

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

The Los Angeles Living Wage Ordinance

In 1997, Los Angeles became one of the first major cities to adopt a living wage law. Only a handful of cities, including Baltimore, had previously enacted living wage laws.

Passage of the L.A. ordinance came after a fierce public battle that attracted national attention. Advocates argued that the city was subsidizing poverty and compromising the quality of city services by contracting out jobs to low-wage employers. Opponents claimed that the living wage was an ill-conceived policy that would lead to massive job loss and business flight.

In March 1997, the City Council enacted a living wage ordinance, which was quickly vetoed by then-Mayor Richard Riordan. The Council then voted to override Riordan's veto, and the living wage became law in May of that year. In 1999, it was amended to cover city facilities such as Los Angeles International Airport (LAX).

The Los Angeles Living Wage Ordinance is broad in scope, expanding on the model used by cities that enacted the first wave of living wage policies in the mid-1990s. It applies not only to city contractors, but also to lessees such as airlines, concessionaires that operate on city land. The law covers thousands of low-wage workers at LAX, including janitors, airline service workers, retail clerks and food service workers. It also covers several thousand workers at other locations around the city.

Key Elements of Los Angeles Living Wage Ordinance

Date of Passage	May 1997
Firms Subject to Ordinance	<ul style="list-style-type: none">▪ Service contractors▪ Firms that operate concessions, such as retail shops, on city property▪ Firms that lease city property, such as airport terminals▪ Firms that receive \$1 million or more per year in economic development subsidies▪ Subcontractors of above firms
Wage Level	\$10.03 per hour in 2004-2005, indexed to increase annually
Health Benefits Credit	Employers can choose to pay either the higher wage (\$10.03), or a lower wage (\$8.78) with a \$1.25 contribution to employee health benefits. The health benefits credit is not indexed.
Paid Days Off	12 per year, pro-rated for part-time employees
Unpaid Days Off	10 per year, pro-rated for part-time employees