

What's a Fair Wage for Energy Efficiency Workers?

On March 15, 2010 the Boston *Globe* editorialized:

“To make sure the weatherization program produces quality employment and not minimum-wage, off-the-books jobs, the state and the utilities that oversee the program should guarantee a livable wage and require that the jobs include health benefits. This would be consistent with the purpose outlined in the 2008 law that called for the weatherization program. It gives a priority to projects ‘that have economic development, job creation, or job retention benefits.’”

The Green Justice Coalition believes that a fair wage would be a family supporting wage: a wage and benefit package that allows families to achieve self-sufficiency or economic independence. Wages in residential weatherization are currently well below that level. For example, the wages that federal weatherization programs pay are so low that all the workers they employ at this wage are ‘low income’ according to the federal government’s own standards.

The most extensive work on what Massachusetts’ families need to earn to meet their basic needs has been conducted for years by the Crittenton Women’s Union. Their figures just released for 2010 show that “On average in Massachusetts, a single-parent family with one preschooler and one school-age child needs an income of \$61,618 a year (\$29.62/hour) to meet its day-to-day essential expenses without public assistance.” Self-sufficiency wages for the same family of three range from \$48,388 (\$23.26/hour) in Hampshire County to \$67,783 (\$32.59/hour) in Middlesex County. See

http://www.liveworkthrive.org/docs/Massachusetts_Economic_Independence_Index_030810.pdf

The chart below allows you to compare current weatherization wages (left column) with federal definitions of ‘low income’ (middle column) and with ‘self-sufficiency’ or ‘economic independence’ wage levels (right column).

Comparison of Self-Sufficiency Standard for Selected Households – Hourly Wage 2010

Family Size	Weatherization Worker Hourly Wage (Davis-Bacon, varies by county)	60% of State 2010 Median Income (Eligibility for Low Income Fuel Assistance and Weatherization)	Family Self-Sufficiency/Economic Independence Hourly Wage* (varies by county and age of children)
One Adult, Two Children	\$11.26–\$17.59	\$22.62	\$23.26–\$32.59 (average is \$29.62)

• Economic Self-Sufficiency Calculator (Crittenton Women’s Union, 2006).

• **The wage the Green Justice Coalition is negotiating with union contractors** is about \$18 an hour plus \$4 in benefits for a total hourly package of \$22. This is not as high as needed to meet Crittenton’s “family independence” standards, but as an entry-level wage attached to a career path, it is an improvement on the current prevailing wage for weatherization workers.

If the state, utilities, and cities want to implement the language in the Green Communities Act, they should require a wage package of at least \$22 an hour. That will establish a floor on which communities, weatherization workers, unions, and responsible contractors can build good jobs.

What happens when an industry goes ‘low road,’ paying low wages and few or no benefits? The work, the workforce, their families, and the state’s taxpayers all suffer. Employers who fail to pay family-sustaining wages and provide benefits largely shift their responsibilities onto the public sector, at a high price. The chart below shows how the subsidy costs add up. For a family of three supported by one full-time, year-round worker earning \$11/hour (with 2 children, 1 in childcare), the total public benefit costs (federal and state) are \$2,399 – \$2,649 per month depending on the children’s ages, or between \$28,788 – \$31,788 per year.

‘Safety Net’ Displaced Employer Costs for a Low-Wage Worker with 2 Children
 (\$11/hour wage = \$22,880 annual, with no employer-paid health or pension benefits)

Income Eligible?	Public Subsidy or Credit	Income Eligibility (gross)	Monthly Benefit
Yes	Food Stamps (SNAP)	\$23,808 *	\$110
Yes	Public Health Insurance /Parent	\$54,936 (300% FPS)	\$161 †
Yes	Public Health Insurance/Child for 2 children	\$54,936 (300% FPS)	\$554 (2 children @ \$297 minus \$20 premium) ‡
Yes	Section 8 Housing Voucher	50% of Area Median Income (\$33,450 – \$44,050 depending on location in MA)	\$621 §
Yes	Fuel Assistance/ LIHEAP \$400 – \$700 total grant, depending on fuel; & Utility Discounts of 20 – 35% depending on company	\$44,000	\$67 average
Yes	Child Care Voucher for one child in care	(60% of State Median Income, adjusted for family size)	\$495 – \$745 depending on child’s age
Yes	Federal Earned Income Tax	\$34,680	\$340 ☆
Yes	State Earned Income Tax	\$40,295	\$51 □□
Total Monthly Public Cost			\$2399 – \$2649
Total Annual Public Cost			\$28,788 – \$31,788

For more information, see: An Industry at the Crossroads, Energy Efficiency Employment in Massachusetts, at: www.massclu.org