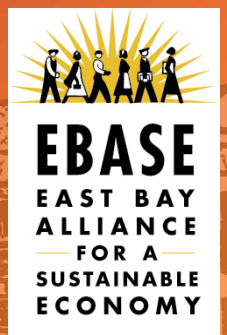


Honoring the Work:

Measure C Hotel Living Wage's Impact on Workers in Emeryville



5 year anniversary



SUMMARY

In the five years since the historic Measure C hotel living wage was approved by voters in Emeryville, hotel housekeepers have made significant gains against great odds.

In just the first year of Measure C's implementation:

- Over 100 workers benefitted from wage increases or workload reductions.
- Total wage increases in that first year amounted to an estimated \$390,000.

Over 5 years, Measure C has generated an estimated \$1.2 million in wage increases for hotel workers. These monetary benefits are in addition to the other benefits workers received under Measure C of less back-breaking workloads and greater health and safety standards for hotel housekeepers



BACKGROUND



In 2005, Emeryville residents passed Measure C, the Hotel Living Wage. At the time of passage, entry-level housekeepers in Alameda County made less than the minimum \$9 an hour mandated by the ordinance. For some hotel housekeepers, Measure C meant an increase of up to \$5 per hour, which translated into up to \$5,000 in extra earnings a year—enough to help a working family make ends meet.¹

Now in 2010, five years after the passage of Measure C, hotel workers and the entire regional, national, and global economy are suffering in one of the worst recessions in history. Unemployment is at record highs, and those who are working are struggling to make their mortgage and healthcare payments.

It is precisely in this tough economic environment that living wage laws like Measure C are so crucial. Workers who were overburdened with heavy workloads and poverty wages before Measure C are now better able to support themselves and their families.

"I never could have imagined how much difference it would make in my life when Measure C was implemented and our workloads were reduced. Seeing that we could actually do something to lessen our workload motivated me to keep struggling to make our rights count."

– Luz Dominguez, Former Emeryville Hotel Worker



¹ EBASE, "Myth and Facts about Measure C." October 2005.

Measure C has allowed hotel housekeepers to work with less pain, help save for their children's education, and support their families' health needs. These wage increases have meant a boost to spending just when local and regional economies and communities need it the most. Additionally, and in some ways more importantly, the workload standards established through Measure C have meant a more healthy and sustainable job for housekeepers in Emeryville hotels.

"I want to spend the extra money I got through Measure C on college for my daughter. This case was worth all the time and effort we put into it, because it's a triumph for all of us, and it wouldn't have been possible without the people who supported us. It's not just about the money – it's about fairness for everyone who has worked and suffered in the past, and knowing that all the new workers coming in in the future will enjoy the benefits of Measure C."

- Consuelo Lima, Former Emeryville Hotel Worker

WHY A HOTEL LIVING WAGE IN EMERYVILLE?

Given Emeryville's prime location at the center of the East Bay and at the foot of the Bay Bridge to San Francisco, the city's rapid growth over the past decade has meant an outcropping of four hotels within the city's limits: The Hilton Garden Inn, Four Points Sheraton, Courtyard Marriott, and the Woodfin Hotel. Aided by a business-friendly city government and millions of dollars in redevelopment funds, all of Emeryville's four hotels have been built or renovated over the past decade, and there have been more hotel projects proposed and in the early planning stages.



Before Measure C was passed, entry-level maids and housekeepers made an average of \$8.12.² This is less than half of the median wage for all occupations in the East Bay of \$18.44, and much less than the hourly wage of \$24.60 needed for a two-parent working household to support themselves and two children without public assistance in California.³ Measure C helped raise the low-wages in the housekeeping sector, and helped mitigate the problem of state and federal minimum wages not keeping pace with cost of living or worker productivity.⁴

WORKLOAD STANDARDS IMPROVE WORKER HEALTH AND SAFETY

While the living wages established through Measure C were important to address the poverty-level wages in hotel housekeeping, the fight for good jobs in Emeryville through Measure C went beyond wages. Workload standards, which limited the number of rooms a housekeeper needs to clean before he or she is granted premium pay, was a key element of both Measure C and a broader effort to make hotel work more sustainable, healthy, and safe.

Hotel workers have toiled for decades with unrealistic workloads for a job that causes a staggering amount of injuries each year. Heavy beds and time-consuming amenities are an increasingly common

² California Employment Development Department (CAEDD), Occupational Employment Statistics (OES) survey. Released June 2005. Oakland MSA geography includes Alameda and Contra Costa Counties, defined as East Bay. Entry-level is defined as the lowest "25th percentile" wage.

³ Johnson, Jason B. "Making Ends Meet: The well-off are better off, but the ranks of the poor are growing, and middle- and low-income workers feel pressure of high prices." San Francisco Chronicle, September 28, 2005.

⁴ In 2005, the California minimum wage was \$6.75, and the federal minimum wage was \$5.15/hr. <http://www.bls.gov/cps/minwage2005.htm>

"I used to feel so tired at the end of the day. I had pain in all my joints and my muscles were so tight from hurrying to get all my work done. The tension affected me emotionally as well as physically. We knew it was wrong, but we didn't know what to do to fix it."

- Luz Dominguez, Former Emeryville Hotel Worker



feature of room cleaning. In recent years, hotels have attracted customers by offering thicker mattresses, extra pillows, in-room kitchenettes, and other new features. Hotel housekeeping has always been an exhausting job, but these new luxuries have added to the physical demands and time pressure faced by workers. Doing heavy physical work under constant time pressure leads to serious repetitive stress injuries, exhaustion, stress, and increased risk of accidents.

These problems are not unique to Emeryville. Numerous national studies have shown that hotel housekeeping is an increasingly dangerous job. Dr. William Marras, Director of the Institute for Ergonomics at Ohio State University, found that hotel housekeeping carried a greater risk of injury than any of the 20 manufacturing jobs he studied, including auto and truck assembly.⁵ A 2006 national survey of hotel housekeepers found that 91% experienced pain in the workplace, and two thirds required medical treatment.⁶

WHAT DID THE HOTEL LIVING WAGE COVER?

In the fall of 2005, community groups, unions and Emeryville residents teamed up to pass Measure C to address many of the problems faced by hotel employees at the time. Measure C mandated several concrete changes in workers' lives:

1. **Wages.** Hotels would be required to pay a minimum wage of \$9 per hour, an average wage of \$11 per hour (across all employees at a hotel).
2. **Workload standards and Premium pay.** Housekeepers would not normally clean more than 5,000 square feet in an 8-hour shift. This translates to 13 or 14 regular rooms, or about 9 suites, depending on hotel room size. Workers who clean above these limits would be paid time-and-a-half.
3. **Job security.** If a hotel is sold or if particular departments are contracted to other companies, workers would retain their jobs for at least 90 days after the change, unless their employer has good cause for terminating them.
4. **Notification and non-retaliation.** Hotels would be required to notify employees of their rights under Measure C, and would be prohibited from retaliating against workers who stand up for their rights.



VOTERS SUPPORT LIVING WAGE DESPITE HOTEL OPPOSITION

Measure C was passed on November 8, 2005 by 54.2% (1,245) votes.⁷ The measure was supported by UNITE-HERE Local 2850,

⁵ Marras, WS. "Field applications of the lumbar motion monitor." 2006. Biodynamics Laboratory, Department of Industrial and Systems Engineering, Ohio State University. Available at: biodynamics.osu.edu/research.html#tools.

⁶ UNITE HERE! "Creating Luxury, Enduring Pain: How Hotel Work is Hurting Housekeepers." April 2006. Available at: www.hotelworkersrising.org/TakeAction/.

⁷ <http://www.smartvoter.org/2005/11/08/ca/alm/meas/C/> Measure C Election information

the Alameda Labor Council, and the East Bay Alliance for a Sustainable Economy, and endorsers of the ordinance included Congresswoman Barbara Lee and Assemblymember Loni Hancock.



When Measure C qualified for the ballot, Emeryville hotels and business interests mounted a campaign to defeat it. Hotel managers and business associations began pouring money into the “Committee to Keep Tax Dollars in Emeryville (CKTDE)” formed to oppose the measure. The committee raised \$115,610⁸ – a large amount compared to the less than 2,300 total votes cast on the measure. Nearly all these funds came from the hotels and the Chamber of Commerce.

As soon as Measure C was approved, the Woodfin Hotel and Four Points Sheraton hotels filed suit against the city and sought an injunction to stop it from going into effect. The hotels’ request for an injunction was ultimately denied in August 2006. Since no injunction was ever granted, Measure C has legally been in effect since December 2005.

THE FIGHT FOR BACKWAGES



In 2006, the City of Emeryville began investigations into allegations of non-compliance with Measure C and backwages for workers. The City completed their investigation nearly a year later, and the City Council voted unanimously to order the Woodfin Hotel to pay back wages to over 50 housekeepers. In 2008, an Alameda County Superior Court judge upheld the living wage law’s constitutionality and ordered the City to re-do the process of calculating backwages. Finally, in late 2009, the Superior Court judge in Alameda County upheld the City of Emeryville’s order and rejected the Woodfin’s legal arguments.⁹

WHAT WAS THE IMPACT OF MEASURE C?

WAGE INCREASES

Soon after Measure C went into effect, workers at three out of the four hotels received almost immediate benefit from the wage and workload standards in Measure C. At the Courtyard Marriott, housekeepers were making on average \$3 to \$5 per hour more than they earned before Measure C.

Based on EBASE’s analysis of documents obtained from the City of Emeryville, in just the first year of operation, Measure C directly benefitted over 100 workers in Emeryville hotels, and generated close to \$390,383 in additional wages.^{10,11} This



⁸ California Form 460, submitted by the Committee to Keep Tax Dollars in Emeryville on January 30, 2006.

⁹ Settlement Agreement and General Release, City of Emeryville, Woodfin Suites Hotel, LLC, and Maria Martinez, Marcela Melquiadez, and Elia de Leon, East Bay Alliance for a Sustainable Economy, and Unite-HERE Local 2850. Pg 2 of 13.

¹⁰ Figures based on annual permits issued by the City to hotels in Emeryville as mandated by Measure C. Documents were obtained from the Emeryville Office of the City Attorney on May 24, 2010. Wage increases are based on the amount of backwages hotels were instructed to pay in order for the permit to be granted.

¹¹ Backwage documents obtained by EBASE from the City of Emeryville show the before and after effect of Measure C on hotel workers’ wages. The estimate of the first year of backwages is as follows: First, EBASE inputted the overall backwages based on conditional permits provided to the hotels. The backwages cover the following dates for each hotel: Courtyard Marriott: December 5, 2005-August 10, 2006 (8.2 months); Four Points Sheraton: December 16, 2005- July 31, 2006 (7.5

has meant an average increase of \$4,024 in wages per worker in the first year of Measure C's operation¹², and a cumulative increase in wages workers should have been paid over the past 5 years of close to \$1.2 million.¹³ This is money that workers are spending and reinvesting into the economy and the community at this critical moment.

WAGE INCREASES IN THE FIRST YEAR OF IMPLEMENTATION

Hotel	Number of Workers	Estimated Wage Increase (based on backwages paid)
Courtyard Marriott	28	\$226,863
Four Points Sheraton	14	\$38,520
Woodfin Hotel ¹⁴	55	\$125,000
Hilton Garden Inn ¹⁵	30	see footnote 15
Total First Year Wage Increase	127	\$390,383
Estimated 5 Year Wage Increase Under Measure C		\$1,168,000

Source: EBASE analysis of Annual Hotel Permits issued by the Office of City Manager, unless otherwise noted.

Five years after the passage of Measure C, with annual cost of living adjustments stipulated within the ordinance, hotels are now mandated to pay a minimum of \$10.15 an hour, and an average of \$12.42 across all non-managerial employees at the hotel.

WORKLOAD REDUCTIONS

In addition to the increase in wages workers should have been paid, Measure C had a significant impact on making workloads more manageable—and less back-breaking—for hotel housekeepers. While some hotels continued to pay a premium for workers who cleaned above the 5,000 sq ft threshold, others cut back on the workload as a result of Measure C, reducing the likelihood of work-related injury or pain.

"My life was better after Measure C went into effect. We used to have to clean 16 suites a day. Now I still get tired, but not like before, when I'd be going around with my tongue hanging out at the end of the day."

- Elia de Leon, 9-year Emeryville Hotel Worker

months); Woodfin Hotel: January 1, 2006 to December 31, 2006. Based on information from hotel workers, the Courtyard Marriott continued to pay workers premium pay after the initial payment of backwages. Therefore, we adjusted the wage increase for the Courtyard Marriott to a full-year using an average monthly backwage. Given disclosure limitations, EBASE was unable to obtain from the City of Emeryville backwages past the first year of implementation, except for the Woodfin Hotel where litigation meant the City calculated and disclosed backwages until the end of 2006.

¹² The city's documents show that the minimum backwage or wage increase any worker received was \$48.81, maximum was \$10,177, and the median wage increase was \$3,660.

¹³ The calculation for the five-year estimate is as follows: First, EBASE summed the backwages for all three hotels (see footnote 11) = \$390,383. Second, some hotels calculated backwages based on premium pay (time-and-a-half) for workers who cleaned over the 5,000 sq ft threshold, while others reduced workloads in order to comply with Measure C. Based on information from workers at the Courtyard Marriott, we assumed that hotel continued to pay time-and-a-half for work over the sq ft threshold. Therefore, we multiplied the first year's backwages by five to get that hotels five-year total. Next, based on information from workers at the Woodfin Hotel and the Four Points Sheraton, those hotels reduced workload rather than pay the premium pay. Therefore, we only counted backwages for the first year of implementation for the Woodfin Hotel and Four Points Sheraton in our five-year total. Therefore, the five-year total for all three hotels for which we had data was \$1,297,836. Finally, we subtracted 10% from the five-year total to account for decrease in hotel employment from 2005-2010, stagnating wages, and other factors, and reported at four significant figures. Thus, our estimate of \$1,168,052 is a conservative estimate of the amount of backwages and wage increases provided by Measure C in the first five years of implementation.

For example, at the Hilton Garden Inn, where workers were already represented by UNITE-HERE Local 2850, housekeeper workloads were reduced by one room as a result of compliance with Measure C. At the Woodfin Hotel, based on information from housekeepers, managers reduced workloads in order to comply with Measure C and to avoid paying premium wages (time-and-a-half) to workers who cleaned above the 5,000 sq ft threshold. These room reductions meant many housekeepers had more sustainable workloads and reduced pain and injury.



IMPACT OF LIVING WAGES ON THE BROADER ECONOMY

The direct effects of Measure C on businesses and hotels are outside of the scope of this brief. However, several studies conducted on city-wide minimum wages in Santa Fe and San Francisco, and two focused on the impact on a specific industry, show that the effects of such wage standards on employment are "small, positive, and statistically insignificant."¹⁶



More recently, economic studies have shown that even when we take into account periods of high unemployment, minimum wage increases have little to no impact on overall employment—meaning even in a recession, minimum wages do not

reduce overall employment.¹⁷

The evidence from cities around the nation also shows that living wage laws do not harm city revenues or services. Business at large chain hotels would have to drop dramatically to affect tax revenues for the City. At the time of passage, hotel room tax made up only 5% of all city funding in Emeryville. If at all, Measure C's modest wage and workload standards only increased hotel costs by no more than 1% to 2%. Many studies have shown that large corporations can absorb these costs without hurting their business.

"Personally, I feel lucky to know that there are still good, compassionate people out there who understand the needs of other people."

- Guadalupe Gonzalez, Current Emeryville Hotel Worker



¹⁴ Note that the backwages from the Woodfin Hotel are based on the settlement agreement amount of \$125,000, which differs from the \$211,297 backwage amount resulting from the City of Emeryville's August 2008 investigation.

¹⁵ Based on a letter to the Emeryville City Manager and City Attorney on June 19, 2008, the majority of workers at the Hilton Garden Inn fall under a collective bargaining agreement and in an MOU with UNITE-HERE Local 2850 waived their compliance with Measure C. Workers not covered under the collective bargaining agreement showed the hotel to be in compliance with the 2007 minimum and average annual compensation requirements. The number of workers is an estimate from UNITE-HERE Local 2850 staff.

¹⁶ Dube, Arindrajit; Ethan Kaplan, Michael Reich, and Felix Su. "Do Businesses Flee Citywide Minimum Wages? Evidence from San Francisco and Santa Fe." UC Berkeley Institute of Industrial Relations, IRR Policy Brief. September 2006.

¹⁷ Allegretto, Sylvia; Arindrajit Dube, Michael Reich. "Do Minimum Wages Really Reduce Teen Employment? Accounting for Heterogeneity and Selectivity in State Panel Data." Working Paper Series. Institute for Research on Labor and Employment. June 21, 2010.

CONCLUSION

The passage of the Measure C Hotel Living Wage in 2005 was an historic moment for the City of Emeryville, residents, and workers. With the impact of close to \$1.2 million in wages owed to over 100 workers in a five-year period, coupled with workload reductions that led to greater workplace health and safety standards, Measure C has started to change what is expected of hotels in the East Bay.

Over the past five years, the ensuing effort to bring all hotels into compliance with Measure C drew thousands of residents, workers, community organizations, elected officials, and labor unions together toward the common goal of “honoring the work” of hotel housekeepers. Beyond the monetary and workload benefits of Measure C, the impact of broad-based support for living wages and healthy workplace standards for hotel employees in Emeryville has set the stage for other hotels in the region. The long-term wage and safety impacts of Measure C on workers, and indirectly the benefits to residents, will be felt for years to come.



AUTHORS: Charles Perkins, EBASE Intern
Jennifer Lin, EBASE Research Director
DESIGN: Lynne Purvis
PRINTING: Dakota Press

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"We owe our supporters so much, because they helped us when we most needed it. After so much struggle and effort, we ended up triumphant."

- Elia de Leon, 9-year Emeryville Hotel Worker