

Press Release

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Alternatives Federal Credit Union Announces 2013 Living Wage

Ithaca, NY – How much does it cost for a single person working full-time to live in Tompkins County? According to the Alternatives Federal Credit Union bi-annual Living Wage Study, it is \$26, 242.21 a year or \$12.62/hour. Alternatives' Board of Directors voted unanimously to raise wages to the new Living Wage level, continuing its commitment to its employees and as a role model for the community.

The updated study looks at housing, transportation, healthcare, and other necessities, as well as a modest allowance for recreation and savings. The new Living Wage figure is an increase of 8.11% from \$11.67/hour two years ago, during a period that the Consumer Price Inflation Calculator of the Bureau of Labor Statistics shows the CPI up 5.29% from the end of 2010 to the end of 2012. Health care and food costs increased more than the CPI; rent increased less. The net wage, the amount the employee takes home, is up 4.74%, but a big jump in taxes drove the gross figure above the inflation rate. The figure represents the Living Wage for an individual whose employer provides health insurance. For employers that don't offer health insurance, an additional \$1.32/hour would be needed to purchase insurance from Healthy NY.

Returning to the same sources used in prior Living Wage studies, Angela Lu, a Cornell ILR student and intern through the WISP program, updated the numbers. "I always knew that as a student on the Hill, I didn't have a good grasp of how much it cost to live in Tompkins County, but it wasn't until I sat down to begin to estimate the reasonable average spending of a single-person household in Tompkins that I realized how expensive 'the bare minimum' can be. I'm proud that there are business owners in Ithaca who willingly pay a Living Wage to their employees."

Leni Hochman, Chief Operations Officer, oversees the study. She is sympathetic to small businesses and organizations that want to pay a Living Wage but have difficulty doing so. She has less sympathy for businesses and organizations that could afford to pay a Living Wage, but choose not to. Hochman says, "You can see staff as an expense to be limited or as an asset to be maximized. While others recognize and pay for 'talent' at the top, Alternatives knows that it is our front line staff that makes community members choose Alternatives as their financial institution." Paying a Living Wage has business advantages as well in the form of reduced employee turnover and absenteeism, lower recruitment and training costs, and improved morale and commitment to the company.

Further, Hochman asserts that paying a Living Wage has a ripple effect in the community. When people are paid enough to support themselves, they no longer need to rely on public assistance in the form of housing subsidies, medical assistance, food stamps, and welfare, which are paid for in everyone's taxes. People earning a Living Wage pay more taxes and buy more goods and services in the local economy. Recent economic research concludes that there is little or no job reduction associated with wage increases, and the benefits far outweigh any negative consequences.

Joining Hochman on the panel at Alternatives on May 3 were:

- Tristram Coffin, Chief Executive Officer of Alternatives Federal Credit Union
- Pete Meyers, Coordinator at Tompkins County Workers' Center
- Tierra Labrada, Collections Assistant at Alternatives
- Svante Myrick, Mayor of the City of Ithaca

Tristram Coffin, CEO of Alternatives Federal Credit Union, says that the Living Wage Study is the "strongest expression of who we are." As a single mother, Tierra Labrada spoke to her ability to be able to get off government assistance once she was paid a Living Wage.

Mayor Myrick said that it was a very difficult budget decision weighing the needs of taxpayers and city employees. There were three reasons he worked to make the City of Ithaca a Living Employer this year: "It's practical, it's moral, and it's a way to influence others to pay a Living Wage."

According to Pete Meyers, the Living Wage study is incredibly helpful to the Workers' Center. "It has allowed us, beginning in 2006, to Certify 86 employers presently as being Living Wage-Certified Employers. One of our newest Living Wage Employers is Bridges Cornell Heights, a senior home close to the campus of Cornell, in an industry that usually does not pay even close to a Living Wage. Last year, we had 14 new Living Wage Employers, setting a record for how many employers successfully applied in one year. The City of Ithaca is next in line to become a Living Wage Employer, beginning in June of 2013."

Laurie Konwinski, the Coordinator of the Justice and Peace Ministry of Catholic Charities of Tompkins County and the Finger Lakes, has been advocating for a Living Wage to her faith community: "Catholic Charities of Tompkins/Tioga has supported the Living Wage Study since the early days of the effort here in our county. We are a Living Wage employer because we recognize that justice begins at home. Our agency's aim is to build a community in which everyone's basic needs are met and everyone's dignity is honored, and that includes our staff. Moreover we believe in workers' rights. We applaud the other human services agencies and the many faith communities who are also Living Wage certified employers. However, we'd like to see more added to the list so will continue our efforts to promote the Living Wage in our community."