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Recommended Citation

Kent, Alison, "Success Factors for Promoting Living Wages in Richmond Virginia" (2022). *School of Professional and Continuing Studies Nonprofit Studies Capstone Projects*. 28.
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Success Factors for Promoting Living Wages in Richmond Virginia

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April 27, 2022

NPS 590U

I pledge that I have neither given nor received unauthorized assistance during the completion of this work.

SUCCESS FACTORS FOR PROMOTING LIVING WAGES IN RICHMOND VIRGINIA

Abstract

Advancing living wages helps reduce poverty, enable individuals to realize their full societal potential, and support overall economic growth. In this paper, I describe a research project I undertook in Richmond, Virginia to identify impactful actions that can be taken to promote living wages. I identified the roles of organizations across different sectors and subsectors and how these organizations collaborate to drive living wages. I define the model that has evolved in Richmond, Virginia and I compare it to models employed in other communities. I close by identifying those components which are unique and powerful in the Richmond model and make suggestions how benefits could be amplified in the future.

Chapter 1: Introduction

The Problem of Low Wages

Broad attainment of a living wage is core to achieving many of the United Nations Sustainable Development Goals, specifically that of eradicating poverty. This paper defines the unique roles of nonprofit, governmental, and for-profit organizations play in improving the ability for people to earn a living wage. Promoting living wages will ultimately benefit humanity in that individuals will have the resources needed to achieve their potential.

Those earning less than a living wage are at risk of food and housing insecurity. Oftentimes they don't have easy access to transportation needed to have a higher paying job. They also can be without access to health care, which can lead them to suffer from preventable illnesses. A single unexpected expense can lead to catastrophic consequences as those who earn low wages have no financial safety net. The stress of financial concerns can cause mental distress.

According to Ratcliffe & McKernan (2010), comparing individuals who lived in poverty in their

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early years to those who grew up in households with at least two times the poverty level: those who lived in poverty completed two fewer years of schooling on the average, had incomes that were less than half of those earned by adults who had wealthier childhoods, were almost three times more likely to report being in poor health, were twice as likely to have been arrested (males only), and were five times as likely to have borne a child (females only).

While anyone can earn less than a living wage, those who predominantly fall in this category in the United States are minorities, women, and those who have a disability. Children of these workers also suffer the consequences of low wages and are at risk of not fulfilling their educational and professional potential.

Cause of Low Wages

At the most basic level, low wages exist because they can. For-profit employers generally pay the lowest wages they can to maximize their profits. Nonprofit employers often pay the lowest wages they can to direct as much of their funding to mission related programs. Government sector employers pay the lowest wages they can to support as many government services as possible with the budget they have. Increasing wages is a deliberate decision and is only made if it is believed that higher wages will yield a benefit beyond profit, programs, or government services. There are assertions that higher pay will lead to improved performance, but few studies exist to prove that this is true. Paying higher wages is a leap of faith that enabling workers to fulfill their potential and have a secure life will ultimately further all organizations' goals.

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Concerns about Low Wages

Low wages are clearly a concern of those who earn them as well as others who have a humanitarian perspective. Since people tend to live in the communities they can afford, it is easy for those who earn middle- or upper-income wages to not be aware of the challenges of those who earn low wages. Efforts to address low wages have historically been the focus of nonprofit organizations and in some cases, government sector organizations.

Low Wages in Richmond, Virginia

The poverty rate for Richmond is 23.2% (US Census, n.d.). Richmond's history of racial inequity is at the root of low wages for its population. Low wages disproportionately affect low-income minorities. The Black community makes up 46.9% of Richmond's population. Centuries of segregation and employment inequality have constrained the economic resources of Richmond's Black population. Urban development has left many predominately Black neighborhoods without access to transportation, a prerequisite for many jobs. Additionally, Richmond has higher than the U.S. average ratios for several factors correlated with poverty, specifically the ratio of single parent households, residents with disabilities, and residents under 18 (Richmond, Virginia Food Policy Task Force, 2013, p. 12). Progress in advancing living wages is meaningful to both Richmond's population as well as its overall economic growth.

Living Wages and the United Nations Sustainable Development Goals

The United Nations Sustainable Development Goals (UN SDGs) were defined and adopted in 2015 to focus member country efforts at ensuring all humankind can lead a fulfilling life. The overarching intention of the SDGs is to eradicate "poverty in all its forms and dimensions" (UNSDG, 2015, p. 5) to ensure that no one is left behind by the year 2030. To that

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end, 17 individual goals were defined which when collectively realized, are expected to improve the lives of all people now and in the future. The authors write, “we envisage a world free of poverty, hunger, disease and want, and where all life can thrive” (UNSDG, 2015, p. 7).

Figure 1

UN SDGs and Living Wages		
	Sustainable Development Goals	Impacted by Achievement of Living Wages
1	No Poverty	X
2	Zero Hunger	X
3	Good Health and Well-being	X
4	Quality Education	
5	Gender Equality	
6	Clean Water and Sanitation	
7	Affordable and Clean Energy	
8	Decent Work and Economic Growth	X
9	Industry, Innovation and Instruction	
10	Reducing Inequality	X
11	Sustainable Cities and Communities	X
12	Responsible Consumption and Production	
13	Climate Action	
14	Life Below Water	
15	Life On Land	
16	Peace, Justice, and Strong Institutions	
17	Partnerships for the Goals	

As depicted in Figure 1, of the 17 SDGs, at least six are related to individuals’ ability to earn a living wage. In other words, attainment of the SDGs will be furthered by achievement of living wages. As the concept of Sustainability has gained momentum, the problem of poverty and the need for living wages has become better understood and is beginning to gain priority. There have been coalitions formed across multiple industries and regions to champion the need for living wages and request employers get certified as paying a living wage. The international garment industry has been especially noteworthy in this effort.

Paper Objective

This paper will define what is required to achieve living wages in a community. Specifically, it will identify which organizations are involved in driving living wages, their

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unique roles, and how they work with other organizations. While living wages are a global concern and there are programs all over the world to address living wages, this paper will focus on wage programs in the United States. Even more specifically, the research is centered on success factors for driving living wages in the Richmond Virginia metropolitan area. The methods employed in Richmond are compared to living wage efforts in Baltimore, Maryland and Cleveland, Ohio, two communities that have made living wages a priority.

Paper Organization

This paper is divided into four sections. The first provides an overview of the concept of living wages and explain why achievement of living wages matters from humanitarian, community, and economic perspectives. The second section is a review of literature related to living wages and specifically the successes and failures of living wage programs. The third section summarizes the author's research into living wage programs. This research was done through one-on-one interviews with and content analysis of organizations working to advance living wages. The fourth and concluding section of this paper is analysis of the research and implications for further work.

Definitions

There are various definitions of what constitutes a living wage. One which is accepted by many organizations both locally and internationally is from the Global Living Wage Organization (2017). This organization defines a living wage as the remuneration received for a standard workweek by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living include food, water, housing, education, health care, transportation, clothing, and other essential needs

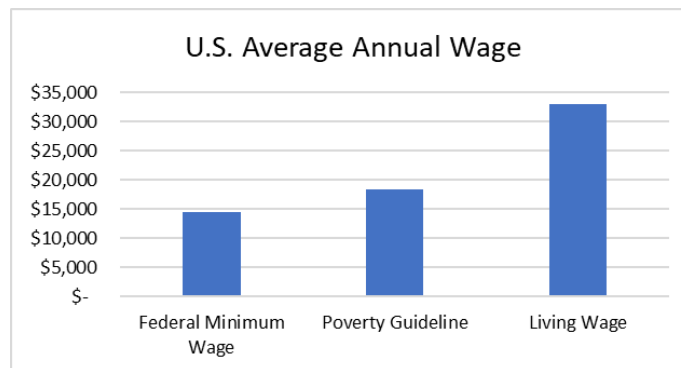
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including provision for unexpected events. A key component of this definition is “in a particular place.” What this means is that a living wage is different based on where a worker lives as it reflects the cost of living in the worker’s community. Additionally, the living wage within a community will vary for workers based on their own needs and those of the family they support.

In contrast to a living wage, within the United States, a minimum wage is the lowest remuneration that employers can legally pay their employees (U.S. Department of Labor, n.d.). Minimum wages vary by state and are generally well below the average living wage.

The poverty level is the annual earnings beneath which a worker is living in poverty. Originally, a minimum wage was intended to be sufficient for a worker to live above the poverty level however minimum wages have not kept pace with price inflation. In most states, the minimum wage is below the poverty level. The poverty level is below a living wage as a living wage is intended to be sufficient to prevent a worker from slipping into poverty due to an unexpected expense. Figure 2 depicts a comparison of the Federal Minimum Wage versus the Poverty Guideline and a Living Wage for a family of two.

Figure 2



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History of Efforts to Address Low Wages

Wage equity has been a topic of concern throughout history. There are references to paying one's workers fairly in the Bible (Deuteronomy 24:14-15). In 1912, the first state minimum wage was implemented in Massachusetts (Gertner, 2006, p. 12). In 1938 the federal minimum wage of 25 cents an hour was adopted. In 1995, in Baltimore, the term *living wage* was coined and a grass-roots group succeeded in getting an ordinance adopted by the city government.

“In the late 1990's, a loose national network of advocates sprang up, incorporating organized labor, grass-roots groups like Acorn and the Industrial Areas Foundation and, more recently, the National Council of Churches. Legal advice often came out of the Brennan Center for Justice at New York University's law school, where a lawyer named Paul Sonn helped write wage ordinances and ballot measures for various states and cities” (New York Times, 2006).

Living wage laws have been implemented in a local and limited manner and for this reason have been both easy to overlook as well as limited in their effect. Typically, a *living wage* law has required that any company receiving city contracts, and thus taxpayers' money, must pay its workers a wage far above the federal minimum. These regulations often apply to employees at companies to which municipalities have outsourced tasks like garbage collection, security services and home health care. Low-wage workers in the private sector -- in restaurants, hotels, retail stores or the like -- have not been included in the law and therefore not received any wage benefit from it.

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Despite living wage laws being implemented all over the country, there is still a pressing need for a change in remuneration for low wage workers in order to eradicate poverty. While the overall poverty rate has fallen from over 20% in 1959 to 10% in 2019 (U.S. Census), the number of people living in poverty has declined little. In addition, inequalities in income distribution have grown as shown in Figure 3. Between 1970 and 2018, the upper income group gained a larger share of the country's wealth, the middle-income group lost significant wealth, and the lower income group (those who could use wealth the most) also lost wealth.

Figure 3

Income Level	1970		2000		2018	
	Median Household Income	Share of US Aggregate Income	Median Household Income	Share of US Aggregate Income	Median Household Income	Share of US Aggregate Income
Lower	\$20,000	10%	\$28,200	10%	\$28,700	9%
Middle	\$58,100	62%	\$81,700	51%	\$86,600	43%
Upper	\$126,100	28%	\$192,200	39%	\$207,400	48%

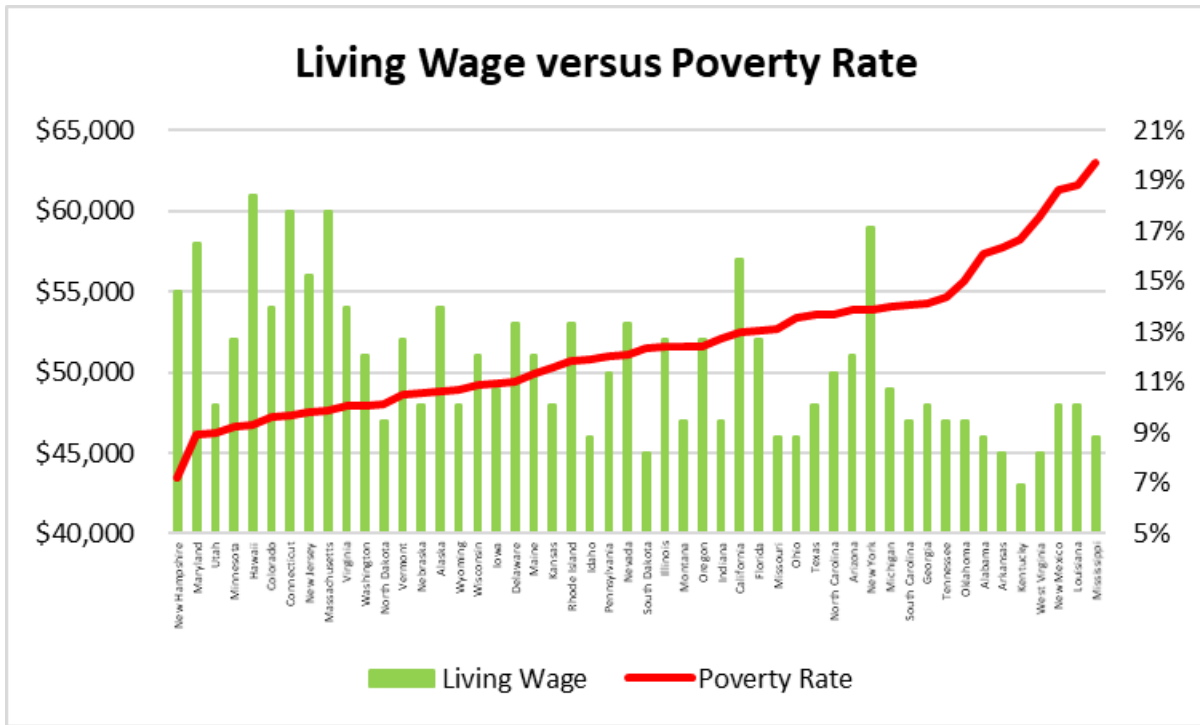
Source: www.pewresearch.org/social-trends/2020/01/09/trends-in-income-and-wealth-inequality/

Geographic Trends

The U.S. states with the highest poverty rates are principally in the Southeast region due to the higher proportion of minority groups in this region. Somewhat paradoxically, the states with the highest poverty rates also have among the lowest living wage levels, meaning that it would take lower increases in wages to move more of the population out of poverty.

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Figure 4



Source: <https://worldpopulationreview.com/state-rankings/poverty-rate-by-state>

Demographic Impacts

While the poverty rate has declined for all ethnic groups, minorities still have a significantly higher poverty rate than that of the white population as depicted in Figure 5.

Figure 5

	1970	2019
Black	32%	19%
Hispanic (any race)	23%	16%
Asian	19%	7%
Non-Hispanic White	9%	7%

Source: U.S. Census Bureau, Current Population Survey, 1960-2020 Annual Social and Economic Supplement

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Project Goals

This research project aims to understand what it takes to achieve the SDG of eradicating poverty through meaningful advancement of living wages. While the goal is global in nature, progress in advancing living wages is made a local level and what is effective for one locality, will not necessarily be effective for another. Therefore, I will analyze what is specifically effective in the Richmond Virginia metro area given the organizations, history, and unique needs of the area.

Richmond Virginia is region with a history of fragmented local governments and racial inequities caused by the lasting impact of slavery. While there have been efforts to advance living wages and even the creation of the Office of Community Wealth Building within the city government in 2014, progress has been slow. The approach to date has yielded results, however driving dramatic and lasting change will entail developing collaborations across sectors to enlist more employers to pay living wages. To do so will require making the cause for how living wages benefit all stakeholders and defining the specific roles for all stakeholders.

Many organizations are involved in advancing living wages. Just the same, wage data trends and poverty levels suggest that progress has not been made at the rate needed to eradicate poverty by the UN Sustainable Development Goal of 2030. I would like to understand the methods that are effective at eradicating poverty such that I can create a set of recommendations that can be used locally. This would help focus the limited resources organizations have in such a manner as to deliver the most meaningful results possible.

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Research Approach

My research is based on interviews with organizations involved in advancing living wages in the Richmond metro area. I have documented the tactics employed by nonprofit, for-profit, and government sector organizations. In addition, I researched what has been done in Baltimore, Maryland and Cleveland, Ohio, two other communities that have made advancing living wages a goal for their region. I was not able to interview individuals in these regions however, I leveraged content from the published information about organizations in these localities working to advance living wages. Through my research, I have documented what has been done to date relative to advancing living wages in Richmond Virginia, the progress made, the gaps that can be addressed, and create recommendations for how to address.

What I Want to Learn

While eradication of poverty and worker wages have been topics discussed and promoted for decades, data show that poverty and income disparity have worsened over time and across geographies. I would like to understand where progress has been made and what was required to make it. I would like to define the best uses of limited resources and methods of collaboration to drive meaningful advances in living wages.

What I Want to Achieve

I am specifically interested in what should be done in my local community metro Richmond, Virginia to advance living wages. There has been research done on the topic of living wages, not all of it is relevant to the local economy and history of metro Richmond. My research will create a living wage action plan for my own community.

Chapter 2: Literature Review

Earning a living wage means workers receive sufficient wages to cover basic human needs for themselves and their family, according to the MIT Living Wage website. Many organizations across all sectors, nonprofit, for-profit, and government, include promoting advancements in living wages in their missions. Efforts to drive living wages have been underway globally for decades. This review focuses on literature that examines a variety of organizations' work to improve living wages and what has been identified as keys to success in driving meaningful changes. I cover the argument for living wages, the history of living wage efforts, players involved, strategies employed, and the effectiveness of various strategies.

The Argument for Living Wages

A living wage is the first step to eradicating poverty. "Pervasive social inequality harms prosperity of economies and societies" (IDH, the sustainable trade initiative, nd). In 2015, member countries of the United Nations came together and defined Sustainable Development Goals (SDGs) with the bold intention of "eradicating poverty in all its forms and dimensions" (UNSDG, 2015, p. 5) to ensure that no one is left behind by the year 2030. The SDGs were developed as a means of organizing actions across member countries to improve the lives of all people now and in the future. The authors write, "we envisage a world free of poverty, hunger, disease and want, and where all life can thrive" (UNSDG, 2015, p. 7). Creating the capacity for people to achieve a living wage is fundamental to eradicating poverty.

Poverty Eradication

Those who live on low wages struggle from food insecurity, housing instability, indebtedness, emotional crises, economic crises, and poor health (Wexler et al, 2020). "Workers

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earning the current federal minimum wage are paid less per hour in real dollars than their counterparts were paid 50 years ago” (National Employment Law Project, 2021, p. 7). While the US economy has grown significantly over the past 50 years and worker productivity has nearly doubled since the 1960, worker’s wages have not grown at the same pace. The growth in productivity has benefitted business profitability and the owners of the businesses but not the workers who have enabled this growth. “If minimum wage had been raised at the same pace as productivity growth since the late 1960s, it would be over \$20 an hour today” (National Employment Law Project, 2021, p 7). Some argue that raising wages would lead to job loss, but this has not been proven. In fact, after the minimum wage was raised in 1968, wages grew and the and racial earnings gaps closed while employment opportunities for the lowest paid workers held steady. Research on 138 state-level minimum wage increases showed that all underpaid workers benefit from minimum wage increases. In general, annual incomes of families at the bottom of the income distribution rise significantly after a minimum wage increase and these workers benefit the most from income increases, reducing poverty and income inequality overall.

Health

Multiple studies have shown that increasing the wages of the lowest paid workers benefits overall population health (Bhatia, et al, 2001, Cole, et al, 2005, Rehkopf, et al, 2018). Bhatia and Katz modeled how a living wage would impact health in San Francisco. Through statistical analysis, they determined a living wage would decrease premature death from all causes, reduce the number of days sick in bed, reduce limitations of work and activities of daily living, and reduce depressive symptoms. In another study, Rehkopf et al found that receiving a living wage was associated with increased consumption of higher quality food such as protein

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and dairy. Higher wages also create a generational health benefit. “By providing families with higher incomes, minimum wage increases have improved infant health, and reduced child abuse and teenage pregnancy” (National Employment Law Project, 2021, p. 8). Finally, O’Neill Berry et al (2017) found there are psychological benefits to earning higher wages, likely due to reduced stress.

Economic Growth

While there is a cost to paying workers higher wages, many argue that the benefits of higher wages more than offset the costs. In his research, Pollin (2007) found that if employees are paid more, there is an even greater increase in productivity in the form of higher motivation, higher self-respect, reduced absenteeism, and attrition. Additionally, Rehkopf et al (2018) write that factory workers earning a living wage spend more on grocery items and household durable goods, an overall benefit to the local economy.

Improvements in Racial Inequities

As those earning the lowest wages in many countries are minorities and people of color, increasing minimum wages and enabling all to earn a living wage helps reduce racial inequities. In the United States, The National Employment Law Project (n.d.) found that “after the federal minimum wage was raised to its highest historical peak in 1968, wages grew, and racial earnings gaps closed without constricting employment opportunities for underpaid workers overall.” In fact, paying a living wage is a crucial component for corporate America to follow through on its commitments to advance racial equity (Glasmeier, & Omen, 2021). Globally, reductions in wage inequity would mitigate the risk of political unrest and war (Bhattacharjee, Gupta, Luce, 2009).

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Increased Costs Drives Need for Increased Wages

Devinatz (2013) builds the case for why a living wage is increasingly needed in the United States. Specifically, over the last 40 years, the purchasing power of the lowest wage workers has declined at the same time as wage and income inequality has increased.

“For example, although average US labor productivity expanded by approximately 80 % from 1968 to 2001, the minimum wage failed to keep pace with such rapid growth. The minimum wage’s real value peaked in 1968 when it was \$1.65 per hour (or \$8.39 in constant 2001 dollars or \$10.74 in constant 2012 dollars). At the 1968 level, the minimum wage approximated the accepted poverty threshold for a four-person family. However, by 2001, its purchasing power had plummeted some 37 %.” (Devinantz, 2013, p. 2).

The increase in the number of households living below the poverty level has led to an increase in the need for social services, a burden shared by the entire population. Progress towards a living wage has the capacity to benefit workers with little cost to governments as the increase in wages would be borne by businesses, in contrast to typical social programs (Bennett, 2012).

Understanding the history of wage growth, helps us understand the history of the programs put in place to address perceived problems.

History of Living Wage Programs

The desire to alleviate poverty among humanity has been discussed since at least as early as biblical times. Internationally, there have been many programs aimed at agricultural and garment workers. These programs range from standard setting, to advocacy, to training. There are mixed reviews about the effectiveness of such programs. Evidence suggests that those that

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deliver the greatest impact have the support of all sectors of the economy, for-profit, nonprofit and government, and are narrowly focused to a specific community and worker group.

Rossi and Curtis (2013) describe the history of the concept of poverty from the time of the early days of the United States. Measures promoted in US politics include *a decent wage*, BEST wage, a middleclass wage, an American Wage, a *living* above poverty, and a family wage. Below an explanation is provided of the history of living wage programs in specific cities including Baltimore, Maryland and Richmond, Virginia.

Baltimore

In 1994, Baltimore became the first US city to enact living wage legislature and while this has limited impact in terms of the number of workers effected, it launched a living wage movement that continues to grow and drive changes today across the US and globally. The first law only applied to roles contracted by the government sector and while this numbers was small; the law brought the topic of living wages into the national discourse. As more individuals and groups rallied around the cause of ensuring living wages for all, communities throughout the United States enacted their own laws. In 2007, Maryland became the first state to enact a statewide living wage law, which nearly doubled the required minimum wage (Luce, 2017).

Richmond

The Office of Community Wealth Building was established in 2014 and became a permanent department of the City of Richmond the following year. The department's mission is "to create policy and structural change resulting in a coherent ladder out of poverty for our lowest-income residents" (City of Richmond Government n.d). To that end, the office oversees a collection of programs including: The Ambassadors Program, BLISS, Career Stations, Eviction

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Diversion, Mayor's Youth Academy, Richmond Living Wage Certification Program, and Social Enterprise. In addition, the department has partnerships with nonprofits including Help Me Help You, Peter Paul Development Center, and Re: Work Richmond. The department also works with other government sector organizations including the Virginia Department of Health, the Office of Minority Business Enterprises, the Community College Workforce Alliance, and Richmond Government Schools.

Players Involved in Advancing Living Wages

Every sector of the economy has a role in advancing living wages. As purpose driven organizations, the nonprofit sector has led the charge in improving worker wages. A variety of nonprofit organizations work to advance living wages. These include unions, advocacy organizations, job training organizations, standard setting organizations, and coalitions that aim to bring together multiple organizations to work towards a common goal. In addition, nonprofit organizations are also employers and as such can further living wage goals by ensuring they pay their own workers a living wage.

As the largest segment of employers, the for-profit sector also has a role to play in advancing living wages. Typically, US corporations set wages based on market competitors and median rates which have historically led to entry level wages that are below a living wage (Glasmeier, A., Omen, A., 2021). Beyond influencing their own worker's wages, for-profit organizations also can influence the wages of those companies with whom they do business. Some for-profit organizations are starting to require their suppliers to certify that they pay their workers a living wage. Additionally, for-profit companies can provide access to training and low-cost inputs and can also facilitate the access to financial products such as cheap credit and

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loans (Living Income. (2021). Retrieved from <https://www.living-income.com/rolesofactors>). In all these ways, for-profit organizations can have a meaningful impact on advancing living wages.

Finally, the government sector also has a role in advancing living wages. Like the for-profit sector, the government sector is also an employer and a procurer of services from other organizations. As such, government sector organizations could ensure their workers earn a living wage and that those organizations with whom they do business pay their own workers a living wage. In addition, the government sector could pass legislation that is supportive of living wages (Luce, 2006).

How Nonprofits Work to Advance Living Wages

Create a Movement

One of the principal methods nonprofit organizations have used to advance living wages has been to create a movement and advocate for change. The Living Wage movement is like those that evolved to address other societal issues of inequity such as Occupy Wall Street and Black Lives Matter. All are social change organizations that emerged from small groups of people working outside formal political structures and gained a following through word-of-mouth and loose networks.

Define Standards

Both internationally and locally, nonprofit organizations provide information on what a living wage would cover and what level is required based on the cost of living for a worker's geography and family structure. Pollin (2007) explains that earning the minimum wage or earning just above the poverty line do not equate to earning a living wage. Fenelon and Feloni (2021) go even further to define what should be included in a living wage and how it would vary

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based on location and family structure. For example, a worker living in a city with a high cost of living like San Francisco would need to earn more than a worker living in a rural community with a low cost of living. At the same time, a worker living in a community with no government transportation would need to earn enough money to afford a car to drive to a job

Advocate for Legislation

Pollin (1998) states,

“the living-wage movement has been strategically astute since its inception. It has emerged primarily at the level of municipal politics because organizers correctly assessed that their efforts have a greater chance of success when they attempt to change municipal laws rather than those of states or the federal government, where business has a great capacity to use its money and lobbying clout. Various local campaigns are gaining strength through building national connections (p. 15).”

The first living wage legislation was passed in Baltimore in 1994. Four years after that, living wage laws were passed in New York, Los Angeles, Chicago, Boston, Milwaukee, Jersey City, Durham, Portland, Oregon, and eight other cities. Leading the living wage charge in each community were nonprofit organizations or grassroots groups. The goal for living-wage strategists is to put initiatives on the ballots in at the state level (Gertner, 2006).

Create Coalitions

Nonprofit organizations such as IDH, The Sustainable Trade Initiative, create coalitions of organizations to work together to advance living wages. These coalitions aim to maximize the potential of proposals to put in place living wage laws and regulations. For example, IDH “is an organization (Foundation) that works with businesses, financiers, governments, and civil society to realize sustainable trade in global value chains.” IDH brings together organizations across all

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sectors of the global economy to share standards, best practices, certify progress, and promote the need for living wage progress.

Similarly, The Fair Labor Association has brought together more than 50 apparel and athletic footwear companies with human rights and labor groups and universities, to promote workers' rights and improve working conditions in factories. To that end, they have aligned on the challenge, defined standards goals, measurement methods, and a reporting structure. The belief is that once companies have this data and sense of responsibility, they will work to find longer-term solutions.

In support of the United Nations SDG, Stibbe, Reid, and Gilbert (2019) created a collaboration framework for organizations to use to advance the sustainable development goals. This framework defines 11 benefits from collaboration as well as keys to partnership and a life cycle of partnership.

Living Wage Program Assessment

Understanding the impact of the various aspects of living wage programs is important in that such information can be used to help guide future efforts and investments. Some efforts appear to have led to visible and lasting change while others did not. To drive change, it is important to learn what worked in the past.

What Works

Living-wage advocates have succeeded in passing legislation, building labor community coalitions, raising awareness on economic development and wage issues, assisting union organizing, and winning raises for already unionized workers. Unions could also benefit by following lessons based on the living wage movement. For example, labor must develop long-

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term allies, create a moral vision of its own, work from inside and outside the political process to pass and then enforce laws, and do a better job at involving rank-and-file members (Luce, 2005).

The initial living wage movement that began in the early 1990s was limited in scope but successful in building coalitions and political power to launch a much more expansive movement to raise wages in 2012 (Luce 2017).

Paradoxically, Murray (2002) argues that the Living Wage movement has been effective in part because it is so limited and therefore not difficult to support. Most living wage ordinance measures are extremely limited in that they apply only to companies that receive city subsidies and/or contracts, requiring them to pay employees a wage that lifts a family above the poverty level.

A number of additional success factors have been identified. Porter, Fisher-Bruns, and Pham (2019) assert that organizations that physically exist in a community (anchors) to serve that community, run their operations such that they increase the wealth of that community. Examples of anchor organizations include hospitals and universities. Lester states that the living wage campaigns in Chicago and San Francisco show that the social and political history of a community will influence how effective economic redistribution policies will be and therefore why some living wage movements achieve more than others. Wexler et al (2020) found that inviting workers to share their challenges of living on low wages to legislators gave credibility to the problem and was effective at enlisting support from local leaders. Finally, according to Stranahan (2019), corporate employee-owned companies are the most effective at advancing missions to advance communities and individuals while preserving the environment. Key factors to making progress on living wage initiatives seem to include communicating the need in ways that resonate with different parties, building coalitions, and collaborating across organizations.

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What Doesn't Work

When studying the Asian garment companies progress towards paying living wages to the workers who make their clothes, LeBaron et al (2022) have found that there is little evidence companies have made progress towards achieving commitments to pay living wages in their supply chains. Companies have outsourced their living wage commitments to their vendors but not modified contracts to ensure living wages are paid. They found there are limits of social compliance tools like social auditing, ethical certification, and codes of conduct in bolstering labor standards.

Within the United States and specifically within Baltimore, Boston, and Los Angeles, Luce (2005) has found that many local governments have voted to require living wages but have not done anything to enforce that they are paid. The governments themselves have outsourced many of the services that they provide and the for-profit companies to whom they have outsourced work are not required to pay living wages.

At an even more local level, Offner (2013) studied the living wage campaign at Harvard University and found it to be wanting. The campaign began in 1998 to advocate for improved wages and working conditions for those employed by Harvard University as well as those who worked for vendors that supplied goods and services to the university. Offner points out that if an employer is not motivated to pay a living wage, even if there is a mandate to do so, there are myriad ways the employee can work around the mandate.

My Own Research

My research is intended to two in two areas. First I would like to identify which actions taken with the intention of advancing living wages are successful in delivering measurable and

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lasting change. Second, I would like to research and document what has been and is being done in Richmond, Virginia, my hometown, to advance living wages. I would like to define the roles played by organizations across the economic sectors and identify how these organizations collaborate towards the common goal of advancing living wages.

Chapter 3: Methods and Findings

Data Source

I created a proposed plan for sources, sampling procedure, and sampling instrument. I presented these documents to the University of Richmond Internal Review Board for approval before beginning my research. I took a purposeful sampling approach to obtain data in order to ensure I both interviewed organizations with living wage advancement core in their purposes and included organizations from all sectors of the local economy. A purposeful sampling approach entails the researcher selecting participants from a potential participant pool based on the participants having characteristics that the researcher desires. “A researcher begins with specific characteristics in mind that they wish to examine and then they seek out research participants who cover that full range of characteristics” (DeCarlo, 2018).

My specific focus was to understand the relationships between organizations and across organizations within the Richmond community, so I sought representative organizations from each sector. Five specific organizations were selected that each had some declared affiliation with the concept of living wages. Of the five organizations interviewed, three are in the nonprofit sector, one is in the government sector, and one is in the private sector. Data for this research was obtained by conducting in depth telephone interviews with leaders from each organization.

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Sample

I created a list of potential organizations to interview by cross-referencing organizations that are involved in living-wage work listed on the websites for the Office of Community Wealth Building in the City of Richmond, the Virginia Interfaith Center, an organization that certifies companies that pay a living wage, and Just Capital, an organization that rates for-profit companies on social equity factors. From this combined list, I identified a subset that had advancing living wages as part of their purposes. I made sure I included organizations from each sector of the economy: nonprofit, government, and for-profit. I researched each organization on this refined list to determine where I had personal contacts who could introduce me to someone at the organizations. My original list of potential interviewees had 28 organizations. 15 of these organization met my criteria of having a living wage purpose. I identified eight organizations for whom I had contacts who could make introductions for me. From those eight, I selected five organizations to interview. Once I had identified a contact, I sent an email message describing my research and asking if they would be willing to be interviewed via phone.

Instrument

For each interview, I used the same set of 15 qualitative questions. In some cases, I did not need to ask a question because the interviewee provided the information I was seeking without me asking it. In other cases, the interviewee provided additional information beyond what I was asking that seemed noteworthy.

Procedure

I handwrote the answers to all questions. After each interview, I typed up my notes. Each interview took about one hour. Examples of some of the questions asked include, “what does a

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living wage mean to your organization,” “what role does your sector have in advancing living wages?,” and “if you could change one thing to advance living wages, what would it be?”

Data Analysis

The data compiled were transcribed from notes and then coded via key concepts that were distilled from the data. I created a document for each organization I interviewed. Once all my interviews were complete, I reviewed each document and highlighted key concepts related to my overarching research question of “what is effective in advancing living wages.” I organized main points from each interview into a matrix to further identify key concepts (figure 6). I then copied each concept onto an individual notecard. I organized the notecards into categories and from these categories, I identified to themes from my interviews.

Figure 6

Organizations Interviewed					
	Government	Nonprofit A	Nonprofit B	Nonprofit C	For-profit
Purpose	Community engagement Outreach Recruitment	Develop individual's resilience Address inequities in community	Advocacy for economic, racial, and social justice in Virginia's policies and practices	Art and art education for to drive positive community change	Help employees and community achieve their potential Be employer of choice
Standard	MIT Living Wage Model BLISS Model Household Size	MIT Living Wage Model BLISS Model Household Size	MIT Living Wage Model Two-tiered approach	Compensation audit commissioned from consulting firm	Work with their employees' union Benchmark against other companies
Services	Stipends to cover needs while individual is developing job skills Skills and interest assessments Training guidance Employment referrals Childcare referrals Transportation	Skills and interest assessments Training guidance Employment referrals Childcare referrals Transportation	Standard Certification Advocacy	Pay in the 50th percentile of market (national, not exclusively nonprofit) Medical benefits	Wrap-around benefits including health care, childcare, and transportation Well paid jobs Advancement opportunities
Approach	Work with both employees and employers to understand needs and bridge gaps Long term	Long term focus Collaboration Individualized	Collaboration Match employees to employers Meaningful and achievable standards	Reprioritize financial resources to be able to pay employees a decent wage	Employee groups provide input Volunteer and invest in community in area of education
Success Factor	Be flexible - move to the need	Invest where individuals are ready to make change	Find areas of common ground to work together	Recognize workers value and how valuing workers strengthens organization	Understand community needs use as guidance for corporate resources

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Content Analysis of Living Wage Models in Other Cities

Advancing living wages has been a push across the world. Since the 1990s, and there have been concerted efforts in the United States to drive communities to having a living wage as the norm. I wanted to understand how the approach taken in Richmond compared to that implemented in other cities, so I did additional content research on the history of living wage work in Baltimore, Maryland, the first US city to enact a living wage law, and Cleveland, Ohio, a city touted as a success in getting multi-sector support for living wages.

Baltimore

The Baltimore approach to advancing living wages has been for advocacy groups to work to get living wage mandates on election ballots. This effort was successful and resulted in what was defined as a living wage be a requirement for government sector jobs. Despite this success, however the average wage rate in Baltimore was little impacted. There seem to be three reasons underlying this lack of progress. First, government sector jobs represent just a fraction of the jobs in Baltimore. Second, over time many government sector jobs have been outsourced to the private sector and therefore are exempt from the living wage requirement. Third, there is no audit process, so it has been possible for employers to disregard the requirement to pay a living wage. While wage rates and poverty levels have improved over the years, this has been more due to economic factors than to living wage laws.

Cleveland

In Cleveland, a quite different approach was taken to advancing living wages. A group of organizations across all sectors of the economy came together and agreed to work collectively to improve the local community, including working to reduce poverty through development of

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higher paying jobs. These organizations formed what is called an Anchor Collaborative. The concept of an Anchor Collaborative is that those organizations that are “anchored” to a community due to their purpose such as hospitals and schools, strive to pay living wages to their employees. In this way, they both increase the market rates for wages in the community as well as provide jobs that enable the local employees to earn a living wage.

Key Themes from Research

Standards are Necessary

Like what was identified in the literature review, all organization interviewed stated that having a standard created by an outside organization was key to advancing living wages. Three of the five organizations use some format of the MIT Living Wage Model. The government sector organization and two of the nonprofits combine the MIT Living Wage Model (figure 7) with a continuum to create a multi-step process for wage growth (figure 8) called the Bliss Model. The other of the three nonprofit organizations commissioned a compensation study from a consultant to use for their internal wage analysis and pay range creation. The for-profit organization has unionized employees and the union provides the standards related to wage levels by job responsibilities and market dynamics.

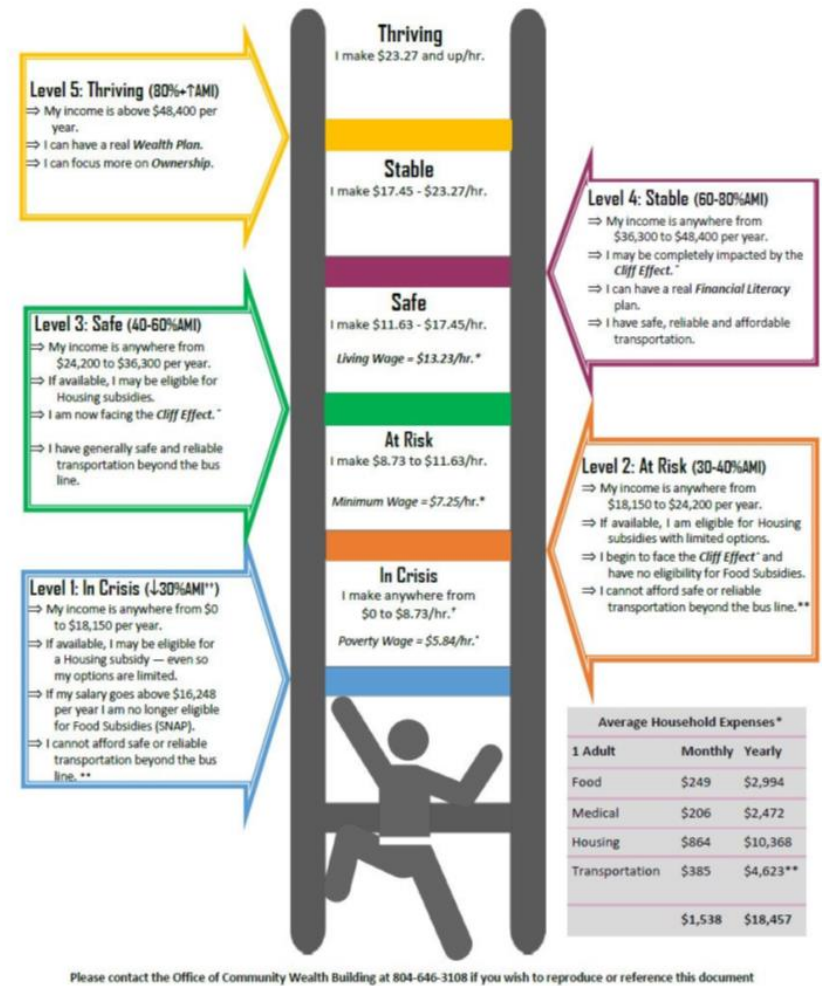
Figure 7

Comparison of Wage Rate by Family Structure and Size												
	1 ADULT				2 ADULTS				2 ADULTS			
					(1 WORKING)				(BOTH WORKING)			
	0 Children	1 Child	2 Children	3 Children	0 Children	1 Child	2 Children	3 Children	0 Children	1 Child	2 Children	3 Children
Living Wage	\$15.95	\$30.19	\$36.80	\$47.01	\$24.38	\$28.98	\$32.58	\$35.23	\$12.19	\$16.48	\$20.28	\$23.59
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	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25

Source: MIT Living Wage Model

Figure 8

Office of Community Wealth Building Bliss Model



Family Needs Dictate Income Needs

All the organizations stated that when they consider the wages needed by an individual, the family size and the family-specific needs are key factors. “Family structure is one of the strongest determinations of economic mobility. Two generation methods are incorporated in the service models” according to one of the organizations interviews. A household headed up by a single parent with multiple children will need additional wages relative to a household with just a single individual. The size of living space needed, food needed, medical costs, and ancillary services needed all increase as the size of a household increases. In addition, in the instances

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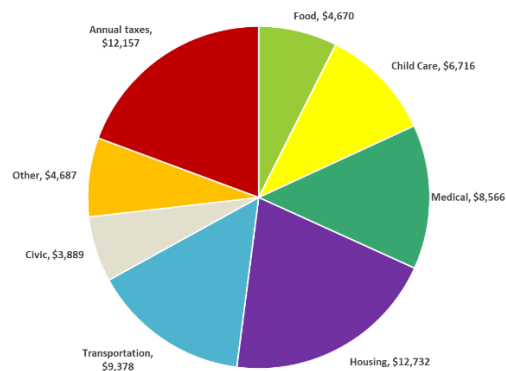
when family members have atypical health or education needs, the household income needed can be even higher. While workers doing similar work are paid the same wage, varying family needs are addressed by support and benefit programs available.

Whole Life Approach

The for-profit, government, and two of the nonprofits all stated that they strive to address a range of individual's needs as a means of advancing living wages. Specifically, all organizations strive to address needs for housing, health care, childcare, and transportation to reduce the financial burdens on an individual and thereby expand the capacity of their wages to cover their needs. For example, the organizations interviewed provide transportation stipends, access to used cars to buy at greatly discounted rates, or referrals to other nonprofits that provide transportation services. This can make an enormous difference in terms of an individual earning enough to support their household. According to the MIT Living Wage model illustrated in Figure 9, the average income needs for a household with one adult and one child in Richmond total almost \$63,000 a year which is over \$31 per hour. As more of a household's needs can be offset, it is more likely an individual in an entry level job can cover their expenses.

Figure 9

Annual Income Needs in Richmond for One Adult & One Child



Source: MIT Living Wage

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Education and Skills Enhancement

The for-profit, government, and two of the nonprofits also work to address an individual's capacity to earn higher wages. Their goals are to help individuals be qualified for jobs that pay a living wage. To that end, the government and nonprofit sector organizations provide skills assessment and job mapping services to help individuals identify careers for which they are well suited. Once they have identified an individual's job or career goals, the organizations help create a training plan and goals to enable an individual to qualify for higher paying jobs. The organizations then connect the individual to resources needed to achieve their training goals.

Job Matching

The government sector and living wage focused nonprofits actively work to connect employees to employers who pay living wages. The for-profit organization also strives to move individuals into higher skilled and therefore higher paying jobs within its own company. The for-profit organization also supports career advancement within the greater Richmond community by focusing its philanthropic investments in education and skill training. All organizations use some format of a job board to make visible the opportunities that they have identified. The government and nonprofit organizations also offer coaching to individuals to help them understand the opportunities that exist and shepherd them through the job application and interview process.

Long Term, Individualized Relationships

All organizations stressed a long-term approach to their work. The government and nonprofit sector organizations stated that they work with individuals over months and years. Moving out of poverty is a multi-stage endeavor that takes time. "The work is not transactional.

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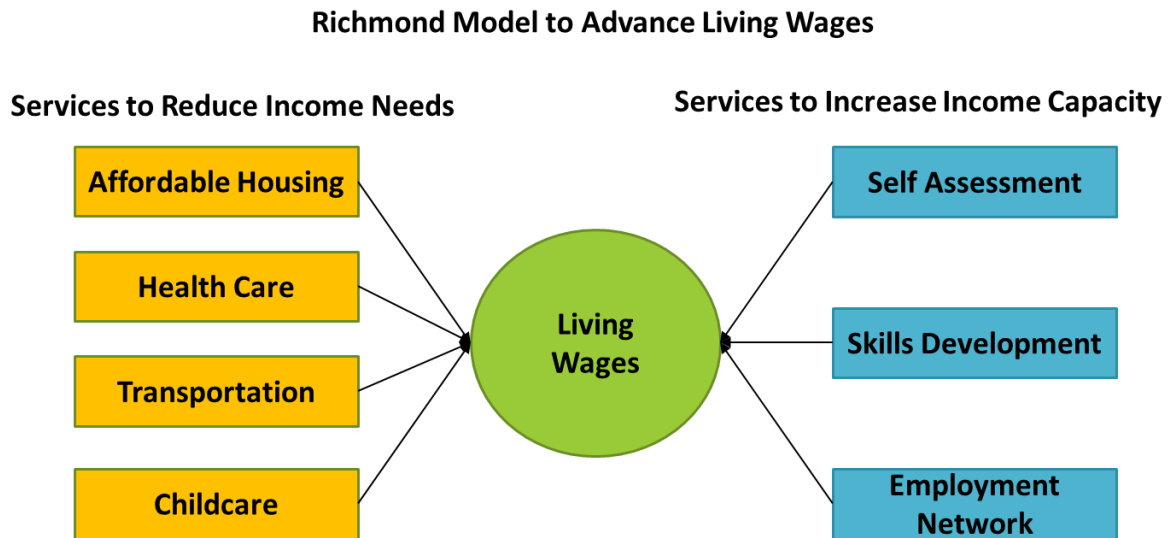
Problems are solved over time” according to a spokesperson from one organization. It is also unique for each individual as it is gated by their needs, abilities, and personal goals. As such, the organizations take a one-on-one approach to their work. While they have a range of services they provide, how they provide them differs by individual. Additionally, the timeline to move from poverty to a living wage, varies by individual.

Collaboration

All five organizations shared that their approach involves collaboration with other organizations. In fact, all the organizations collaborate to some degree with at least one other of the group of five. The most basic of levels on which the organizations collaborate is by leveraging the same standard for what constitutes a living wage within the region. Collaboration is done for a variety of additional reasons including knowledge sharing, resource mobilization, program development, and organization of advocacy efforts. Two of the organizations specifically stated they depended on other nonprofit organizations to fulfill their living wage missions as “the journey out of poverty is complex and requires individuals to change multiple aspects of their lives.” In general, the organizations collaborate to harness their collective power to achieve their common purpose of improving the community by improving individuals’ abilities to have a living wage.

Conceptual model for advancing living wages in Richmond, Virginia

Figure 10



In figure 10, I have mapped out the approach taken in Richmond, Virginia to advance living wages. It is a multi-faceted approach that knits together services intended to reduce the factors that consume an individual’s income with services that enable an individual to earn as high an income as possible for themselves. Organizations across the three major sectors of the economy, government, for-profit, and nonprofit, all leverage at least some components of this model and collectively address it all.

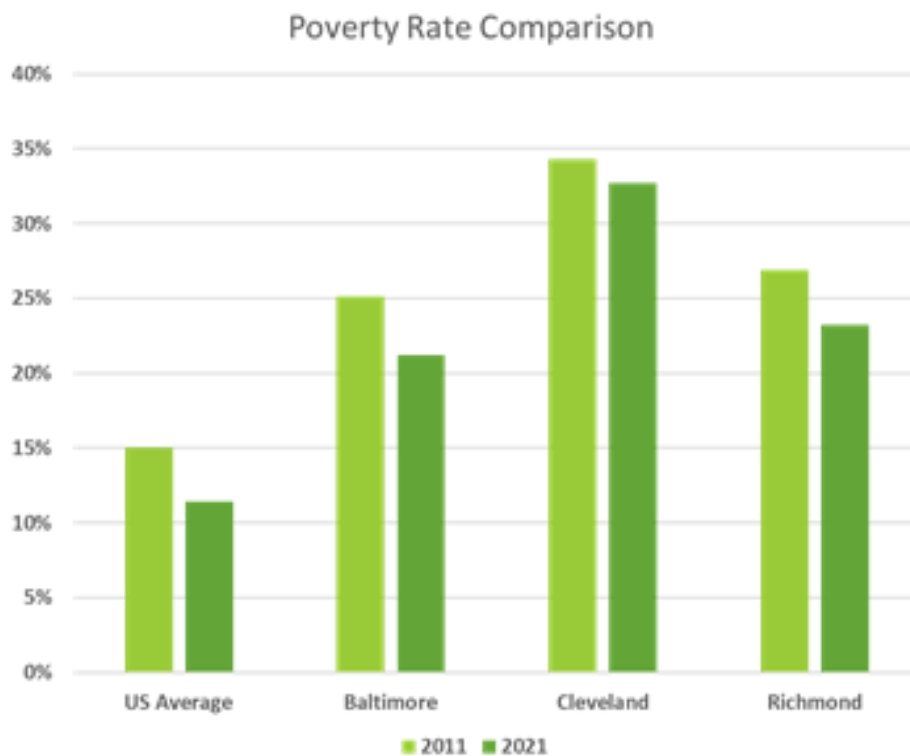
City Comparison: What Works?

While I had hoped to find a singular method that was clearly most effective at advancing living wages, my research highlighted that a variety of approaches deliver benefits. In fact, many factors influence wages in a community from the changes in the employer base, increases and decrease in population, to the skill match of individuals to jobs available, among others. As such, I could not prove that one approach was better than another. Poverty rates in the three cities I

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considered all declined over the period 2011 to 2021 as highlighted in figure 11, however they also declined on average in the United States over this period. I cannot say how much of this was due to efforts to advance living wages versus something else. What I can say is that living wage efforts in all three cities leveraged advocacy work to at least some degree and all three relied on collaboration across sectors of the economy.

Figure 11



Source: <https://worldpopulationreview.com/state-rankings/poverty-rate-by-state>

Project Challenges and Data Limitations

This research was targeted at defining the model that exists in Richmond to advance living wages across sectors of the economy and as such, the organizations used to provide data were representative, but not comprehensive. There are likely more insights I could identify were I able to interview more organizations.

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The government sector organization interview was governmental. With more time, it would be valuable to also interview a government university and hospital to identify additional approaches they might be taking to advance living wages.

The for-profit organization I interviewed has a long history of efforts related to living wages as their workforce is represented by a union. I would like to also interview some non-unionized for-profit organizations with declared commitments to living wages to understand their motivations and approaches.

Ideally, I would like to interview the approximately two dozen nonprofits in Richmond with declared missions related to living wages to understand collectively and individually how they focus their time and resources on living wage efforts. With a larger number of organizations, I think I could more conclusively identify the best practices in advancing living wages and even potentially the best practices for different population groups.

Additionally, I wanted to compare the Richmond Living Wage approach against that taken in other cities. I did content analysis to learn about the efforts taken in Baltimore and Cleveland. With more time, I would like to complete interviews of organization in those two cities like what I was able to do in Richmond.

Lessons Learned for Future Research

To take this research further, I would ideally like to conduct separate research projects related to living wages on each major sector of the Richmond economy: government, nonprofit, and for-profit. Within the government sector, I would include government universities, hospitals, and infrastructure departments. Within the nonprofit sector, I would include organizations

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focused on humanitarian programs as well as labor unions. Within the for-profit sector, I would include organizations that represent a variety of industries.

Chapter 4: Discussion

Summary

Poverty is a problem that reduces individual's abilities to achieve their potential and lead meaningful lives. Poverty also limits society's ability to address a host of global challenges including environmental sustainability and conflict resolution. Many who work, live in poverty as the wages they earn are not sufficient to meet their living needs. With my research project, I sought to understand the efforts in place in Richmond, Virginia, my hometown, to advance living wages and specifically, to identify which efforts were most impactful at driving positive changes.

Through my research, I interviewed representative organizations working to advance living wages across all sectors of the local economy. I identified themes that have translated into progress including: 1.) leveraging a standard to set wage goals 2.) taking an individualized approach to defining a worker's wage needs and wage potential 3.) collaborating across organizations 4.) advocating for change in ways that are meaningful to different constituents and 5.) taking a long-term approach to driving change.

I was able to define a living wage advancement model in place in Richmond. I contrasted this against the living wage advancement models that exists in two other U.S. cities: Cleveland, and Baltimore. While I was not able to definitively identify which specific actions in Richmond are associated with the most significant improvements, that no one action is more or less measurably impactful might be a key finding in it of itself. It is the collections of actions made by multiple organization and across sectors that has driven change.

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Through my research, I learned that in Richmond organizations in the for-profit, nonprofit, and government sector economy are leading a range of efforts that address both sides of advancing living wages. On one side, organizations work to reduce the needs a worker has to fund with their wages. On the other side, organizations work to increase the wages a worker can earn. Taken together and over time, these efforts enable workers to earn enough to have economic resilience and fulfil their personal goals.

Richmond Model Significance

What has been identified by leaders in Richmond is that there are many causes of poverty and no one action taken alone will eliminate poverty. For example, were there only a mandate to pay a living wage for all jobs in Richmond, a worker might still not be able to earn a living wage as in order to work, many also have needs for transportation and childcare. Helping an individual address those needs can be the key to enabling them to work in a job that pays a living wage. Within Richmond, a number of organizations across all sectors of the economy are working to advance living wages for the community.

Additionally, the Richmond model acknowledges that every individual's situation is unique so no one solution will work for everyone. The Richmond model for advancing living wages is individual-centric which means no single action is uniquely more important than another for the population in total. An action that is especially significant for one individual, such as providing access to affordable childcare, might be irrelevant to another individual. It is the collection of actions taken together that is working to address the many causes of poverty and limitations in earning a living wage.

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Anecdotal evidence suggests what is going on in Richmond seems to be working. The rate of the population living in poverty has declined. Stories of individual's journeys out of poverty are encouraging. More companies are signing up to be certified as paying a living wage. Visible investment in businesses and infrastructure can be seen in the community. Progress is being made.

How to Accelerate Progress?

My goal in identifying the most significant actions that could be taken to advance living wages was intended to highlight where organizations should focus their limited resources to deliver the most benefit. More generally, I want to know what it would take to make progress faster. What I learned is that it is a collection of actions that drive results, and the collection is different for everyone. At the same time, I found that living wage actions in Richmond are not well publicized or set up for scale. In fact, several of the organizations I spoke to specifically said that public awareness of their work was a problem. Awareness, both by potential beneficiaries of organization's work as well as by organizations that could be working together is an important opportunity to address to accelerate and amplify progress.

How to Amplify?

The Richmond model for advancing living wages is comprehensive and seems effective in the manner it targets the causes and solutions of poverty. At the same time, at more than 23%, the poverty rate in the city is still sadly high. More progress is needed. I would like to amplify the impact of the model that has been developed to advance living wages in the community so more individuals could benefit, and more value can be derived from the method developed. To that end, I have identified a few potential areas of action.


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Communicate Ways to Engage

A powerful way to enlist organizations and individuals in work to advance living wages would be for one of the organizations to create a roadmap of “ways to engage.” Specifically, it would be helpful to define the many actions that can be taken to drive change and define who can do what. I created a sample of such a plan in Figure 12. Creating a script makes it easier for others to understand their roles and know how they fit into a larger plan. Through my research, I had indication that nonprofits in Richmond collaborate effectively to advance living wages. At the same time, there is opportunity in communicating the need for living ways to employers and enlisting their support in addressing this problem.

Figure 12

All Sectors Play a Role in Advancing Living Wages



	Nonprofit	Public	For-profit
Advocate for Living Wages	●		
Define Living Wage Standards	●		
Pay a Living Wage	●	●	●
Get Certified for Paying a Living Wage	●	●	●
Connect Workers to Programs to Cover Needs	●		●
Train Workers So They Qualify for Higher Wage Jobs	●	●	●
Connect Workers to Jobs	●	●	●
Encourage Job Growth in Community		●	
Communicate Success	●	●	●

Communicate Goals Through Advocacy

Advocacy helps build awareness, enlist support, and drive change. More communication of the importance of living wages and benefits of living in a community where living wages are possible for most would help engage more organizations in working towards this goal. Social media is a modern tool for advocacy and the organizations in Richmond working to advance

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living wages could likely amplify their impact by leveraging social media to communicate their goals and motivate others to join in their efforts.

Communicate Successes

Nothing begets success like success. Through my interviews, I heard many inspiring stories of individual's progress in achieving a living wage for themselves. I think it would be motivating to both individuals and organizations to hear these stories. I suspect many in Richmond who are struggling to achieve a living wage would be encouraged and inspired to hear the successes of others. This would help them know the resources available as well as stay motivated to take the steps needed to change their situation. Communication of success stories would also be encouraging to the nonprofit, for-profit, and government sector organizations working to advance living wages and it would help show that progress is being made, albeit one person at a time.

But How to Measure?

I am impressed and excited by what I learned through my research into living wage efforts in Richmond. What I learned is that the Richmond model is comprehensive in addressing the many causes of poverty and seems powerful in delivery results where it is applied. Just the same, while it makes sense that my original question of finding the one or few actions that drive the most significant impact might not be essential to advancing progress, I still would like to be able to measure the impact of the efforts. At this point, I believe the way to do this would be to plan for a longitudinal study to track the progress made by individuals over a generation. This could be done by enlisting one of the larger organizations involved to enroll the individuals they support in a study and follow their progress over time.

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Value of Uncovering the Richmond Living Wage Model

I am pleased to have defined the model in place in Richmond to drive advancements in living wages. I am impressed with its comprehensive design aimed at addressing the complex problem of poverty. I believe that the individualized approach to applying the model is pragmatic and powerful. By defining the model, I think there could be further benefit in that a model helps to simplify communication of work and communication of work helps drive further work. In this way, defining the model could accelerate and amplify progress in Richmond. In addition, the Richmond model likely could be applied to other communities. Through my research, I found little evidence other communities were using such a comprehensive and individualized approach. I think what has been developed in Richmond is powerful and could be expanding further in Richmond as well as replicated in other communities.

More Research

I mentioned that some of the organizations I interviewed shared success stories about the individuals they worked with and how their lives were benefited by their ability to achieve living wages. I think there would also be value to research and define the benefits to organizations and the greater community in paying living wages. This would be both motivating and likely reveal best practices and another level of models that could be replicated.

Conclusion

Making considerable progress in advancing living wages is an undertaking that is most effectively accomplished by organizations collaborating across sectors and within sectors. There are many roles to play and no one organization can effectively deliver all. Progress can be seen in Richmond where multiple sectors and organizations have come together and applied their

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resources and skills to addressing the problem. More can be done and needs to be done, but in Richmond there is a model to leverage and expand.

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