



---

# The High Cost of Living on Low Wages

A Profile of an Orlando  
International Airport Worker



September 2018



# Table of Contents

Executive Summary .....	1
Orlando International Airport (MCO) and the Greater Orlando Area .....	3
Airline Outsourcing and Wage Erosion .....	6
MCO Worker Survey Initial Findings .....	7
<b>A Profile of an MCO Worker: Employer, Job Classification, Wages, Tips, Raises, Benefits .....</b>	<b>8</b>
Job Classifications .....	8
Employers .....	8
Wages .....	9
Tips .....	9
Raises .....	10
Benefits: Health Care & Paid Time Off .....	10
Paid Time Off .....	10
<b>Demographics of an MCO Worker .....</b>	<b>11</b>
Annual Household Income .....	11
Government Assistance & Housing .....	12
Gender and Age .....	12
Country of Origin .....	12
Race & Ethnicity .....	13
Educational Attainment .....	13
Marital Status & Children .....	13
<b>Policy Recommendations .....</b>	<b>14</b>
<b>Conclusion .....</b>	<b>15</b>
<b>Appendix .....</b>	<b>16</b>
<b>End Notes .....</b>	<b>20</b>



## Executive Summary

---

Over the last decades, airlines have increasingly relied on a business model based on outsourcing parts of their operations to low-bid contractors, replacing what were once middle-class, family-sustaining positions with minimum-wage, poverty jobs. The increase in outsourcing, as detailed in a 2013 report sponsored by the University of California, Berkeley, Center for Labor Research and Education<sup>i</sup>, has been accompanied by a significant erosion of wages felt mostly by passenger service workers, the employees of airline contractors. The report also found that the decline in standards has not only hurt workers and their communities, but may also negatively affect the safe and efficient operation of airports.

The Orlando International Airport (MCO) generates more than \$31 billion in direct and indirect revenue for the regional economy and has more than 21,000 badged employees.<sup>ii</sup> We estimate that there are approximately 4,900 passenger service workers working for subcontractors for

airlines operating at MCO. These workers work as wheelchair agents, skycaps, baggage handlers, cleaners, security officers and perform other tasks to keep the airport running safely and securely. Raising the wages for passenger service workers at MCO would have significant, positive effects on Central Florida's economy. National research continues to demonstrate the strong links between higher wages, employee retention, and improved airport security. In fact, living wage measures that have been adopted in other major cities, including Seattle, Los Angeles, and Chicago have stabilized airport workforces, which in turn reduce turnover, increase productivity, and improve security.<sup>iii</sup>

This report is based on data collected from 199 workers at Orlando International Airport that were surveyed between March and May of 2018. The following are key findings, based on the survey responses:

## Wages, Tips, Raises

- 78% of workers reported an annual household income of less than \$20,000.
- 13% reported that their annual household income was less than \$12,000.
- 29.3% reported earning \$5.23 per hour, the tipped minimum wage in Florida.
- The average wage reported was \$7.71 per hour, while the median wage was \$8.25 per hour.
- 66% of workers reported that they did not receive a raise in the last 12 months.
- Of the 67 workers that reported receiving raises in the last 12 months, the most frequently reported raise rate was only \$0.17 per hour.

## Health Care & Benefits

- 92% of workers reported that their employer did not provide paid sick leave.
- 77% of workers reported that they had come to work while being sick.
- 73% stated that they did not receive paid time off.
- 47% of workers reported that they do not have health insurance.
- 16% of workers stated that they have public health insurance such as Medicare or Medicaid.

## High Cost of Living on Low Wages:

### Housing

- 45% of respondents stated they have difficulties paying for housing.
- Only 15% of workers reported owning their home.
- Another 9% stated that they live with a relative or friend.

### Living Expenses

- 60% reported having trouble paying bills on their wages.
- 28% have difficulty paying gas and/or electric bills.

### Relying on Public Assistance

- Of those with children, 26% of respondents stated that they qualify to receive health insurance through a public program, like Florida's KidCare.
- 19% of respondents reported that their family receives food stamps, while another 19% reported having difficulty paying for food.

### Demographics, Race & Ethnicity, & Family Status

- 34% of workers were from Puerto Rico, followed by 25% from the United States and 11% from Haiti.
- 65% of workers surveyed were male while 33% were female.
- Hispanic and Black/African American accounted for 96% of surveyed workers.
- 55% of workers have at least one child, while 42% stated that they did not have any children.



# Orlando International Airport (MCO) and the Greater Orlando Area

The Orlando International Airport (MCO) has experienced enormous growth in both the long and short term. Since 2001, total passenger traffic at MCO has increased by 58%. International passenger traffic has increased 182% since 2001.<sup>iv</sup> In 2017, MCO surpassed Miami International Airport (MIA) to become the busiest airport in the State of Florida with 44.6 million total passengers in the 2017 calendar year, a record for passenger traffic. Additionally, MCO is now the 11th busiest airport in the United States, jumping up from the 16th busiest airport in the U.S. in 2001.<sup>v</sup> For the first six months of 2018, domestic and international passenger traffic is up 6.7 percent at MCO, bringing the total number of travelers to 24.1 million over a six month period and over 46 million on a rolling 12 month basis.<sup>vi</sup>

Additionally, the airlines that utilize MCO had a very profitable last year. For example, a look at some the major U.S. airlines that fly into MCO reveal huge profits in 2017:

- American Airlines reported profits of \$3.1 billion for the full year of 2017.<sup>vii</sup>
- Delta Airlines reported profits of \$3.57 billion for the full year of 2017.<sup>viii</sup>
- United Airlines reported profits of \$2.1 billion for the full year of 2017.<sup>ix</sup>

→ JetBlue Airways Corporation reported profits of \$1.1 billion for the full year of 2017.<sup>x</sup>

→ Southwest Airlines reported profits of \$3.5 billion for the full year of 2017.<sup>xi</sup>

*In September 2017, American Airlines CEO Doug Parker, said "I don't think we're ever going to lose money again. We have an industry that's going to be profitable in good and bad times."<sup>xii</sup>*

MCO serves as a driver to the local economy and a vital part of the regional tourism industry. GOAA states that MCO generates \$31 billion in revenue for the regional economy and has more than 21,000 badged employees working at the airport.<sup>xiii</sup> MCO is a vital part of the tourism industry in Orlando, which is the major driver of the regional economy. In 2017, 72 million visitors traveled to Orlando, an increase of more than 5 percent over the prior year, once again making it the most visited destination in the United States.<sup>xiv</sup>



## Tourism is Booming, Wages are Stagnant

Despite the incredible growth in tourism and airport business, wages for MCO passenger service workers have stayed stagnant and many are living at or near poverty levels. According to our survey findings, the average reported wage was just \$7.71 an hour, while 78% of workers said their household income was less than \$20,000, far below the federal poverty level of \$25,100 for a family of four.

It is virtually impossible to survive in Orlando, one of the most expensive places in the country, on just \$20,000 a year. The Orlando metro area ranks 12th among major cities in housing unaffordability, according to data from “The State of the Nation’s Housing 2018”<sup>xv</sup>, a Harvard University report. More than 37.6% of Orlando households are cost burdened, paying far more for housing than they can afford.

Additionally, Orlando is currently experiencing an affordable housing crisis.<sup>xvi</sup> According to the National Low Income Housing Coalition, the Orlando-Kissimmee-Sanford area is tied for the second as the largest metropolitan area with the most severe shortage of affordable rental homes, offering only 17 available and affordable units per 100 renters.<sup>xvii</sup>

The Economic Policy Institute (EPI), which utilizes estimates for basic family budget items such as housing, food, transportation, child care, healthcare and taxes, estimates a single person would need to earn \$38,041 a year, and a family of four, \$78,440 in order to afford the basic cost of living in Orlando.<sup>xviii</sup> For a single person without any children, working 40 hours a week, that translates to at least \$18 an hour. A far cry from what MCO workers are earning.

## Monthly Costs

Orlando/Kissimmee/Sanford metro area



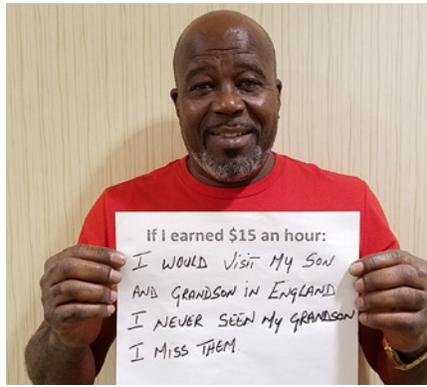
1 adult and no children

	Housing	\$ 849
	Food	\$ 271
	Child Care	\$ 0
	Transportation	\$ 769
	Health Care	\$ 360
	Other Necessities	\$ 452
	Taxes	\$ 468
	<b>Monthly Total</b>	<b>\$ 3,170</b>
	<b>Annual Total</b>	<b><u>\$ 38,041</u></b>



2 adults and 2 children

	Housing	\$ 1,096
	Food	\$ 783
	Child Care	\$ 1,004
	Transportation	\$ 1,124
	Health Care	\$ 1,092
	Other Necessities	\$ 758
	Taxes	\$ 680
	<b>Monthly Total</b>	<b>\$ 6,537</b>
	<b>Annual Total</b>	<b><u>\$ 78,440</u></b>



## **Emmanuel Hunt** **Wheelchair Attendant**

"I've worked at the airport for over a decade. When I started working, I was earning \$5.23 an hour, ten years later I'm still earning \$5.23 an hour. This is no way to live. Every year, the cost of food, gas, and rents go up. How is it possible that a decade later I'm still earning the same?"

I want to stay in Orlando. I have my family here and my community. But the cost of living is exploding as more and more people move here. This is one of the busiest airports in the country and one of the largest economic engines in Florida. If we were paid what we deserve, we wouldn't have to struggle. We could live here peacefully and not wonder what it would be like to live in a cheaper city.

I would like to be able to go on vacation, even treat myself to dinner. But I live paycheck to paycheck. I worry that as I get older I won't have enough to retire on. There are many people who have been at the airport for years. We've dedicated our lives to serving our passengers. But, at the end of the day, we don't have anything to show for it."



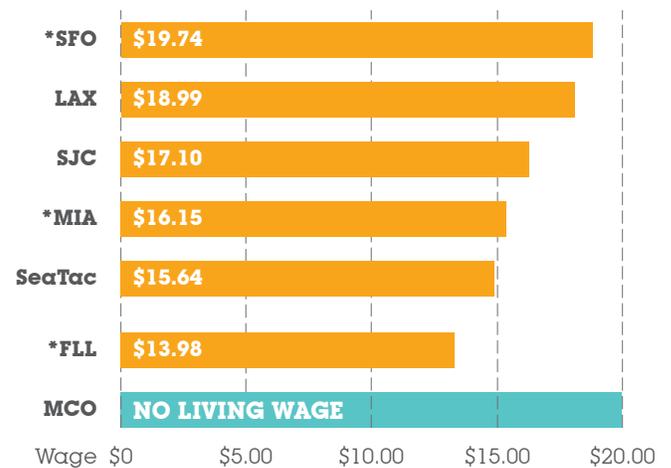


# Airline Outsourcing and Wage Erosion

Through the use of outsourcing and subcontracting, airlines have found significant cost savings by reducing labor costs. The reduction in labor costs has been achieved through a combination of reducing the compensation of their direct employees and subcontracting out other services to private companies. The shift towards subcontracting out operations has been sweeping and the changes have occurred rapidly. A 2003 report by the University of California at Berkeley showed that although 80 percent of all airport workers provide services to airlines, airlines directly employ just two-fifths of the workers in low-paid positions.<sup>xix</sup>

They payment of poverty level wages to large groups of workers, like those at airports, negatively impact local economic growth and increase the cost demand of social services. As businesses benefit from low wages, taxpayers subsidize the cost of living of low-wage workers through government spending on food stamps, emergency medical services, housing, childcare, energy assistance, and other social services that workers rely on to support themselves and their families.

In response to the low wage workforce in place at many of the nation's airports, a number of airports have created or applied living wage ordinances to airport workers. As a result, passenger service workers at airports in San Francisco, Los Angeles, San Jose, Miami, Seattle, Fort Lauderdale, Boston-Logan, Washington DC (both Dulles and Reagan) and Philadelphia are now earning living wages as a result of these policies.



\*Note: SFO, MIA, and FLL include healthcare supplemental.

By raising wage and benefit standards, living wage ordinances increase the incomes of those in the bottom distribution of wage earners. The additional income that working households receive from living wage ordinances ultimately reduce their likelihood of being in or near poverty and therefore reduce their consumption of income assistance programs like publicly-funded social services. In turn, increased incomes and the subsequent cost reduction of publicly-funded social services boost local economies. Unsurprisingly, living wage ordinances have been found to reduce poverty and benefit local communities.<sup>xx</sup>

Additionally, a large body of research has shown that raising wages generally, and setting high minimum wage standards specifically, leads to meaningful reductions in employee turnover among affected workers. Extensive additional research has documented the links between higher wages and improved productivity.<sup>xxi</sup> This is particularly important because experience has shown that in the event of an emergency, such as an active shooting scenario, sub-contracted services workers are on the frontline of public engagement in our airports. Whether or not they have re-

ceived official training or support, service workers are called upon in emergencies because they are in uniform, already on-site when incidents begin (including in less accessible areas behind security checkpoints), and customers expect them to be resources. In November 2013, following a shooting incident at Los Angeles International Airport that left a TSA officer dead, Mayor Eric Garcetti immediately acknowledged the role contracted services workers had played – calling for help and attending to frightened passengers.<sup>xxii</sup>



## MCO Worker Survey Initial Findings

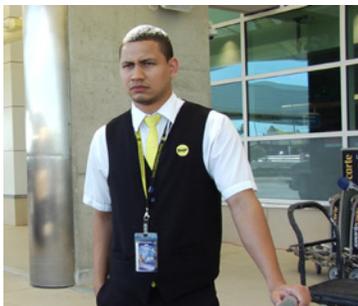
---

From March through May of 2018, SEIU 32BJ organizers conducted surveys with 199 contracted out workers in passenger service classifications at Orlando International Airport. Participation in the survey was completely voluntary and anonymous, and workers could discontinue at any point during the survey. Randomization was attempted by approaching different workers at the airport in different times of day in different areas of the airport. Participants' information has been kept completely confidential and anonymous throughout this report, and any names used in the report are fictitious to ensure full confidentiality of workers. Data was entered using Excel and The Statistical Package for the Social Sciences (SPSS) was used to analyze survey findings.



# A Profile of an MCO Worker: Employer, Job Classification, Wages, Tips, Raises, Benefits

This section of the report outlines and reveals a profile of the 199 workers that were surveyed at Orlando International Airport by: 1) Job Classifications; 2) Employer; 3) Wages; 4) Earned Tips; 5) Annual Raises; and 5) Health Care Benefits.



**Christian  
Rodriguez  
Wheelchair  
Attendant**

"I work two jobs because what I earn at the airport is not enough to take care of my family. I

work over 80 hours a week and it's still difficult to pay my bills. We don't get benefits like vacation days or paid family leave.

My wife and I have a 3 month old baby girl. When she gave birth, I only got to spend a few hours with them in the hospital because I had to go back into work. I couldn't afford to take a day off. It's difficult because I would like to dedicate more time for my family, but with what I earn, how can I?"

## Job Classifications

Of the 199 surveyed workers 27 different job classifications were reported, with the most common reported were: Wheelchair Agents (66 responses or 33%); Skycaps (38 responses or 19%) and; Baggage (21 responses or 11%) as shown in Table 1 in the Appendix.

## Employers

Workers were asked to name their current employers. 22% of surveyed workers listed Prospect as their employer, followed by ABM with 21% and Bags with 18% of workers. Overall 15 different employers were listed by workers. 60% of respondents reported starting for the company they were working for in the last two years (2016-2018). See Table 2 in the Appendix for more information.

## Wages

On January 1, 2018, Florida's minimum wage was set to \$8.25 per hour and \$5.23 per hour for tipped workers. In 2018, the State of Florida minimum wage increased by \$0.15 per hour.<sup>xxiii</sup> Table 3 in the Appendix shows the hourly wage rate per surveyed worker, not including tips.

The most reported wage (51 responses or 29.3%) was \$5.23 per hour. The average wage reported was \$7.71 per hour, while the median wage was \$8.25 per hour (these statistics include workers making the tipped minimum wage). The survey analysis of reported wages found that:

## Tips

Workers reported receiving as little as \$10 in tips in the last week. The most frequently reported tip amount in the last week was \$50 (12 responses) and \$100 (12 responses) and the weekly median reported tip amount was \$60.



**74%** of workers reported hourly wages below \$10 per hour



**38.5%** of workers reported making \$5.25 an hour or less



**66%** said they did not receive a raise in the last 12 months



**Carlos Batista**  
**Wheelchair Attendant**

"I love my job as a wheelchair attendant. I'm a people person so I like helping the customers, especially the older passengers. We do a lot more than just wheel someone to their flight. We'll take them to buy food or to the bathroom too. Sometimes you can spend a couple of hours with a customer. I don't mind because I know they need my help, but I don't think people understand the amount of work we do.

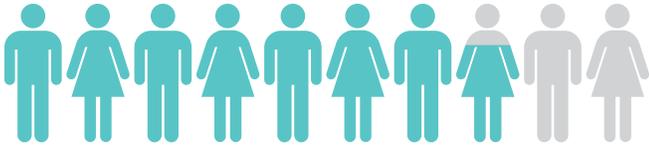
I only earn \$5.23 an hour, plus very little tips. A lot of times passengers don't tip you because they can't afford to or they don't know we mostly work off tips.

I'm 40 years old and starting to think about my future. I would like to buy a house, but with my salary, there is no way that I can. All my money goes to paying bills. I rent a room from my aunt and uncle and don't know when or if I'll ever be able to buy anything. My parents live in New York and I would love for them to come visit me more often but I don't even have enough space for visitors.

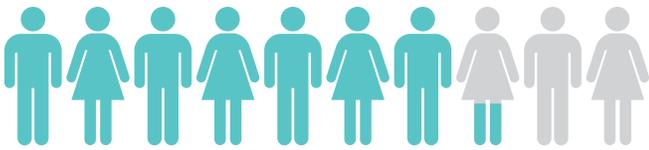
The bottom line is, people like us are what keeps the airlines going. If they want to maintain good employees who care about their passengers, then they should pay us a living wage."



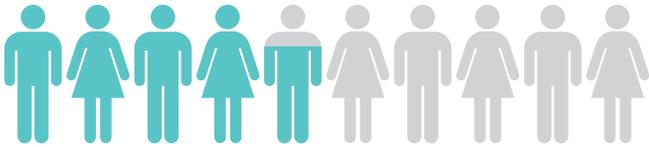
**92%** of workers reported that their employer did not provide paid sick leave



**77%** have had to come in to work sick



**73%** stated they do not get vacation days or paid time off



**47%** of respondents stated they do not have health insurance



only **4%** receive health insurance through their employer

## Raises

Workers were asked if they had received a raise from their employer during the last 12 months; the majority (66%) or 131 of the 199 respondents reported that they did not receive a raise in the last 12 months.

Of those that reported raises (31%), the most frequently reported raise rate was \$0.17 per hour (9 responses). The employer with the most respondents listed as giving out raises in the last 12 months was ABM, followed by HMS and HSS. Respondents working for the following employers reported not having received any raises in the last 12 months: Bags; Falcon; Flagship; G2; Global; Hallmark; Aviation; Menzies; Prospect; Southeast; and Swissport-- with Bags and Prospect with the largest number of respondents indicating that they had not received a raise in the last 12 months.

## Benefits: Health Care & Paid Time Off

47% of respondents (93) reported that they do not have health insurance, while 53% stated that they had a form of health insurance. However, only 4% or (7) respondents reported that they received health insurance through their employer, while 27% (of those with health insurance not provided by their employer) -- reported that they pay for their own private insurance. 16% of workers stated that they have public insurance such as Medicare or Medicaid. See Table 4 in the Appendix for more information.

Respondents were asked if their employer provided paid sick days, shown on Table 5. Of the 199 workers surveyed, most respondents (92% or 184) reported that their employer did not provide paid sick leave. Notably, 77% or 154 of respondents reported that they had come to work while being sick.

## Paid Time Off

Most workers (73%) stated that they did not receive paid time off or vacation days. For those that did receive paid vacation days, the mode or most common response was five vacation days per year--yet this only represented 15% or 29 of the surveyed workers.



# Demographics of an MCO Worker



## Lourdes Martínez Wheelchair Attendant

"Many of us that work here have moved are Puerto Rican and have families that desperately need our help. I have co-workers who lost their homes because of Hurricane Maria. My own father was without electricity or

water. I would like to help him and send him money but I only make \$5.23 an hour. I can barely feed myself. Every month I have to decide between paying my food, medicine, my rent, or telephone bill. I don't have anything left over to help anyone.

I'm lucky that I have friends at work that sometimes invite me to lunch or lend me a little money. But I feel bad because I'm someone who likes to pay my debts. I don't sleep at night worrying about my dad in Puerto Rico, my bills, and friends who I have to pay back.

I don't think we're asking for much. It's impossible to live on what we earn. We need \$15 an hour so we can do more than just survive here in Florida. We should be earning enough so we can take care of our families."

This next section of the report outlines the demographics of the 199 survey respondents on: 1) Annual Household Income; 2) Government Assistance and Housing; 3) Gender and Age; 4) Country of origin; 5) Race and Ethnicity; 6) Educational attainment; 7) Marital Status and Children

## Annual Household Income

Household income is a measure of the combined incomes of all people sharing a particular household or place of residence. It includes every form of income, e.g., salaries, wages and tips. Table 6. shows the annual household incomes of workers. Household incomes varied from less than \$12,000 to \$50,000 annually. However, 13% or 25 workers reported that their annual household income was less than \$12,000.

The highest percentage of surveyed workers (35%) reported that their annual household income was between \$12,000 to \$15,999. When we combine those reporting less than \$12,000 with those under \$19,000, 78% of workers reported an annual household income of less than \$20,000.

## Government Assistance & Housing

Workers were asked if they received forms of public or government assistance such as, housing, food stamps, childcare or WIC<sup>xxiv</sup>, cash assistance or TANF<sup>xxv</sup>, gas or electric. Overall, 60% reported having trouble paying bills on their wages.



**78%** of workers reported earning less than \$20,000 a year



**45%** have difficulties paying for housing



**28%** have difficulty paying gas and/or electric bills



**19%** of respondents reported that their family receives food stamps



another **19%** reported having difficulty paying for food

Table 14 in the Appendix indicates that 72% of workers are renters and not home owners, while only 15% reported owning their home. Another 9% stated that they live with a relative or friend and two workers responded that they live in a hotel. An overwhelming 45% of respondents stated as having difficulties paying for housing, and 2% of respondents reported that their family receives housing assistance.



**Christian Rodriguez  
Wheelchair Attendant**

“Orlando is an expensive place to live. We can’t afford to raise our families with what they’re paying at the airport.

As a part time real estate agent, I have access to listings and can easily search for homes to buy. I have tried to help coworkers find a house they can afford and I’ve also been searching for my own home to buy for over a year. The problem is, we earn too little. We don’t qualify for a loan.”

## Gender and Age

The majority of workers surveyed were males (65%) while 33% were female. Table 7 in the Appendix shows that ages ranged from 18 years to over 60 years of age. The largest percentage of those surveyed (38%) were in the 18-29-year range, while 11% belonged in the 60+ age bracket.

## Country of Origin

The largest percentage (68 responses or 34%) of respondents were from Puerto Rico, followed by the United States (49 responses or 25%) and Haiti (22 responses or 11%), as shown in Table 8 in the Appendix. 41% of all workers surveyed were born outside the U.S. and Puerto Rico, while 34% were born in Puerto Rico and 25% were born in the United States. Overall this indicates that the workforce surveyed at the Orlando International Airport is predominantly Puerto Rican and workers from Latin America and the Caribbean.

## Race & Ethnicity

Race and ethnicity are often used interchangeably. For the purpose of our research survey we asked workers to self-identify their race and ethnicity under six categories: Latino/Latina or Hispanic; Black or African-American; Asian or Pacific Islander; White; American Indian, Native Hawaiian or Alaska Native; and/or Other Race. As shown on Table 9 in the Appendix, four different races and ethnicities were reported, with the majority of respondents (76%) stated that they were Latino/Latina or Hispanic, followed by Black/African American at 21% and Whites at 3% (or 5 responses).

Collectively Latinos/ Hispanic and Black/African American accounted for 96% of surveyed workers.

The data from Table 10 in the Appendix indicates that the majority of workers surveyed are not transient workers and many of them have deep social connections and investments to Orlando and its' communities.

The largest percentage of those surveyed (65%) indicated that they had lived in the Orlando area for more than five years, while only (9%) stated that they had lived in the Orlando area for a year or less.

## Educational Attainment

Of the 199 workers surveyed, 58% of workers (or 115) reported having at least a high school diploma or a high school equivalency certificate such as a General Education Diploma (GED). Those attending at least one year of college or more, accounted for 78 of respondents (or 39%) while 11% reported having either an associate or bachelor's degree. Only 2% of workers stated having less than a high school diploma, as shown on Table 11 in the Appendix.

## Marital Status & Children

Respondents were asked to report whether they were married, living with a partner, or neither. The majority of workers surveyed (54%) were not married or living with a partner, while 33% were married, and 13% reported to living with a partner. See Table 12 in the Appendix for more information.

Table 13 in the Appendix shows that of the 199 survey respondents, 55% (or 109) have at least one child, while 42% stated that they did not have any children; six respondents chose not to answer.



## Policy Recommendations

Passenger service workers are vital to the success of the Orlando International Airport and to the greater Orlando tourism industry. The airport continues to grow rapidly and the airline industry is reporting record profits. Yet the workers that keep MCO running struggle to make ends meet. We propose the following policy recommendations to lift up workers and ensure that MCO continues to operate safely and efficiently:

### **Enact a living wage at Orlando International Airport for all workers, regardless of job classification.**

The Greater Orlando Airport Authority has the opportunity to join the national movement to improve working standards for passenger service workers, by extending a living wage to workers at MCO. Airports in Boston, Los Angeles, Miami, Fort Lauderdale, Newark, New York, Oakland, Philadelphia, Washington DC, San Francisco, San Jose, Seattle and St. Louis have enacted policies to raise wages for passenger service workers.

In 2013, Broward County expanded the County Living Wage ordinance, which sets wages at \$12.38 an hour with qualifying health benefits and \$13.98 without health benefits, to over 2,000 subcontracted airline workers at the Fort Lauderdale International Airport. While that living wage is still too low considering the extraordinary cost of living in Broward, it has done a passable job of keeping airport workers out of poverty without dramatically increased operating costs. The cost per enplaned passenger at FLL is only \$4.86<sup>xxvii</sup>, lower than airports of similar size.<sup>xxviii</sup> As of 2017, the cost per enplaned passenger at MCO was \$5.69.<sup>xxix</sup> In addition, since the living wage was implemented in 2016, passenger traffic has increased a healthy 20.6%, or an average of 9.8% each year, showing no negative impact.

Higher wage and benefit standards can help passenger service workers provide better service to their customers and can make airports safer by promoting job stability and reducing worker stress. In addition, by being able to offer better wages and benefits, airline contractors can more easily recruit employees and benefit from the stability and lower costs of decreased turnover rates.

One reason higher minimum wages reduce turnover is that, after a raise, workers stay at their current job longer, as they are less likely to search and find even higher paying jobs. A second reason is that, after a minimum wage increase, it becomes more cost-effective for employers to invest in their current employees rather than lay them off and hire new, untrained workers.<sup>xxx</sup>

Researchers at the University of California-Berkley Institute for Research on Labor and Employment found that increased wages at airports in Seattle and San Francisco lead to reduced turnover and better performance by employees, which in turn leads to a more safe and secure environment for both airport employees and the public.

In order to adequately follow its stated goal of creating “...an experience the traveler and customer see as safe, secure, comfortable, efficient and affordable”, GOAA should enact a living wage of at least \$15 an hour for passenger service workers at MCO, thereby ensuring a stable, experienced, and quality workforce.

### **Ensure that a living wage covers all job classifications.**

The survey found that 38.5% of the workers surveyed reported earning an hourly wage of either \$5.23 (the State of Florida tipped minimum wage) or \$5.25. The median weekly tip earnings reported in the last week was \$60. For a wheelchair attendant working 40 hours at \$5.23 an hour, that would translate to only \$269.20, before taxes.

The tipped minimum wage allows employers to credit tips given to the employee towards the minimum wage but employers must make up the difference if the tips are not enough. The most commonly reported weekly tip amount reported in the last week was \$50 and \$100. Workers that reported earning the tipped minimum or less all worked the following job classifications: Wheelchair agent, skycap, baggage handler or porter.

When an employer elects to take a tip credit, the rules are complicated and difficult to implement. It is also difficult for workers and employers to keep track of tips accurately. Tipped workers often work irregular schedules. Keeping track of tips is even more difficult when they come in the form of cash and credit cards on the same shift. Finally, some employees simply do not ask their employers to make up the difference, for fear of retaliation, which can be as subtle as assigning a worker to a less lucrative shift.

The situation of wheelchair workers is especially precarious. Based on our experience, workers providing wheelchair assistance services do not have a regular expectation of significant tip income. They are specifically instructed that it is a violation of federal regulations for them to solicit tips.<sup>xxxi</sup>

The results of the survey illustrate that the tipped minimum wage is not enough for workers at MCO. GOAA should ensure that workers in these job classifications are included in any living wage ordinance and not excluded. Furthermore, GOAA should make it clear that employers are not permitted to take a tip credit to ensure that wheelchair agents, skycaps, baggage handlers and porters earn the full living wage and are not dependent on tips from passengers.



## **Conclusion**

Orlando International Airport workers are vital to Orlando and the state of Florida’s economy, and yet workers are struggling to make ends meet. Orlando’s high cost of housing coupled with high living expenses, and low wages at MCO makes it impossible for families to economically prosper. Workers not earning a Living Wage have higher poverty rates and are more likely to rely on public assistance. Elected officials must support policies that create a path to prosperity for hardworking families.

# Appendix

**Table 1**  
Job Classifications per Respondent

Job Classifications	Number of Responses	Percent of Total
Wheelchair Agent	66	33%
Skycaps	38	19%
Baggage	21	11%
Line Queue/Greeters	9	5%
Ramp	9	5%
Terminal Cleaner	9	5%
Cabin cleaner	8	4%
Passenger Service Agent	8	4%
Security	5	3%
Ground Service Coordinator	3	2%
Maintenance	3	2%
Terminal Maintenance	3	2%
Wheelchair Coordinator/ Dispatcher	3	2%
Dispatch	2	1%
Supervisor	2	1%
Check In	1	1%
Customer Service	1	1%
Federal Inspection Service	1	1%
Ground Support Employee	1	1%
Junior Lead Baggage Handler Service	1	1%
Lead	1	1%
Gate Service Assistant	1	1%
Vendor Behind Counter	1	1%
Wheelchair Agent, Baggage, Oversize	1	1%
Wheelchair Agent, Line Queue/Greeters	1	1%
<b>Total</b>	<b>199</b>	<b>100%</b>

**Table 2**  
List of Employers by Respondent

Employers	Number of Responses	Percent of Total
Prospect	44	22%
ABM	41	21%
Bags	36	18%
G2	20	10%
Menzies	19	10%
Flagship	14	7%
Southeast	6	3%
Falcon	5	3%
Swissport	4	2%
Global	3	2%
Hallmark Aviation	2	1%
ABM, Avis (Driver)	1	0.5%
ABM, Bags	1	0.5%
HMS	1	0.5%
HSS	1	0.5%

**Table 3**  
Hourly Wage per Respondent

Hourly Wages (Not Including Tips)	Number of Responses	Percent of Total
\$5.23	51	29.31%
\$5.25	16	9.20%
\$5.30	1	0.57%
\$5.45	1	0.57%
\$6.00	4	2.30%
\$6.25	2	1.15%
\$6.50	5	2.87%
\$7.00	3	1.72%
\$7.25	1	0.57%
\$8.10	1	0.57%
\$8.23	1	0.57%
\$8.25	18	10.34%
\$8.50	2	1.15%
\$8.62	1	0.57%
\$8.66	1	0.57%
\$8.68	1	0.57%
\$8.75	2	1.15%
\$9.00	6	3.45%
\$9.20	1	0.57%
\$9.25	2	1.15%
\$9.45	1	0.57%
\$9.50	3	1.72%
\$9.71	2	1.15%
\$9.79	1	0.57%
\$9.95	2	1.15%
\$10.00	23	13.22%
\$10.50	2	1.15%
\$10.62	1	0.57%
\$10.75	2	1.15%
\$11.00	4	2.30%
\$11.20	1	0.57%
\$11.85	5	2.87%
\$12.00	2	1.15%
\$12.50	1	0.57%
\$12.75	1	0.57%
\$12.80	1	0.57%
\$14.25	1	0.57%
\$14.50	1	0.57%
<b>Total</b>	<b>174</b>	<b>100.00%</b>

**Table 4**  
Health Insurance by Respondent

	Number of Responses	Percent of Total
No	93	47%
Yes	105	53%
N/A	1	1%
<b>Total</b>	<b>199</b>	<b>100%</b>

**Table 5**  
Employer Provide Paid Sick Days

	Number of Responses	Percent of Total
No	184	92%
Yes	9	5%
Don't Know	3	2%
N/A	3	2%
<b>Total</b>	<b>199</b>	<b>100%</b>

**Table 6**  
Annual Household Income

Annual Household Income	Number of Responses	Percent of Total
Less than \$12,000	25	13%
<b>\$12,000 - \$15,999</b>	<b>68</b>	<b>34%</b>
\$16,000 - \$19,999	58	29%
\$20,000 - \$23,999	20	10%
\$20,000-\$23,999	2	1%
\$24,000 - \$29,999	9	5%
\$30,000 - \$39,999	5	3%
\$40,000-\$44,999	1	1%
\$50,000 and over	2	1%
Don't Know	6	3%
N/A	3	2%
<b>Total</b>	<b>199</b>	<b>100%</b>

**Table 7**  
Age Range of Survey Respondents

Age Range	Number of Responses	Percent of Total
18-29	75	38%
30-39	35	18%
40-49	33	17%
50-59	35	18%
60+	21	11%

**Table 8**  
Country of Origin

Country	Number of Responses	Percent of Total
Puerto Rico	68	34%
USA	49	25%
Haiti	22	11%
Dominican Republic	14	7%
Colombia	8	4%
Ecuador	7	4%
Cuba	4	2%
N/A	4	2%
Peru	3	2%
Jamaica	3	2%
Venezuela	3	2%
Virgin Island	2	1%
Kosovo	2	1%
India	1	1%
South America	1	1%
Brazil	1	1%
Guatemala	1	1%
El Salvador	1	1%
Nicaragua	1	1%
Germany	1	1%
El Salvador	1	1%
Honduras	1	1%
Iceland	1	1%
<b>Total</b>	<b>199</b>	<b>100%</b>

**Table 9**  
Race/Ethnicity

Race/Ethnicity	Number of Responses	Percent of Total
Latino/Latina or Hispanic	151	76%
Black/African American	41	21%
White	5	3%
Asian or Pacific Islander	1	1%
N/A	1	1%
<b>Total</b>	<b>199</b>	<b>100%</b>

**Table 10**  
Length of Time Living in Orlando Area

Length of Time	Number of Responses	Percent of Total
> 5 years	129	65%
1-5 years	50	25%
1-5 years	1	1%
6 months-1 year	8	4%
6 months or less	9	5%
N/A	2	1%
<b>Total</b>	<b>199</b>	<b>100%</b>

**Table 11**  
Educational Attainment

Education	Number of Responses	Percent of Total
High School/GED	115	58%
One or more years of college, no degree	57	29%
Associate degree	11	6%
Bachelor's degree	10	5%
Less than high school	4	2%
N/A	2	1%
<b>Total</b>	<b>199</b>	<b>100%</b>

**Table 12**  
Marital Status

Status	Number of Respondents	Percent of Total
Neither	108	54%
Married	65	33%
Living w/ a partner	25	13%
N/A	1	1%
<b>Total</b>	<b>199</b>	<b>100%</b>

**Table 13**  
Number of Children

Children	Number of Respondents	Percent of Total
0	84	42%
1	27	14%
2	34	17%
3	34	17%
4	9	5%
5	3	2%
7	1	1%
8	1	1%
N/A	6	3%
<b>Total</b>	<b>199</b>	<b>100%</b>

**Table 14**  
Housing Situation

Housing	Number of Respondents	Percent of Total
Rent home/apartment	144	72%
Own home/apartment	29	15%
Live with relative/ friend	17	9%
Live in a hotel	2	1%
Mobile home	1	1%
N/A	6	3%
<b>Total</b>	<b>199</b>	<b>100%</b>

# End Notes

- i** Miranda Dietz, Peter Hall, and Ken Jacobs; “Course Correction - Reversing Wage Erosion to Restore Good Jobs at American Airports.”; Sponsored by the University of California, Berkeley, Center for Labor Research and Education
- ii** GOAA Press Release, August 6, 2018, <https://www.orlandoairports.net/press/2018/08/06/mid-year-historic-traffic-levels-at-floridas-busiest-airport/>
- iii** “The Impact of Wages and Turnover on Security and Safety in Airports: A Review of the Literature,” UC Berkley Labor Center, <http://laborcenter.berkeley.edu/the-impact-of-wages-and-turnover-on-security-and-safety-in-airports/>
- iv** GOAA, Orlando International Airport fact sheet, <https://www.orlandoairports.net/site/uploads/factsheet.pdf>
- v** Federal Aviation Administration, [https://www.faa.gov/airports/planning\\_capacity/passenger\\_allcargo\\_stats/passenger/](https://www.faa.gov/airports/planning_capacity/passenger_allcargo_stats/passenger/)
- vi** GOAA Press Release, August 6, 2018, <https://www.orlandoairports.net/press/2018/08/06/mid-year-historic-traffic-levels-at-floridas-busiest-airport/>
- vii** “American Airlines Group Reports Fourth Quarter and Full Year 2017 Profit,” American Airlines Press Release, January 25, 2018
- viii** “Delta Airlines Announced December Quarter and Full Year 2017 Profit,” Delta Airlines Press Release, January 11, 2018
- ix** “United Airlines Reports Fourth-Quarter and Full Year 2017 Performance,” United Airlines Press Release, January 23, 2018
- x** “JetBlue Announced Q4 2017 Results,” JetBlue Press Release, January 25, 2018
- xi** “Southwest Airlines Reports Record Fourth Quarter And Annual Profit; 45th Consecutive Year Of Profitability,” Southwest Airlines Press Release, January 25, 2018
- xii** “American Airlines CEO: We’ll Never Lose Money Again,” by David Koenig, Associated Press, September 28, 2017
- xiii** GOAA Press Release, July 3, 2018, <https://www.orlandoairports.net/press/2018/07/03/orlando-international-airport-celebrates-4th-of-july-with-record-traffic-and-patriotic-concert/>
- xiv** Visit Orlando Press Release, May 10, 2018, <https://media.visitorlando.com/pressrelease/index.cfm/2018/5/10/A-New-Record-for-US-Travel-Orlando-First-to-Surpass-70-Million-Annual-Visitors/>
- xv** “The State of the Nation’s Housing 2018,” Joint Center for Housing Studies of Harvard University, <http://www.jchs.harvard.edu/state-nations-housing-2018>
- xvi** Orlando Weekly, March 15, 2018. <https://www.orlandoweekly.com/Blogs/archives/2018/03/15/orlandos-affordable-housing-crisis-is-about-to-implode>
- xvii** National Low-Income Housing Coalition. [http://nlihc.org/sites/default/files/gap/Gap-Report\\_2018.pdf](http://nlihc.org/sites/default/files/gap/Gap-Report_2018.pdf)
- xviii** Economic Pol <https://www.epi.org/resources/budget/>
- xix** Michael Reich, Peter Hall, and Ken Jacobs, “Living Wages and Economic Performance: The San Francisco Airport Model,” Institute of Industrial Relations, University of California, Berkeley, March 2003. <http://laborcenter.berkeley.edu/living-wages-and-economic-performance-the-san-francisco-airport-model/>
- xx** “Estimating the Potential Economic Effects of a Broward County Living Wage Ordinance Expansion at Broward County’s Fort Lauderdale/Hollywood International Airport,” Research Institute on Social and Economic Policy at Florida International University, September 1, 2015
- xxi** “The Impact of Wages and Turnover on Security and Safety in Airports: A Review of the Literature,” UC Berkley Labor Center, <http://laborcenter.berkeley.edu/the-impact-of-wages-and-turnover-on-security-and-safety-in-airports/>
- xxii** SEIU-USWW. Standing Up for Passenger Safety at LAX. March 18, 2014. p. 6. Retrieved from <http://www.seiu-usww.org/files/2014/03/lax-white-pages-3-4-14.pdf>.
- xxiii** Florida law requires the Florida Department of Economic Opportunity to calculate a minimum wage rate each year. The annual calculation is based on the percentage increase in the Federal Consumer Price Index for Urban Wage Earners and Clerical Workers in the Southern Region. <http://www.floridajobs.org/docs/default-source/2017-minimum-wage/florida-minimum-wage-2017-announcement.pdf?sfvrsn=2>
- xxiv** The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) provides Federal grants to States for supplemental foods, health care referrals, and nutrition education for low-income pregnant, breastfeeding, and non-breastfeeding postpartum women, and to infants and children up to age five who are found to be at nutritional risk. <https://www.fns.usda.gov/wic/women-infants-and-children-wic>
- xxv** The Temporary Assistance for Needy Families (TANF) program is designed to help needy families achieve self-sufficiency. <https://www.acf.hhs.gov/ofa/programs/tanf>
- xxvi** Florida KidCare is the State of Florida’s health insurance program that covers children ages 0-18. The program is made up of Florida Healthy Kids, Medicaid, MediKids and Children’s Medical Services. <https://www.healthykids.org/kidcare/what/>
- xxvii** Broward County Aviation Department Financial Statements For the Years Ended September 20, 2017 and 2016
- xxviii** For more information see <https://dwcconsulting.com/airport-finance/articles/cost-per-enplaned-passenger>. For example, MCO’s CPE is less than PHX (\$6.13), EWR (\$26.77) and IAH (\$11.10) who process a similar number of passengers.
- xxix** Comprehensive Annual Financial Report For the years ended September 30, 2017 and 2016, Greater Orlando Airport Authority, [https://orlandoairports.net/site/uploads/CAFR\\_2017.pdf](https://orlandoairports.net/site/uploads/CAFR_2017.pdf)
- xxx** Dube, Arindrajit, T. William Lester, Michael Reich. 2016. “Minimum Wage Shocks, Employment Flows, and Labor Market Frictions.” *Journal of Labor Economics* 34, no. 3: 663–704.
- xxxi** U.S. Department of Transportation, [https://www.transportation.gov/sites/dot.gov/files/docs/Wheelchair\\_and\\_Guided\\_Assistance\\_Tips-Tip\\_Sheet.pdf](https://www.transportation.gov/sites/dot.gov/files/docs/Wheelchair_and_Guided_Assistance_Tips-Tip_Sheet.pdf)





# The High Cost of Living on Low Wages