

# The Real Revolution in Compensation Starts with a Living Wage

## Toolkit



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*A Division of SullivanCotter, Inc.*



The **James Irvine**  
Foundation

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# What is a living wage?

A living wage represents a household income level that allows individuals or families to afford adequate shelter, food, and other necessities.

The concept of a living wage began as a movement to replace the inadequacies of the minimum wage.



# What is the difference between minimum and a living wage?

**Legal minimum wages** were initially designed to provide a wage floor that protected workers and assured a measurable quality of living. However, these minimum wages have simply not kept pace with inflation or the changing nature of the workforce and fall short of meeting the current needs of employees.

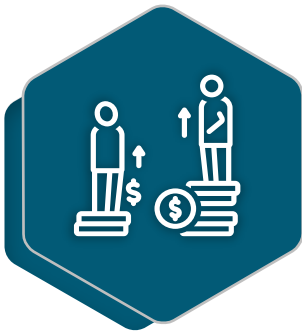
**Living wage** is determined using geographic expenditure data for food, childcare, health care, housing, transportation, and other necessities. Across all household sizes, the living wage exceeds the poverty threshold, often used to identify needs.

Providing a living wage fosters a multitude of organizational and personal benefits, but its greatest virtue and soundest justification may be that it is simply the right thing to do.



# Why consider a living wage?

Establishing a living wage is an essential component of supporting employee well-being, enhancing internal equity, and elevating the operational efficiencies of organizations.



## **Living wage as a diversity, equity and inclusion (DE&I) strategy**

- Represents an investment in a strong local economy and a healthy community
- Leads to increased worker morale, health and improved quality of service
- Reduces barriers to social inclusion and enhances engagement
- Improves health and academic success of employees' children
- Affects women and people of color most
- Creates stronger operational efficiency

# Beneficiaries of a living wage

## The Employer

- Creates easier, faster recruiting cycle
- Reduces turnover and increases morale and engagement
- Promotes high performing culture
- Enhances organizational reputation
- Reduces legal exposure
- Increases productivity



## The Employee

- Enables ability to provide for basic needs
- Reduces stress and provides choices
- More likely to have just one job (your job!)
- Stronger work/life balance



## The Community

- Enables workers to buy goods and services in their communities, increasing demand and stimulating local economic growth
- Creates broader tax base for the government to invest in infrastructure and services



# What can you do next?

Now you have the basic information, you can take steps to further educate yourself, assess where your organization is at, build a case to make change and begin implementing your plan.



## 1. Educate

Get educated using the links provided on page 6 of this toolkit and talk to others who have implemented a living wage



## 3. Build

Develop a business case using tools such as a SWOT analysis, detailed on page 8.



## 2. Assess

Determine whether your organization is paying all employees a living wage using the calculator on page 7. Calculate what you think a living wage could be for your location(s).



## 4. Begin

Identify the key stakeholders from which you'll need buy in using the questions detailed on page 9 and start enlisting the help of influential supporters. When you're ready, make the ask!

# What you can do next: *Educate*

Get educated and talk to others who have implemented a living wage.



## Learn about living wage at these links:

Economic Policy Institute

➡ [What constitutes a living wage?](#)

Living Wage Network

➡ [Support Living Wage Employers](#)

Massachusetts Institute of Technology

➡ [What is a living wage and how is it estimated?](#)

## Talk to other organizations who have implemented a living wage program:

- Ben & Jerry's
- Costco
- Ford Foundation
- The James Irvine Foundation
- Unilever

# What you can do next: *Assess*

Determine whether your organization is paying all employees a living wage. Calculate what you think a living wage could be for your location(s) and understand the difference.



**Use these tools to calculate what you think a living wage could be for your location(s)**

Economic Policy Institute

➡ [Family Budget Calculator](#)

Massachusetts Institute of Technology

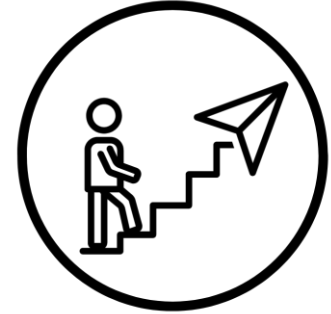
➡ [Calculator](#)





# What you can do next: *Begin*

Use the questions below to identify the key stakeholders from which you'll need buy in and start enlisting the help of influential supporters. When you're ready, make the ask!



## Identify these individuals (may repeat):

- Who has the authority to ultimately approve implementing a living wage (LW) program?
- Who will challenge or object to a LW program and what concerns might they raise?
- Who is your greatest champion at work who is also in a position of authority and influence?
- Who is the best project partner at work, who will dig in and assist with the doing?
- Who (most likely multiple individuals) must buy in to a LW program before it is announced within your organization?

## Review your answers:

- Who is the next most important conversation you need to have regarding LW?

# Organizations to know

➔ Economic Policy Institute  
<https://www.epi.org/resources/budget/>

➔ Global Living Wage Coalition  
<https://globallivingwage.org/>

➔ Living Wage for US  
<https://livingwageforum.org/>

➔ Living Wage Network  
<https://www.livingwagenetwork.org/>

➔ Massachusetts Institute of Technology  
<https://livingwage.mit.edu/>

# Who to contact for more information

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