PITTSFIELD FEDERATION OF SCHOOL EMPLOYEES CAMPAIGN FOR A LIVING WAGE

WHAT IS A LIVING WAGE?

A living wage is the amount of money needed for a person and their family to cover the cost of their minimum needs where they live, including food, childcare, health insurance, housing, transportation, and other necessities like clothing and personal care items.¹

The living wage model is measure of basic needs. A living wage is the minimum earnings necessary to meet a family's basic needs while also maintaining self-sufficiency. It is a minimum income standard that, if met, *draws a fine line* between financial independence of the working poor and the need to seek out public assistance or suffer consistent and severe housing and food insecurity. A living wage is perhaps better defined as a minimum subsistence wage for persons living in the United States.²

HOW MUCH MUST AN INDIVIDUAL LIVING IN PITTSFIELD, MASSACHUSETTS EARN IN 2021 IN ORDER TO SUPPORT HIS OR HERSELF AND THEIR FAMILY?³

1 ADULT -					2 ADULTS				2 ADULTS			
					(1 WORKING)				(BOTH WORKING)			
	o Children	1 Child	2 Children	3 Children	o Children	1 Child	2 Children	3 Children	o Children	1 Child	2 Children	3 Children
Living Wage	\$14.25	\$31.08	\$40.98	\$53.79	\$22.11	\$26.37	\$29.78	\$32.09	\$10.89	\$16.88	\$22.28	\$27.13
Poverty Wage	\$6.13	\$8.29	\$10.44	\$12.60	\$8.29	\$10.44	\$12.60	\$14.75	\$4.14	\$5.22	\$6.30	\$7.38
Minimum Wage	\$13.50	\$13.50	\$13.50	\$13.50	\$13.50	\$13.50	\$13.50	\$13.50	\$13.50	\$13.50	\$13.50	\$13.50

The living wage shown is the hourly rate that an individual in a household must earn to support his or herself and their family. The assumption is the sole provider is working <u>full-time</u> (2080 hours per year).

					2 ADULTS				2 ADULTS			
1 ADULT					(1 WORKING)				(BOTH WORKING)			
	o Children	1 Child	2 Children	3 Children	o Children	1 Child	2 Children	3 Children	o Children	1 Child	2 Children	3 Children
Food	\$3,690	\$5,424	\$8,118	\$10,793	\$6,764	\$8,406	\$10,806	\$13,174	\$6,764	\$8,406	\$10,806	\$13,174
Child Care	\$O	\$13,224	\$26,447	\$39,671	\$O	\$0	\$0	\$0	\$0	\$13,224	\$26,447	\$39,671
Medical	\$3,048	\$7,364	\$7,052	\$7,192	\$5,928	\$7,052	\$7,192	\$6,845	\$5,928	\$7,052	\$7,192	\$6,845
Housing	\$9,662	\$12,989	\$12,989	\$16,302	\$10,250	\$12,989	\$12,989	\$16,302	\$9,662	\$12,989	\$12,989	\$16,302
Transportation	\$4,332	\$7,945	\$9,889	\$11,773	\$7,945	\$9,889	\$11,773	\$10,684	\$7,945	\$9,889	\$11,773	\$10,684
Civic	\$1,702	\$3,655	\$3,341	\$3,879	\$3,655	\$3,341	\$3,879	\$3,743	\$3,655	\$3,341	\$3,879	\$3,743
Other	\$3,078	\$5,023	\$5,514	\$6,665	\$5,023	\$5,514	\$6,665	\$6,684	\$5,023	\$5,514	\$6,665	\$6,684
Required annual income after taxes	\$25,511	\$55,624	\$73,349	\$96,275	\$39,566	\$47,190	\$53,303	\$57,433	\$38,977	\$60,414	\$79,750	\$97,104
Annual taxes	\$4,136	\$9,017	\$11,891	\$15,608	\$6,414	\$7,650	\$8,641	\$9,311	\$6,319	\$9,794	\$12,929	\$15,742
Required annual income before taxes	\$29,647	\$64,641	\$85,240	\$111,882	\$45,980	\$54,840	\$61,945	\$66,744	\$45,296	\$70,208	\$92,679	\$112,846

¹ Living Wage Calculator (mit.edu): https://livingwage.mit.edu/articles/85-15-an-hour-isn-t-enough-u-s-workers-need-a-livingwage.

² Glasmeier, Amy K. Living Wage Calculator. 2020. Massachusetts Institute of Technology. livingwage.mit.edu.

³ Living Wage Calculator - Living Wage Calculation for Pittsfield, MA (mit.edu): https://livingwage.mit.edu/metros/38340.



MINIMUM WAGE VS. LIVING WAGE

The Massachusetts minimum wage is currently \$14.25 per hour, and this rate will increase by \$0.75 an hour to \$15.00 on January 1, 2023. The Federal minimum wage is \$7.25 per hour and has been stuck in the political gridlock of Washington, D.C. since 2009. Recent events indicate this rate is not likely to change anytime soon.

The laws of the Commonwealth state that "it is against public policy for <u>any</u> employer to employ any person in an occupation at an oppressive and unreasonable wage". Our laws further define wages below the state minimum (currently \$13.50/hour) to be "oppressive and unreasonable". Despite this, the Pittsfield Public Schools (PPS) have continued to hire and employ individuals at hourly rates below the current state minimum wage. The PPS exploits a loophole in state law which requires a municipal employer to adopt changes to the state's wage statue, which they have not, and so they can and do continue to pay wages which are "oppressive and unreasonable". ⁴

While the minimum wage is *a floor below which wages should not fall*, a living wage is the amount of money needed for a working person to cover the cost of their family's minimum needs where they live, including food, childcare, health insurance, housing, transportation, and other necessities like clothing and personal care items. ⁵

WHY PPS SUPPORT STAFF NEED A LIVING WAGE?

Calculations of a living wage are based upon the composition of a working person's family, e.g., one adult – no children, two adults (one working) – no children, two adults (both working) – with one child. These estimations assume a person is working forty (40) hours per week and fifty-two (52) weeks per year (2080 hours).⁶ Using these criteria as an example the current living wages for people living in Pittsfield, Massachusetts in 2021 are:

<u>One adult – with no children:</u> \$14.25 per hour or an annual income before taxes of \$29,647

<u>Two adults (one working) – with no children:</u> \$22.11 per hour or an annual income before taxes of \$45, 980

Two adults (both working) – with one child: \$16.88 per hour or an annual income before taxes of \$70,208 ⁷

⁵ Living Wage Calculator (mit.edu): <u>https://livingwage.mit.edu/articles/85-15-an-hour-isn-t-enough-u-s-workers-need-a-living-wage</u>.

⁶ Glasmeier, Amy K. Living Wage Calculator. 2020. Massachusetts Institute of Technology. livingwage.mit.edu.

7 <u>Ibid</u>.

⁴ MGL Chapter 151 Section 1 2019-2023.pdf (mass.gov): https://www.mass.gov/files/documents/2019/06/24/MGL%20Chapter%20151%20Section%201%202019-2023.pdf

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Comparing these concrete examples of the 2021 living wage in Pittsfield, Massachusetts to the wages being paid to PPS Support Staff is one way to illustrate this crisis:

Example 1: PPS Bus Driver

A Bus Driver with more than twenty (20) years of service employed by the PPS earns \$21.56 per hour, and works on average 26.95 hours per week, forty (40) weeks per year (1078 hours).⁸ Based upon these figures the annual income before taxes for this Bus Driver is \$23,241.68 compared to the living wage of \$29,647. To accurately compare this Bus Driver's hourly rate of pay (\$21.56 per hour) to the current hourly living wage in Pittsfield, Massachusetts requires adjusting these figures based on the average number of hours worked during a year (1078 hours/2080 hours), or 51.82%. Using this methodology, the true hourly rate of pay for a Bus Driver employed by the PPS with more than twenty (20) years of service is \$11.17 per hour.

Example 2: PPS Cafeteria Helper

A Cafeteria Helper with more than twenty (20) years of service employed by the PPS earns \$15.43 per hour, and works on average 28.0 hours per week, forty (40) weeks per year (1140 hours).⁹ Based upon these figures the annual income before taxes for this Cafeteria Helper is \$17,590.20 compared to the living wage of \$29,647. To accurately compare this Cafeteria Helper's hourly rate of pay (\$15.43 per hour) to the current hourly living wage in Pittsfield, Massachusetts requires adjusting these figures based on the average number of hours worked during a year (1140 hours/2080 hours), or 54.82%. Using this methodology, the true hourly rate of pay for a Cafeteria Helper employed by the PPS with more than twenty (20) years of service is \$8.46 per hour.

Example 3: PPS Custodian

A Custodian with more than twenty (20) years of service to the PPS who is married with no children, two adults (one working) – with no children, earns \$17.88 per hour. ¹⁰ A Custodian employed by the PPS works on average 40.0 hours per week, fifty-two (52) weeks per year (2080 hours). Based upon these figures the annual income before taxes for this Custodian is \$37,190.40 compared to the current living wage of \$45, 980. A simple comparison of the hourly rate (\$17.88 per hour) paid to this Custodian reveals that his/her hourly rate is \$4.23 below the current living wage of \$22.11 per hour.

⁸ Bus Contract 2018-2021, Appendix A: <u>http://www.pittsfield.net/common/pages/DisplayFile.aspx?itemId=31813281</u>.

⁹ Cafeteria Contract 2018-2021, Appendix A: <u>http://www.pittsfield.net/common/pages/DisplayFile.aspx?itemId=31813283</u>

¹⁰ Custodial Contract 2018-2021, Appendix A: <u>http://www.pittsfield.net/common/pages/DisplayFile.aspx?itemId=65772506</u>



Example 4: PPS Educational Secretary

An Educational Secretary and more than twenty (20) years of service employed by the PPS earns \$18.44 per hour, and works on average 36.50 hours per week, forty (40) weeks per year (1460 hours)." Based upon these figures the annual income before taxes for this Educational Secretary is \$26,922.40 compared to the living wage of \$29,647. To accurately compare this Educational Secretaries' hourly rate of pay (\$18.44 per hour) to the current hourly living wage in Pittsfield, Massachusetts requires adjusting these figures based on the average number of hours worked during a year (1460 hours/2080 hours), or 70.19%. Using this methodology, the true hourly rate of pay for an Educational Secretary employed by the PPS with more than twenty (20) years of service is \$12.94 per hour.

Example 5: PPS Paraprofessional

A Paraprofessional with more than twenty (20) years of service employed by the PPS earns \$16.66 per hour, and works on average 36.50 hours per week, forty (40) weeks per year (1460 hours).¹² Based upon these figures the annual income before taxes for this Paraprofessional is \$24,323.60 compared to the living wage of \$29,647. To accurately compare this Paraprofessional's hourly rate of pay (\$16.66 per hour) to the current hourly living wage in Pittsfield, Massachusetts requires adjusting these figures based on the average number of hours worked during a year (1460 hours/2080 hours), or 70.19%. Using this methodology, the true hourly rate of pay for a Paraprofessional employed by the PPS with more than twenty (20) years of service is \$11.69 per hour.

¹¹ Secretaries Contract 2018-2021, Appendix B: <u>http://www.pittsfield.net/common/pages/DisplayFile.aspx?itemId=31813289</u>

¹² Paraprofessional Contract 2018-2021, Appendix A: <u>http://www.pittsfield.net/common/pages/DisplayFile.aspx?itemId=31813287</u>

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ADDITIONAL FACTORS IN SUPPORT OF THE NEED FOR A LIVING WAGE

Health Insurance: Cost Shifting

In April 2018 the City of Pittsfield entered into an agreement over Health Insurance coverage (PEC Agreement) with all City/PPS bargaining units. The PEC Agreement allows the City of Pittsfield to realize significant savings on health insurance costs. Cost savings for the City are achieved by shifting the costs of health insurance premiums to employees, and plan design changes which result in significantly higher out-of-pocket costs for employees who use their insurance. The PPS Support staff are some of the lowest paid employees of the City of Pittsfield, and the cost shifting which will escalate in FY2022-FY2024 as the PEC Agreement is fully implemented will impose an increasing financial burden on these employees.¹³

COVID-19 Inflation: The Impact of Inflation on the Poor

The COVID-19 pandemic has led to many unexpected and unprecedented economic developments. Inflation, which is the general increase in the price of goods and services across the economy exceeded six percent (6%) in 2021. As inflation occurs, individuals can purchase fewer goods and services with the same amount of money.¹⁴ Inflation places a very high burden on poor households because they are largely hand-to-mouth consumers. Compared to richer families, even small increases in prices have strong implications for their consumption. Uncontrolled inflation, moreover, generates poverty traps. It forces low-income households to avoid starvation by eating lower quality food, potentially affecting their children's cognitive development.¹⁵

Where Did the Money Go: \$29.9 Million in State and Federal Aid to the Pittsfield Public Schools

Since 2019 State Chapter 70 Funding for the Pittsfield Public Schools has increase by \$9.094 Million, despite the fact that our student enrollment in the Pittsfield Public Schools continues to decline. ¹⁶ Since 2020 Federal Covid-19 Relief allocated to the Pittsfield Public Schools totals \$\$20.86 Million. ¹⁷⁻¹⁹ In 2021 the School Committee gave District Leadership raises of 9-12%.

In 2021 District Leadership and the School Committee have spent over \$3+ Million to install cameras and surveillance equipment in our schools, and to replace the furniture (desks) in each building. What about the rest of the \$29.9 Million?

¹³ City of Pittsfield PEC Agreement 2018-2024: <u>http://pittsfield.ma.aft.org/sites/default/files/article_pdf_files/2018-04/final_pec_moa_4-6-18_w_exhibits_signed_copy.pdf</u>.

¹⁴ Inflation in the Wake of COVID-19: <u>https://sgp.fas.org/crs/misc/R46890.pdf</u>.

¹⁵ Inflation and Its Impact on the Poor in the Era of COVID-19: <u>https://blogs.iadb.org/ideas-matter/en/inflation-and-its-impact-on-the-poor-in-the-era-of-covid-19/</u>.

 ¹⁶ DESE School Finance and District Support - Chapter 70 Program: <u>https://www.doe.mass.edu/finance/chapter70/default.html</u>.
¹⁷ DESE Grants and Other Financial Assistance Programs: <u>https://www.doe.mass.edu/grants/entitlement-</u> allocation.aspx?view=code&fy=2021&code=113.

¹⁸ DESE Grants and Other Financial Assistance Programs: <u>https://www.doe.mass.edu/grants/entitlement-</u> <u>allocation.aspx?view=code&fy=2021&code=115</u>.

¹⁹ DESE Grants and Other Financial Assistance Programs: <u>https://www.doe.mass.edu/grants/entitlement-</u> <u>allocation.aspx?view=code&fy=2022&code=119</u>.



#OurFamilesMatter: Our Requests Ignored

Despite gathering over 500 signatures from residents of Pittsfield in support of a salary adjustment for the members of the PPS Support Staff PPS Administration and the School Committee chose to simply ignore our request. As we move through the 2021-2022 school year a majority of our PPS Support Staff continue to work at least two and in many instances three jobs just to support their families. While the Pittsfield Public Schools struggle to attract and retain staff and the School Committee contemplates closing schools due to staffing shortages the District's leadership continue to overlook the one viable way to attract and retain new employees - a living wage.