



The District's Dime

Going Beyond the Budget Book

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New Bill Would Ensure a Living Wage for Workers on Projects that Get DC Tax Subsidies

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A bill before DC Council would ensure that workers employed on city-subsidized development projects earn the city's living wage, or about \$14 an hour. This would help many workers in the District receive adequate income to support their families, and it would make sure that jobs resulting from DC tax subsidies are good jobs.

The Living Wages for Publicly Supported Jobs Amendment Act of 2016 would close a major loophole in DC's 2006 Living Wage law. Currently, the requirement to pay DC's living wage only applies to firms that receives grants, loans, and a specific type of tax benefit called tax increment financing. But the District has aided many economic development deals with other kinds of tax subsidies, such as \$43 million in tax abatements for the soccer stadium or \$60 million in tax breaks over 10 years for the Advisory Board Company. While the soccer stadium has collective bargaining agreements with construction and operations workers, there are no guarantees that workers in the other deals receive a living wage.

The proposed legislation would ensure that future companies who receive the same types of abatements would be required to pay the living wage. All companies receiving a government contract or assistance of \$100,000 or more, and subcontractors receiving \$50,000 or more, would be subject to the legislation.

DC's living wage is \$13.85 per hour, or roughly \$28,800 per year on a full-time basis, for 2016. The Department of Employment Services (DOES) recalculates the living wage each year, based on annual inflation. The 2016 rate represents an increase of \$0.05 from last year.

The living wage rate is higher than the city's minimum wage rate, which is currently at \$10.50 per hour, scheduled to increase to \$11.50 per hour on July 1. This bill will help to boost the pay of many workers of government-aided economic development projects, so that they can fully take advantage of the economic boom the city has been experiencing.

Given the [city's high cost of living](#), if enacted, this bill will go a long way to ensuring that more workers in the District of Columbia receive adequate income to support their families.