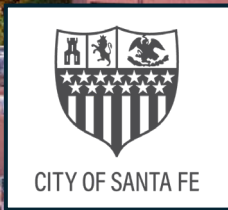


# City of Santa Fe Living Wage Proposal



# Key Details of the Proposal

Base Wage increases from \$15.00 to \$17.50 after a one-year hold on implementation.

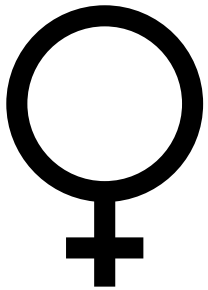
There is a 5% cap per year and a 0% floor.

The formula for increase is a combination of CPI and the HUD Fair Market Rent.



# Who Benefits the Most?

Studies show that women, ethnically diverse people, and low-income wage earners benefit the most.

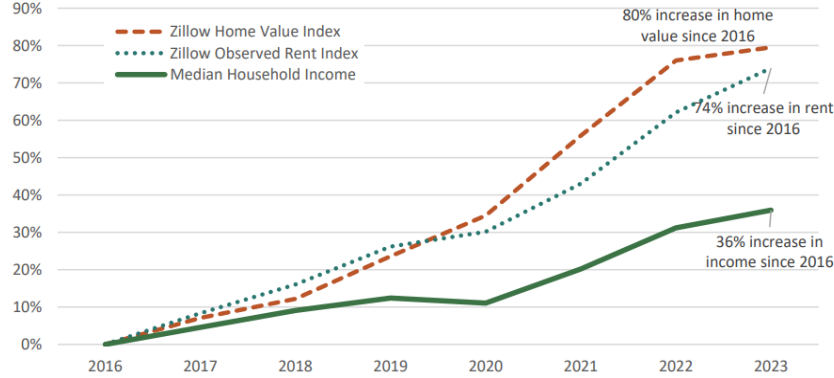


# Why are we advancing this proposal?

There is a growing gap between income and housing costs.

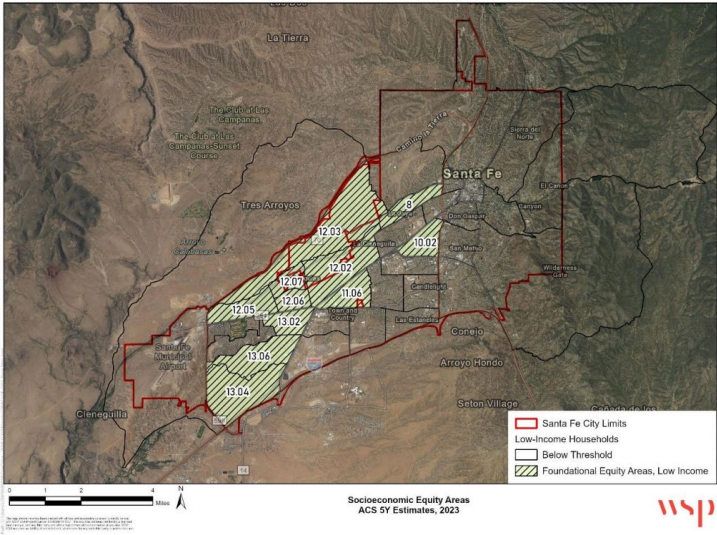
There is an increased risk of displacement concentrated in certain neighborhoods.

Figure 7-25. Changes in Income, Home Value, and Rent in Santa Fe, 2016-2023



Source: 2016-2023 American Community Survey 5-Year Estimates, Table DP04, Zillow

Figure 16-1. Foundational Equity Areas, Low-income Census Tracts



# Community Meeting Feedback

## Key Themes



There is broad support for the increase.



Residents say wages don't match rising costs.



There are concerns about how this will impact small businesses.



# What Are the Expected Impacts?

- A full-time worker earning the minimum wage would see annual income rise from about \$31,200 to \$36,400 – **an additional \$100 per week in income.**
- Studies of **other cities** show little to no job loss; overall effects are small; some employers adjust hours or roles.
- **Business response:** Most businesses benefit from lower turnover and adjust with modest price increases and higher expectations for workers.

# Common Concerns and Benefits about Living Wage Laws

- **Will businesses close?** → No. Evidence is they adapt.
- **Will jobs disappear?** → No. Research shows employment remains stable.
- **Will youth lose work opportunities?** → No. There is minimal impact; training and entry jobs and training opportunities continue.
- **Will prices spike?** → No. Price increases are modest, usually less than inflation.
- **Will this hurt tourism?** → No. Cities with higher minimum wages remain strong tourist destinations.
- **Will this reduce competitiveness?** → No. Workers earning more spend locally, strengthening small businesses.
- **Are there any benefits regarding job retention?** → Yes. Studies show there is reduced turnover.
- **Are there any benefits that have been generated by living wage ordinances like Santa Fe's?** → Yes. Higher morale, lower turnover and as a result, lower training costs.