Memorandum

Date: November 25th 2013

To: Human Resources, Office of Institutional Research, Sustainability Office

From: Kyle Burke, Margaret Sulentic, Environmental Philosophy Students

Re: The Living Wage at Luther

Overview

“The Living Wage” is the minimum hourly wage that a full-time worker must earn in order to live a relatively conformable lifestyle. This includes the ability to afford basic necessities as well as transportation, basic health care, housing, child care, healthy foods, etc. The increased momentum of the Living Wage Movement on colleges and universities across the nation has prompted the need to examine Luther’s own wage status. In order for Luther to move in a more socially and economically sustainable direction, the collection of financial data pertinent to this goal and campus wide discussion must occur.

Background

Several examples of the “Living Wage” in action have occurred in many U.S. institutions. Following a sit-in of both students and professors in 2001, Harvard University continues to grapple with the minimum wage for its employees. Eight committees of students now meet once a week to address the need for an increase in the minimum wage on campus. Yale University recently raised its minimum wage for all employees to twelve dollars per hour after various student and professor groups advocated for change. The University of Louisville has adopted a ten dollars per hour minimum wage which is reviewed annually to make modifications as deemed necessary by the administration. At St. Mary’s College of Maryland, a small college similar in size to Luther, students, faculty and staff have recently begun to push for a 10 to 1 wage ratio, which guarantees that the highest paid employee at St. Mary’s would not get paid any more than 10 times the amount the lowest paid employee is getting paid. The proposal has not yet been brought before the Board of Trustees at St. Mary’s but the campaign supporting the proposal continues to grow and has gained an outpouring of support from students, faculty and staff. The discussion over the Living Wage is not limited to educational institutions, however, and is occurring in many cities and places of business. This semester, our group has made progress in alerting the Human Resources Department about the need to investigate Luther’s wage sustainability. Insight into the general nature of wages at Luther was gained, but specifics associated with the lower-end of the pay-scale were difficult to obtain due to concerns about employee privacy and the time needed to collect the information desired. Examination of the 2011 Luther STARS (Sustainability, Tracking, Assessment, and Rating System) report, confirmed that Luther pays each of its working more than the minimum wage of 7.25$/per hour, however this does not guarantee that Luther pays each of its workers a “Living Wage”. Only...
once the local “Living Wage” is calculated can Luther’s wages be accurately assessed for sustainability.

Proposal:

There are three steps that must be taken in order to assess the status of the “Living Wage” on Luther’s campus. First, members of the Sustainability department should engage with Human Resources to collect detailed information on the minimum wages at Luther. The critical pieces of information needed to move forward include the lowest wages on campus (including student workers, part-time employees, and full-time employees) and the general occupational areas with the lowest average wage, e.g. food preparation or custodial services. Second, additional data must be gathered by the Sustainability Department concerning the financial needs of Decorah residents in order to live a relatively comfortable. This will include such information as the prices of adequate housing, food, child care, healthcare, and transportation in the local area. Once this data is acquired, the Sustainability Department, in conjunction with the Human Resources Department, should create a local “Living Wage Calculator”, which will determine the minimum wage per hour needed for employees to afford adequate necessities. Third, if Luther’s current minimum wage does not meet or exceed the “Living Wage” determined by the calculator, a campus wide discussion of the appropriate response is needed. The Sustainability Department should once again take the lead in organizing public forums for this purpose. Additionally, the Sustainability Department should make all data gathered in the first two steps available to faculty, students, and the Decorah community by any effective means.

Rationale

Ensuring that every employee is compensated at the living wage is a goal that is fully supported by Luther’s mission of accomplishing “the common good”. Adequate pay for working members of the Luther Community not only fosters economic improvement, but also a greater sense of fairness and unity on campus. Many other campuses, such as Harvard, Yale, and Miami University have already made great strides in raising the minimum wage for their employees. Luther, as a model of environmental sustainability, should not neglect social and economic sustainability.

Contacts

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