

Making Work Pay

THE DISCOUNT FOUNDATION

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BOARD PRESIDENT'S LETTER

Dear Colleagues:

In the mid 1990s, the Discount Foundation began funding efforts to increase wages for the working poor, improve their job prospects and help them build political power. Since then, with the help of Discount and many other funders, grassroots efforts that reward work and generate good job opportunities for the poor have multiplied in number and effectiveness. These compelling and positive stories are told in the following pages. "Making Work Pay" conveys the compassion, creativity and deep social impact of the organizations that Discount supported in the last seven years working to ensure "a fair day's pay for a fair day's work". The contents are presented as follows:

Living Wages – The need for Living Wage laws and the underlying organizing to support this growing and effective movement have been a centerpiece of Discount grant-making.

Working Beyond Welfare – During a period of welfare policy transformation, Discount has assisted efforts aimed at ensuring that recipients can move into decent and reliable jobs.

Immigration – Immigrants comprise a major pool of low-wage workers in the U.S. Efforts to support the working poor must address the needs of this constituency.

Social Change - An exciting aspect of the current wave of job organizing has been the rise of new coalitions, which meld together community, workplace and religiously focused organizing.

Labor and Community – The right of workers to form a union is a cornerstone of most serious efforts to improve wages. Organized labor has taken new and promising steps to engage and assist the working poor.

Each year the Discount Board awards the Harry Fagan Award in commemoration of our late colleague, a beneficent activist in the best sense of the term. Special thanks to Sue Chinn, our Executive Director; the success stories in the following pages reflect her vision, drive, compassion, competence and patience. Thanks to the Discount Board for its commitment, resilience and good humor. Special thanks to Tom Asher for his time to shape and edit this report.

Jeffrey Zinsmeyer
Board President

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ABOUT THIS REPORT

THE DISCOUNT FOUNDATION is a small private foundation concerned with large social problems. Since 1996, Discount has focused entirely upon alleviating poverty by supporting exemplary programs to make work pay. Our grants support innovative ways and means of reducing, hopefully eliminating, poverty by elevating wage and job opportunities through localized efforts at community education and organizing.

Discount's goal is to make real economic opportunity, the American Dream for generations of immigrants, a reality for all. President Franklin Roosevelt in 1937, proposing

the first national minimum wage law, sought to "end starvation wages" by guaranteeing America's "men and women a fair day's pay for a fair day's work." Nevertheless, even in the economically booming 1990s, almost 25% of all Americans, many working at one or even two full time jobs, remained poor.

This report illustrates:

- why and how Discount Foundation chose this area of focus,
- the signal accomplishment of our grantees, and
- related information for

other foundations, and the broader community of non-profit organizations concerned with combating poverty, and applicants for Discount grants.



OVERVIEW

MAKING WORK PAY

Since its formation in 1977, Discount has supported non-profit organizations working primarily at the community level to empower

low-income and poor urban citizens to improve their communities, living conditions and opportunities. Beginning in 1988 the Foundation's primary focus was on housing opportunities.

In 1996, our Executive Director, Susan Chinn, presented Discount's Board with a rationale for limiting Discount's grants to organizations that address job availability and income needs of low-wage workers. The next year, Discount announced its new program: "Jobs and Living Wages for the Poor." Its goal was and remains to identify and support local organizations that collaborate with major institutions in their communities — churches, labor unions, universities and civic groups — to help working people and their families transcend poverty.

America's poor in 1996-7 experienced several dramatic developments: Welfare Reform legislation curtailed federal income supports, placing greater reliance on the job market to eliminate poverty. This culminated a two-decade-long decline in federal support for entitlement programs and, via block grants, increased devolution of poverty responsibilities to state and local governments. Even in a booming economy, major corporations were downsizing, eliminating many low-wage jobs and failing to match gains in productivity with wage increases. High immigration levels fueled many unsafe jobs that paid sub-minimum wages.

The federal minimum wage was raised in 1997, to \$5.15. However, economic studies demonstrated that this wage had lower purchasing power in 1996 than in all but 7 of the previous 30 years and that full-time work at minimum wages, when available, left many families in poverty, deeply so in expensive urban areas. Other studies showed that America's real poverty, especially among children, was understated by government statistics and much higher than in any other industrialized nation.

Harvard professor William Julius Wilson wrote in 1995 of "the new urban poor," linking urban decay and suffering to job shortages and wage short-falls: Groups ranging from the inner-city poor to those working and middle-class Americans who are struggling to make ends meet will have to be effectively mobilized in order to change the current course and direction taken by policy makers. Discount long had supported job-related organizations. These included local Jobs And Justice and ACORN (Association of Community Organizations for Reform Now) groups. And Discount was an early supporter of the BUILD (Baltimoreans United In Leadership Development) living wage campaign, a pioneering Baltimore community-wide effort which resulted in the 1994 passage of America's first municipal living wage ordinance.



By 1997, similar living wage ordinances had been enacted in Los Angeles, Milwaukee and St. Paul via

efforts by Discount grantees, and community-based organizations were demanding similar reforms in cities across the country. In this environment, other institutions began paying greater attention to job-supply and pay level concerns. They included churches, many with long traditions of giving "relief" to the poor, and labor unions. In 1995 the AFL-CIO announced a major institutional commitment not only to raise the minimum wage but to assist the poor and near poor to avoid poverty. Welfare Reform led to heightened urgency because millions of poor persons would, in the following years, become dependent upon the job market.

To render that market more responsive to the poor, Discount's Jobs and Living Wages program encourages collaborations between job-focused community groups and more powerful and broad-based institutions, local and national, including unions, churches, foundations and social-service organizations.

PROGRAM FOCUS AREAS

These goals became more urgent as joblessness and homelessness escalated in the first economic slowdown of the new millennium.

EMPOWERING THE URBAN POOR, including immigrant groups, via information, education, and organizing, to secure more and better paying jobs.

SUPPORTING THE RIGHTS OF WORKERS to form and join unions as vehicles to improve wages, benefits and work conditions.

STUDYING THE IMPACT OF MINIMUM WAGE MANDATES (including living wage ordinances) on poor people and their communities.

PROMOTING JOB TRAINING, transportation, business relocation, and other welfare-to-work assistance programs to elevate the skills and wages of the poor.

SUPPORTING COLLABORATIONS among academic, labor, religious, social service and civic institutions to monitor job opportunities and pursue innovative methods of enhancing them.

ENGAGING OTHER FOUNDATIONS AND GRANT-MAKERS in job and wage issues through such vehicles as the Neighborhood Funders Group.

FORMULATING AND PROMOTING PRIVATE AND PUBLIC POLICIES to secure more sustainable jobs with improved wages for poor people.

LIVING WAGE

A needed movement

“... research suggests that living-wage laws do more good than harm. So far, they have imposed little, if any cost to the 50 cities that have passed them, the studies find. And they have led to few job losses and have lifted many families out of poverty.”

—BUSINESS WEEK, SEPTEMBER 4, 2000

“After four years of championing this issue, living wage activists have embedded the phrase ‘living wage’ into both the public consciousness and the political lexicon.

Increasingly, Americans are coming to understand the difference between a minimum-wage job and a living-wage

job—and are expressing their desire for more of the latter.”

—GOVERNING, DECEMBER, 1999

Even before September 11, 2001 the fastest growing sector of the U.S. workforce was the working poor. This

despite a decade of record-breaking compensation increases in the upper income echelons. The federal minimum wage, despite a modest increase in 1997, purchased 20% less in 2001 than it bought in 1969. To ensure that hard working people have an opportunity to escape poverty, community organizations around the country have joined forces with labor, religious and civic groups to demand above-federal minimum wages, “living wages,” in cities, counties and states across America.

In 1994, Baltimoreans United In Leadership Development (BUILD), led a coalition of labor and faith-based groups in drafting and passing the country’s first Living Wage Ordinance. It prevents public subsidy of businesses that pay poverty wages by requiring employees working on

BALTIMOREANS UNITED IN LEADERSHIP DEVELOPMENT (BUILD) is a citywide ecumenical citizen organization of 50 congregations and other associations. For 25 years, it has helped transform neighborhoods and improve the lives of low-income families. In 1994, BUILD pioneered a legislative approach for raising the wages of workers employed through city contracts when it partnered with the American Federation of State, County Municipal Employees Union (AFSCME) to write and pass the country’s first living wage ordinance.

municipally funded projects to pay an hourly wage that, according to federal poverty guidelines, can support a family of four. By 2001, over 50 cities had passed similar living wage laws and another 75 campaigns were underway — the living wage movement had taken off.

The Discount Foundation was one of BUILD’s first supporters, and subsequently funded community organizations that led other successful living wage efforts including Los Angeles Alliance for a New Economy (LAANE), Hartford Areas Rally Together (HART), and Pima County Interfaith Council (Tucson, Arizona). Also, Discount supported ACORN’s information campaign on the need for a federal living wage law.

DISCOUNT ENCOURAGED THE LIVING WAGE movement by hosting early networking sessions and site visits for other foundations. Also, Discount funded a 1999 study by the Economic Policy Institute of the economic and human impacts of the Baltimore living wage ordinance, which revealed alleviation of poverty without significant cost to the city.

Living wage efforts have elevated public awareness of poverty among working people and tapped into widespread public sympathy for the notion that jobs should pay enough to support a family. Organizations in a growing number of cities are tapping that support to cover an ever wider range of employers including those benefiting from public subsidies such as tax abatements, tourism grants, and below-market property leases.

Efforts to ensure living wage jobs brought community groups, churches, and unions together often for the first time. These new coalitions are engaging in wider anti-poverty efforts. For example, in Los

Angeles, LAANE and allied groups, after passing two living wage laws in LA County, were instrumental in securing living wage levels for over 5,000 employees of a new entertainment development, most of whom will join labor unions. Even the McDonald’s facilities in the complex must pay a living wage and provide health benefits to their workers. These dramatic gains are the direct results of years of community organizing and alliance building that began with a living wage campaign.



Maryland Governor Parris Glendening (seated center) signs Baltimore’s living wage bill into law as BUILD members look on.

GRANTEES

ACORN NATIONAL LIVING WAGE RESOURCE CENTER, A PROJECT OF THE AMERICAN INSTITUTE FOR SOCIAL JUSTICE, WASHINGTON DC

ACORN (Association of Community Organizations for Reform Now) is the nation’s oldest and largest grassroots organization of low and moderate-income people with 120,000 members in 45 cities. ACORN’s Living Wage Resource Center has become a hub for living wage organizing strategy, model legislation and support materials for campaigns in cities, counties, states and college campuses nationally. By 2000, it had provided technical assistance to over 100 local campaigns, held two national conferences for living wage organizers, and launched a project to bring living wage jobs to employees of federal service contractors.

LOS ANGELES ALLIANCE FOR A NEW ECONOMY (LAANE)

a national leader in the growth-with-equity movement, was founded in 1993 by community, labor, and religious leaders concerned that low-income workers were not benefiting from the region’s economic expansion. LAANE plays an incubator role for local educational campaigns to advance living wage laws, responsible economic development and union organizing and aids these efforts with research, media and legal assistance. LAANE has passed Living Wage Ordinances in Los Angeles and Santa Monica that include paid vacations and health benefits. In 2001, LAANE and its partners negotiated a landmark agreement for quality jobs, affordable housing and community services as part of the \$1 billion Staples Center expansion in the city’s Figueroa neighborhood.

WORKING BEYOND WELFARE

Supporting strategies for permanent jobs

“Some states have adopted innovative policies that suggest a new vision for TANF (Temporary Assistance for Needy Families) nationally. Many of these changes have come about at least partly as a result of impressive organizing. Typically, low-income people develop an agenda and then work closely with others to advance it, including organized labor, faith-based groups and public interest lawyers.”

—PETER EDELMAN, FORMER ASSISTANT SECRETARY,
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES, *THE NATION*, FEBRUARY 2002

The 1996-7 debate around welfare reform precipitated a national debate on the root causes of poverty and the importance of jobs, wages, childcare, education and health care for America’s poorest citizens. With many Americans facing loss of welfare benefits, the Discount Foundation supported national and local efforts to generate decent jobs with decent pay.

Even before welfare reform, many unionized state and municipal workers lost their jobs to welfare recipients who were paid little or nothing. Then, in response to welfare reform, many states placed welfare recipients in temporary jobs, usually with no training or prospects for permanent employment

77% of Americans believe the government should help people leaving welfare obtain jobs with opportunities for advancement even if it takes longer than placing them in the first available jobs.
—NATIONAL POLL, LAKE, SNELL, PERRY & ASSOCIATES, 2002



that could support their families. Thus, a 1999 report by the National Conference of State Legislatures concluded: “So far, few families who leave welfare have been able to escape poverty,” a problem that has grown in subsequent years.

Income supports such as childcare, transportation and healthcare benefits help lift low-wage workers out of poverty.



The Discount Foundation targeted grants to organizations of current or former welfare recipients working locally to replace the practices described above with comprehensive job creation, training and placement programs.

For example, Unemployment Information Center/Philadelphia Unemployment Project founded Mothers on the Move to involve former welfare recipients in advocating for quality training with stipends. Community Voices Heard led a public education campaign resulting in a \$13 million New York State job creation program for current and former welfare recipients.

TO PROVIDE LOW-INCOME COMMUNITIES WITH A NATIONAL VOICE on welfare and economic policy, Discount provided seed support to the National Jobs and Income Support Campaign, a coalition of 1,000 grassroots organizations spanning forty states (as well as organized labor, civil rights, religious, women’s, immigrant and student groups). In May 2001, this grantee formulated the most progressive element of federal tax reform legislation: increasing credits from \$500 to \$1000 per child and making them fully refundable for families earning less than \$10,000 per year. At an estimated cost of \$8 billion per year, this constitutes the largest anti-poverty program created since the early 1990s and should significantly improve the lives of 500,000 children.

The National Campaign has turned its attention to promoting changes in Temporary Assistance to Needy Families (TANF) when Congress reauthorizes welfare legislation this year. As Peter Edelman, an early architect of the National Campaign, says “the aim in TANF reauthorization should be to transform the program nationally into what it has become in a handful of places: a ladder of opportunity for all low-income families, and a safety net for children in families who have lost jobs or have other problems that keep them from success in the job market.”

Discount continues to identify, publicize, and support innovative plans to provide decent-paying jobs to people leaving welfare and to enhance income and service support for the poor. This is increasingly necessary as the economy slackens and welfare benefits lapse for more and more Americans.

GRANTEES

COMMUNITY VOICES HEARD, NEW YORK CITY

“I’ve had so many WEP assignments and I am still not working. I really want to work, but it’s hard to find a good job. Most of us are not lazy, there are no good jobs for us.”

—Verdin Rosemin, CVH member
testifying before the NY City Council

Community Voices Heard (CVH) brings the concerns and experience of people receiving welfare benefits into public policy discussions. In the wake of federal welfare reform, CVH surveyed hundreds of welfare recipients placed in workfare jobs in Manhattan and the Bronx. It documented limitations of the program to adequately train workers or find workers jobs that paid decent wages. In response to its findings, CVH teamed up with other organizations and labor unions to pass state legislation to establish a \$13 million job creation program and a New York City transitional jobs project that produced 7,500 much needed short-term jobs with training. CVH also launched and won several major lawsuits on behalf of workfare workers.

NATIONAL CAMPAIGN FOR JOBS AND INCOME SUPPORT, A PROJECT OF THE CENTER FOR COMMUNITY CHANGE, WASHINGTON, DC

Formed in 1999, the National Campaign for Jobs and Income Support (NCJIS) is a coalition of grassroots organizations in 40 states that promote progressive solutions to poverty. NCJIS seeks to weave these efforts into a national movement grounded in the experience of low-income communities. It identifies, supports and lifts up model solutions to poverty, hunger, lack of health care and unemployment. In 2001, NCJIS helped win \$80 billion in tax relief for low-income families by advocating that Congress make a proposed \$1,000 per child tax credit refundable even if the family had not earned enough to pay federal income tax. The result is the largest anti-poverty program since the expansion of the Earned Income Tax Credit in the early 1990s.

IMMIGRATION

The changing American workforce

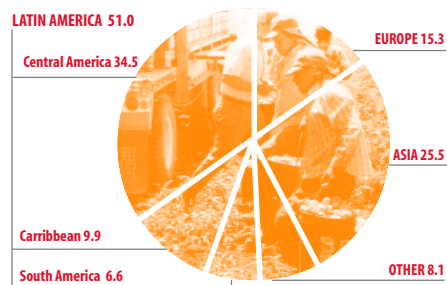
“Immigrant laborers enrich our nation and improve our quality of life, but do not reap the just benefits of their work. Instead, they endure sub-minimum and non-payment of wages, or receive regular pay checks but still do not earn enough to escape poverty. The median wages, much less those at the lower end, in many immigrant-dense occupations barely exceed the federal minimum wage.”

—CATHOLIC LEGAL IMMIGRATION NETWORK, 2001

Increased immigration coincided with U.S. economic growth in the 1980s and 1990s. Now, one out of every five people entering the U.S.

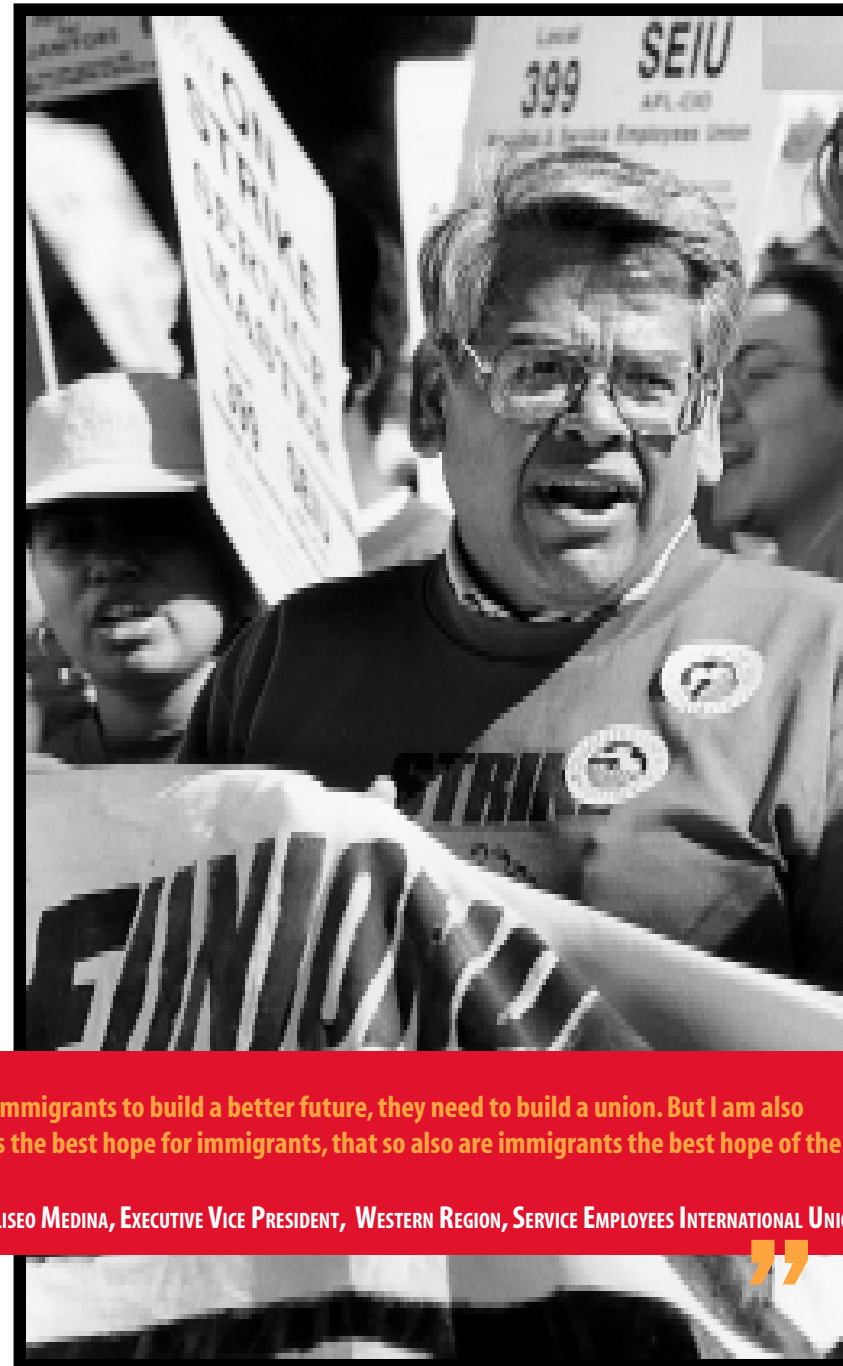
workforce is foreign-born. Recent immigrants and their children will likely constitute over half the workforce in less than 20 years. Industries with high levels of immigrant workers, including household and office services, clothing manufacture and agriculture, claim they cannot function without them. But without policy changes the vast majority of immigrant workers will continue to join the ranks of the working poor.

By 2001, over half of Discount’s grantees had programs that included or focused primarily on immigrants. Discount supports community organizations (e.g. Merrimack Valley Project), worker centers (e.g. Workplace Project), and interfaith coalitions (e.g. Arizona Interfaith Network and Omaha Together One Community) with a large and growing immigrant membership. Some of these are service-oriented, providing education, social services, job training and legal representation to immigrants. Others emphasize community and workplace organizing.



FOREIGN BORN POPULATION BY REGION OF BIRTH (in %)
Source: 2000 U.S. Census Bureau

UNIONS ARE OFTEN KEY ALLIES of immigrants, both in efforts to organize the estimated 16 million immigrants who are stuck in low-wage and predominantly service sector jobs, and in policy interventions to confront the extreme vulnerability of these workers to exploitation and deportation. In February 2000, the AFL-CIO changed its immigration position, and announced active support for foreign-born workers and proposed an end to employer sanctions against those who hire them. The labor movement is now a leading champion of immigration reform, in partnership with many local and national immigrant rights organizations.



“I am more convinced than ever that for immigrants to build a better future, they need to build a union. But I am also convinced that as the labor movement is the best hope for immigrants, that so also are immigrants the best hope of the labor movement.”

—ELISEO MEDINA, EXECUTIVE VICE PRESIDENT, WESTERN REGION, SERVICE EMPLOYEES INTERNATIONAL UNION

GRANTEES

FANM AYISAEN NAN MIYAMI THE HAITIAN WOMEN OF MIAMI, FLORIDA

Fanm Ayisen Nan Miyami (FANM) is a grassroots organization whose mission is to empower Haitian women and their families socially, economically, and politically and to facilitate their adjustment in South Florida. Because most nursing home employees in Miami are Haitian women and underpaid, FANM works hand in hand with Unite for Dignity, a local union that organizes nursing home workers. Together they sponsored a Dignity Congress to develop model employment polices including smaller patient to worker ratios, reasonable working environments, livable wages and benefits. In December of 2000, Unite for Dignity ratified a historic contract for six nursing homes, representing 600 workers including over 200 Haitian women.

“Empowering women means also empowering families. Empowering women also means empowering society. The women are the backbone of the family.”



—Marliene Bastien, Director FANM

SOCIAL CHANGE

Communities take on workplace issues

“At the heart of our work is the belief that poor people themselves — through organizations they create and control — need to lead efforts to eliminate poverty.”

—ANDREW MOTT, EXECUTIVE DIRECTOR
CENTER FOR COMMUNITY CHANGE



SEIU Local 880 President Helen Miller (right) and Illinois State Senator Kimberly Lightford (left) discuss fair compensation for workers during a Lobby Day in Springfield, IL.

“Publicly supported career ladders means more than training, it means getting employers to do things differently. We can get them to do it because we have a community base and a political constituency.”
—GENE CORBIN,
AUSTIN INTERFAITH

Thirty years ago, a relatively unskilled laborer could support a family and own a home. The same is not true today. Historically,

community organizations provided a collective voice for low-income families and the poor. By confronting neighborhood issues such as crime, housing, schools, and city services, they improved the places where low-income people lived. As income disparities grew to record levels in the 1990s, community groups focused more of their attention on job quality and opportunity and began using public education and grassroots organizing tactics to press for more decent paying jobs.

The 1990’s were a time of rapid economic growth and tight labor markets. In the face of this demand, several Discount grantees negotiated directly with local employers and governments for job training, wage hikes, employment and housing benefits, and improved public transportation including Philadelphia Interfaith Action, Greater



MINIMUM WAGE STRAIN

In 2000, an hourly wage of \$8.20 was needed to lift a family of four above the federal poverty line, and more than twice that amount in most urban areas. Only a few states require more than the federal minimum wage of \$5.15 an hour.

Boston Interfaith Organization, the Wisconsin Regional Training Partnership, and the Northwest Indiana Federation of Interfaith Organizations.

SOME GRANTEES CREATED LABOR MARKET INTERMEDIARIES to identify the precise needs of local employers and design job-specific training sessions so local residents can fill the positions. Austin (TX) Interfaith, for example, secured a three-year (\$1.2 million annual) contract with the city and county to train workers for jobs paying at least \$10 per hour.

Worker centers that assist people with job searches, provide legal help and language services, and broker day labor have sprung up in community organizations from Long Island to Sacramento. The Workplace Project, in Hempstead, New York, wrote and passed the “Unpaid Wages Prohibition Act”, giving New York the strongest wage enforcement law in the country.

Discount invests in nascent organizing efforts where its modest resources can make a significant impact or demonstrate an important replicable strategy.

GRANTEES

AUSTIN INTERFAITH, TEXAS

Austin Interfaith (AI), a network of 30 religious congregations and 17 public schools in low-income communities in Austin, formed to address the disproportionately high unemployment rate among African American and Hispanic neighborhoods. Community members surveyed by AI expressed a strong desire to leave poverty and enter careers. In response, AI developed Capitol Idea, an innovative labor market intermediary that combines job training with job placement. It identifies specific needs of local employers, negotiates for career ladder positions with those employers and then, in partnership with Austin Community College and local trade unions, Capitol Idea trains community members for the available jobs. By 2001, Capitol Idea had 400 participants and a budget of \$2.5 million.

SACRAMENTO VALLEY ORGANIZING COMMUNITY, CALIFORNIA

Sacramento Valley Organizing Community (SVOC) is made up of 30 religious congregations whose members are predominately Latino, African American and Asian. Using community organizing and public policy advocacy, SVOC has delivered jobs, affordable housing, and micro lending opportunities to its members. SVOC helped to secure \$1.5 million from the county for services to assist people moving from welfare to work such as transportation and health care benefits. Its job readiness program has graduated over 200 people; most now hold jobs averaging \$9.00 an hour plus benefits. Its one-stop job centers in 12 churches provide a range of services to assist community members to find, prepare for, and hold decent paying jobs. To ensure good jobs will be available, with the help of Service Employees International Union, SVOC negotiated substantial hiring agreements with three major hospitals.

LABOR AND COMMUNITY

A working partnership

Discount's Board adopted the "Jobs and Living Wages for the Poor" grant program in 1996 based, in part, on the belief that collaborations

with a strong labor movement are necessary to combat poverty. Indeed, the decline of unions has coincided with America's growing income inequality.

The election of John Sweeney as president of the AFL-CIO in 1995 ushered in an era of union commitment to organizing low-wage workers, particularly women, immigrants and people of color, and widening collaborations with religious institutions and community groups to combat poverty and joblessness.

However, unions represent a declining share of the workforce, particularly in the private sector. And employers routinely abridge the legal rights of workers to freely associate and bargain collectively, as carefully documented in the 2000 Human Rights Watch report entitled *Unfair Advantage*.

Nevertheless, with 16.3 million members, organized labor is the largest and most powerful voice for working people in this

"Human beings have the God-given right to participate in decisions that affect their lives.

Workers care deeply about their jobs and want a voice in workplace decisions."

—KIM BOBO,
EXECUTIVE DIRECTOR
NATIONAL INTER-FAITH COMMITTEE FOR WORKER JUSTICE

WHY WORKERS UNIONIZE

Union workers earn 32% more than non-union workers according to the U.S. Department of Labor's Bureau of Labor Statistics. The union wage differential is even greater for people of color and women: 31% for women, 37% for African Americans and 55% for Latinos. Unionized workers are more likely to have health insurance, retirement benefits and to own a home. In addition, union workers have greater job stability. Union workers are more than twice as likely as non-union workers to be at the same job for at least ten years.



LABOR'S CONTRIBUTION TO WORKING AMERICA

Unions helped to secure improvements for working and poor Americans:

- A ban on child labor
- The 40-hour workweek, 8-hour day and minimum wage
- Social Security
- Medicare and Medicaid
- Unemployment insurance
- Paid family leave legislation
- On-the-job safety laws and the right to bargain collectively

country. Unions and community and faith-based organizations share an interest in decent wages and working conditions, access to health care, affordable housing and quality child care, and healthy communities. Therefore, it makes sense to support collaborations to achieve mutual goals, including the right of workers to organize and bargain collectively.

COMMUNITY-LABOR ALLIANCES HAVE PROVEN Discount's belief that they can and do yield major benefits to the poor, including immigrants, other low wage workers, and their communities.

Discount's grantees have increasingly worked with unions on living wage campaigns, job training programs, welfare and immigration reform, and other efforts to alleviate poverty. BUILD's collaboration with the American Federation of State, County and Municipal Employees (AFSCME)

was critical to living wage efforts in Baltimore. ACORN has worked with the Service Employees International Union (SEIU) to pass similar ordinances in Chicago and other cities, and



to help organize home care and day care workers. The Hotel Employees and Restaurant Employees International Union (HERE) helped develop a new model for regional economic analysis and action, assisting with the start-up of the Los Angeles Alliance for a New Economy and the Connecticut Center for a New Economy. And the collaboration between the faith-based community organization Omaha Together One Community and the United Food and Commercial Workers (UFCW) offers hope of improved wages and working conditions to immigrant meatpackers.

COMMUNITY GROUPS ALSO HAVE ORGANIZED in support of a workers' right to join unions and bargain collectively. Examples among Discount's grantees include the Chicago Home Care Organizing Project, Jobs With Justice, Hartford Areas Rally Together (HART), Haitian Women of Miami, ACORN, and Direct Action for Rights and Equality in Providence.

On a national scale, Discount was an early supporter of the National Interfaith Committee for Worker Justice. With an impressive national board and 60 local interfaith committees, it has become the leading organization working to strengthen the religious community's involvement in issues of workplace justice. Jobs With Justice and the United States Student Association (and its Student-Labor Action Project) also support community and campus campaigns to promote economic justice.

GRANTEES

CHICAGO HOMECARE ORGANIZING PROJECT, A PROJECT OF THE ASSOCIATION FOR THE RIGHTS OF CITIZENS

"With this money and my higher hourly pay, I will pay off some medical bills from before last Christmas, plus some household bills and I'm even going to do something nice for myself— maybe buy a new pair of work shoes."

—Martha Jernegons
Home Health Care Aid

Home day care workers and people who provide home health care services for the sick, disabled and elderly are among the poorest paid in the country. In Illinois such workers often make poverty wages totaling less than \$9,000 a year. CHOP (Chicago Homecare Organizing Project) was created to assist workers in these fields to bargain for better pay from private employers and to advocate for increased wages from publicly supported home care programs. CHOP helped over 100 workers win more than \$160,000 in back pay, assisted another 10,000 personal assistants win an 8% pay increase and was key to another 950 home health care workers winning union representation.

NATIONAL INTERFAITH COMMITTEE FOR WORKER JUSTICE, CHICAGO

The National Interfaith Committee for Worker Justice (NICWJ) educates and mobilizes the U.S. religious community through a network of 60 local interfaith groups to actively engage in campaigns to improve wages, benefits and working conditions for low wage workers. The organization is systematically rebuilding partnerships between the religious and labor communities through joint programs it sponsors with the AFL-CIO such as Labor in the Pulpits and Seminary Summer. NICWJ has mobilized religious support for workers in particular industries, such as poultry and nursing homes, and has partnered with the Department of Labor to create new worker rights resources for low-wage workers.

WORKING WITHIN THE FUNDING COMMUNITY

“Many foundations, like our own, have social justice missions that are similar to the social justice objectives of many unions. Yet, even though we often share similar goals, we exist in two separate worlds, with different cultures, customs and ways of doing things. By not working to bridge these worlds, we are both missing tremendous opportunities to advance our joint cause.”

—LANCE LINDBLOM, PRESIDENT & CEO
NATHAN CUMMINGS FOUNDATION

The Discount Foundation works closely with other foundations and individual donors interested in issues of

poverty, low-income communities and jobs. For example, Discount is an active member of Neighborhood Funders Group (NFG), a national network of funding professionals with a common goal: to help low-income people improve their communities. Susan Chinn, Discount’s Executive Director, is co-founder and current chair of the Working Group on Labor and Community within NFG, which promotes opportunities for foundations and unions to learn more about one another. Chinn attends foundation conferences, speaks to foundation boards and arranges meetings involving program officers of other foundations, often with Discount grantees.

In 2001, the Working Group on Labor and Community teamed up with Grantmakers Concerned With Immigrants and Refugees (GCIR) to sponsor three site visits focused on immigration and low-wage work. Chinn hosted one of these: a three-day site visit by 50 grant-makers to meet with union, community and religious leaders in Las Vegas dealing with immigration and labor issues. In the wake of September 11, Chinn and the Working Group directed the attention of grantmakers to unions aiding families of workers killed or displaced by the attacks on the World Trade Center and Pentagon, and to the special challenges faced by undocumented workers. Discount is committed to working collaboratively with other foundations to attract support for innovative community and union-sponsored programs to improve the quality of life for low-wage workers.



Lorraine Hays, a member of Philadelphia Unemployment Project and Hotel Employees Local 274, leads a rally of unemployed workers in Washington D.C. post September 11.

“Discount is a model of working strategically to share information with the broader foundation world.”

—HENRY ALLEN
SENIOR PROGRAM OFFICER
HYAMS FOUNDATION

“Though a relatively small foundation, Discount’s work has been crucial in leveraging support from the broader funding community and in union efforts to lift wages and benefits for the poor.”

—SARA GOULD
EXECUTIVE DIRECTOR
MS. FOUNDATION FOR WOMEN

“Discount has been a leader in making funders aware of unions and organizing.”

—BOB GILOTH
SENIOR ASSOCIATE
ANNIE E. CASEY FOUNDATION

MUCH HAS CHANGED in America since Discount Foundation’s Jobs and Living Wages for the Poor program began in 1997. In 2001, the economy declined and, after September 11, global, national and local security concerns took center stage. Poverty, joblessness and homelessness are on the rise.

After completing six funding cycles of its Jobs and Living Wages for the Poor program, the Discount Foundation is evaluating its achievements (and shortcomings) and working to identify specific challenges facing the poor in general and its grantees in particular.

For example, of the hundreds of organizations working with welfare recipients, only a few have been able to deliver what welfare recipients want and need — decent, living-wage jobs. How can Discount best work with other funders to identify, publicize, help support and propagate the best of these models? And how can we ensure that an economic slow-down doesn’t devastate families without work or a “safety net?”

REFINING THE STRATEGY

How can we boost the impact of the living wage movement to benefit greater numbers of people? And how can we support a “scale-up” of successful yet still-too-small job training programs?

We know unionization lifts wages and benefits for many poor workers, especially women and people of color. But we also realize that unions have not met the challenge of organizing the vast number of the unorganized. What new organizing models are most successful? How can community groups play a greater role? And how can our grantees create a friendlier environment for union organizing in the face of employers who routinely and illegally threaten or fire workers, particularly immigrants, for exercising their right to join a union?

What will become of the immigration reform proposals that seemed so promising prior to September 11th? How can Discount’s grantees ensure that the millions of immigrant workers receive the wages, benefits and protections they deserve?

Discount understands that the gains made by its grantees have been small in comparison to the overall problems of poverty, income inequity and a declining job market. Still, we believe they have achieved major breakthroughs in identifying new programs, strategies and allies in the seemingly endless struggle to end poverty and ensure decent job opportunities for everyone in America.

All Grantees are Public Charities (Operating project or affiliate of grantee appears in parentheses)

American Institute for Social Justice (ACORN Living Wage Resource Center and ACORN projects in Illinois, Massachusetts, New Jersey, New York and Wisconsin)
Washington, DC
www.acorn.org

Anti-Diplacement Project
Springfield, MA
adp@javanet.com

Applied Research Center
Oakland, CA
www.arc.org

Arizona Institute for Public Life (Arizona Interfaith Network)
Phoenix, AZ
frankcp@hotmail.com

Association for the Rights of Citizens (Chicago Homecare Organizing Project and New Orleans Living Wage Campaign)
Chicago, IL
New Orleans, LA
seiu880ch@acorn.org
www.acorn.org

Austin Interfaith
Austin, TX
austininterfaith@juno.com

Baltimoreans United in Leadership Development
Baltimore, MD
www.build.org

Building Responsibility Equality and Dignity
Columbus, OH
breadoffice@ee.net

Campaign for Sustainable Milwaukee
Milwaukee, WI
johna@ee.net

CASA of Maryland
Takoma Park, MD
http://home.us.net/~skegley/

Center for Community Change (National Campaign for Jobs and Income Support)
Washington, DC
www.nationalcampaign.org

Center for Connecticut's Future
Hartford, CT
www.ceo-ct.org

Center for Labor Education & Research, Inc. (Massachusetts Jobs with Justice)
Cambridge, MA
www.massjw.net

Center on Budget and Policy Priorities
Washington, DC
www.cbpp.org

Chicago Coalition for the Homeless
Chicago, IL
www.chicagohomeless.org

Childspace Cooperative Development (Philadelphia Jobs with Justice)
Philadelphia, PA
phillyjw@mindspring.com

Cleveland Workers Rights Education Fund (Cleveland Jobs with Justice)
Cleveland, OH
clevelandjw@igc.org

Coalition for Economic Justice
Buffalo, NY
cej_maria@yahoo.com

Community Voices Heard
New York, NY
www.cvhaaction.org

Connecticut Center for a New Economy
New Haven, CT
www.ctneweconomy.org

Connecticut Citizen Research Group, Inc.
West Hartford, CT
www.ccag.net

Direct Action for Rights and Equality
Providence, RI
www.daretowin.org

Economic Policy Institute
Washington, DC
www.epinet.org

Essex County Community Organization
Lynn, MA
ecco@shore.net

Faith Tabernacle Missionary Baptist Church
Stamford, CT

Farm Labor Research Project
Toledo, OH
www.floc.com

Fanm Ayisyen Nan Miyami, Inc. Haitian Women of Miami, Inc.
North Miami Beach, FL
fanmayisyen@juno.com

Fifth Avenue Committee
Brooklyn, NY
www.fifthave.org

Greater Boston Interfaith Organization
Dorchester, MA
www.gbio.org

Hartford Areas Rally Together
Hartford, CT
www.hartnet.org

Institute for Public Life (Omaha Together One Community)
Omaha, NE
holleripl@aol.com

Institute on Taxation and Economic Policy (Good Jobs First)
Washington, DC
www.goodjobsfirst.org

Jobs With Justice Education Fund
Washington, DC
www.jwj.org

Judson Memorial Church (New York Jobs with Justice)
New York, NY
www.judson.org

Los Angeles Alliance for a New Economy
Los Angeles, CA
www.laane.org

Make the Road by Walking
Brooklyn, NY
www.maketheroad.org

Merrimack Valley Project
Lawrence, MA
mvalleyp@aol.com

Metro Industrial Areas Foundation
New York, NY
patsyanno@aol.com

Michigan Organizing Project
Muskegon Heights, MI
miorgprj@aol.com

Ms. Foundation for Women
New York, NY
www.ms.foundation.org

National Committee for Responsive Philanthropy
Washington, DC
www.ncrp.org

National Employment Law Project
New York, NY
www.nelp.org

National Interfaith Committee for Worker Justice
Chicago, IL
www.nicwj.org

National Organizers Alliance
Washington, DC
www.noacentral.org

National Training and Information Center
Chicago, IL
NTIC@NTIC-US.org

Neighborhood Funders Group
Washington, DC
www.nfg.org

Northeast Action (Campaign on Contingent Work)
Cambridge, MA
www.neaction.org

Northwest Federation of Community Organizations
Seattle, WA
www.nwfc.org

Northwest Indiana Federation of Interfaith Organizations
Gary, IN
fednwi@aol.com

Organizing and Leadership Training Center
Boston, MA
lewfinfer@aol.com

Philadelphia Interfaith Action
Philadelphia, PA
pial@voicenet.com

Preamble Center for Public Policy
Washington, DC
www.preamble.com

Progressive America Fund (New York Community Leadership Institute and Progressive Maryland Education Fund)
New York, NY
dcantor@igc.org
www.progressivemaryland.org

Progressive Education and Research Associates
New Haven, CT
w.p.heyman@att.net

Rhode Island Organizing Project
Providence, RI
riorgproj@aol.com

Sacramento Valley Organizing Community
Sacramento, CA
svoc1@pacbell.net

Service Employees International Union Education and Support Fund
Washington, DC
www.seiu.org

St. Paul Ecumenical Alliance of Congregations
St. Paul, MN
speac@speac.org

South Central Los Angeles Inter-Religious Sponsoring Committee
Los Angeles, CA
lafacc@aol.com

Tenants Support Committee/Apoyo De Inquilinos (Tenants' and Workers' Support Committee)
Alexandria, VA
liss_twsc@hotmail.com

Unemployment Information Center (Philadelphia Unemployment Project)
Philadelphia, PA
philaup@aol.com

Unitarian Universalist Church of Tucson (Pima County Interfaith Council)
Tucson, AZ
pcic@mindspring.com

United States Student Association Foundation
Washington, DC
www.usstudents.org

Washington Interfaith Network
Washington, DC
mptrimble@aol.com

Wisconsin Citizen Action Fund
Milwaukee, WI
www.wi-citizenaction.org

Wisconsin Modernization Institute, Inc. (Wisconsin Regional Training Partnership)
Milwaukee, WI
www.wrtp.org

Working Today
New York, NY
www.workingtoday.org

Workplace Project
Hempstead, NY
workplace@igc.org

Grant Application Process

Discount awards grants in three areas:

■ **Increasing job opportunities, wages, benefits and job security for the poor.** Discount supports projects to improve wages and benefits for poor and working people. Examples include campaigns for: a living wage, a higher minimum wage, protecting temporary workers, publicly funded living-wage work, and corporate and public accountability that ties tax subsidies to wage and benefit standards.

■ **Moving from welfare to work with dignity.** Discount supports organizing projects to link welfare/workfare participants with local institutions — for example, community organizations, labor unions, churches, and congregations — to demand meaningful employment training and support and permanent living-wage jobs that do not displace other low-wage workers.

■ **Supporting the right to join a union.** Discount assists projects that defend the rights of workers to join a union and bargain collectively.

Geographic Focus

Discount supports activities in Connecticut, Delaware, Illinois, Indiana, Maryland, Massachusetts, Michigan, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Washington, DC, and Wisconsin. In a few cases, the foundation may request proposals from outside these states.

Limitations

Discount awards grants only to public charities. The applicant organization must be tax-exempt under IRS Section 501(c)(3) and a public charity under Section 509(a)(1), (2), or (3). The foundation does not support capital campaigns, capital projects, endowments, government agencies, schools, religious programs, publications, research projects, tours, trips or services to individuals.

How to Apply

The foundation awards grants ranging in size from \$10,000 to \$25,000 once a year. Unsolicited proposals are not accepted. Proposal solicitations begin in November for awards in the following year. If you wish to apply for a grant, please send a one-page description of the project for which you seek support to Susan Chinn, Executive Director, by October 15th. After reviewing these letters, the foundation will seek proposals from a limited number of organizations.

Harry A. Fagan Award

In memory of deceased friend and board member Harry Fagan, the Discount Foundation honors long-time community organizers and social justice activists among the poor. A \$15,000 award is given to one individual at the annual board meeting.

Previous Award Winners

- 1993 Lewis Finfer, Organizing and Leadership Training Center, Boston, MA
- 1994 Paul Battle, Washington Inncity Self Help, Washington, DC
- 1995 Jacquelyn Kendall, Midwest Academy, Chicago, IL
- 1996 Gary Delgado, Applied Research Center, Oakland, CA
- 1997 Madeline Talbott, ACORN, Chicago, IL
- 1998 Kim Bobo, National Interfaith Committee for Worker Justice, Chicago, IL
- 1999 Jonathan Lange, BUILD, Baltimore, MD
- 2000 Si Kahn, Grassroots Leadership, Charlotte, NC
- 2001 Jim Drake, Greater Boston Interfaith Organization, Boston, MA
- 2002 Hollis Watkins, President, Southern Echo, Jackson, MS

Board of Directors and Staff



Front row: Margery Tabankin; Andrea Kydd; Susan Chinn, Executive Director. Back row: Jeffrey Zinsmeyer, President; Garland Yates; Thomas Asher, Secretary-Treasurer; Deepak Bhargava

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