
- City of Ventura (2006)

Over the years, a number of studies examined some of the questions regarding various impacts of Living Wage Ordinances. The findings of a great number of these studies show that there is a considerable difference between the impression that many have about the negative consequences of this ordinance and the real impacts. The following list presents some of these questions that a debate about the living wage may bring out. Based on an extensive review of current literature, we have categorized these issues into the following group of questions and arguments:

- **Arguments indicating the living wage may be counterproductive from the view point of the workers, companies and the municipalities involved.** These arguments present the following propositions:
 - The living wage ordinance increases the existing wage rate and as a result may reduce the number of jobs offered. This can happen for two reasons. First, as the cost of payroll goes up, companies may be forced to reduce their hiring of workers. Secondly, the reduction can happen through substitution of more skilled workers when companies are asked to pay more or look for more capital intensive methods of production.
 - Cities and counties may lose through an increase in cost of contracts and the inevitable tendency of contractors to increase their other cost items to make up for the increase in their payroll costs.

² For more information see, County of Ventura (2001) Ordinance number 4236: Ventura County Ordinance Amending Ordinance Number 4233 Regarding the County of Ventura Living Wage Ordinance, Chapter 9.5 of Division 4 of the County Ordinance Code.

- Companies may increase prices to consumers in an effort to recover the increase in wages to be paid.
- Companies may bill the city at a higher level in order to recover the additional cost due to the increase in wage rate of their employees.
- Companies may leave the city in an effort to avoid paying the higher cost of workers.
- Paying a living wage constraints wages within the firm and further reduces upward mobility within the company and this will contribute to wage depression over time.

The findings from the existing literature are varied. In general, many studies show that a reduction in the number of jobs can occur but at a much lower rate than opponents suggest. Overall, the percentages of reduction vary from 1% to 7%.³ With regard to the increase in government budget, the findings suggest that a LWO will increase budgetary cost of cities. However they suggest that increased productivity may offset this increased cost as much as 30% of the living wage increases (Pullin and Brenner, 2000). Other studies put such an increase as high as 0.1% of the overall local budget (Andrew Elmore, 2003).

With regard to the question of companies billing the city at a higher level, a few studies found that the competitive bidding process itself might be an important reason for a constrained growth in contract prices. The answer to the question of increased prices to costumers is rather mixed and overall, such increases have been less than what local governments might have expected (Andrew Elmore 2003). The issue of changing locations to avoid imposition of the LWO receives very little support, if any, in recent literature. Studies show that implied increases in cost of wages are too low to justify relocation (Pollin 2005, and Farris et al, 2005). Finally many studies suggest that higher wages might work as a good niche, creating more stable businesses, and this ordinance put all vendors on equal footing and this might level off undercutting (Brenner and Luce 2005).

- **Arguments refuting the negative impacts and suggesting improvements in wellbeing of the workers involved and the companies impacted.** These arguments are as follows:
 - Living wage laws benefit working families with few or no negative effects. This can happen through increased productivity and reduction in workers' turnover. This would serve both companies involved and workers who work in the company. This argument supports the close ties between pay to workers and its inevitable impact on increased productivity. Such arguments present a picture that at some level the wage paid becomes comparable if not equal to the marginal

³ See Robert Pollin and Mark Brenner, "An Economic Analysis of Santa Monica's Living Wage Ordinance," Political Economy Research Institute, University of Massachusetts, Amherst, 2000. Also David Neumark, "How Living Wage Laws Affect Low-Wage Workers and Low-Wage families."2002. <http://www.ppic.org>

- productivity of labor. Thus, an increase in wage rates will cause an increase in productivity of labor and this reduces the effective cost of workers to the companies involved.
- Reduction in Absenteeism, which will result in greater productivity and an effective reduction in real wages that the companies pay to their workers.
 - The bidding environment will improve following the implementation of a living wage ordinance. The competitive bidding process itself may be an important reason behind constrained growth in contract prices following the adoption of living wage ordinances.
 - Bidding may be improved by getting a low wage bidder to accept a higher wage standard and being unable to come up with false low wage bids.
 - Long-term relationships versus competitive bidding. Studies looked at the impact of competitive bidding versus long-term relationships. Some companies take a lower profit and adjust their expenses in order to remain competitive, and in other cases, new companies can break into winning the contract compared with companies who have been working with the municipalities over a longer time.
 - Higher wages may make a good discipline and create more stable businesses.
 - Impacts of other business-related assistance. It is possible that companies who are subject to compliance with the LWO will be given other financial benefits such as certain kinds of subsidies or tax breaks or other financial advantages by the city.

The existing literature offers strong support for a number of the predictions stated. Some critics argue that the living wage ordinance does not reduce poverty because many low wage earners do not live in poor households or are the primary wage earners in their families. Studies about the living wage ordinance of Baltimore show that this claim is not true. A majority of wage earners are the primary income earners in their households and furthermore an overwhelming majority of them are adults supporting their families.

A study of the Los Angeles ordinance found that absenteeism declined and the decrease in turnover offset 16% of the total cost of the living wage ordinance in the companies that were impacted (Ferris et al, 2005).⁴ A survey of Los Angeles contractors about their attitude towards city contracts about LWO after its passage showed that 70% of the contractors did not change their attitude about the city towards contracting with the city. A significant minority of 19% said that they were less likely to seek contracts from the city in the future (Farris et al 2005).

These arguments are all plausible and attractive in their theoretical context. However, there is a need to look at the results of recent empirical studies in order to accept their validity for forming the relevant implications.

⁴ See <http://www.losangeleslivingwagestudy.org/>

2. An Overview of the Living Wage Ordinance in the City of Ventura

On June 5, 2006, the City of Ventura adopted Ordinance No. 2006-010, establishing living wage and benefit requirements for certain city services and contracts. The ordinance (as codified in Municipal Code Chapter 2.525: Living Wages and Benefits for City Services) requires the city to conduct evaluations of the implementation of living wage provisions and their effects. Advocates of passage of the Living Wage Ordinance began their effort for passing this ordinance in 1998. The city council approved the ordinance unanimously despite a setback only five years ago, when advocates tried to pass a similar ordinance at that time. The new ordinance was tailored in a way to create a greater level of agreement by providing a long list of exceptions and exclusions. Nonetheless, this was an important vote for the start of a change that is very important for creating a greater level of protection for low wage workers in the city.

Similar to ordinances in Oxnard, Port Hueneme and unincorporated Ventura County, the ordinance for the city of Ventura applies primarily to companies that contract with the city to provide services, such as gardening and janitorial work. One of the underlying reasons for the efforts to enact the LWO in the city of Ventura is the clear breakdown of upward mobility in low paying jobs in many places around the county and in Southern California.⁵

According to media and based on assessment of people who have been closely involved with the process of the passage of the LWO in the city, the ordinance was passed for a number of reasons. Efforts of low wage workers' advocates and a collection of signatures to support the measure had an important role. The agreement came about as a result of a number of compromises between the advocates of the measure, the business community, and the city council members. The proposed measure would have been more onerous for business, setting a minimum wage standard of \$12.50 an hour with benefits and \$15 an hour without, as was proposed earlier. It also would have applied to any city contract starting at \$10,000 a year, while the council-passed ordinance applies to annual contracts starting at \$25,000.⁶

According to the terms of the ordinance, the Living Wage Report is to be delivered to the city council annually for the first two years and biennially thereafter. The Administrative Report of 2007-2008 presents the second annual living wage report. The rates in force for the Fiscal Year 2008-2009 budget are listed below:

- Minimum Hourly Rate without medical benefits: \$13.50.
- Minimum Hourly Rate with medical benefits: \$10.53.
- Minimum Medical Contribution: \$2.97.
- Base Contract Value: \$27,006

⁵ See Living Wage Resource Center: <http://www.livingwagecampaign.org/index.php?id=1958>

⁶ For more information see LA times May 19, 2006. Use the web-link provides direct access to the news. <http://www.communitybenefits.org/downloads/Ventura%20Passes%20a%20Living%20Wage%20Ordinance.pdf>

According to the latest City Living Wage Administration Report, since the inception of the ordinance, the city has taken many steps to apply its provisions. The foundation of the city's work effort is ensuring:

- There is proper identification of covered employers and CFARs (City Financial Aid Recipients) required to comply with living wage provisions.
- Proper notification is made available to those covered employers and CFARs so that they clearly understand their rights and responsibilities.
- Compliance with the living wage provisions is the responsibility of the covered employers and CFARs.
- The city will respond to all complaints filed by covered employees.
- The city will conduct living wage audits on an as-needed basis as determined by the Chief Financial Officer.
- Costs associated with the living wage provisions will be based on an estimated value as reported from covered employers and city staff.
- The city ensures that its salary structure and wages are consistent with the living wage provisions.

According to the 2007-2008 report of the Chief Financial Officer, the impact of the living wage provisions in the years of operation has been one of discovery and implementation. Furthermore, when reviewing the results, one should consider that several contracts may not have been up for renewal during this reporting period of 2007-2008, and as such, were not subject to living wage provisions. General findings are as follows:

- All service contracts applicable to living wage provisions contain appropriate language to define covered employer compliance requirements.
- For this past reporting period (2007–2008), the estimated impact to the city is \$168,000 in increased contract costs.
- The cumulative cost impact on the FY 2008-09 approximates \$184,000 of funding required to accommodate the living wage provisions.
- There were no changes related to covered employer services during the period through March 2008.

While in the process of completing this study, we asked the city to provide us with any information with regard to the following questions:

- Percentage of increase or decrease in total contract cost to the companies we interviewed from last year to the current year (2008 to 2009).
- If possible, a breakdown of changes in various cost items (this can be done with any breakdown possible). It would be great if there were a breakdown for wages and salaries as an item of the total costs of these contracts.
- If possible, information about total workforce of companies from financial year 2008 to financial year 2009.

The information reported back only pertained to janitorial contracts. It indicated that overall contract cost was reduced by a reduction of services for 2009 -2010. A detailed account of the contract amount is presented below.

2008 - 2009 contract

Base contract	\$424,104
Day Porter	<u>40,241</u>
Total	464,345

2009 - 2010

5% reduction	(23,217)
3% Cola	8,680
Delete Day Porter	<u>(30,000)</u>

Total 09-10 Contract \$419,808

This shows a negotiated contract. The 5% reduction was voluntary from US Metro after receiving a letter from the city manager's office asking for contractors to take a voluntary cut. The deletion of the Day Porter service only saves \$30,000 due to the need for extra cleanings to fill the void.

Two annual reviews have been conducted in the prior years since the passage of the ordinance through two subsequent studies by the city staff. In 2008, it was felt that there is a need for a more comprehensive study that can address the question of how the ordinance is impacting all three entities (the workers, the companies and the municipality). It was also felt that a comprehensive study may make policy recommendations for the ordinance to be applied to a greater number of government contractors that are not yet covered by the ordinance but potentially can adopt this measure.

In November 2008, the city approached the School of Business of California Lutheran University to complete a comprehensive study of the economic impact of the LWO on the workers and their families as well as the companies and the city of Ventura. It was felt that it was the time to see the impact of this ordinance in a structured and scientific manner than a mere reflection of possible budgetary consequences that the passage of this ordinance may entail. The task of conducting this research was assigned to the Center for Leadership and Values of the School of Business of California Lutheran University. A contract was subsequently drawn between the city and the Center for Leadership and Values in March of 2009 and the preparation for the research work began.

The following segments highlight the progress that has been made from the start of the project:

Survey of existing literature: We began collecting current studies from various academic and policy centers with a focus on California in January 2009. As a result we have gathered a number of studies conducted by experts and labor relation specialists on labor issues from UC Berkley, UCLA, UMass, Cornell University, and a number of labor relations-focused journals.

Design of pertinent questionnaires and interview formats: This process began in March of 2009 by employing what were learned from the literature survey and based on the aims of this study. As a result the following three survey instruments were created:

- Municipality questionnaire.
- Employer/contractor questionnaire.
- Questionnaire for employees impacted by the ordinance

The employee's questionnaire was subsequently submitted to CLU's Internal Review Board (IRB) for compliance with the rules and regulations of the university concerning the protection of human and animal subjects in research. This was accomplished by the end of April 2009.

Process of data gathering: We have successfully gathered most of the available and needed data from the living wage workers who are covered by the ordinance. The process of gathering and entering data began in early May 2009 and was completed by early June 2009. With the help of the city and great assistance of its good offices we succeeded interviewing 47 workers and three employers. We also sought the opinion of four city officers with vast experience in contracting and managing of companies who are subject to the LWO and who oversee the workers within the city whose wages are impacted by the passage of this ordinance.

Data processing and preparation of final report: The process began as of late June and the first draft was ready by late July 2009.

3. Structure, Themes and Method of the Study

The subject of imposing any wage restriction in mainstream economics is viewed as price control (price floor), and in that context, the theoretical prediction is a likely reduction in the number of jobs offered and thus a negative development in terms of loss of economic efficiency and a deadweight loss within the broader discussion of welfare economics. Such assumption is based on treating demand for unskilled labor as a normal downward sloping demand curve. Such theory further assumes a lack of existence of any negative externalities, nonexistence of any social-side benefits as positive externalities, and irrelevance of government as an advocate of maintaining an acceptable level of living for all its constituencies regardless of any adverse income distribution (in this case in favor of the low wage workers and against their employers). The reality of how such interventions may be quite different is based on the empirical evidences that can be found in recent literature. This has been the primary reason for this study and many other similar studies to search for the true economic impact of living wage ordinances in California and many other states since early 1990's.

In order to test many of these conflicting hypotheses, we developed three separate questionnaires for the employees, owners/managers of companies, and the city of Ventura. The questions in each questionnaire were based on specific hypotheses pointed out in recent literature concerning the impact of the living wage ordinance. The objective was to examine the validity of these arguments based on the findings from our respondents.

3.1. Thematic Issues of Workers' Questionnaire

The employees' questionnaire contained fourteen sets of scaled as well as open-ended questions. There were 35 total inquiries based on the following thematic issues:

- Employees' work status with the company in terms of his/her position, length of time of employment, being employed by the respective company during the time of passage of the LWO in the city.
- Pay scale, company provided health insurance, length of time for the pay rate to adjust after the passage of the ordinance and other working condition of the employee prior to the passage of the LWO if the employee worked for the company.
- Workers' opinion about living conditions and quality of life in the city of Ventura.
- Opinion concerning the impact of the LWO on their incentive to work harder, personal self-worth, facing higher restrictions concerning upward mobility within the company, missing work less, and being more attached to the company.
- If the increase in their pay is significant to better their lives.
- The impact of the ordinance in allowing them to have health insurance.

- Whether the pay increase worked against them by reducing the number of their working hours.
- Demographic question underlying their living and family circumstances.

3.2. Thematic Issues of Company Owner/Manager Questionnaire

The owner/manager questionnaire had seventeen sets of questions with 50 strings of questions based on the following themes:

- History of working as a contractor for the city of Ventura.
- Company background in terms of its ownership structure and locations in other places in addition to Ventura.
- Companies' opinions about the advantages or disadvantages of doing business in the city.
- Companies' intention to continue their business with the city or move away.
- Specific information about companies' workforce, impact of the LWO on their pay scale and provision of health insurance to their workers to both full and part-time employees who are affected by the ordinance.
- Impression of the companies about behavior and incentives of employees who are affected by the ordinance.
- Impact of the ordinance on companies decision to reduce their workforce, limit their working hours, reduce entry level jobs, and reduce wages in other jobs that are not affected by the ordinance in order to make up for the increased wages.
- Limit promotions and pay increases and general upward mobility within the companies.
- Impact of the ordinance on companies' ability to manage their expenses and find ways to charge the city or increase their prices in order to make up for the difference imposed upon them because of the wage increase brought about by the LWO.
- Companies' attitudes regarding their positive or negative impact on their workers, reduction of competition from lesser efficient companies, reduction in companies' employee turnover, and finally the LWO's impact on companies profitability.
- Certain important information about companies' finances and their ability to stay profitable.

3.3. Thematic Issues of Municipality Questionnaire

This questionnaire had fourteen sets of questions, which included 25 strings of information in both scaled and open-ended format. The thematic issues of this questionnaire included the following:

- General information about the city representative answering the questions.

- Information concerning the companies impacted by the LWO. These questions included many lines of information about number of companies, their workforce over the last few years and since the imposition of the ordinance in 2006.
- Specific experiences of the city since the passage of the ordinance regarding possible contract cancellation, reduction in the number of bidding companies, and whether the city has any specific plan of making sure that all companies are in compliance and ways to discover if there is any violation from the provisions of the ordinance.
- Information about application of the ordinance with regard to the city own employees.
- City's assessment of the attitudes and incentives of workers who work for the city and are affected by this ordinance.
- Impact of the ordinance on city to reduce its own hiring of low-skill workers and any impact on going softer on pay increase for other workers as a result of the imposition of the LWO.

4. Summary of the Findings and Policy Recommendations

This section of the report provides summaries of the findings from the three interviews/surveys conducted. The findings are also used in relation to the findings of other studies with the idea of accepting or questioning those findings to the furthest extent possible. One of the complications of arriving at strong conclusions in relation to other studies is the relatively small size of our sample for each of the surveys conducted. We will therefore remain cautious in making strong deductions based on our own findings. At the same time we believe that our findings are strong evidence for the experience of city of Ventura and therefore carry all the relevance and credibility that such a study deserves. This section also provides relevant policy implications for the city.

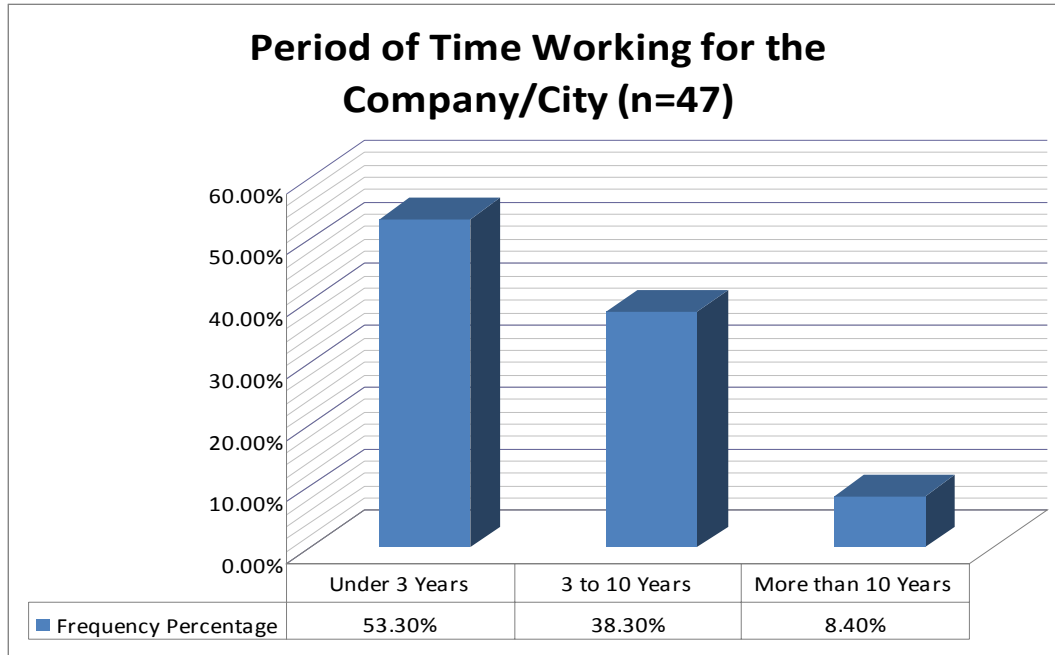
4.1. Findings from Employees' Survey

The survey of employees was conducted in City Hall with help of the management. Employees were invited to come to the city and be interviewed in an environment that was safe and secure for their participation without interference or possible influence of their employers. Our interviewers were instructed to read out a script indicating the voluntary nature of this survey and the fact that participation in this exercise is totally voluntary and they have the liberty of either agreeing to be interviewed or rejecting it. The interviewers were instructed not to exert any pressure on respondents to answer every question and show great respect and appreciation for their willingness to participate in this process. The employees' questionnaire and "informed consent form" were in both English and Spanish.

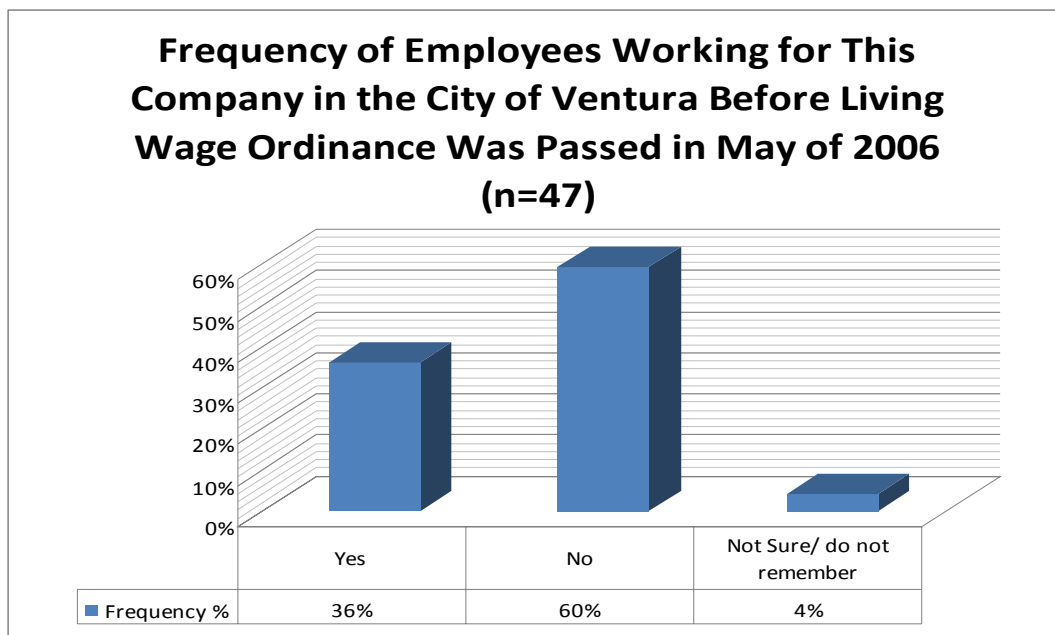
4.1.1. General Information about the Companies and Their Employees' Work Status and Wage Rates Before and After the Passage of the LWO

In total, 47 employees were interviewed. These workers were drawn from three contracting companies and a small group of workers (only three). We were not able to interview the workers or the manager of the fourth company, which has been providing Forestry Management Services for the last twenty years.

In order to present our findings from the employees' survey, we summarized the findings in a series of easy to follow charts. Each chart has the total number of respondents, which changes based on ability or relevance of respondents who responded to that particular question. Some 91.5% of employee surveys were completed in Spanish. The respondents came from four entities; City of Ventura (3 employees), Quality Landscape Care (30 employees), Sunridge Landscape (5 employees) and US Metro (9 employees). The following chart shows the distribution of period of time that employees have been with their company or with the city in the case of the city employees.

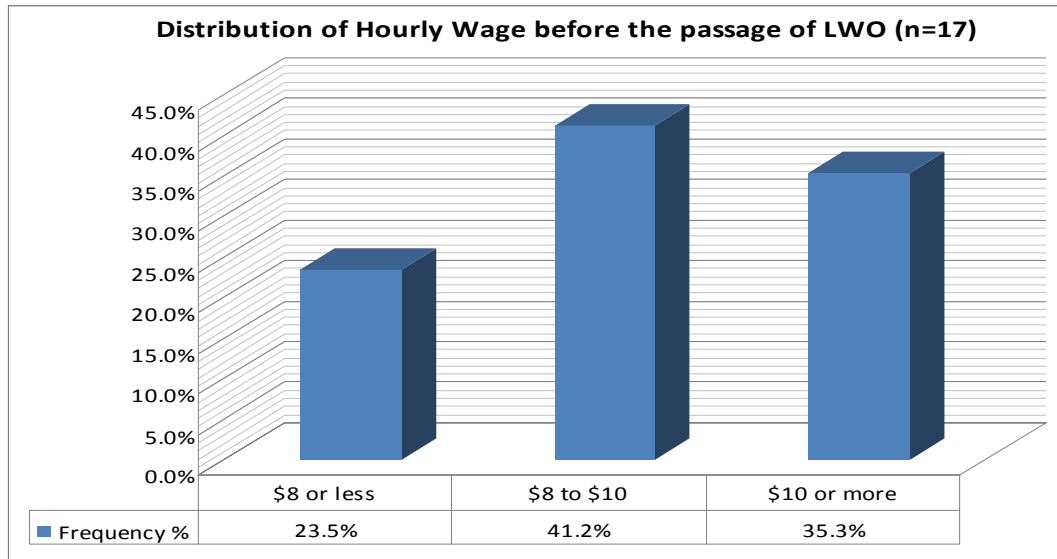


The chart shows that more than 50% of the employees have been with their companies for fewer than three years and 38.3% have been with their companies for three to ten years. 8.4% have been with their companies for more than ten years. This chart shows that a little less than 50% have been with the company since the passage of the ordinance. However this does not suggest that all of these workers were working for the companies in the city of Ventura.

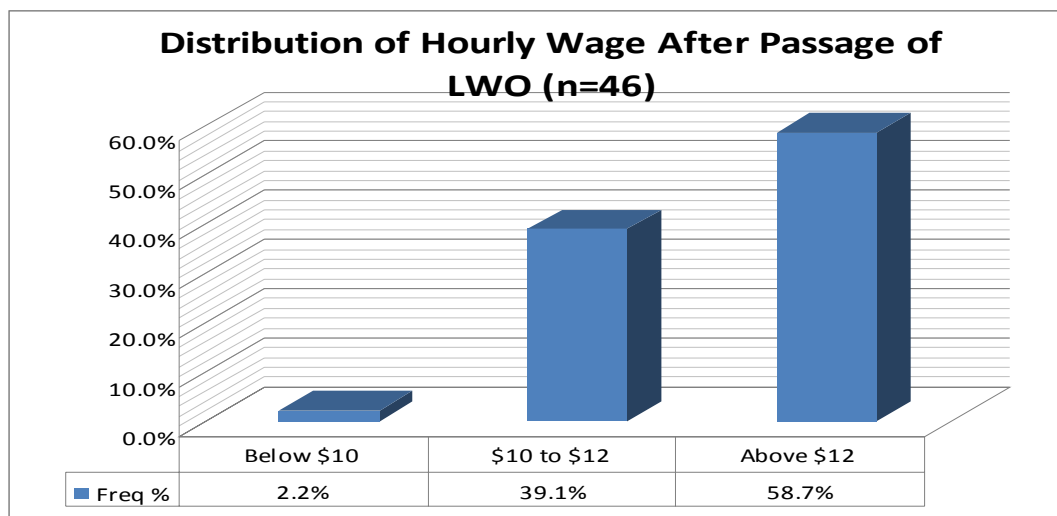


The above chart shows that almost 40% of the workers were working for these companies in the city of Ventura before the ordinance was passed in year 2006. The responses of this

particular group of workers will allow us to make a direct comparison between the situation that workers were facing in the city before and after the imposition of the Living Wage Ordinance.

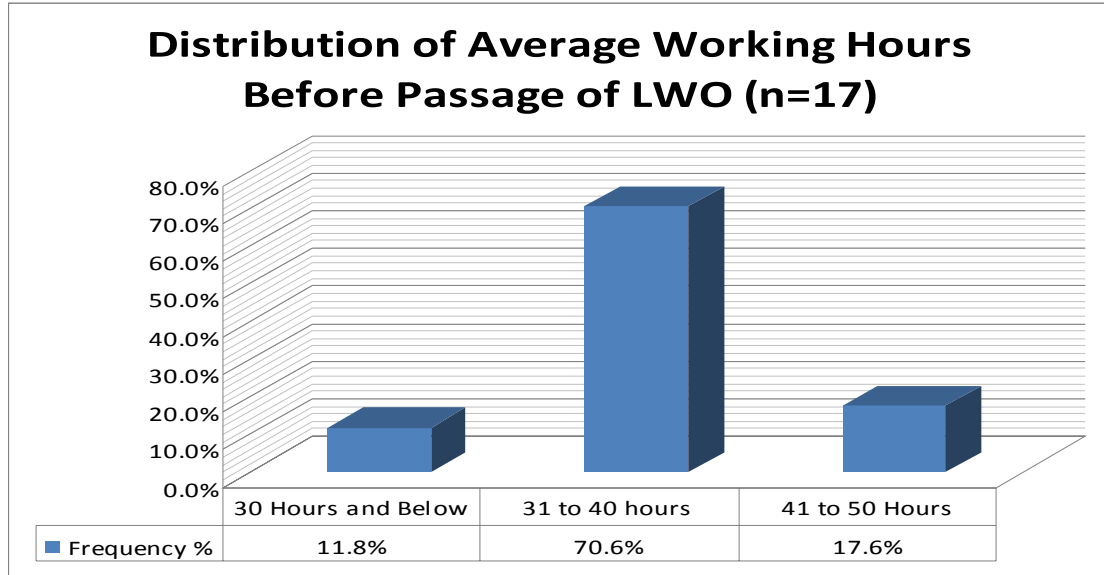


Using a small sample of 17 workers who responded to the question of hourly wage before the imposition of the LWO, we see that 65% of them had a wage rate less than \$10. Using the available data we calculated the weighted average wage rate for workers who were working for their respective companies before the passage of the LWO and we arrived at \$9.20. Using the available information for the hourly wage rate after the imposition of the LWO, we arrived at \$12.04. This information shows that the wage rate since the passage of the LWO improved by 30.8% and this is a significant improvement over a period of three years. The following chart shows the overall distribution of wages among the workers interviewed after the passage of the LWO.



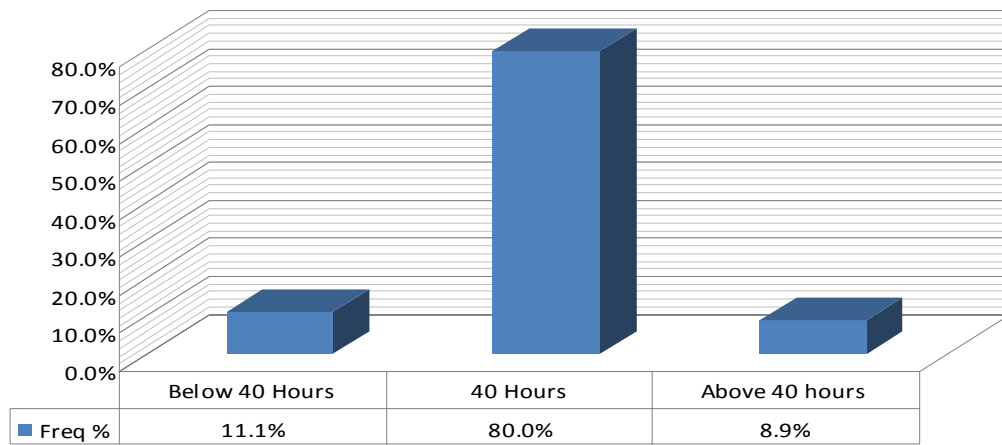
As the chart shows, nearly 60% of the workers were making above \$12 and only 2.2% were paid below \$10 showing that most have opted for the LWO with provision of insurance for their workers.

The following two charts show distribution of working hours before and after passage of the LWO. Taking 40 hours of work as an indicator of full time work for a company, we see that out of most of those 17 workers who reported that they have been working for these companies before the passage of the LWO, only 18% were full time workers.



By contrast, only just over 11% of 45 workers working for these companies can be categorized as part time workers. Although it is hard to make a direct comparison between these two sets and come up with a conclusion that more employees became full time workers after the passage of the LWO, there is certainly no support for the proposition that imposition of the LWO reduced the number of working hours of workers and made a large number of them become part-time workers.

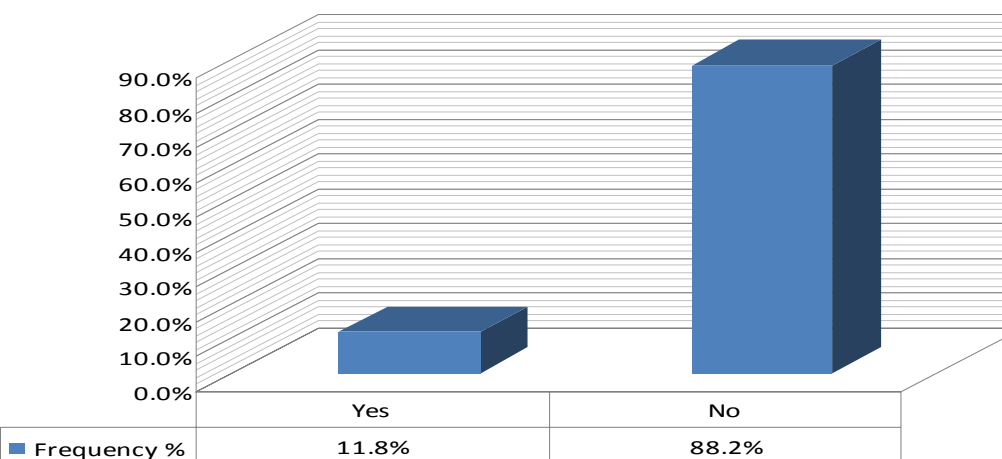
Distribution of average number of working hours per week after passage of LWO (n=45)



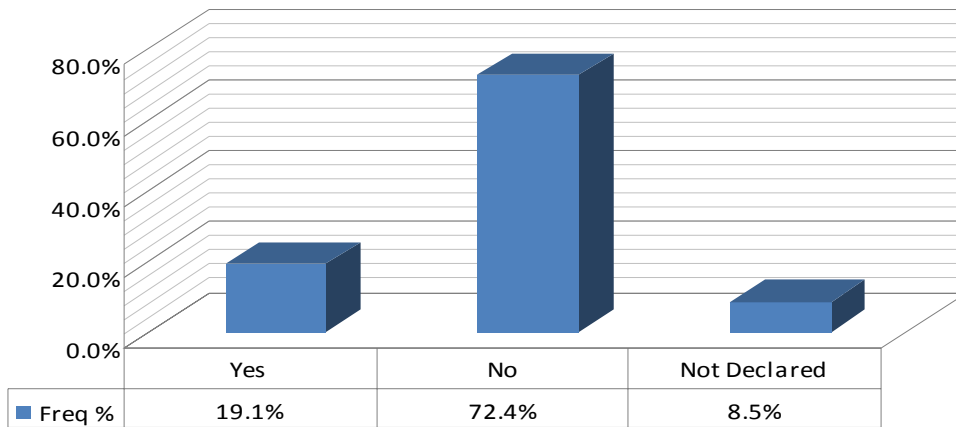
4.1.2. Health Insurance of Employees and Their Families

The following two charts show the distribution of workers who had health insurance before and after the passage of the LWO. Again, the two samples are of different size and it is hard to be sure that these two samples present an accurate picture of the insurance situation before and after passage of the ordinance. Nonetheless, this finding can certainly be supported by our data set and there was no other way to expand the number of observation.

Distribution of Health Insurance Before the Passage of LWO (n=17)



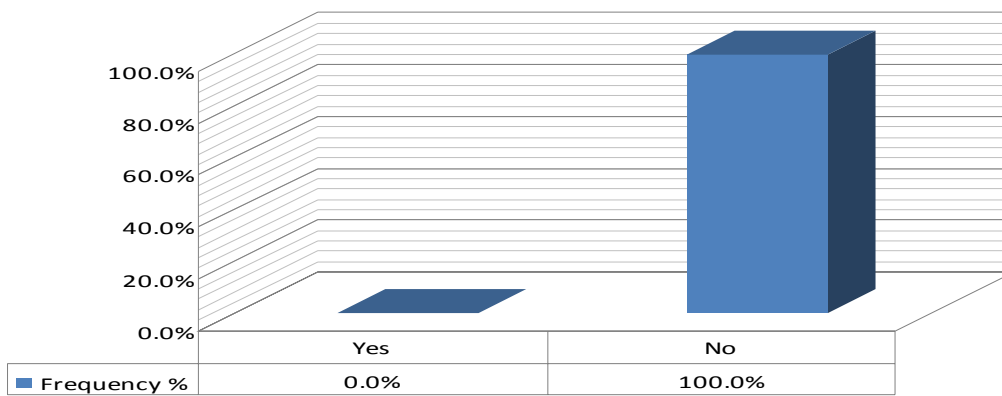
Distribution of Health Insurance Provision After the Passage of LWO (n=47)

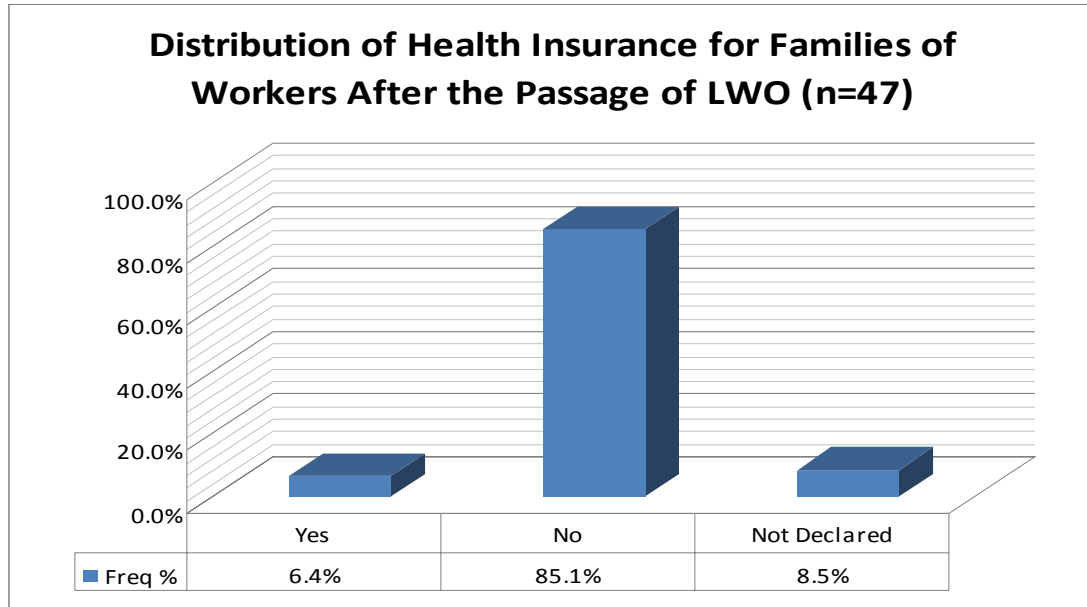


Again, a comparison shows some 10% improvement in the number of workers who are receiving health insurance now compared with the time before the passage of the ordinance.

A similar conclusion can be obtained with regard to change in provision of insurance to families of workers. The following charts show the change in insurance provided to the families of workers before and after the imposition of the ordinance.

Distribution of Health Insurance for Family of Worker Before the Passage LWO (n=17)



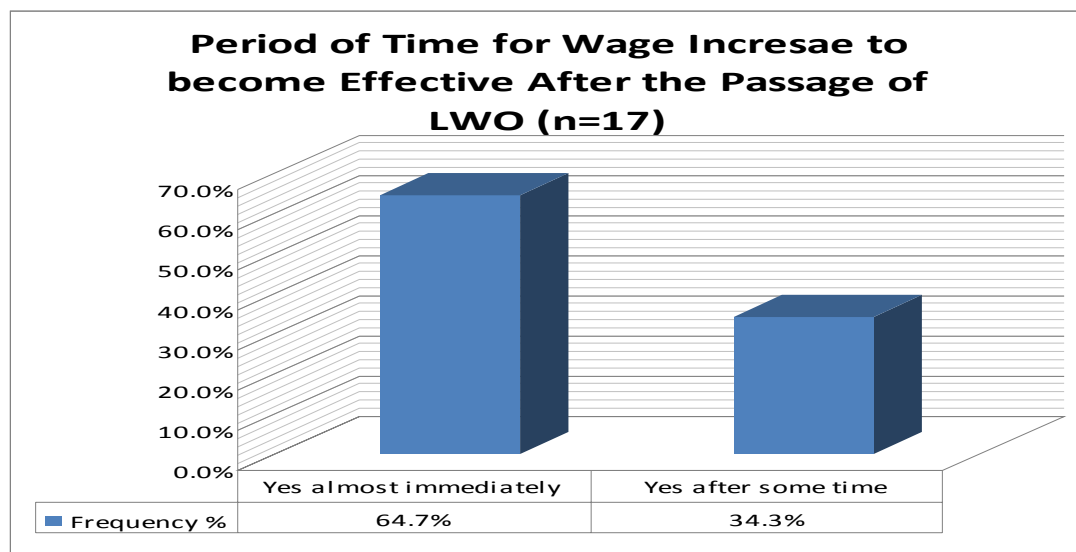


The above two charts look at the provision of health insurance for families of workers through their work, before and after the passage of the ordinance.

Regardless of the small size of the sample, we see a marginal increase in provision of health insurance for the families of workers after the passage of the ordinance. The change is small although important to observe a positive change.

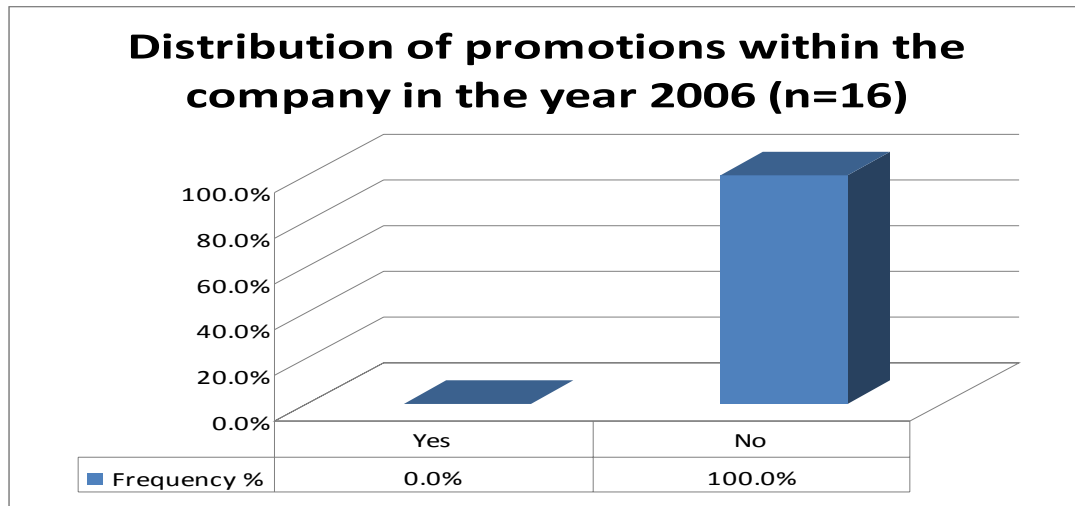
4.1.3. Time for LWO to Become Effective and Impacts on Work Hours and Other Work Conditions Compared to Cities without a LWO

We asked workers who were working for their companies when the Living Wage Ordinance became effective how long it took them to have their wages increased, and we have the following distribution to report. As the chart shows, for nearly 35% of the respondents, the increase in their wages did not happen immediately.



One of the propositions that was mentioned before suggests that companies use such ordinances and increase pay to their workers as an occasion for promotions. At the same time, other arguments suggest that the passage of such ordinances forces some companies to reduce giving promotions to their workers and this will in time be likely to bring wage stagnation and reduction in upward mobility within such companies.

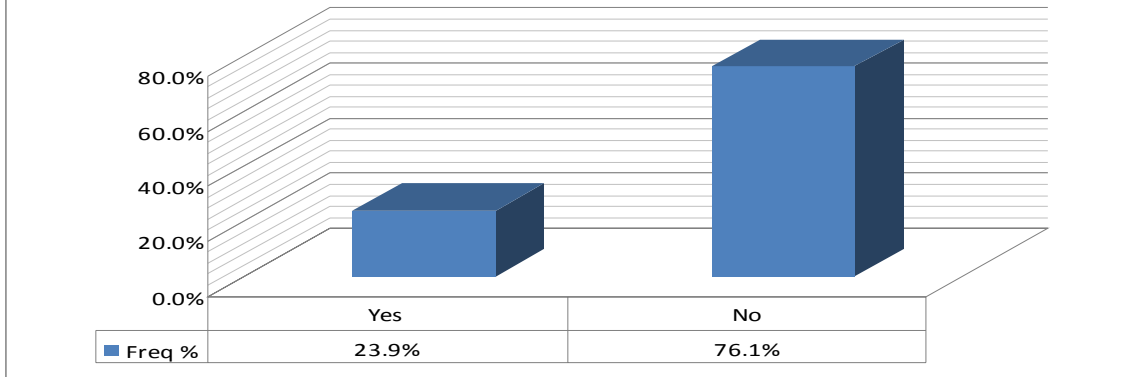
We asked some specific questions of our respondents with the objective of seeing how and when promotion within the companies was made. The following chart shows that none of



Workers who were employed by these entities and could answer this question were promoted.

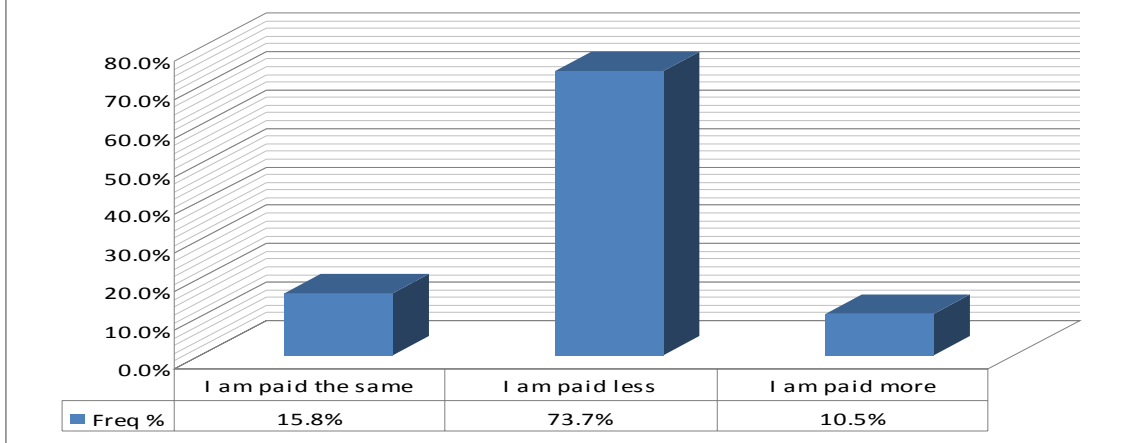
Employees were asked to tell us if they worked for the same company in other cities that do not have a Living Wage Ordinance. Their answers are presented in the following diagram. Some 23.9% worked in other cities that do not have a LWO. We then asked those who responded positively to tell us how their pay is compared.

Distribution of Employees Working for the Same Company in Other Cities That Do Not Have LWO (n=46)

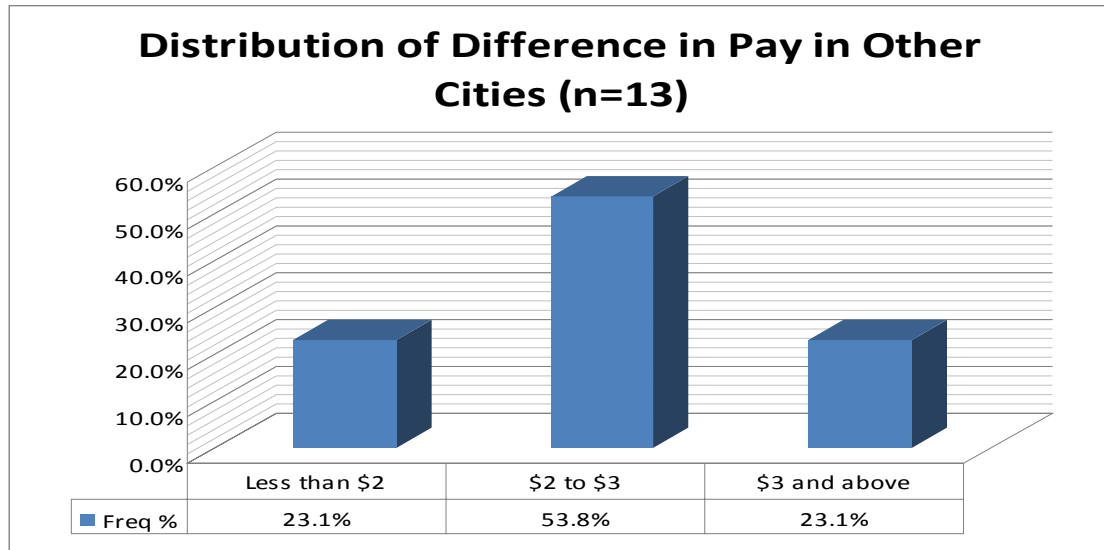


Their responses are presented in the following chart. The answers show that nearly 74% received a wage rate that is less than the one paid in the city of Ventura. Some 10% mentioned that they are paid more. The issue of getting paid more is an interesting outcome that may suggest a difference in type of work or other possible reasons related to pay scale. The conclusion in this part of the study is critical: it is suggesting the passage of LWO is the single most important reason for a significant increase in the pay scale of workers.

Distribution of Pay Comparison in Other Cities without LWO (n=19)



Since the issue of pay difference between the city of Ventura and other cities that do not have such an ordinance is an important issue in this research, we asked workers who work in both the city of Ventura and other cities through the same companies to tell us how much the wage differential is for them. Some 13 workers responded to this question and the distribution of wage differences is depicted in the following diagram.

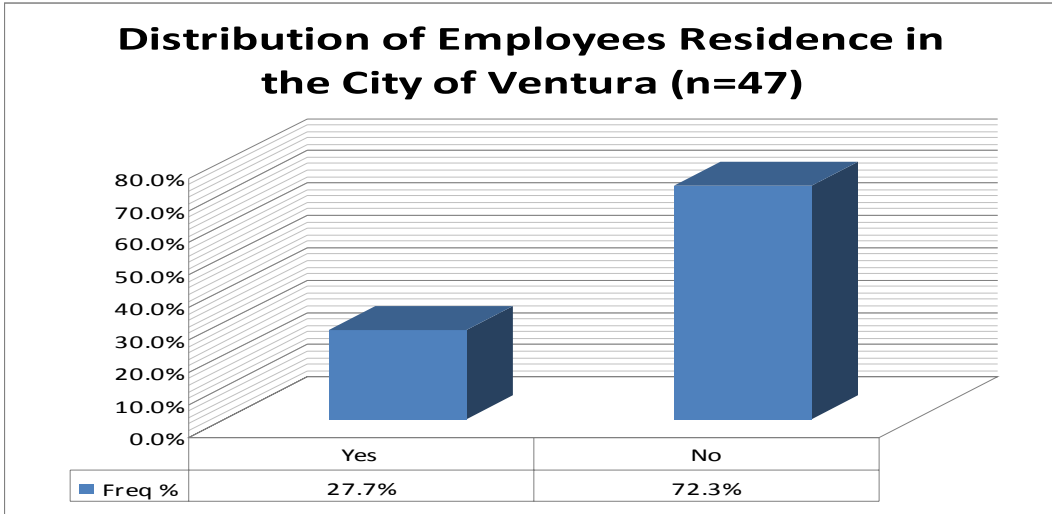


The results show a significant difference, ranging from less than \$2 to more than \$3. Such a difference as a percentage of the base salary shows a significant improvement in compensation of workers who are benefiting from this ordinance.

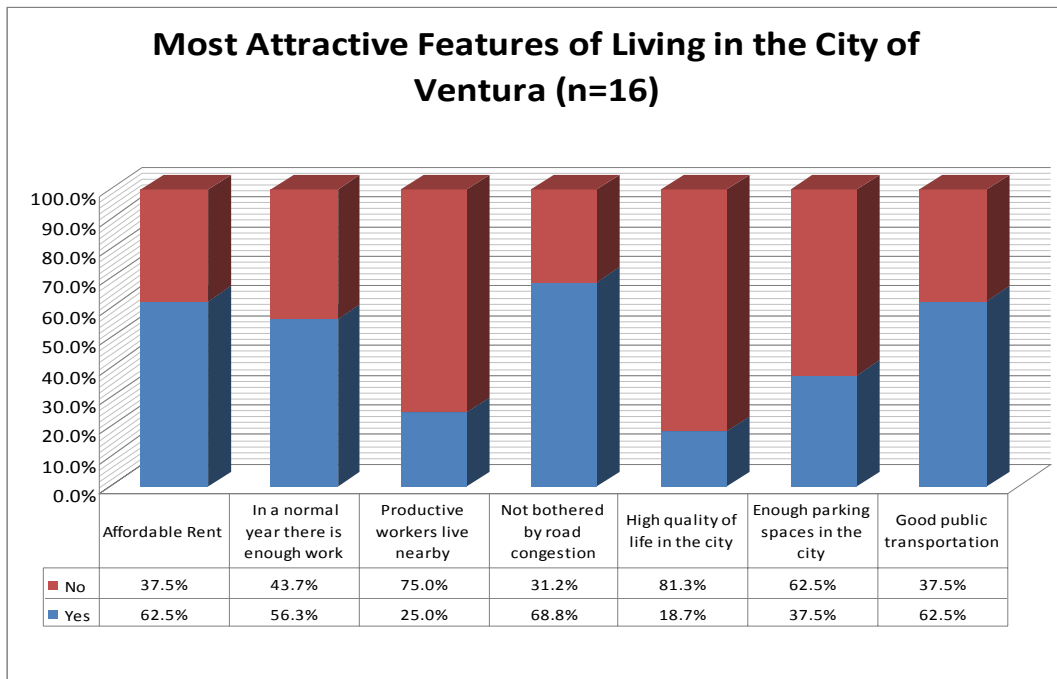
4.1.4. Opinion of Workers Who Live in the City

The city of Ventura enjoys a high level of household income and a cost of living well in the higher range among cities in Southern California. Many may assume that an overwhelming majority of workers may not be able to afford living in the city. At the same time, when workers of a company or economic entity live in a city, they create a much greater economic impact through their spending. In other words, there is a multiplied economic impact in terms of regional output, employment and tax revenue that comes directly from salaries and wages paid to residents of the city for the city itself.

In order to find out more about the economic impact of increased wages on the city itself we asked the workers if they live in the city of Ventura. The result is depicted in the following chart. This chart shows that nearly 28% percent of workers who work for the city or through the contracts for the city live in the city. This may be much greater than what many may think about the place of residence of workers with low paying jobs as far as the city of Ventura is concerned. It is true that our sample is a small sample, but considering this as an example of what can potentially be happening, it becomes clear that an increase in the wage of low wage workers has a noticeable positive economic impact on the city through a multiplier impact.



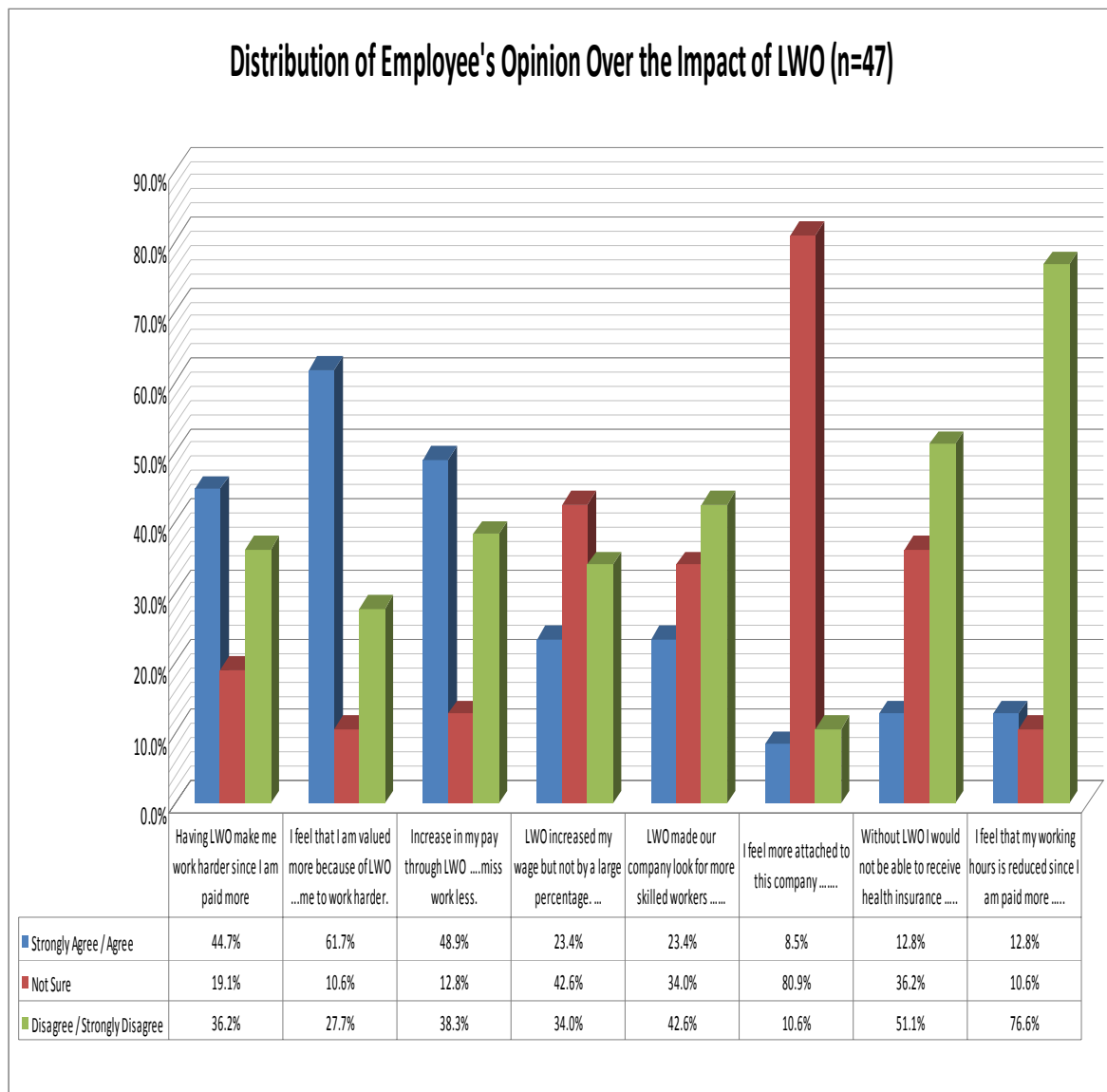
We also asked the employees to explain what they find most attractive about living in the city of Ventura and the following chart shows the pattern of their responses.



The pattern of response is somewhat different with what one may find from surveying a random sample of people in the city. However, remember that this shows the response of workers on a living wage who live in the city. The interesting counterintuitive parts of their responses are the affordability of rent and quality of life in the city. Around 63% of the respondents believed that rent is affordable and 81% believe that the quality of life is not good. This shows that the experience of various income groups in the city might be quite different when quality of life is considered. Once again we would like to emphasize on the smallness of our sample and the fact that we cannot draw any inference from our

findings with regard to the overall impression of people in the city of Ventura. This also shows that there are some possibilities for low income housing. There is, however, the question of quality of low income housing or their possible overcrowding. None of these issues were tested in a scientific way using a random sample of all effected population or therefore we have no intention of drawing inference from this study and coming to a generalized conclusion.

We asked workers to express their impressions and feelings about their work in their respective companies and their own work. The outcome is presented in the following chart (we had to truncate some questions in order to be able to present the chart with readable fonts).



The percentage of workers who either strongly agreed or agreed were in excess of those who strongly disagreed or disagreed for the following questions:

- Having a LWO made me work harder.
- I feel that I am more valued by my company because of the LWO.
- Increase in my pay through the LWO makes me miss work less.

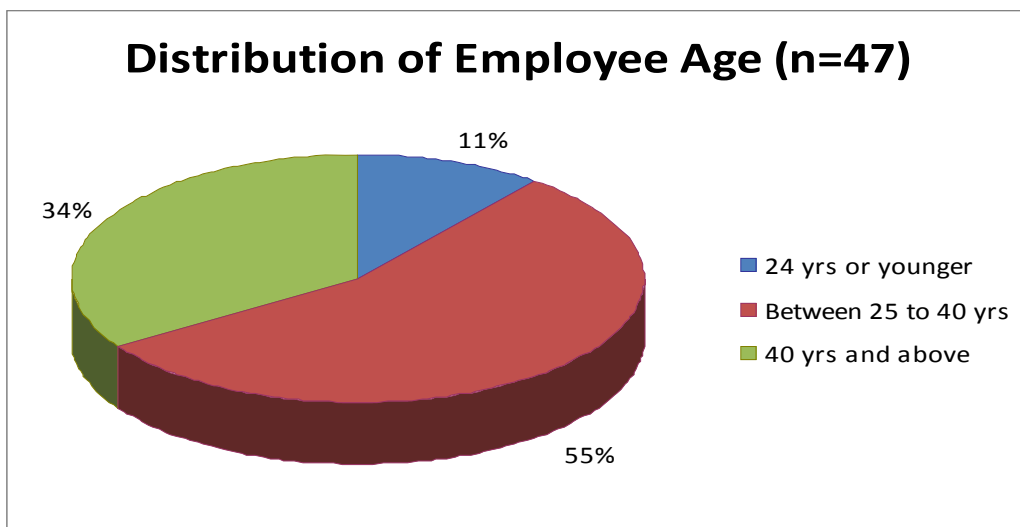
By contrast, the total percentage of workers either disagreeing or strongly disagreeing exceeds the total percentages agreeing or strongly agreeing for the following questions:

- A living wage made my company look for more skilled workers.
- Without the LWO, I would not be able to receive health insurance.
- I feel my working hours are reduced because of the LWO.

Finally, in response to the question: “I am more attracted to my company because of the LWO,” the rate of not being sure was far in excess of either agreeing or disagreeing with this statement.

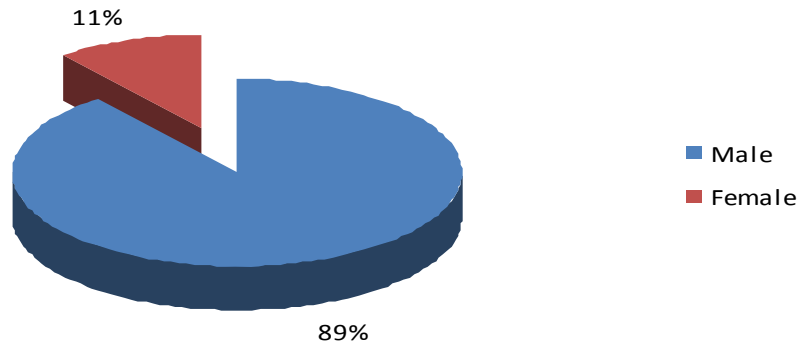
4.1.5. Human Face of Those Impacted By LWO in City of Ventura

To put a human face on the individuals who responded to these questions, we asked for a series of demographic questions. They are presented through the following set of diagrams:



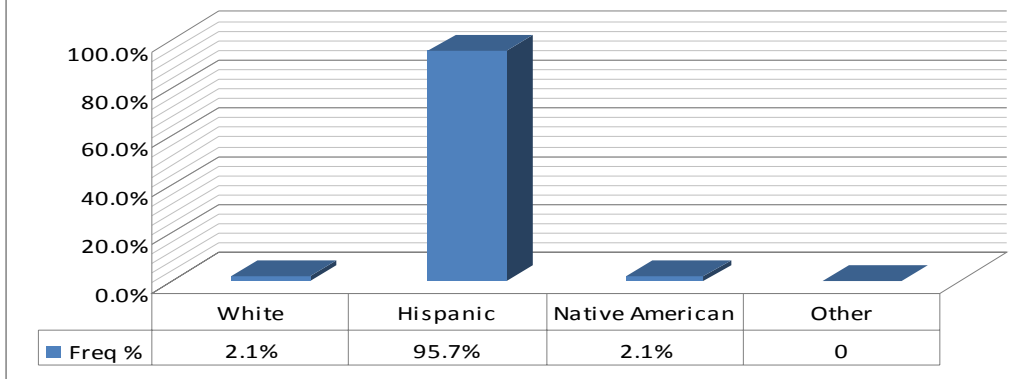
The above chart shows that the largest group of respondents was in the age category of 25 to 40 years of age.

Distribution of Gender Among the Employees (n=47)



The above chart shows that the overwhelming majority of workers we interviewed were male, suggesting that they are most likely to be the principal income earners of their families.⁷

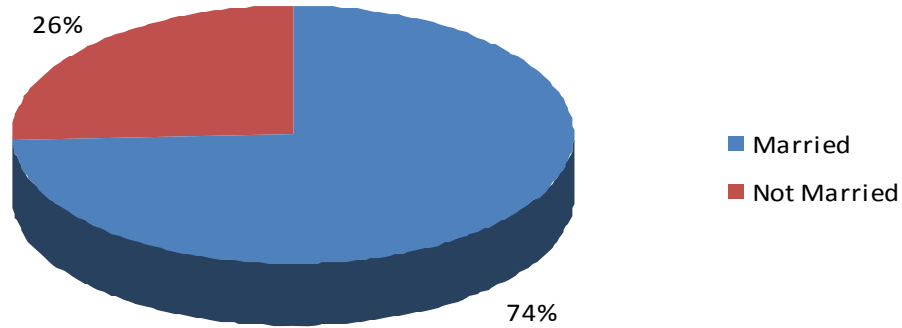
Distribution Of Ethnicity Among the Employees (n=47)



Nearly 96% of respondents were Hispanics and only about 2% of them were white.

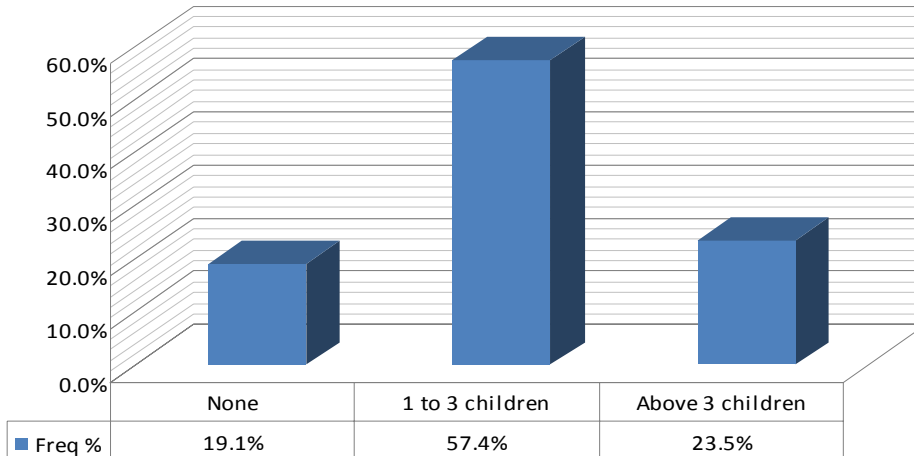
⁷ We want to make it clear that our statement of considering a large group of male as principal income earner does not mean that women are not principal income earners. Indeed the ratios of principal income earners in low income families are very high indeed.

Distribution of Marital Status Among the Employees (n=47)



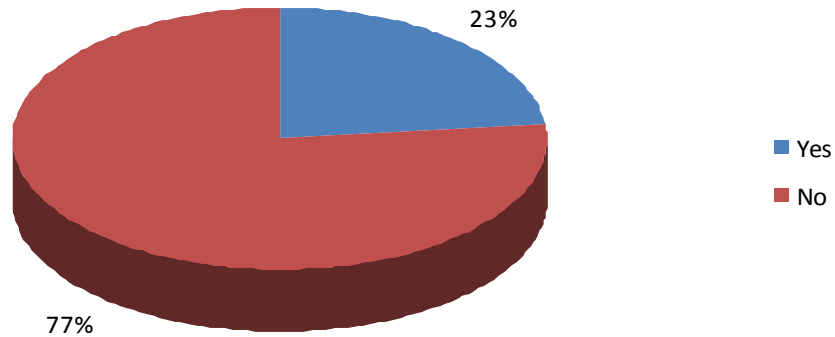
Some 74% of the workers interviewed were married and more than 80% of them have children.

Distribution of Number of Children of Employee (n=47)



Some 23% of respondents had other relatives and dependents living with them.

Distribution of Other Dependents Living with the Employee (n=47)



Finally, without any pressure, some felt that they wanted to use the opportunity given to them to express their overall opinion about the Living Wage Ordinance and its impact on their lives. These comments are presented in the following table:

Your opinion and comments with regard to LWO and how its existence in the City of Ventura is impacting you, your family, your work condition, pay, and benefits are important to this research and what it tries to accomplish. Please provide any further comments that you wish to make in the following box concerning any issues and topics that this questionnaire did not address or was not clear enough to allow your express your opinion:

1	Came in at \$10.71. After six months I got a three year part-time contract at \$13.50/hr. I am just glad to be able to work 40 hours a week.
2	I am not happy with wage.
3	Everyone gets paid the same. There are no seniority benefits. I have been working for the company for almost 30 years, but I get paid the same as new workers working for the city.
4	I have been told that they will cut my paycheck in half, so I am looking for another job. I think they should pay more; I am not able to save anything at the current rate.
5	I think it has been a really good decision to give more attention to the salaries of all citizens.
6	My salary was raised but my hours were cut for economic governmental reasons. My life is chaotic due to lack of work.
7	I am not affected by the pay increase. I have not seen any increase in my check: no significant change that has affected my life.

8	Satisfied
9	Used to work for Valley Crest. Unhappy with Quality Landscape Care because of the wage and the manager at this company is more understanding.
10	Wage increase in comparison with other jobs has made me more able to be at a better position economically (pay bills, etc.)
11	Wants to earn some more still, it is not enough to pay bills. I do not have medical insurance and I cannot afford it.
12	My work is part-time. The increase is not significant enough to make a difference.

4.2. Findings from the Employers' Survey/Interview

As pointed out before, we had four companies as contractors whose employees have been affected by the Living Wage Ordinance. We succeeded in interviewing three owners/managers of these companies. The following sections provide a summary of what we learned from interviewing the owners and/or the managers of these companies. Since there are only three people involved, we decided to report the findings without graphic presentation.

4.2.1. General Information about the Respondents and Their Companies

- Two of the three companies are involved in landscaping services and the third company provides janitorial services for the city.
- All three managers interviewed were managing their companies and one of them was the owner of the company.
- All three companies were incorporated.
- One of the three companies has been doing business in the city for the last five to ten years and the other two have been working in the city for more than ten years.
- All three companies have had contracts with the city for three to five years, suggesting that all of them have been with the city before the passage of the ordinance and after it was passed.
- None of the companies were either franchised or part of a national or regional chain.
- One of the three had branches in other cities and the other two did not have such extensions.

The questions asked show that these companies have been working with the city of Ventura before and after the passage of the Living Wage Ordinance and have a relatively long period of working in the city. It can therefore be said that the opinion of their managers provide important and relevant information about the way their respective companies have been impacted by the ordinance and how their relations in regards to the city and their own workers have changed (if any) after the passage of LWO.

4.2.2. Companies' Opinions about the City and the Attraction of Doing Business in City of Ventura:

- Only one of the three respondents believed that rent in the city is affordable.
- Only one of the three said that in a normal year, there is enough work available throughout the year.
- Two of the three believed that productive workers live nearby.
- Two of the three believed that the city is not affected by traffic congestion from people commuting from home to work.
- All three believed that the city of Ventura has a high quality of life.
- Only one out of three believed that the lack of public transportation is a disadvantage in the city.
- Only one out of three believed that there are enough parking spaces in the city.

4.2.3. Current Business Situation and Companies Possible Future Plans

- None of the three companies have any plans to move away from the city of Ventura.
- One of the three was not sure about pursuing contracts with the city beyond its current contract and the other two wanted to continue pursuing additional contracts in the future.
- One of the three companies had six part-time workers and the other two did not have any part-time workers.
- One of the companies had 47 full time workers out of which 30 of them were impacted by the living wage ordinance and we managed to interview all of them. The other two companies had five and six workers respectively.

4.2.4. Pay and Benefits of Workers in Various Companies

- In looking at various jobs that they offer in their companies, the pay scales were different and in the case of one company, certain job titles were not subject to the LWO, where in other companies those jobs were.
- There was a considerable lack of information with regard to various job categories that came up during the interviews and the company managers provided some information with certain gaps in some places.
- An overwhelming majority of workers (full time or part time) was not receiving any health insurance, for themselves or for their families. One of the companies was providing health insurance for a relatively significant number of its own full time LWO workers.

4.2.5. Employers' Assessment of Workers' Attitude and Perceptions towards LWO and Its Impact on Their Own Companies

This section of the responses provides some of the most interesting responses to the questions that are pivotal in the economic study of living wage ordinances. We used a table to show the pattern of responses to these questions:

Pattern of Responses: 5 = Strongly Agree, 3 = Not Sure, 1 = Strongly Disagree					
Question	5	4	3	2	1
LWO make workers work harder		√√√			
LWO make worker miss work less.		√√			
LWO worked fine mostly with regard to those who were up for pay increase in our company.	√	√√			
LWO made our company look for more skilled workers at entry level since we had to pay them more		√√√			
LWO made our company to reduce our hiring of entry level employees to make up for higher wages and the impact on our payroll.		√	√	√	
LWO forced us to reduce or opt for lesser increase in non LW jobs in order to make up for the difference.		√		√√	
LWO only marginally impacted our overall payroll as we had to raise our pay for a few jobs or at modest level since our pay scale was close to LW level.		√√√			
Imposition of LWO had a significant overall impact on the payroll		√	√	√	
LWO increased our bid for the contract significantly.		√	√√		
To be able to keep our expenses manageable because of LWO we have to charge the city more on other cost items.		√	√	√	
We like LWO since it reduced the number of contractors who keep their wages low so they can be less expensive and win the city contracts and our firm is not such a company.	√		√√		
Being subject to LWO did not force us to increase our prices to our customers within the city.		√√		√	
LWO improved bidding condition in the city and brought more efficient firms to get these contracts		√√	√		
LWO was very useful for us as it helped to bring down our employees turnover and this brought significant saving through lesser cost of training and hiring and enjoying greater learner curve of our existing employees.		√	√√		
LWO created a significant impact on wellbeing of their workers.		√√√			
Enforcement of LWO in city of Ventura did not discourage us from bidding for a contract in this city	√	√	√		
We are/ were able to make up for the increase in our cost because of LWO through increase in productivity of our workers.		√	√	√	
Our company is planning to discontinue its contract or stop seeking another contract because of LWO that city has passed since 2006.				√	√√
LWO did not reduce profitability of our operation in Ventura City.		√√	√		
Our company supports enforcement of LWO.		√√	√		

We asked the respondents to give us estimates of the percentages of increase in their payroll that has been caused by the LWO.	The responses were: 10%, 12% and 35%.
We asked the company managers to make an estimate of the overall impact of LWO on their overall annual budget.	The responses were: 0.0%, 5% and 35%.
We asked them to make an assessment of how LWO impacted their profit.	The responses were: 0.0%, 0.0%, and 15% reduction.
We asked the companies to tell us how the passage of LWO impacted their cost of health insurance for their employees.	The responses were: 0.0% and the other two did not respond to this question.
We asked the companies if they experienced increase in their total bid to win the contract with the city.	The responses were: no increase, 15% increase and no response from the third one.
We asked companies to tell us if they reduced their annual pay increases because of the LWO.	The responses were: two said that this did not happen and the third one did not answer this question.
To make up for the difference in our payroll brought about by LWO we had to increase our other expenses charged to the city by an annual percentage of:	The responses were: 0.0%, 15% and 20%.
<p>We asked company managers to make any statement that they wish to make and only one company gave a final open-ended statement:</p> <p>“Disadvantage with LWO: there should be pressure on companies in the surrounding cities (like Thousand Oaks, Moorpark, etc) to participate in LWO, because I cannot bid on jobs in these cities because they have lower rates than me, because of the LWO. It cost me more money to operate. I lost a contract simply because my labor rate is higher. It hampers my ability to bid.”</p>	
<p>The three companies were of different scale. One had annual gross earning of more than a million dollars. The other two companies had gross revenue of \$100,000 to \$500,000.</p>	

Based on the pattern of responses given and the questions asked and reported in the above table, we can come to the following conclusions:

- Living wage ordinances make workers work harder.
- Workers are less likely to miss work.
- A LWO works fine for those who are up for promotion.
- Passage of a living wage ordinance may create greater demand for a skilled workforce and therefore greater competition in the unskilled labor market.
- The picture as to how the LWO reduces the opening of entry level jobs according to our study is not conclusive.

- The LWO did not negatively impact the increase in pay for non-living wage jobs in most companies concerned.
- The LWO only marginally impacted the overall payroll of the companies in the city; as for a number of them the pay level was close the living wage level.
- Most companies did not increase their bid for their contracts significantly.
- Charging the city more in order to make up for the higher wages that companies have to pay is not a regular and widely followed practice in the city of Ventura.
- Some companies seem to have liked the ordinance as it reduced the number of contractors who keep their wages low so they can be less expensive and win the city contracts.
- Most companies did not increase their prices to customers in the city in order to make up for a likely increase in their cost because of the LWO.
- The study shows support for the notion that the LWO attracts more efficient companies to the city.
- There seems to be some support for the notion that the LWO reduces employees' turnover and thus companies benefit from a greater learning curve effect.
- All companies agreed that the LWO created a significant impact on the wellbeing of their workers.
- Most of the companies agreed that the LWO did not discourage them from bidding for contracts in the city of Ventura.
- Some companies succeeded to make up for the increase in their costs through increase in their workers' productivity.
- With some doubt about one company, the other two are not deterred because of the LWO in the city and will be seeking other contracts with the city.
- Most companies seem not to have experienced any reduction in their profitability.

4.3. Findings from Survey of “Municipality”

A summary of our findings from the municipality questionnaire is reported in this section of the report.

4.3.1. General Information about the Respondents

The city identified three city employees with considerable experience in this area. They included a Senior Buyer, Supervisor of Parks Division, and Public Works Supervisor. Two of the respondents were with the city in their current capacity for a period of three year and the third one has been in that position for a period of nine years. This shows that they all had the experience of working in their current position before and after the imposition of the Living Wage Ordinance.

The questionnaire had a number of questions regarding the total number of companies and workers that have been impacted by the ordinance. There were some differences in the ability of respondents to provide pertinent information to all the questions that were asked.

4.3.2. City's Experience with The Companies impacted by the Ordinance

- Respondents were asked if they experienced any cancellation of contracts because of the LWO. Two of respondents did not know about it and one said that such incidents did not happen.
- They were asked if, based on their experience, they observed any reduction in the number of companies bidding for the city contracts that are impacted by the LWO. All three did not know if there was any reduction in number of bidders.
- They were asked to comment on how they make sure that companies subject to the LWO actually comply with the ordinance. One said that they have to make certain criteria. Two of the respondents said that the city asks for quarterly certified payroll. The third respondent did not know how this is done.
- They were asked to specify whether the city has a regular reporting schedule with which companies must comply. Two did not know and the third one was not sure about having such regular reporting in place. Nonetheless, the payroll certificate is an assertion of having some regular reporting in place.
- In response to the question of whether the city makes random check/audit or not, two of the respondents said that there is not any procedure for such audits and the third respondent was not sure.
- In responding to the question of whether the city has a special system that allows anonymous reporting of LWO violators, two of the respondents said that such a system is not in place and the third respondent was not sure about it.
- In responding to the question of whether the city has found any violation since the passage of the LWO, two of respondents said that such incidents have not occurred and the third one did not know about it.
- They were asked about the number of full-time workers who have been impacted by the ordinance. One of the respondents did not have the information. The second one mentioned a total number of three workers in his department. The third respondent mentioned 20 temporary workers working 40 hours a week.
- In responding to the number of part-time workers who are impacted by the ordinance and work directly for the city, one mentioned none, as part-time workers under 1000 hours a year are exempt from the ordinance. The second respondent mentioned that he does not have access to such information. The third respondent mentioned a total number of three workers who work as part-time between 30 to 40 hours a week. We did not interview any city employees benefiting from the LWO with part-time status.
- The questionnaire asked specific questions about the type of jobs and their respective pay rate and provision of health insurance. One of the respondents did not have any specific information about the city's contracts with workers impacted by the LWO. The other two provided good information. Two of the workers who work for the city and are impacted by the ordinance are landscape laborers and the third one has a job title as the Ambassador to Parks and Recreation. They are all paid \$ 13.50 per hour by the city.
- In responding to the question about whether the city provides health insurance for its workers impacted by the LWO, the respondents said that they do not have the information. However, from cross-tabulation of the workers responses to the same questions, we found out the all three workers interviewed said that the city does not provide any health insurance for them. There were all-together nine workers out of

the groups that had health insurance provided by their respective companies and not the city.

4.3.3. City’s Experience with Regard to Application of the City’s Own Employees impacted by LWO

Similar to the section for companies, we have listed the responses of the city staff in a table.

Pattern of Responses: 5 = Strongly Agree, 3 = Not Sure, 1 = Strongly Disagree					
Question	5	4	3	2	1
Employers benefit from LWO workers because they work harder.	√				√
Employees who benefit from the ordinance miss work less			√ √		
LWO worked fine with regard to those who were up for pay increase in the city.			√ √		
LWO made the city look for more skilled workers at entry level since we have to pay them more				√	√
LWO made the city to reduce its hiring of entry level employees to make up for higher wages and the impact on payroll.				√	√
LWO forced the city to reduce or opt for lesser increase in non-LW jobs in order to make up for the difference.	√ √				
the bidding condition in the city improved by bringing more efficient bidder to the city,			√ √		
The turnover of the employees improved as the result of LWO in the city.			√ √		
LWO created a significant improvement on the wellbeing of low wage employees.	√ √				
The city was able to make up for the increase in our cost because of LWO through increase in productivity of our workers.			√		√
The city experienced a reduction in the number of companies who bid for city contracts and offer LW jobs.			√ √		
One of the respondents offered additional comments at the end of the interview that is quoted below: “LWO is good for everybody for economic reasons. Good employees should be paid more if they are efficient. It can be used as a motivation tool.”					

4.4. Conclusion and Possible Policy Recommendations

This study looked at an extensive body of research inside and outside the State of California with the objective of examining a number of propositions and hypotheses that

many of these studies pursued in their studies. This resulted in designing three surveys/interviews/questionnaires that entertained a large number of these hypotheses and presuppositions for the explicit purpose of examining the responses that we could get from the experiences of the city of Ventura. These interviews were conducted with regard to three groups of employees, employers/managers, and pertinent staff of the city who could speak on behalf of the city and its experience with the passage of the ordinance. Our groups were rather small, but in totality, they provided the experience of the city of Ventura in its near entirety in terms of companies, workers and the knowledgeable city staff concerning the impact of the LWO, passed in May of 2006.

4.4.1. Important Conclusions Reached

- The living wage ordinance made a significant impact on raising the wages of low pay workers who work for the city or companies who have contracts with the city. Our data supports an increase of over 30% since the time of the passage of this ordinance in May of 2006 by comparing the weighted average wages of those who worked for the same companies in the city prior the passage of the ordinance and the weighted the average wage of the workers interviewed after the passage of the ordinance in May of 2006. We arrived at the same conclusion by making a comparison between wages of the workers who work for the same companies in the city and their wages they receive in other cities that do not have a LWO.
- A comparison of workers with health insurance before the passage of the ordinance and those with health insurance after the passage showed that the overall rate of workers with health insurance increased by 10%. We further ran a cross-tabulation of workers from different companies and their status of having health insurance from their companies. The results showed that neither the city nor one of the companies offered any health insurance for their workers. Out of the remaining two companies, one offered health insurance to eight of its workers and the other one to one of their workers. A number of these companies have insurance for work-related health problems. Overall, it is clear that health insurance showed some improvements, but at a much moderate rate than could be expected.
- Workers had different opinions about the city and its advantages or disadvantages. Some 28% of the workers live in the city. Despite the expectation of finding rent very high, a majority of workers find rent not to be excessive, which suggests there are some possibilities for low income housing in the city. A majority believes that there are jobs available in the city and the congestion from home to work is not bad. By contrast, a majority of respondents find quality of life in the city not that good. This is in total contrast to the very positive response of their employees who believe quality of life is very good in the city. This conclusion is not that surprising and it strongly suggests that the perception and or experience of quality of life in the city is a direct function of the income level of the people who live in the city. Breaking away from the correlation of income level and experiencing high quality of life is an important task for any city, and that certainly includes the city of Ventura.
- The issue of working harder because of the LWO was put to all three groups of respondents. A majority of workers, from their own perspective, agreed with the statement that the LWO encouraged them to work harder. The same conclusion was reached by all three respondents from the companies' perspective. The two

respondents from the city voted in the opposite side of the issue. Putting the overall expression together, we come to a strong conclusion that with regard to the experience of the city of Ventura, the LWO made a positive impact on workers by encouraging them to work harder. This finding certainly supports the conclusion reached by many other studies that increased productivity of workers to some extent compensates the increase in their wages.

- A majority of workers said that they feel more valued by their companies as a result of the LWO. This feeling goes a long way to reduce some of the tensions that we find in many working environments and it will certainly come to be a source of positive change in the work environment and reduction of certain cost that is due to bad feelings between the workers and the employers.
- A majority of workers said that they miss work less because of the LWO and the positive impact that it has on their behavior. Employers showed partial support for this claim. Two out of three agreed with the idea of workers missing work less because of LWO; the view of the city staff was less supportive of this opinion. Once again, the overall opinions suggest that companies stand to benefit from this development and this along with other deductions suggest that there is increased productivity through missing work less.
- Looking at the profile of the workers shows that an overwhelming majority of them are from minorities, married with children, between the ages of 25 to 40, and with children and other dependents who live with them. It is not difficult to conclude that the passage of a living wage is a great help for families that are most likely to be in some level of poverty. Enabling these families to help themselves is an important step in reduction of poverty in general and child poverty in particular.
- There was not any clear idea suggesting that companies or the city used this ordinance in relation to those whose wages were up for increase or stifled the upward mobility within the companies. This suggests that the LWO had a decisive impact on increasing wages in the companies concerned.
- All three company managers agreed that the LWO brought to their attention the need to look for more skilled workers as entry-level workers. This may suggest that hiring more skilled workers may have influenced the hiring of new workers. Bearing in mind that a good proportion of workers interviewed were hired by these companies after the passage of the LWO, it suggests that selecting higher skilled workers might have limited the chance of lower skilled workers to be hired.
- Companies in general accepted the notion that the LWO brought more efficient companies to bid for the city's contracts. At the same time, some were conflicted about the impact of the living wage on their ability to bid for contracts in cities that do not have a LWO. Their argument is that by having a higher wage rate, they are able to compete with low wage companies. At the same time, our study shows that when these companies bid for contracts in other cities that do not have a LWO, they might have difficulty in adjusting their wages downward. However, the survey showed that one of these companies has workers who work in other cities. However, the findings in workers' survey showed that it might more workers who work in other cities without LWO than what the findings from managers' survey indicate. Workers survey also shows that in most occasions they receive a wage lower than what they

are paid in the City of Ventura. Therefore, we consider this problem as a potentially difficult problem for the companies who are subject to the LWO.

- The impact of the LWO on some companies in terms of their payroll impact, overall annual budget and profit margin have been very different. It appears that two of the three companies are doing much better than the third one. This finding may suggest that over time, a city that has a LWO will attract those companies that are efficient and can sustain the increased expenses through greater efficiency in their own contact or productivity of their managers and workers.
- Finally almost all agreed with the sentiment that the passage of a living wage helped low wage workers afford a better life for themselves and their families. It can be a source of creating greater motivation for more productive work.

4.4.2. Policy Recommendations

The city of Ventura brought a policy that benefits its workers, their families, attracts more efficient companies to contract with the city and these companies provide greater stability for themselves and for their workers. This is without a doubt a big step in the right direction that should be applauded and encouraged.

Following the initial steps taken three years ago, this report recommends a continuation of making meaningful adjustments to the wage level based on the rise of cost of living in the city.

The study finds that at least one of the city contractors provides health insurance for a number of its living wage workers. With a major federal government health reform underway, hopefully some of the problems of uninsured people will be reduced in the years ahead. However, there is a need for looking deeper into the issue of workers' and their families' health insurance. Although there seems to be some improvement in the percentage of LWO workers who had health insurance before and after the passage of the ordinance, the numbers are still too low to support a major change on that front. This is true since the provision of providing health care versus meeting the living wage level clearly tip the scale towards taking the option of providing the living wage.

The study shows that having a living wage ordinance in a city can be more successful if other nearby cities in other parts of that county adopt the same policy. Although bringing such transformation to other cities that do not have a Living Wage Ordinance is somewhat outside the ability of the city of Ventura, expanding this good policy to other departments such as the City Golf Services and other areas that were exempted in May of 2006 is a timely reconsideration. Let us not forget that by bringing various providers of services to the city to have a higher standard of wages and benefits to their own workers, we are helping the workers and the companies to operate at a higher level of efficiency and productivity as well as encouraging better industrial relations between the workers and the employers. This study found strong support from those interviewed; workers and managers stated that the LWO is most likely to increase efficiency through harder work, missing work less and a better feeling among the workers that their work is appreciated more.

Finally, while it is true that we had a small number of workers and managers whom we interviewed, this should not be considered as a reason to undermine, reject or belittle the relevance or the strength of the findings of this study. We conducted a census of all workers and managed to interview a majority of them. We interviewed all three managers of the workers who have contracts with the city. The results are not different than those that have been found in a number of other studies in California or other states around the country. The study shows that the burden of a living wage as a deterrent of companies to bid for contracts has no foundation and the myth of paying workers a living wage may drill a hole in the companies profit is not sound and finally, although a city might have some budgetary expenses, the benefits of having this ordinance outweigh the drawback by a great margin of positive difference.

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Appendix A: LWO Employees' Questionnaire

The Impact of Living Wage Ordinance *Survey of Employees Impacted by the Ordinance*

Thank you for taking time to participate in this survey. The information you are about to provide will allow us to make a comprehensive assessment of the economic and social impacts of the Living Wage Ordinance that the city of Ventura adopted in May of 2006. Please answer the questions as accurately as you can. Accuracy in responding to these questions assures reliability of this research. We thank for your effort and honesty in responding to these questions.

1. What is the name of your company that you work for? _____
2. How long have you been working for this company in the City of Ventura?

3. Were you working for this company in the city of Ventura before Living Wage Ordinance was passed in May of 2006 [if the person has no idea about passage of LWO, ask 3 years ago]?
 - Yes
 - No
 - Not sure/do not remember
4. If yes; please answer questions in the following box, if not or cannot remember go to question 5.

Question	Possible/Given Answers			
A) What was your job title?				
B) What was your hourly wage?				
C) What was the average number of working hours per week?				
D) Did your work provide you with health insurance	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Not sure/do not remember	Comments?
E) Did your work provide health insurance for your family?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Not sure/do not remember	Comments?

F) Did your wage go up after the passage of this ordinance?	<input type="checkbox"/> Yes almost immediately	<input type="checkbox"/> Yes after some time: How long?	<input type="checkbox"/> It did not go up during that year	Comments?
G) Did you receive a promotion in that year?	<input type="checkbox"/> Yes and I think that was why my salary went up	<input type="checkbox"/> Yes but I cannot relate it to my salary increase or cannot say that for sure	<input type="checkbox"/> No	Comments:

5. Questions in the following box are related to your current work status. Please answer them as accurately as you can. Please answer all the questions with regard to your work in this particular company.

Question	Possible/Given Answers			
A) What is your current job title?				
B) What is your hourly wage?				
C) What is the average number of working hours per week?				
D) Does your work provide you with health insurance	<input type="checkbox"/> Yes	<input type="checkbox"/> No	Comments:	
E) Does your work provide health insurance for your family?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	Comments:	
F) Do you work for the same company in other cities that do not have LWO?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	Comments:	
G) If answer to previous question (5 F) is yes; how does your pay in other cities	<input type="checkbox"/> I am paid the same	<input type="checkbox"/> I am paid less: How much?	<input type="checkbox"/> I am paid more: How much?	<input type="checkbox"/> I am not comfortable to answer this question.

compare?				
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6. Do you live in the city of Ventura?

- Yes
- No

7. What you consider to be the most attractive features of living in the city of Ventura (select all that may apply)?

- Rent is affordable
- In a normal year there is enough work throughout the year
- Productive workers live nearby
- Not bothered by road congestion traveling from home to work
- High quality of life in the city
- Enough parking spaces in the city
- Good public transportation
- Other: _____

8. What are the disadvantages of living in the city of Ventura (select all that may apply)?

- Rent is Not affordable
- In a normal year there is Not enough work throughout the year
- Not enough productive workers live nearby
- Facing road congestion when traveling from home to work
- Low quality of life in the city
- Not enough parking spaces in the city
- Lack of sufficient public transportation
- Other: _____

9. Below some statements are listed. Please check the box that best matches your feelings toward that statement.

Statement	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree
Having LWO make me work harder since I am paid more.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I feel that I am valued more because of LWO and this encourage me to work harder.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Increase in my pay through LWO encouraged me to miss work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

less.					
LWO increased my wage but not by a large percentage. My pay went up by less than 10%.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LWO made our company look for more skilled workers at entry level since they had to pay us more.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I feel more attached to this company and do not want to go elsewhere because of LWO.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Without LWO I would not be able to receive health insurance from work.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I feel that my working hours is reduced since I am paid more because of LWO.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

10. What is your age? _____

11. Your gender:

- Male
 Female

12. Your ethnicity?

- White Hispanic African American American Indian Asian
 Other: _____

13. Marital and family status (please use all that may apply):

- Married Not Married Have children: How many? _____
 Number of children under age of 18 living with you: _____
 Other dependent living with you: Who? _____ How many? _____

14. Your opinion and comments with regard to the LWO and how its existence in the city of Ventura is impacting you, your family, your work condition, pay, and benefits are important to this research and what it tries to accomplish. Please provide any further comments that you wish to make in the following box concerning any issues and topics that this questionnaire did not address or was not clear enough to allow you express your opinion:

Thank you so much for your time and effort.

Appendix B: Employers' Questionnaire

The Impact of Living Wage Ordinance *Survey of Company Owner/Manager Contracted by City of Ventura*

Thank you for taking time to participate in this survey. The information you are about to provide will allow us to make a comprehensive assessment of the economic and social impacts of the Living Wage Ordinance that the city of Ventura adopted in May of 2006. Please answer the questions as accurately as you can. Accuracy in responding to these questions assures reliability of this research. We thank for your effort and honesty in responding to these questions.

1. What is the name of your company? _____

2. What is your position in the company (choose all that may apply)?

- Owner.
- Manager.
- Supervisor.
- Other: _____

3. How long has this business been in the city of Ventura?

- Less than a year?
- Between 1 to 3 years?
- Between 3 to 5 years?
- Between 5 to 10 years?
- More than 10 years?
- I do not know.

4. What is the ownership structure of this company (use all that may apply)?

- Proprietorship
- Partnership
- Corporation
- Franchise
- Part of a regional chain
- Part of a national chain
- Other: _____

5. Do you have other branches in other places within or outside this region?

- Yes. Where (mention all)? _____
- No

6. What is the most attractive feature of doing business in the city of Ventura (select all that may apply)?

- Rent is affordable
- In a normal year there is enough work throughout the year
- Productive workers live nearby
- Not bothered by road congestion traveling from home to work
- High quality of life in the city
- Enough parking spaces in the city
- Good public transportation
- Other: _____

7. What are the disadvantages of doing business in the city of Ventura (select all that may apply)?

- Rent is Not affordable
- In a normal year there is Not enough work throughout the year
- Not enough productive workers live nearby
- Facing road congestion when traveling from home to work
- Low quality of life in the city
- Not enough parking spaces in the city
- Lack of sufficient public transportation
- Other: _____

8. Do you have plans for moving your business away from the city of Ventura?

- Yes
- No
- I do not know

9. How long have you been working as a contractor for the city of Ventura?

- Less than a year?
- Between 1 to 3 years?
- Between 3 to 5 years?
- Between 5 to 10 years?
- More than 10 years?
- I do not know

10. Do you have plans to discontinue your contracting work or not pursue another contract with the city?

- Yes
- No
- I do not know

11. Please answer the following questions in relation to the contract that you currently have with the city of Ventura:

- Activity (type of contract) for which your company have been contracted:

- Total number of part-time employees working in the company? _____
- Total number of full-time employees working in the company? _____
- Number of part-time workers who are affected by LWO? _____
- Number of full-time workers who are affected by LWO? _____

12. Please answer the questions in the following box with regard to part-time workers who work on your contract with the city:

Job Category⁸	Number of persons in this job category	Average (mean) hourly pay for this particular job	Average (mean) number of hours per employee per week for this particular job	Is this job considered as a job benefiting from the city's LWO (Yes/No)	Do you provide health insurance for this position(s) (Yes or No)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

13. Please answer the questions in the following box with regard to full-time workers who work on your contract with the city:

Job Category⁹	Number of persons in	Average (mean)	Average (mean)	Is this job considered	Do you provide
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⁸ Please list all the jobs in the cells provided within the table and add more lines if needed. Job category refers to specific job titles such as landscaper, janitor, repair person, assistant manager, etc.

⁹ Please list all the jobs in the cells provided within the table and add more lines if needed. Job category refers to specific job titles such as landscaper, janitor, repair person, assistant manager, etc.

	this job category	hourly pay for this particular job	number of hours per employee per week for this particular job	as a job benefiting from the city's LWO (Yes/No)	health insurance for this position(s) (Yes or No)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

14. Below some statements are listed. Please check the box that best matches your feelings toward that statement.

Statement	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree
Employees who benefit from LWO work harder.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Employees who benefit from LWO miss work less (experiencing a reduction in rate of workers absenteeism).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LWO worked fine mostly with regard to those who were up for pay increase in our	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

company.					
LWO made our company look for more skilled workers at entry level since we had to pay them more.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LWO made our company to reduce our hiring of entry level employees to make up for higher wages and the impact on our payroll.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LWO forced us to reduce or opt for lesser increase in non LW jobs in order to make up for the difference.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LWO only marginally impacted our overall payroll as we had to raise our pay for a few jobs or at modest level since our pay scale was close to LW level.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LWO increased our payroll significantly.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LWo increased our bid for the contract significantly.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To be able to keep our expenses manageable because of	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

LWO we have to charge the city more on other cost items.					
We like LWO since it reduced the number of contractors who keep their wages low so they can be less expensive and win the city contracts and our firm is not such a company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Being subject to LWO did not force us to increase our prices to our customers within the city.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LWO improved bidding condition in the city and brought more efficient firms to get these contracts.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LWO was very useful for us as it helped to bring down our employees turnover and this brought significant saving through lesser cost of training and hiring and enjoying greater learner curve of our	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

existing employees. ¹⁰					
LWO created a significant positive impact ¹¹ on the well-being of our employees.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Enforcement of LWO in city of Ventura did not discourage us from bidding for a contract in this city.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We are/were able to make up for the increase in our cost because of LWO through increase in productivity of our workers.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our company is planning to discontinue its contract or stop seeking another contract because of LWO that city has passed since 2006.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LWO did not reduce profitability of our operation in Ventura City	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our company supports enforcement of LWO.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

¹⁰ Reduction in employees' turnover refers to cost saving for the companies as they do not need to train the new workers, lose days of work of their employees as they look for new workers and also having more productive workers who know how to do their job by working on that job for some times. This last impact is referred to a "learning curve effect."

¹¹ Significant positive impact means that workers were able to enjoy a pay increase of more than 10% and or receiving affordable health insurance for themselves and their dependent family members.

15. Please try to make as accurate estimates as you can regarding the following questions:

- LWO brought an increase of _____ percent in our total annual payroll
- LWO brought an increase of _____ percent in our total annual budget
- LWO brought an increase of _____ percent in our total annual cost of employees' health care insurance.
- LWO reduced our annual profits by _____ percent per year overall.
- Because of LWO we experienced an increase of _____ percent in our total bid to win the contract.
- Because of LWO we kept our other annual pay increases by _____ percent lower than otherwise would have been.
- To make up for the difference in our payroll brought about by LWO we had to increase our other expenses charged to the city by an annual percentage of _____

16. What were the annual gross receipts of this business (at this location) last year? If this business has been open less than 1 year, is there a projection of how much the business will take in its first year of operation?

- Less than \$ 25,000
- Between \$ 25,000 to 50,000
- Between \$ 50,000 to \$ 100,000
- Between \$ 100,000 to \$ 500,000
- Between \$ 500,000 to \$ 1,000,000
- More than \$ 1,000,000

17. Please provide any comments that you wish to make in the following box:

Thank you so much for your time and effort.

Appendix C: Municipality Questionnaire

The Impact of Living Wage Ordinance *Municipality Questionnaire*

Thank you for taking time to provide detailed answers to the questions asked in this questionnaire. The information you are about to provide is an important segment of what we need to be known for making a comprehensive assessment of the economic and social impacts of the Living Wage Ordinance that the city of Ventura adopted in May of 2006. Please answer the questions as accurately as you can. Accuracy in responding to these questions assures reliability of this research. We thank for your effort, accuracy, and paying attention to details in responding to these questions.

A) General Information:

1. Your name and position (optional): _____
2. Name of the department that you work within the city administration?

3. How long have you been working in your current capacity?

B) Information Concerning the Companies Impacted by LWO

4. Number of companies impacted during each of the following years:
2006: _____ 2007: _____ 2008: _____ 2009: _____
5. Total number of fulltime employees affected by the ordinance during each of the following years:
2006: _____ 2007: _____ 2008: _____ 2009: _____
6. Total number of part-time employees affected by the ordinance during each of the following years (part time is considered on average by 20 hours a week):
2006: _____ 2007: _____ 2008: _____ 2009: _____
7. Did the city experience any canceling of contract because of the passage of the ordinance in 2006?
 Yes
 No
 I (we) do not know

8. Did the city experience a reduction in number of companies bidding for the city contracts after the passage of the ordinance?

- Yes
- No
- I (we) do not know

9. How do you make sure that companies comply with the ordinance?

9.1. We have a regular reporting schedule that companies have to comply:

- Yes
- No

9.2. We make random check/audit to make sure compliance.

- Yes
- No

9.3. We have a special system that allows anonymous reporting of LOW violator.

- Yes
- No

9.4. Please describe any other method or procedure that the city of Ventura has in place to make sure that companies comply with the ordinance

9.5. We have found some violation since the passage of LWO:

- Yes
- No

9.6. If the answer to the previous question is positive, please give a short description of it:

C) Information Related to Application of LWO with Regard to the City's Own Employees:

10. Please answer the following questions in relation to the companies who are impacted by the LWO since the time of its passage in May of 2006.

- **Number of part-time workers who are working directly for the city and are affected by LWO?**

- **Number of full-time workers who are working directly for the city and are affected by LWO?**

11. Please answer the questions in the following box with regard to City part-time workers who are affected by LWO:

Job Category¹²	Number of persons in this job category	Average (mean) hourly pay for this particular job	Average (mean) number of hours per employee per week for this particular job	Is this job considered as a job benefiting from the city's LWO (Yes/No)	Do you provide health insurance for this position(s) (Yes or No)
1.					
2.					
3.					

¹² Please list all the jobs in the cells provided within the table and add more lines if needed. Job category refers to specific job titles such as landscaper, janitor, repair person, assistant manager, etc.

4.					
5.					
6.					
7.					
8.					
9.					
10.					

12. Please answer the questions in the following box with regard City Full-time workers who are affected by LWO:

Job Category¹³	Number of persons in this job category	Average (mean) hourly pay for this particular job	Average (mean) number of hours per employee per week for this particular job	Is this job considered as a job benefiting from the city's LWO (Yes/No)	Do you provide health insurance for this position(s) (Yes or No)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

¹³ Please list all the jobs in the cells provided within the table and add more lines if needed. Job category refers to specific job titles such as landscaper, janitor, repair person, assistant manager, etc.

13. Below are some statements. Please check the box that best matches your feelings and understanding concerning that statement.

Statement	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree
Employees who benefit from LWO work harder.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Employees who benefit from LWO miss work less (experiencing a reduction in rate of workers absenteeism).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LWO worked fine mostly with regard to those who were up for pay increase in the city.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LWO made the city look for more skilled workers at entry level since we had to pay them more.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LWO made the city to reduce its hiring of entry level employees to make up for higher wages and the impact on the payroll.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LWO forced the city to reduce or opt for lesser increase in non LW jobs in order to make up for the difference.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LWO improved bidding	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

condition in the city and brought more efficient firms to get these contracts.					
LWO was very useful for us as it helped to bring down our employees turnover and this brought significant saving through lesser cost of training and hiring and enjoying greater learner curve of our existing employees. ¹⁴	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LWO created a significant positive impact ¹⁵ on the well- being of our low wage employees.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The city was able to make up for the increase in our cost because of LWO through increase in productivity of our workers.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The city experienced a reduction in the number of companies who	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

¹⁴ Reduction in employees’ turnover refers to cost saving for the companies as they do not need to train the new workers, lose days of work of their employees as they look for new workers and also having more productive workers who know how to do their job by working on that job for some times. This last impact is referred to a “learning curve effect.”

¹⁵ Significant positive impact means that workers were able to enjoy a pay increase of more than 10% and or receiving affordable health insurance for themselves and their dependent family members.

bid for city contracts and offer LW jobs.					
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14. Please provide any comments that you wish to make in the following box:

Thank you so much for your time and effort.