

***Examining the Evidence:  
The Impact of the Los Angeles Living Wage Ordinance  
on Workers and Businesses***

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**The Living Wage Movement**

As the national minimum wage has stagnated, advocates for the working poor have increasingly sought to improve living standards for low-wage workers at the local level.

These efforts have led cities across the nation to enact living wage laws – policies that set wage and benefit standards for companies that do business with government, such as service contractors.

Baltimore passed the first living wage law in 1994. Since then, more than 125 local jurisdictions have adopted ordinances that raise the minimum wage for low-paid workers. Some of the largest cities in the country, including New York, Boston, San Francisco and Chicago, have passed living wage laws, as have scores of smaller cities.

These policies have significantly raised the profile of the issue of working poverty—and brought together diverse coalitions of clergy, workers, labor unions and community organizations to make the case for better jobs.

Living wage laws are also a response to concerns about the growing privatization of city jobs. In an effort to save money, governments have increasingly contracted out city services, often lowering the wages of the janitors, parking attendants, social service providers and others who do city work.

Advocates say that privatization merely shifts the costs, as low-wage workers rely heavily on government programs. They also argue that privatization erodes the quality of government services.

Living wage opponents, on the other hand, warn that legislation requiring higher wages leads to job loss and business flight. Chambers of commerce officials and other business leaders have strongly opposed living wage policies, claiming that these laws hurt businesses as well as the low-wage workers they are intended to help.

Most living wage ordinances affect service contractors. However, several, like the Los Angeles law, cover companies that lease government land, concessionaires operating on city-owned property and businesses that receive government subsidies. In some cases, specific zones within cities are subject to a living wage ordinance.

Despite the prominence and continued proliferation of living wage policies, only a handful of studies have been published analyzing the impacts of these laws.