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SOUTHWEST WASHINGTON

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# Columbia-Willamette Workforce Collaborative Quality Jobs Initiative

**Self-Sufficiency  
Wages**



Over the past year, the [Columbia-Willamette Workforce Collaborative \(CWWC\)](#) began the process to develop the [Quality Jobs Framework \(Framework\)](#). The Framework is part of the [Quality Jobs Initiative](#), a cross sectoral effort that seeks a regional approach to (1) define quality jobs, (2) provide guidance on standards employers can be encouraged or incentivized to adopt, (3) identify resources to help employers implement in accordance with their workplace needs, and (4) develop a roadmap of actions and implementation steps.

The Quality Jobs guides provide an in-depth look into each of the six Quality Job strategies for the Portland-Southwest Washington metropolitan area. The guides provide strategies, indicators and an interactive workbook to help improve job quality within your business. This guide explores the strategy Self-Sufficiency Wages.

The Quality Jobs strategies include:



### **Self-Sufficiency Wages**

A quality job provides sufficient income to afford a decent standard of living. For example, jobs that offer pay consistent with established published self-sufficiency standards that consider family composition and cost of living.



### **Safe Working Conditions/Worker Engagement**

A quality job offers employees dignity and respect and welcomes engagement in workplace operations. For example, jobs that are subject to anti-discrimination and anti-discrimination policies and provide reasonable accommodation to employees with disabilities.



### **Predictable Hours**

A quality job offers employees predictability on the number of hours they are offered per week to minimize hardship on employees and their families.



### **Comprehensive Benefits**

A quality job provides basic benefits that increase economic security, improve health and overall well-being. Quality jobs include healthcare, childcare, transportation, wellness programs, and access to retirement savings programs, among other supports.



### **Accessible Hiring and Onboarding Practices**

A quality job offers transparent and accessible hiring and onboarding practices to ensure that employer and employee are set for success.

## Employers

### STRATEGIES

#### 1 Calculate the cost of employee turnover.

Employee turnover refers to the net loss of talent over time. Turnover results in direct costs to the company – either through costs incurred by recruiting and training new employees, and indirectly through lowered employee morale and a decrease in the quality of customer service. There are several off-the-shelf tools available for employers to calculate the direct financial impacts of turnover. The Aspen Institute’s Cost of Turnover Tool<sup>1</sup> is a simple calculator designed to help estimate the business cost of replacing staff. Indirect costs of turnover (e.g. staff morale) are much harder to quantify but could be better understood through regular employee surveys (see Strategy B5).

#### Sample Metric



- Completion of a cost of turnover analysis once a year.

## 2 Conduct a wage assessment.

Employers should conduct regular wage assessments to understand their wages in relation to: (1) wages in the region as described in market data; and (2) wages in relation to the true cost of living in a region. Employers can access market data through resources such as Payscale<sup>2</sup> to compile salary data and plan for adjustments. Similarly, several tools exist for employers to determine self-sufficient wages based on the cost of living for their metro area, such as the Economic Policy Institute Family Budget Calculator<sup>3</sup> and the MIT Living Wage Calculator.<sup>4</sup> These analyses may be conducted in-house or through the guidance of a consultant or workforce board.

One Fair Wage's How-To Guide for Restaurateurs<sup>5</sup> is one example of a free resources on self-sufficiency wage transition. Workforce Development Boards provide grants to employers seeking wage transition technical assistance. Finally, employers can connect to existing High Road<sup>6</sup> technical assistance programs such as High Road Kitchens<sup>6</sup>.

### Sample Metrics



- Percentage (%) of firm's lowest paid workers left at the one-year mark, and two-year mark.
- Percentage (%) of workers earn a self-sufficient wage, as defined by their geographical location and/or number of dependents.
- Percentage (%) of workers that started in the lowest paid quintile (determined by state/region wage data) moved to above region's self-sufficiency wage each year.

6 "High Road" definition: In a workforce context, an approach at creating high-quality employment, "good jobs" characterized by family-sustaining, living wages, comprehensive benefits, and opportunity for career advancement. Inclusive Economies – High-Road Workforce Guide for City Climate Action

### 3 Conduct a wage equity analysis.

A wage equity analysis compares the pay of employees doing similar work in an organization, accounting for reasonable differences such as credentials, work experience, etc., and identifying any pay differentials that cannot be justified. Workforce boards, consultants, and online resources can assist employers in carrying out these analyses. Free HR resources such as Society for Human Resource Management's Managing Pay Equity Toolkit<sup>7</sup> or paid software such as Syndio<sup>8</sup> can also provide support for this process.

#### Sample Metric



- Completion of wage equity analysis once a year.

#### 4 Implement pay parity and wage protections for contracted workers.

The U.S. workforce is experiencing a growth in contract positions. Independent contractors are self-employed individuals who provide services or perform work for another business.<sup>7</sup> Independent contractors are often exempt from most federal and state employment laws, including those that mandate fair wages and workplace protections. This exclusion can drive down all workers' wages and job quality, regardless of classification.<sup>8</sup> Contract workers may have more flexibility than employees, but also have less stability, and receive less pay and benefits due to their classification.

Self-sufficient wages should be offered to contract workers as well as permanent employees, as they are a significant portion of workers across many industries, such as high tech and janitorial services. When employers conduct wage analyses, they should ensure the inclusion of independent contractors and update wages accordingly.

##### Sample Metrics



- Percentage (%) of contracted workers or independent contractors versus employees who produce your organization's or firm's main service or product.
- Presence of labor/employment laws (state/local) which protect independent contractors and contract workers.

7 Internal Revenue Service. "Independent Contractor Defined." <https://www.irs.gov/businesses/small-businesses-self-employed/independent-contractor-defined>

8 Project Include & TechEquity. Separate and Unequal: How Tech's Reliance on Disproportionately Diverse, Segregated and Underpaid Contract Workers Exacerbates Inequality. <https://techequitycollaborative.org/2021/10/14/separate-and-unequal-contract-workers-in-tech/>

## Others

### STRATEGIES

#### 5 **Support implementation and/or enforcement of a self-sufficiency wage standard within the municipality, or across the region or state.**

As the economy changes and the costs of goods rise, households consistently require higher incomes to ensure basic needs are met. The Self-Sufficiency Standard<sup>9</sup> gives a realistic view of income adequacy without public or private assistance. Local or state government bodies can implement self-sufficiency wage policies – both Oregon and Washington have recently passed increased minimum wages that have been implemented (although do not meet the requirements for a self-sufficiency wage).

Labor and civil rights nonprofits can advocate for these policies via campaigns such as One Fair Wage.<sup>10</sup> Government agencies can also increase enforcement of existing State, County, or City wage standard laws to fight against wage theft, often through an office of labor standards or consumer affairs. Employers can also independently consider the self-sufficiency standard to build higher wages into their business models. The Economic Policy Institute<sup>11</sup> suggests there are generally three ways to increase wages: increasing prices, accepting reduced profits, or offsetting higher-wage costs with increased ability by adopting high-road policies, with the priority being a focus on high-road policies.

#### Sample Metric



- Percentage (%) of workers within a region earning a self-sufficient wage, as defined by their geographical location and number (#) of dependents.

#### 6 **Establish wage boards at the state or local government.**

Local and state government bodies can create wage boards that are comprised of an equal number of representatives from labor, management, and the public to set minimum standards for specific industries. The Center for American Progress offers a How-To Guide<sup>12</sup> on establishing wage boards.

#### Sample Metric



- Presence of wage boards in the state in key industries.

# Self-Sufficiency Wages Quality Jobs Workbook

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## Self-Sufficiency Wages Quality Jobs Workbook

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## Additional Resources

Massachusetts Institute of Technology [Living Wage Calculator](#) helps families and individuals working in low-wage jobs make insufficient income to meet minimum standards given the local cost of living.

[Results for America's Quality Job Playbook](#) offers guidance on metrics to [measure and evaluate earnings](#) as a piece of job quality. The playbook dives in-depth on how businesses can implement [wage subsidies](#) and a [living wage policy](#).

[Workforce Southwest Washington's Business Services Team](#) can provide labor market data to contextualize wages for industries and positions to help businesses establish market-competitive wage rates to attract and retain talent.

## End Notes

- 1 Aspen Institute – Workforce Strategies Initiative. “Cost of Turnover Tool.” <https://www.aspeninstitute.org/wp-content/uploads/2019/01/Cost-of-Turnover-Tool.pdf>
- 2 Payscale. <https://www.payscale.com/>
- 3 Economic Policy Institute. “Family Budget Calculator.” <https://www.epi.org/resources/budget/>
- 4 Dr. Amy K. Glasmeier, Ph.D. “Living Wage Calculator.” Massachusetts Institute of Technology. <https://livingwage.mit.edu/>
- 5 One Fair Wage. “Restaurants Can Provide Livable Wages: A How-To Guide for Restaurateurs to Transition Profitably to One Fair Wage.” [https://onefairwage.site/wp-content/uploads/2021/08/OFW\\_HowToGuide\\_3.pdf](https://onefairwage.site/wp-content/uploads/2021/08/OFW_HowToGuide_3.pdf)
- 6 High Road Kitchens. <https://highroadkitchens.com/>
- 7 Society for Human Resource Management (SHRM). Managing Pay Equity. <https://www.shrm.org/resourcesandtools/tools-and-samples/toolkits/pages/managingpayequity.aspx>
- 8 Syndio’s PayEQ tool provides employers insight into pay disparities, how to resolve them, and how to prevent future inequities. <https://synd.io/products/payeq>
- 9 University of Washington School of Social Work Center for Women’s Welfare. “Self Sufficiency Standard.” <http://www.selfsufficiencystandard.org/>
- 10 One Fair Wage is a national organization of service workers, restaurant employees, and organizations nationwide to end subminimum wages in the United States and improve wages and working conditions in the service sector, in particular. <https://onefairwage.site/>
- 11 Susan Helper. “Businesses can thrive with a higher minimum wage, and government can help.” Economic Policy Institute – Working Economics Blog. <https://www.epi.org/blog/businesses-can-thrive-with-a-higher-minimum-wage-and-government-can-help/>
- 12 Center for American Progress. “A How-To Guide for State and Local Workers’ Boards.” <https://www.americanprogress.org/article/guide-state-local-workers-boards/>

# Engage with the Quality Jobs Initiative

Quality Jobs guides are available on the [Workforce Southwest Washington Quality Jobs page](#) for all strategies, including:

- Self-Sufficiency Wages
- Safe Working Conditions/Worker Engagement
- Predictable Hours
- Comprehensive Benefits
- Accessible Hiring and Onboarding Practices
- Training and Advancement Opportunities

Learn more about the [Quality Jobs Initiative](#) and read the entire [Quality Jobs Framework](#) online.

## Contact us!

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