

STANFORD  
UNIVERSITY

---



# How is the Living Wage Rate determined?

---

University Compensation

2008

# Living Wage at Stanford University



- The Living Wage policy establishes wage and other guidelines for organizations who have contracts with Stanford University.
- It was established in 2002 based on input from students, staff and faculty.
- The policy became effective as new contracts were established or existing contracts were renewed/extended.
- The Living Wage rates are reviewed annually. If updates are approved, they are effective September 1, the beginning of the fiscal year.

# Living Wage at Stanford University



- Applicability:
  - Guidelines apply to contractors whose employees provide basic services such as maintenance, grounds keeping, housing and food services directly to Stanford University.
  - The policy does not apply to workers represented by a collective bargaining agreement.
  - The aggregate value of the contract(s) must exceed \$100,000 per year to be covered by the policy.

# How the Living Wage Rates are Determined

---



- University Compensation gathers wage rates from a range of Bay Area municipalities that have living wage policies in place.  
Note: Bay Area includes the Peninsula, San Francisco and the East Bay
- Stanford's rates are annually compared to those of the municipalities to ensure our Living Wage rate is competitive with the local market
- Two Wage Guidelines
  - A minimum wage if the employer provides benefits
  - A higher minimum wage if the employer does not provide benefits

# How the Living Wage Rates are Determined

---



- A typical wage analysis methodology for any organization would include:
  - Determine who has a Living Wage policy and review their policy to ensure the employees covered are comparable to the employees covered by our Living Wage policy
  - Determine the appropriate labor market
  - Gather wage data from those cities in our labor market with a comparable policy
  - Prepare summary of wage rates for analysis
  
- This wage analysis methodology is consistent with the approach that is taken to determine wages for regular staff.