



CITY OF SANTA FE

Update of Civic Engagement on the Living Wage Proposal

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Agenda

1. City of Santa Fe Survey
2. Santa Fe Chamber of Commerce Survey



City of Santa Fe Living Wage Survey Results 1,400+ Responses



Living Wage Survey



English (US)

Living Wage Survey

The Mayor and City Council are considering a proposal to raise Santa Fe's living wage from \$15.00 to \$17.50 per hour beginning next year. The proposal also includes adjusting the wage annually in closer alignment with housing costs. This change could affect workers, families, and businesses across our community. We are seeking your input to better understand the potential benefits, challenges, and impacts. Survey results will be shared publicly on the Office of Economic Development webpage and discussed at future community meetings.

Who are you?

- Employee/worker
- Resident (not currently working in Santa Fe)
- Retired
- Student

Survey Distribution

<https://form.jotform.com/252407371741050>

- Spanish/English
- Santa Fe Public Schools– E-Blast
- Office of Economic Development sent over 10,000 E-blasts to subscribers 2x
- Office of Economic Development newsletters
- City of Santa Fe's newsletters
- Community Partner Support

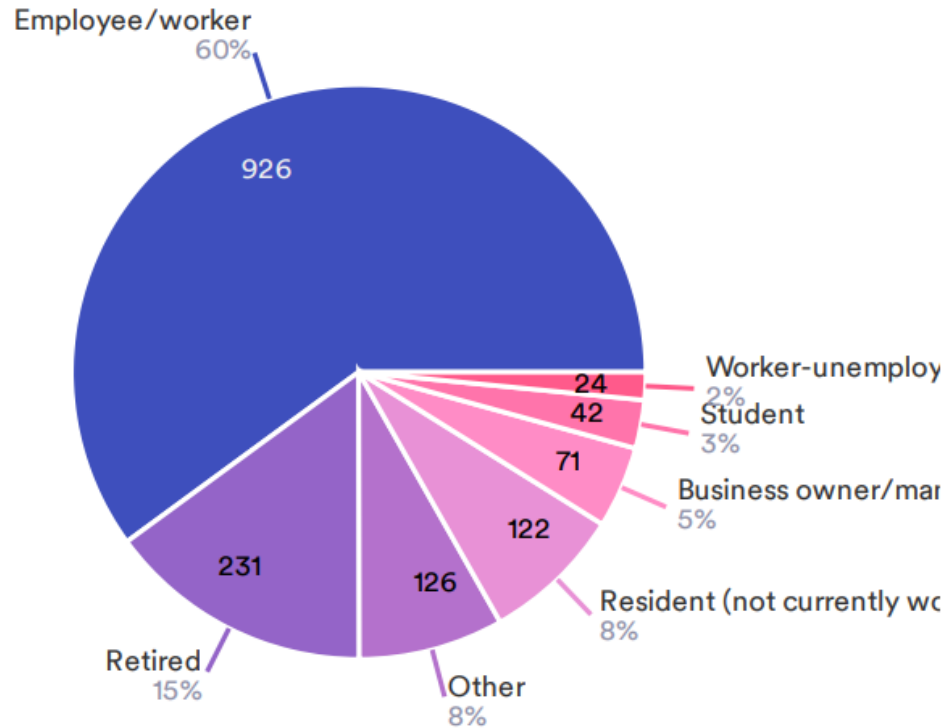


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Over 88% of respondents identified as City Residents

Who are you?

1542 Responses- 7 Empty



- Employee/worker
- Retired
- Other
- Resident (not currently working in Santa Fe)
- Business owner/manager
- Student
- Worker-unemployed

What zip code do you reside in?

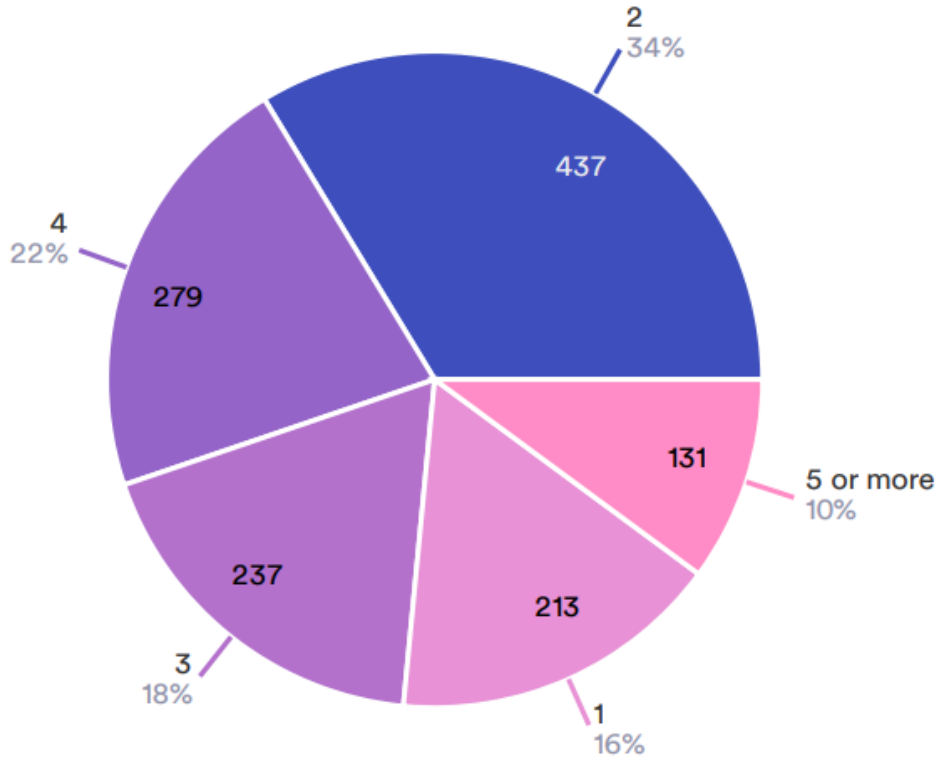
1392 Responses- 24 Empty

Data	Responses
87507	495
87505	389
87501	225
87508	132
87506	60
87552	9
87540	8
87010	6
Other entries	68



How many people live in your household (including yourself)?

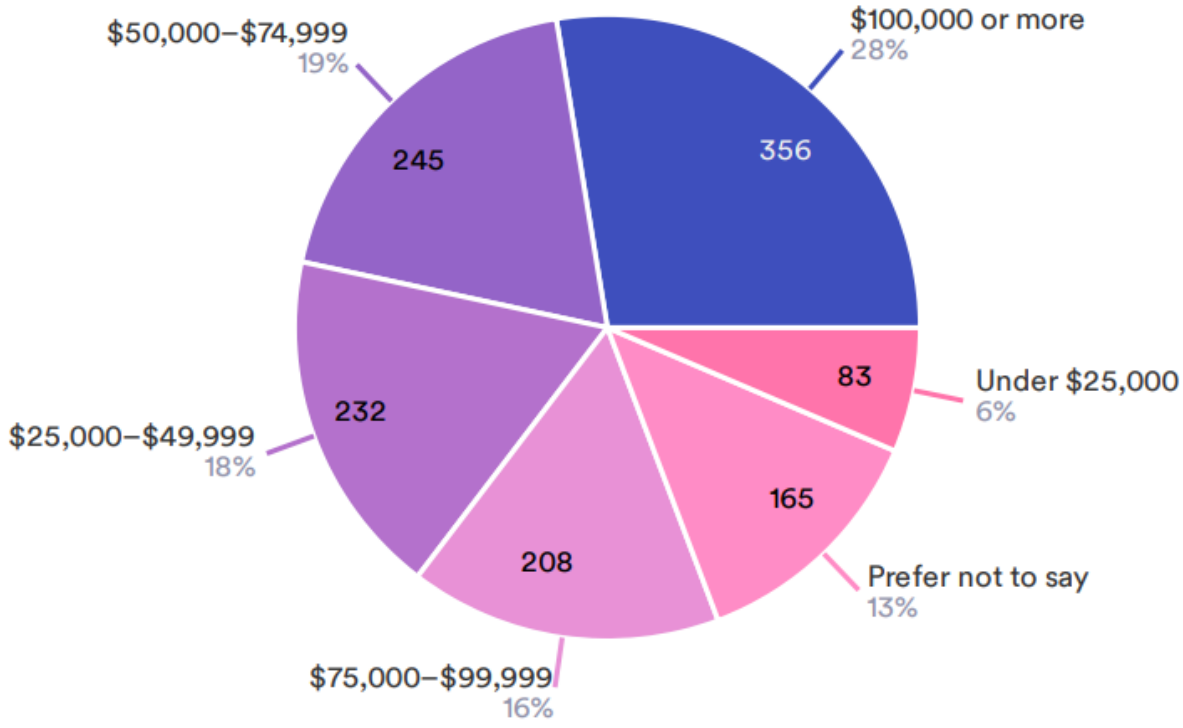
1297 Responses- 121 Empty



● 2 ● 4 ● 3 ● 1 ● 5 or more

What is your approximate annual household income?

1289 Responses- 137 Empty

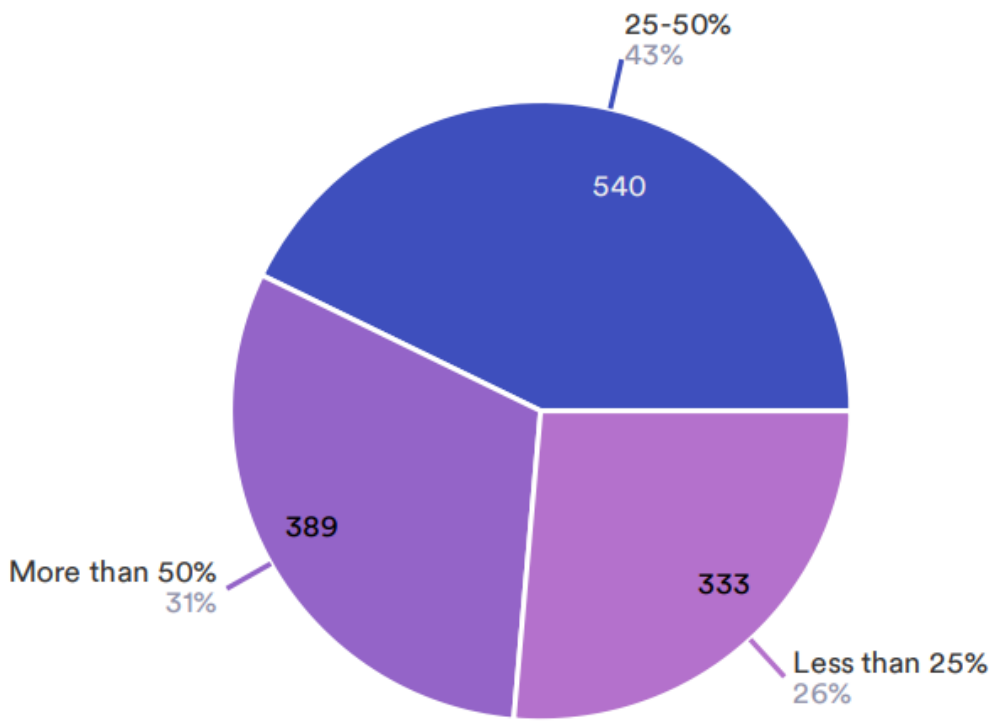


● \$100,000 or more ● \$50,000-\$74,999 ● \$25,000-\$49,999
 ● \$75,000-\$99,999 ● Prefer not to say ● Under \$25,000



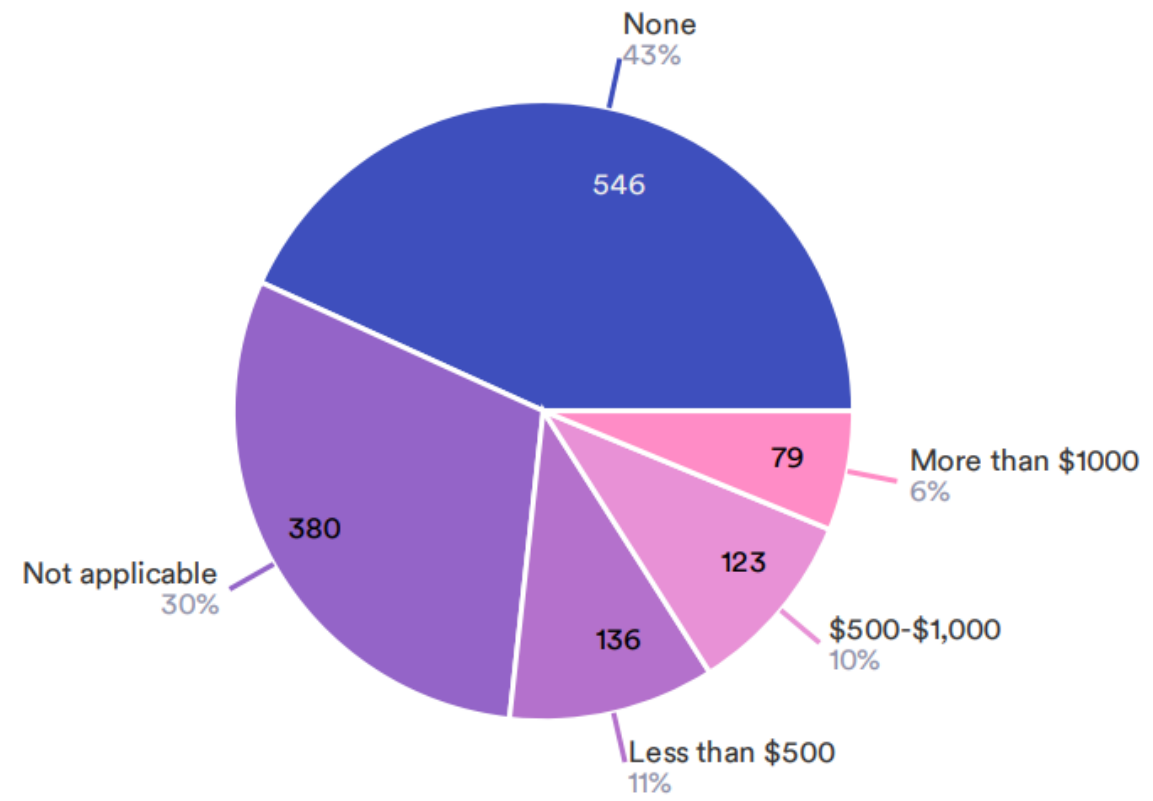
About how much of your monthly household budget goes to housing (rent or mortgage)?

1262 Responses- 161 Empty



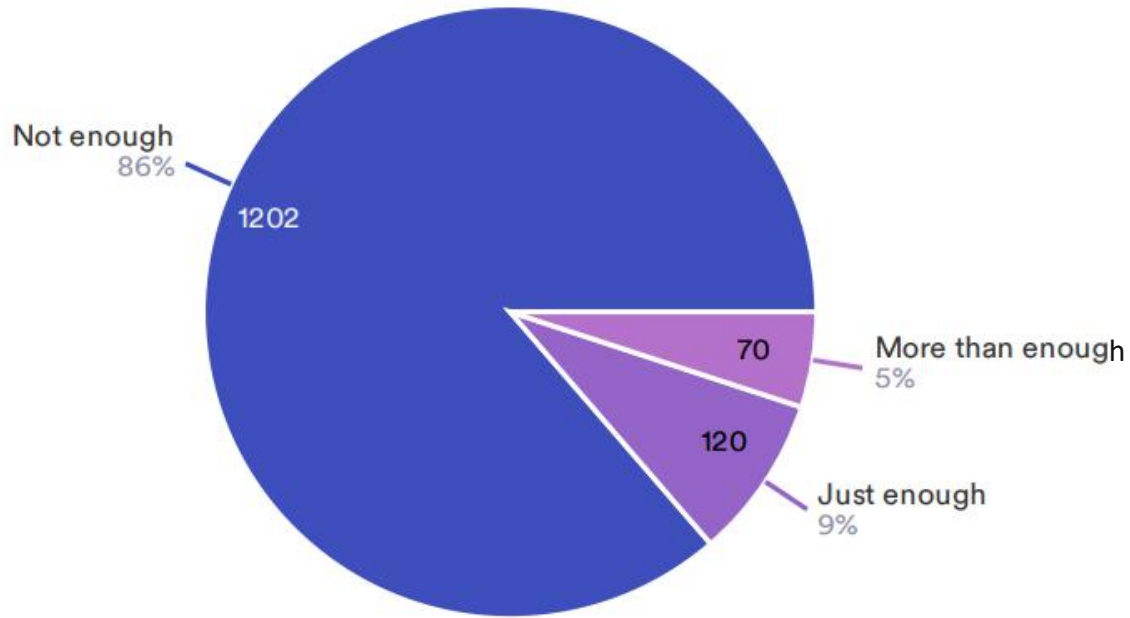
About how much of your monthly household budget goes to childcare (if applicable)?

1264 Responses- 167 Empty



In general, how well does the current living wage (\$15/hr) meet the cost of living of Santa Fe?

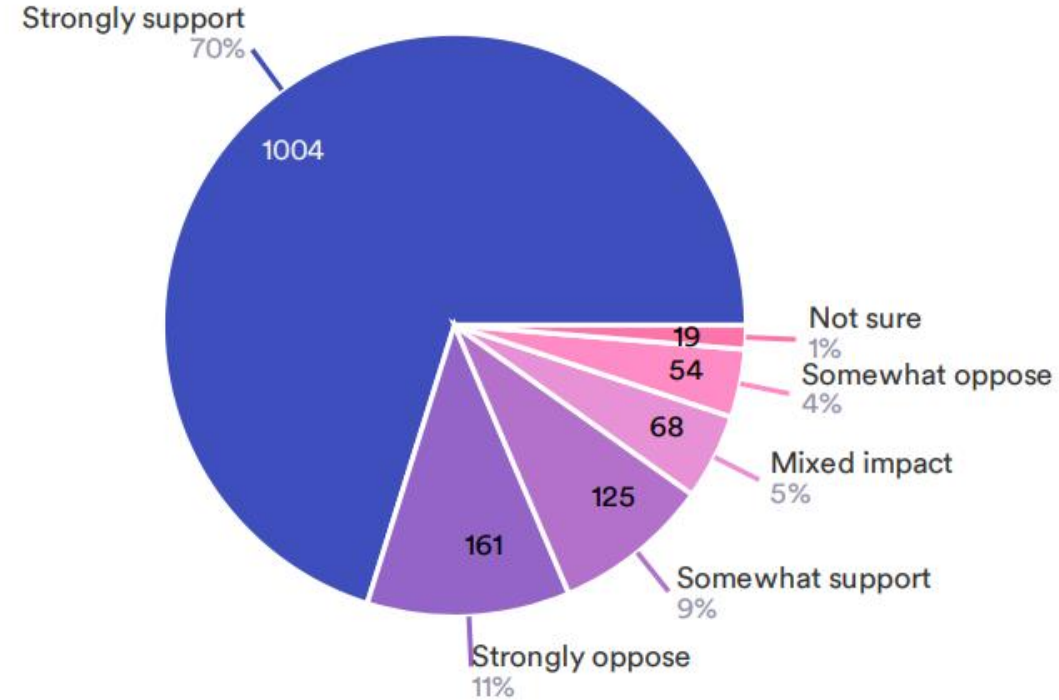
1392 Responses- 26 Empty



● Not enough ● Just enough ● More than enough

Do you support or oppose raising the living wage in Santa Fe to \$17.50 per hour with potential annual incremental increases?

1431 Responses- 9 Empty




● Strongly support ● Strongly oppose ● Somewhat support ● Mixed impact
● Somewhat oppose ● Not sure





Key Takeaways: City of Santa Fe Living Wage Survey Insights


- 1. Strong Community Support:** A clear majority of respondents believe the current \$15/hr wage does *not* meet the cost of living in Santa Fe. Over 1,200 people or about 85% of respondents told us that \$15/hr is not enough. Over 70% of respondents told us that they strongly support raising the living wage to \$17.50/hr.
- 2. Perceived Worker Impact:** A majority ($\approx 72\%$) of worker respondents expect the wage increase to improve their ability to live and work in Santa Fe, with relatively few anticipating harm.
- 3. Business Perspectives:** Business views are more mixed than the general population—however, positive and neutral views together ($\approx 79\%$) outnumber negative ones ($\approx 21\%$).
- 4. Shared Community Values:** Respondents overwhelmingly view economic diversity and local housing access as **core community values** tied to wage policy. Many respondents used open-ended comments to express concern that long-time residents, teachers, and service workers are being priced out.

What do you see as the main benefits of raising the living wage?

 **Improved Quality of Life (298 Respondents):** Many respondents said a higher wage would make day-to-day living more sustainable — helping people cover rent, food, and childcare without constant financial stress. “It would mean being able to pay bills on time instead of always playing catch-up.”

 **Local Economic Circulation (157 Respondents):** Respondents often noted that increased wages translate into more local spending, benefiting small businesses and the local economy overall. “It keeps Santa Fe dollars in Santa Fe.”

 **Reducing Displacement (105 Respondents):** Several residents tied the wage issue directly to housing affordability and preventing further out-migration of local families. “We’re losing too many people who grew up here. Higher wages could help them stay.”

 **Equity and Community Well-Being (102):** Many connected wage increases to broader values — justice, fairness, and community cohesion. Many also emphasized the dignity of work and employee morale. “It’s a moral issue. People who keep this city running deserve to live here.”

What do you see as main challenges or risks for raising the Living Wage?



Inflation and Price Increases (226 Respondents): Many expressed concern that higher wages could drive up the cost of goods and services, potentially canceling out the intended benefits. “If wages go up, so will everything else — rent, groceries, meals.”



Impact on Small Businesses (90 Respondents)

Respondents also mentioned concern was that small, locally owned businesses would struggle to absorb higher labor costs. “I support fair pay, but mom-and-pop shops can’t compete with chains that can spread out costs.” “It’s not the idea that’s wrong — it’s how we support small employers through the transition.”



Need for a holistic approach (87 Respondents)

A number of respondents said that raising wages should be part of a larger strategy — not the only tool. “It’s one piece of the puzzle — but we also need affordable housing and childcare.”



Pressure on Nonprofits and Public Services (57 Respondents)

Respondents who work in the nonprofit or government sectors noted that these entities often rely on fixed budgets or grant funding. “Nonprofits can’t raise their prices — they’ll have to cut programs.”

Santa Fe Chamber Business Survey: Workforce & Living Wage Impact

The Santa Fe Chamber's *Workforce & Living Wage Impact Survey* gathered feedback from **72 local businesses** across a range of sectors, including hospitality, retail, education, professional services, and nonprofits.

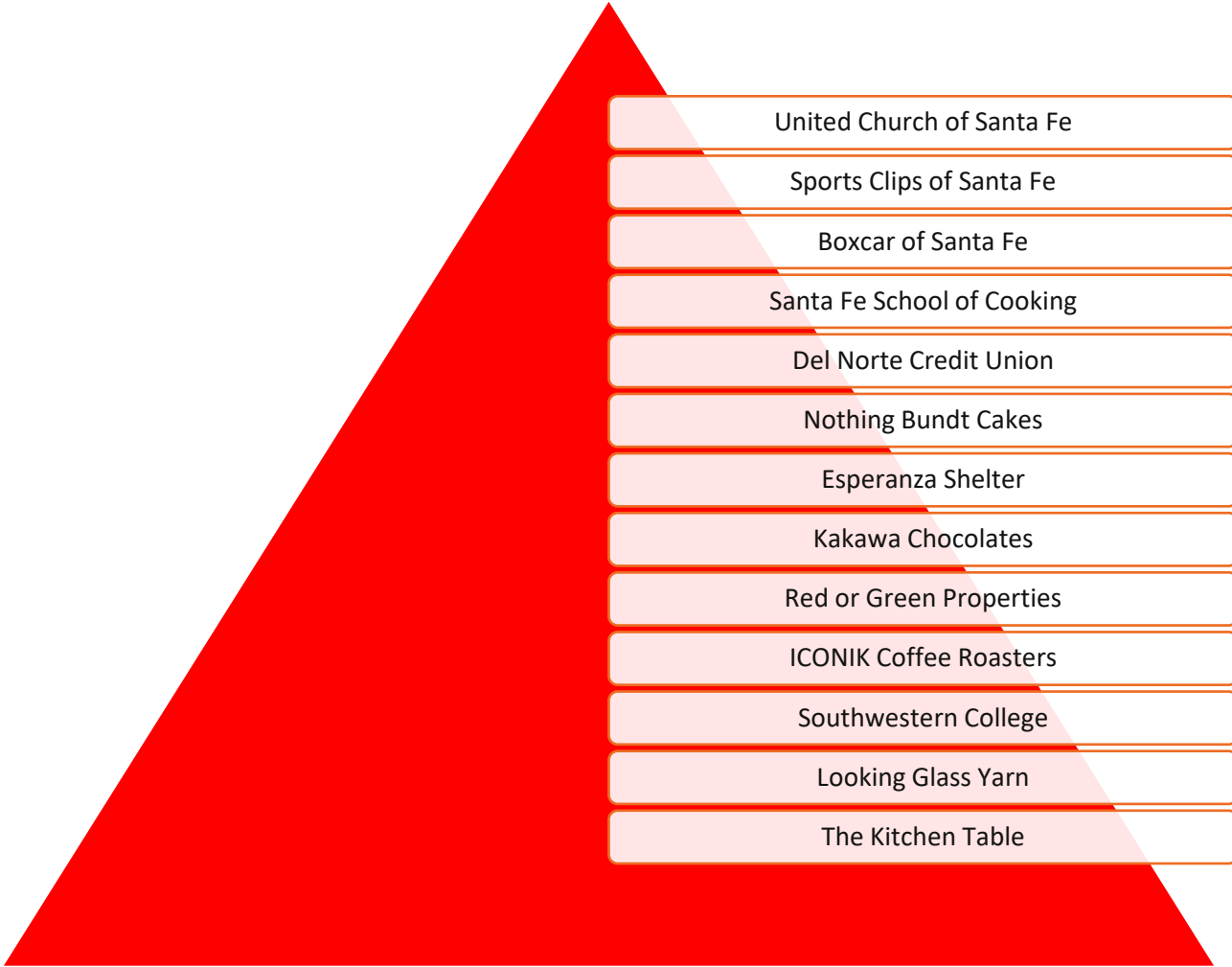
What is the size of your business?

ANSWER CHOICES	RESPONSES	
1-5 employees	38.89%	28
6-10 employees	13.89%	10
11-25 employees	16.67%	12
26-50 employees	11.11%	8
51+ employees	19.44%	14
TOTAL		72



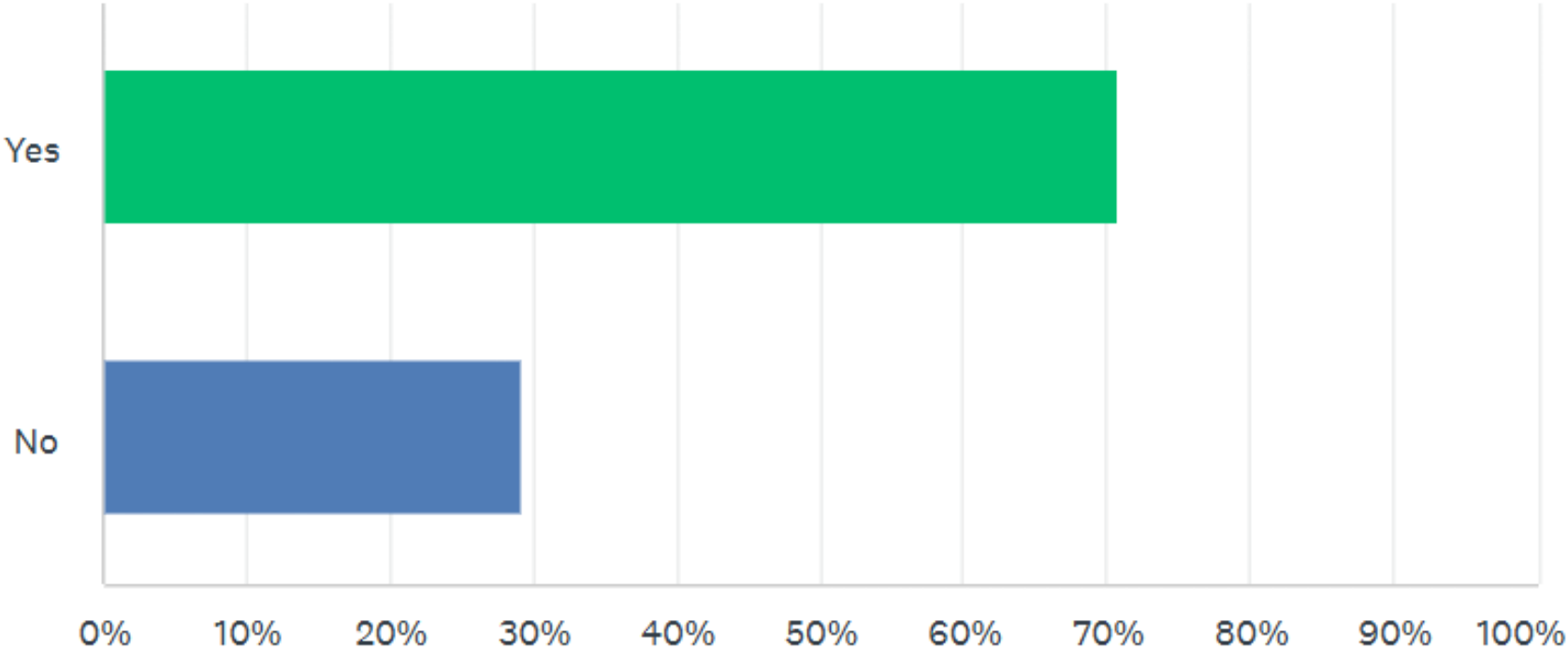
Survey Participants

The Santa Fe Chamber of Commerce survey responses reflect a wide range of different businesses. Here is a list of some respondents.



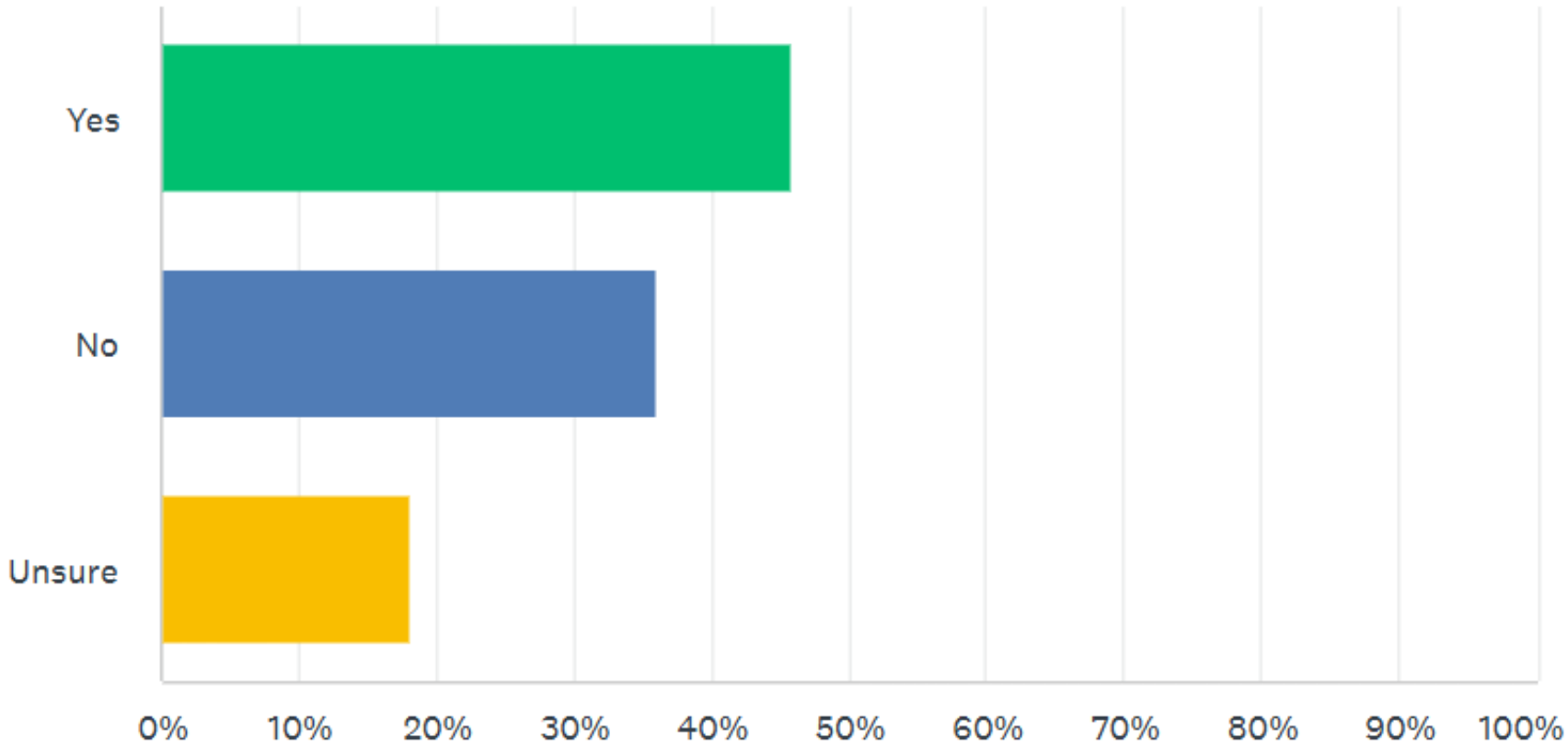
Do you hire interns or entry-level employees and provide training for them?

Answered: 72 Skipped: 0



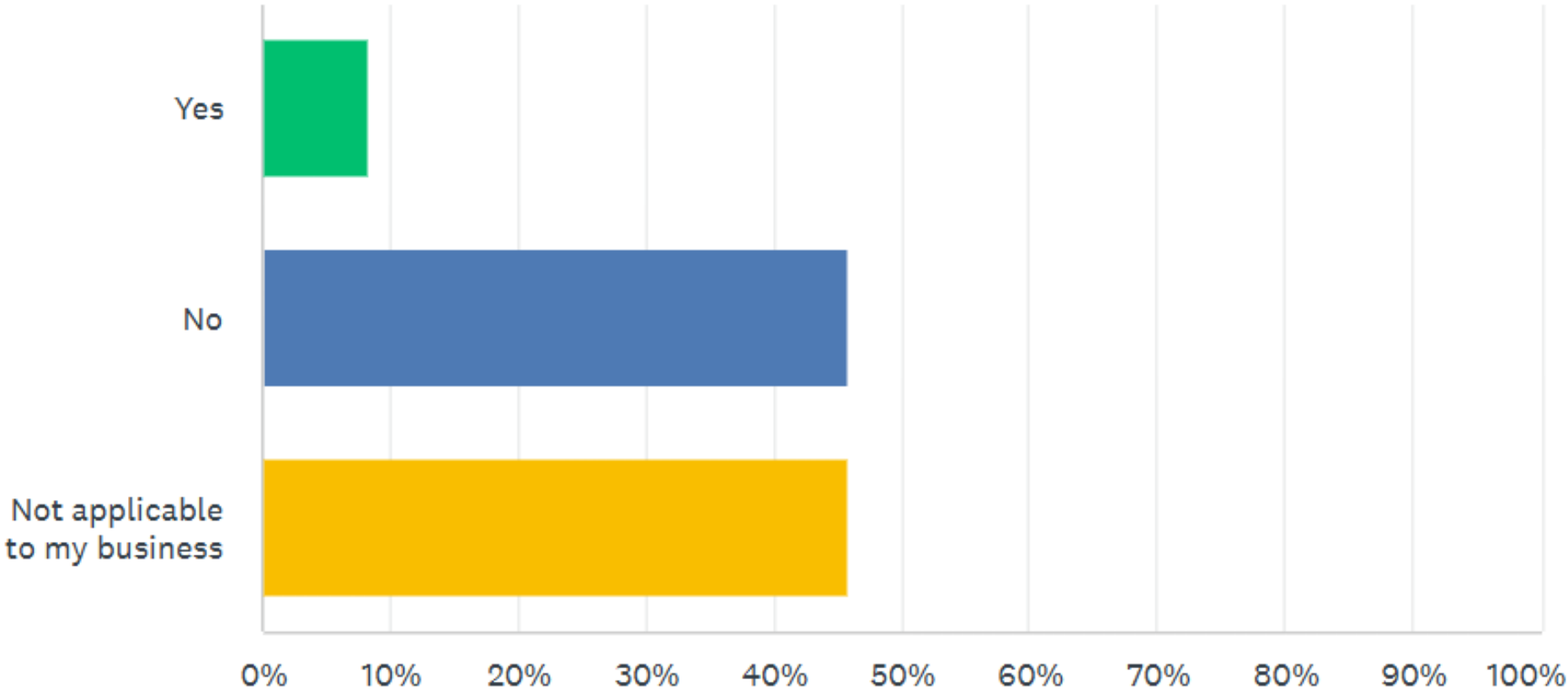
Would you support a temporary training wage below minimum wage for new hires during their onboarding period, if allowed by law?

Answered: 72 Skipped: 0

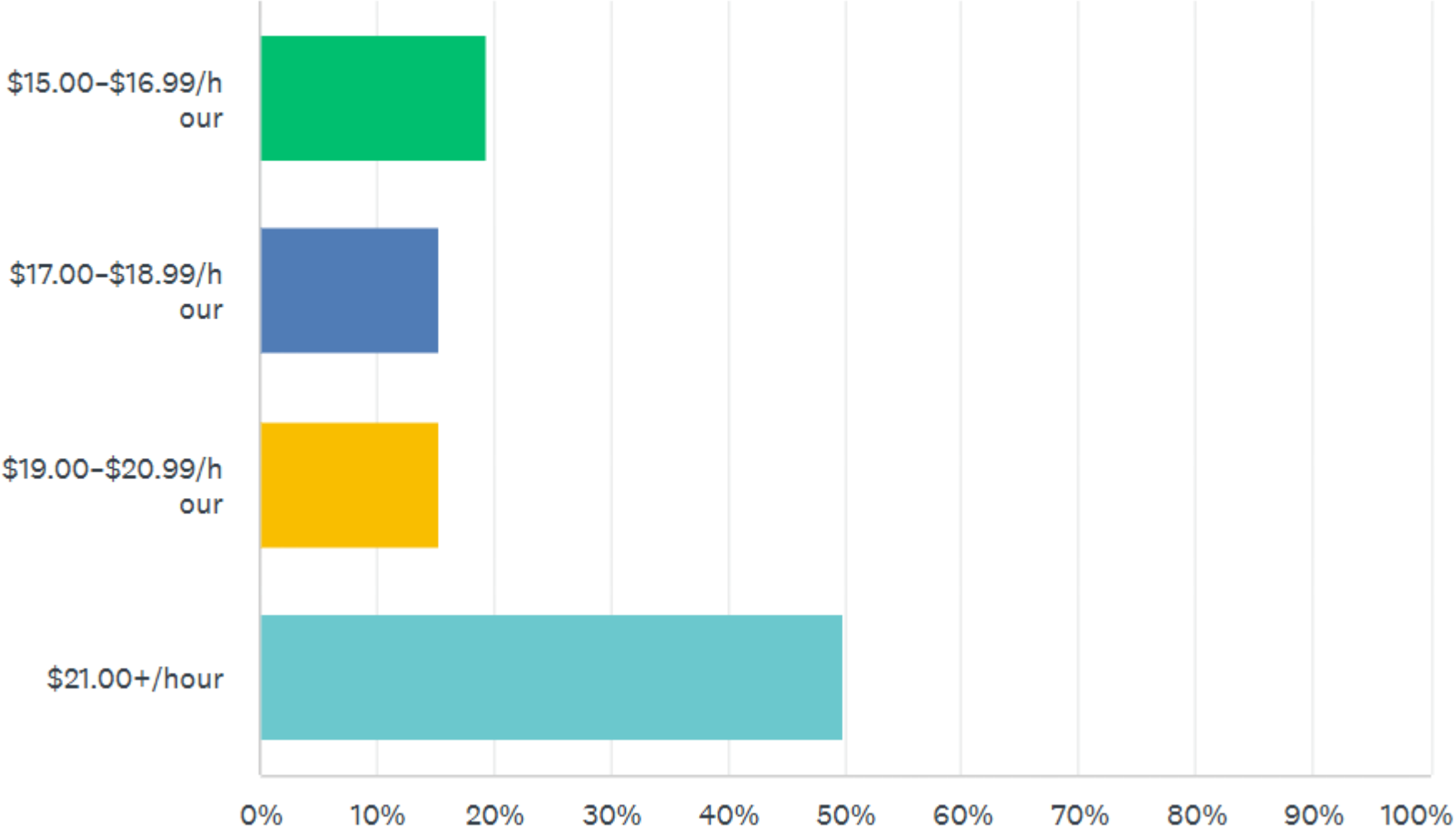


Are you currently using the tip wage credit for any employees?

Answered: 72 Skipped: 0

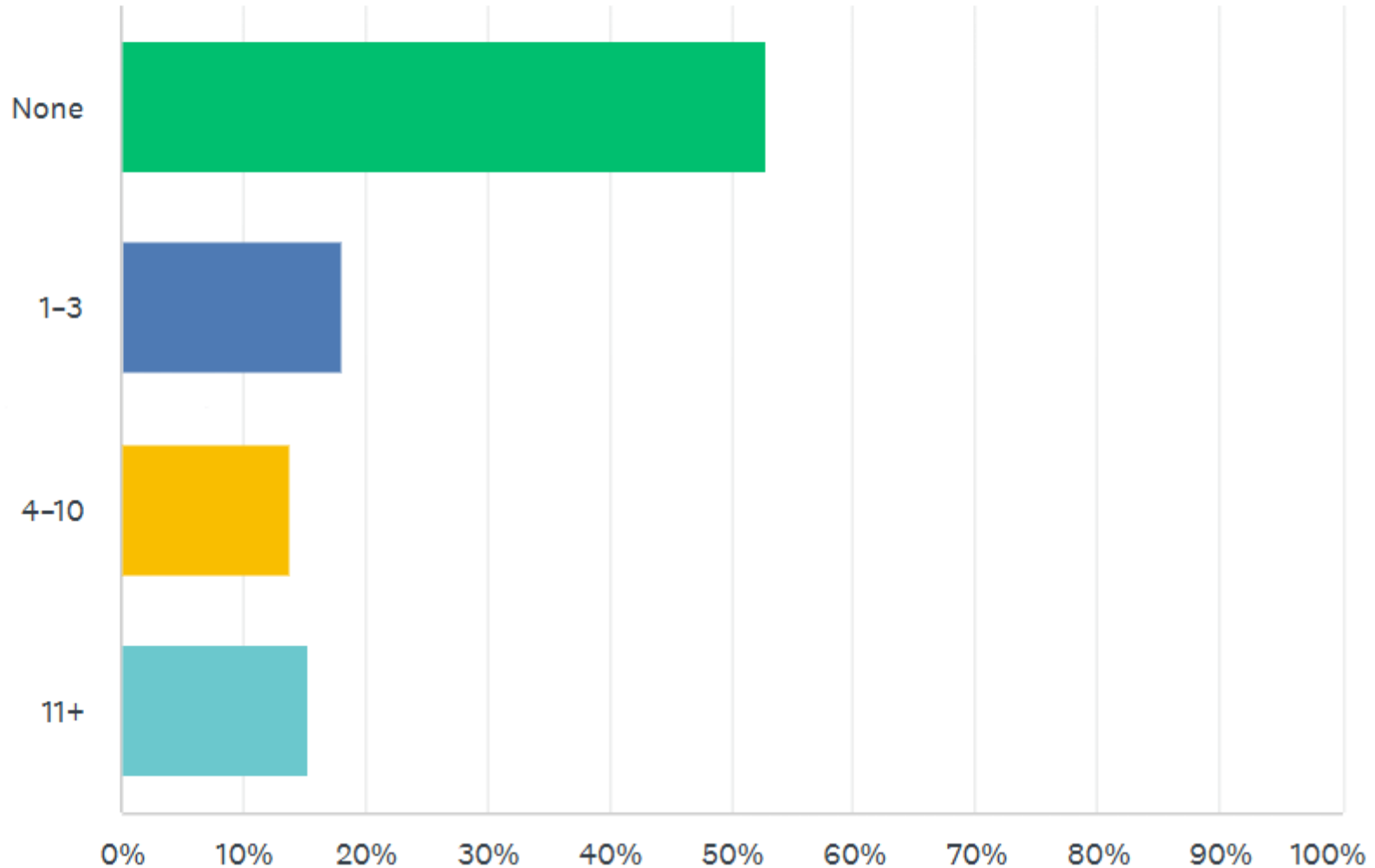


What is the current pay range for your employees? (Select the range that best describes your current hourly wage scale.) Answered: 72 Skipped: 0

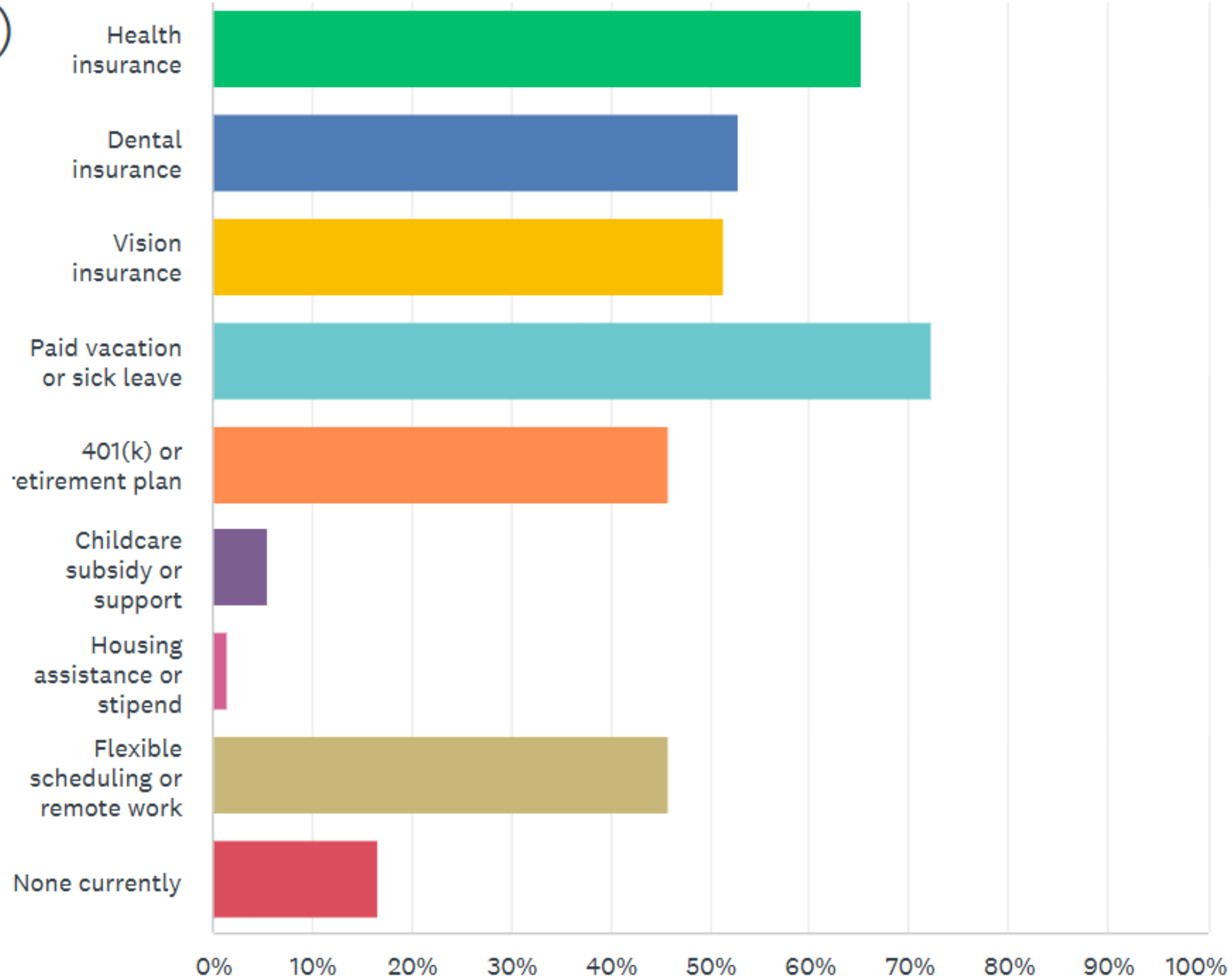


How many of your employees currently make under \$20/hour?

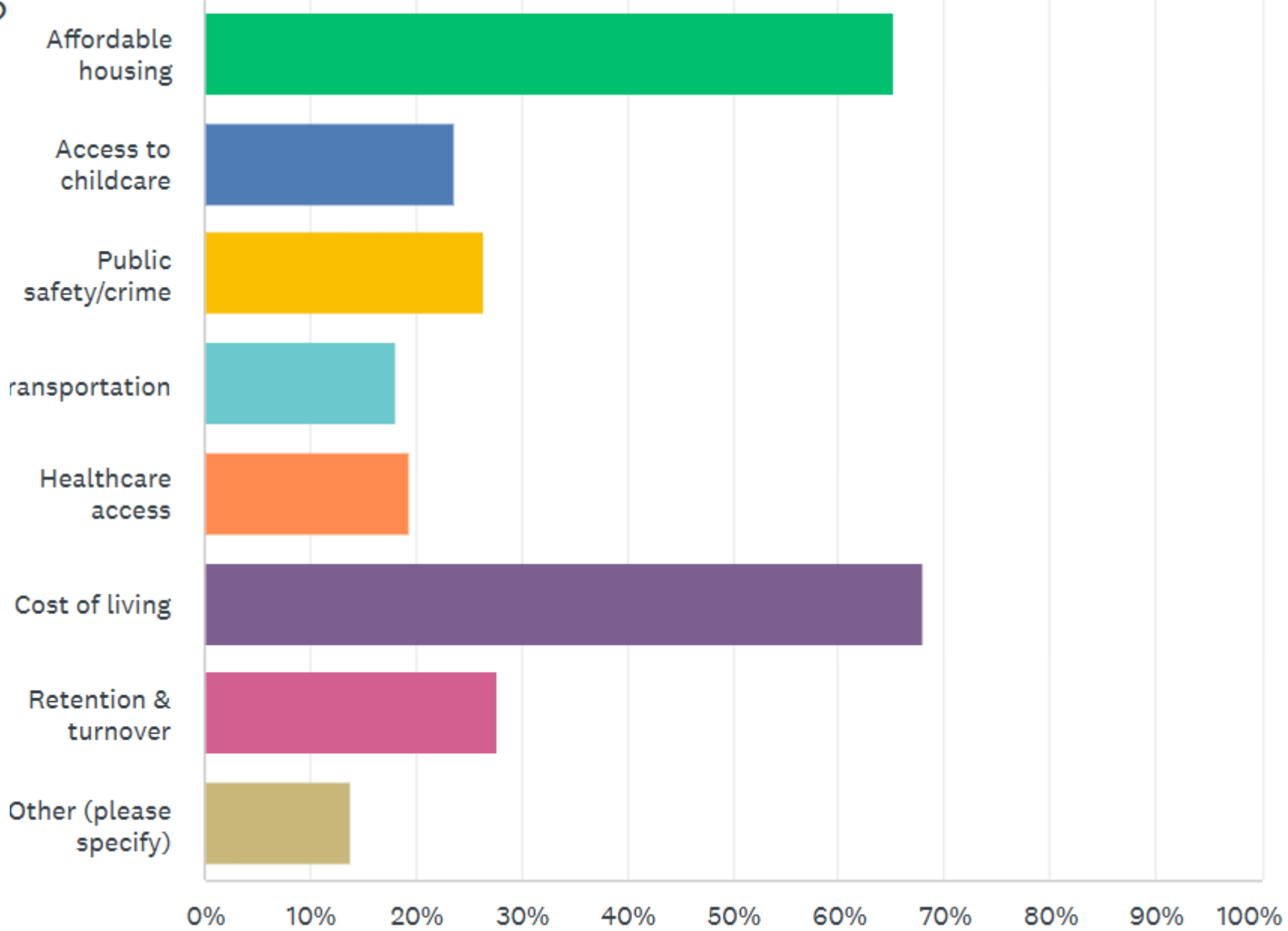
Answered: 72 Skipped: 0



What employee benefits does your business currently offer?(Check all that apply.)

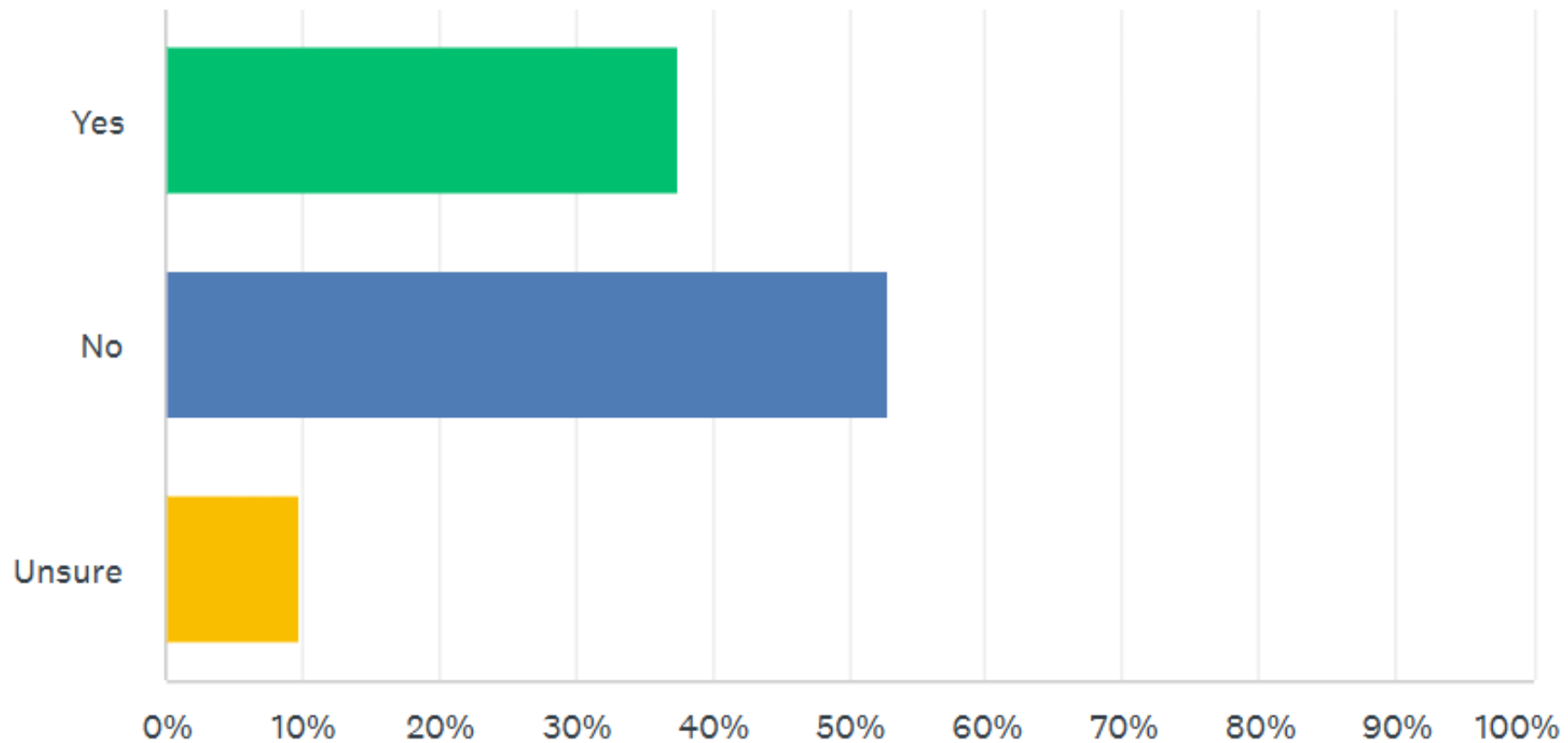


What are your biggest concerns impacting your employees?



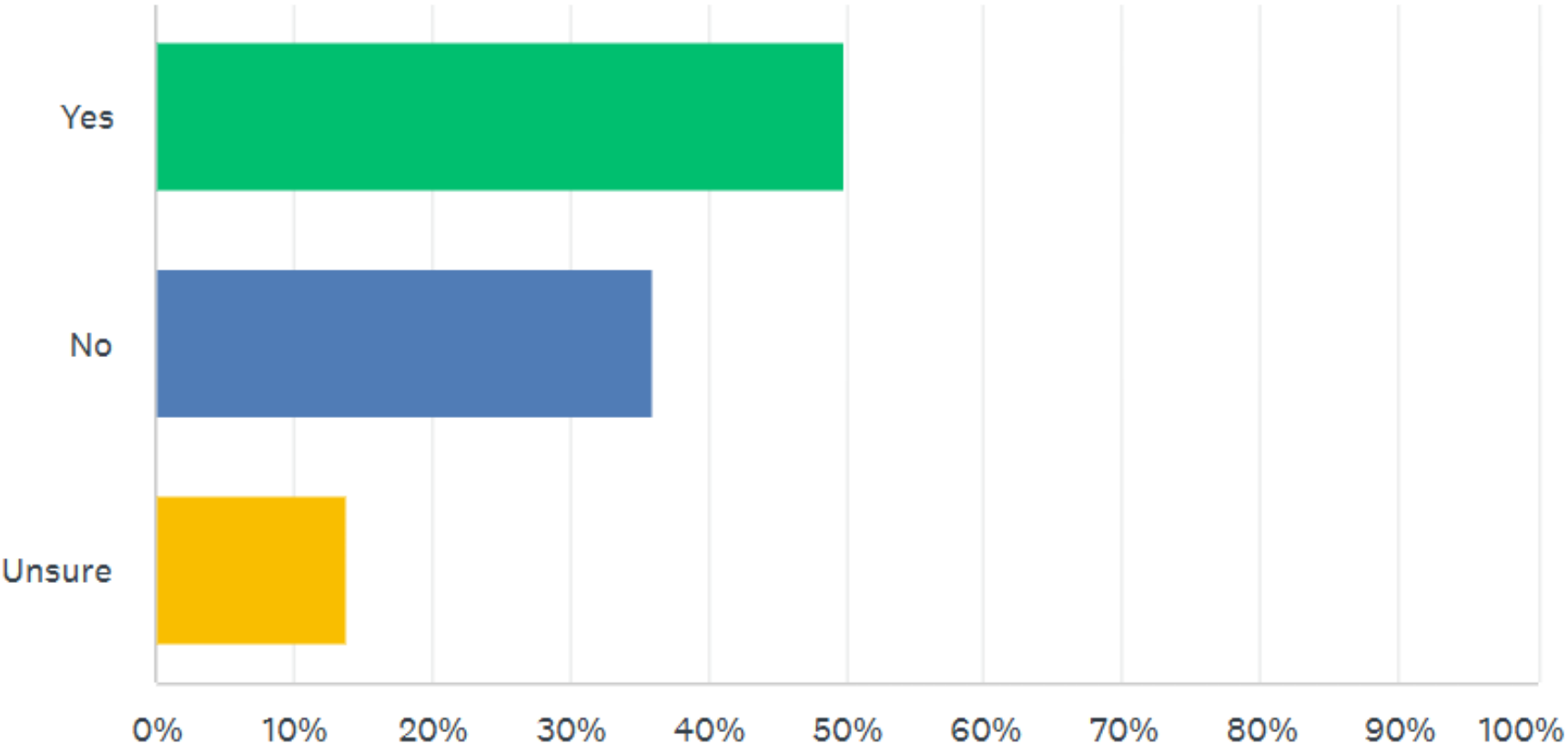
Would an increase in minimum wage cause your company to consider job cuts?

Answered: 72 Skipped: 0



Would an increase in the minimum wage lead to higher costs of prices for goods?

Answered: 72 Skipped: 0



Conclusion

Over 1,400 residents participated in these surveys and more than 80% shared written feedback reflecting deep care for Santa Fe's future.

Nearly 80% of respondents in the City Survey support increasing The wage to \$17.50/hour, citing fairness, stability, and the need to keep pace with the cost of living.

Residents see the living wage as one essential tool— alongside housing, childcare, and small business support— to ensure that people who work here can afford to live here.

The Chamber survey clearly shows that Santa Fe's business community recognizes both the opportunity and responsibility of ensuring a livable wage for its workforce. While there is optimism about the benefits — stronger morale, lower turnover, and a more stable local economy — Moving forward, success will depend on pairing wage policies with practical tools, collaboration and investment so that workers can thrive and businesses remain competitive.



Thank You

Appendix

What Businesses are Saying



Cost of Living & Housing Pressure

“I fully support a living wage as a minimum wage. The cost of living in Santa Fe has cost our organization employees and potential hires. Without a doubt the single greatest factor is affordable housing. Every time we lose an employee it costs time, energy, and dollars we could be putting toward the work of meeting our mission.”

Living Wage as a Win-Win

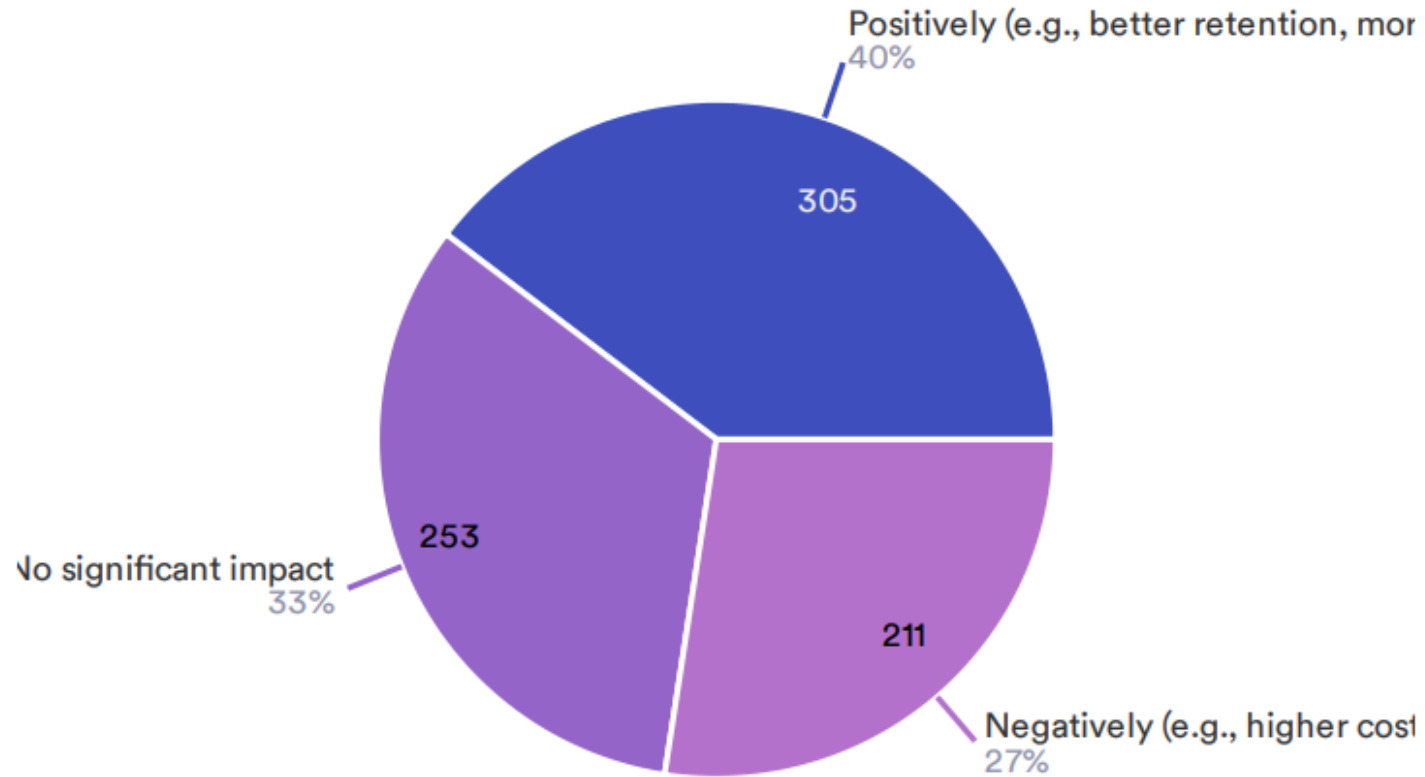
“A living wage means that my employees don’t have to worry about their basic needs—housing, medical care, childcare. That makes them better employees and better citizens. Plus, they can afford to spend money in other Santa Fe businesses. It’s a win-win situation.”

Small Business Strain & Wage Compression

“I already pay well above the minimum wage. But every increase raises expectations—then I have to raise prices again. The real problem is living expenses and lack of affordable childcare.”

If you are a business owner/manager: How would raising the living wage affect your business?

769 Responses- 663 Empty



- Positively (e.g., better retention, morale, recruitment)
- No significant impact
- Negatively (e.g., higher costs, reduced hours, reduced staff)



Key Details of the Proposal

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

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

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



Key Details about the Living Wage Proposal

What is the Proposal?: Base Wage increases from \$15.00 to \$17.50

Who would this Impact?: City Employees, City Contractors for Agreements Valued over \$30k, All City Licensed Businesses and Non-Profit Organizations

When would this go into Effect?: January 1, 2027

How would the Living Wage Change Annually?: The Living Wage will adjust annually, Beginning on March 1, 2028 taking into consideration the Western Region CPI-U and the Dept. of Housing and Urban Development Fair Market Rent for a 2 Bedroom Home in Santa Fe.



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What is the Western Region CPI-U?

The Consumer Price Index for all Urban Consumers is a measure of inflation that takes into consideration the purchase of household items such as food, fuel, apparel, and medical care in the Western Region of the US. This covers 90% of the total population in the

Western Region.

What is HUD Fair Market Rent?

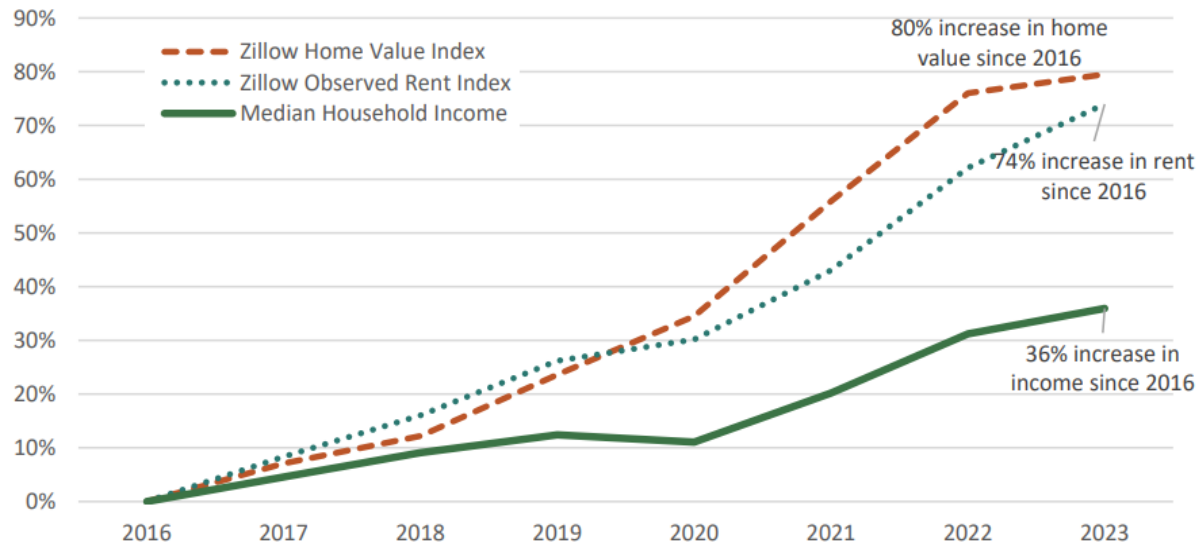
This is a statistic created by HUD to determine payment amounts for various Housing Assistance Programs, such as the Section 8 Housing Choice Vouchers Program. FMR's are set annually and vary by local area. They represent estimates of gross rent including both rent and utilities.

Why are we advancing this proposal?

There is a growing gap between income and housing costs.

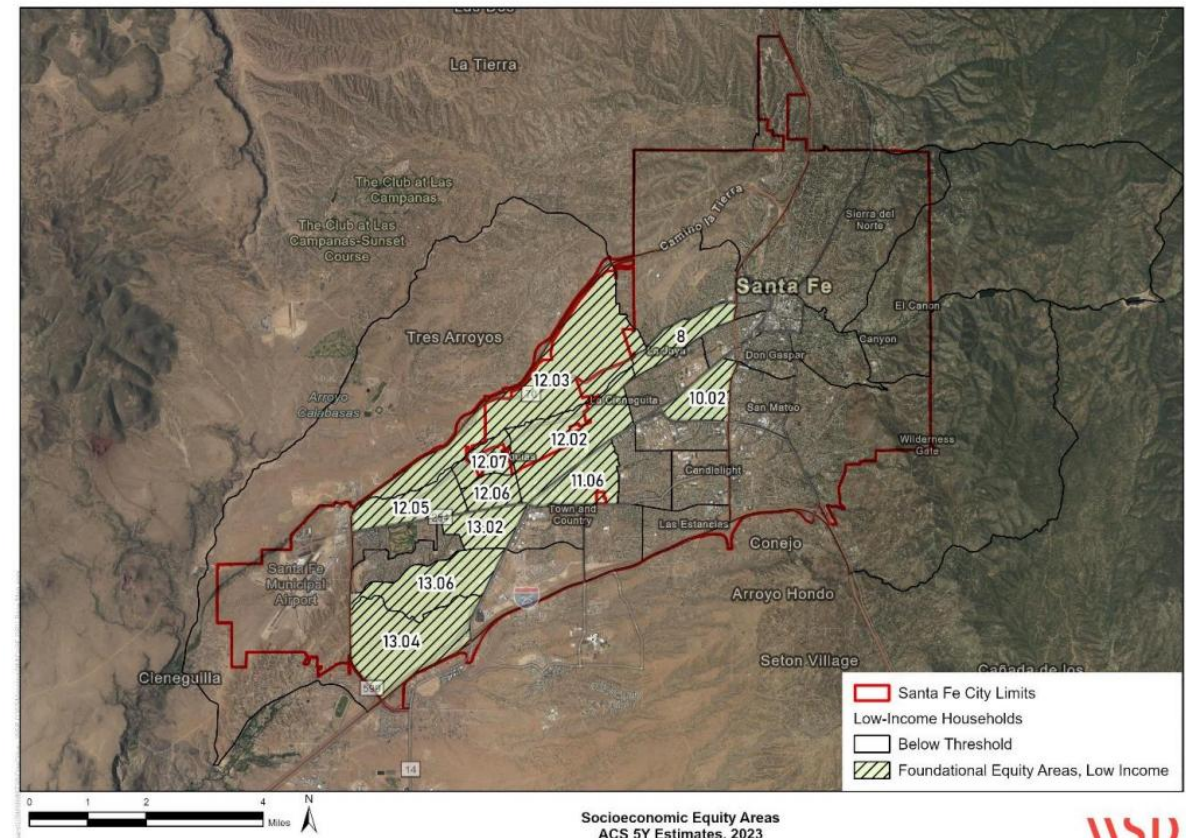
There is an increased risk of displacement concentrated in certain neighborhoods.

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



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

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

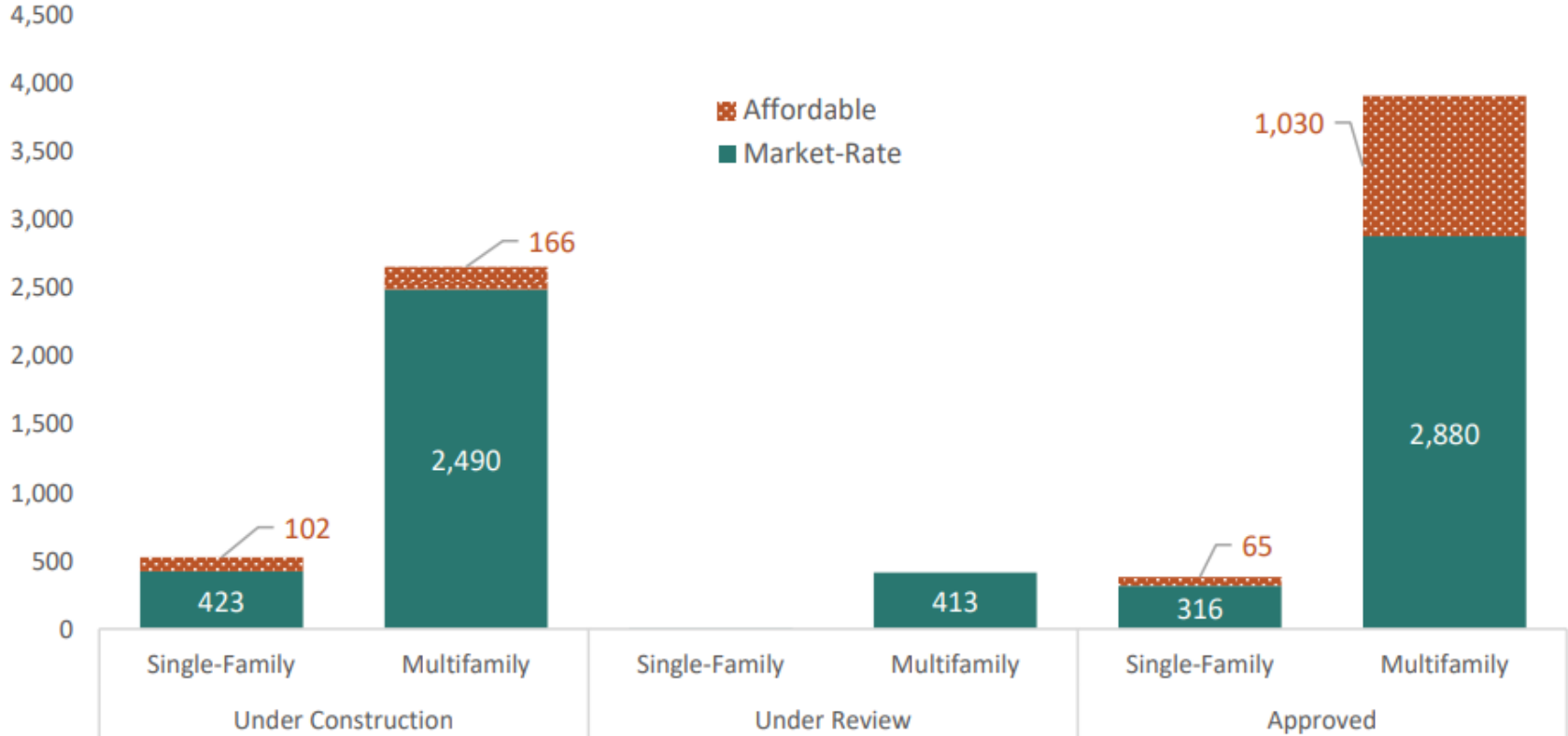


Santa Fe Development Pipeline

Over 3,000 homes are under construction.

Over 4,000 homes are in the pipeline.

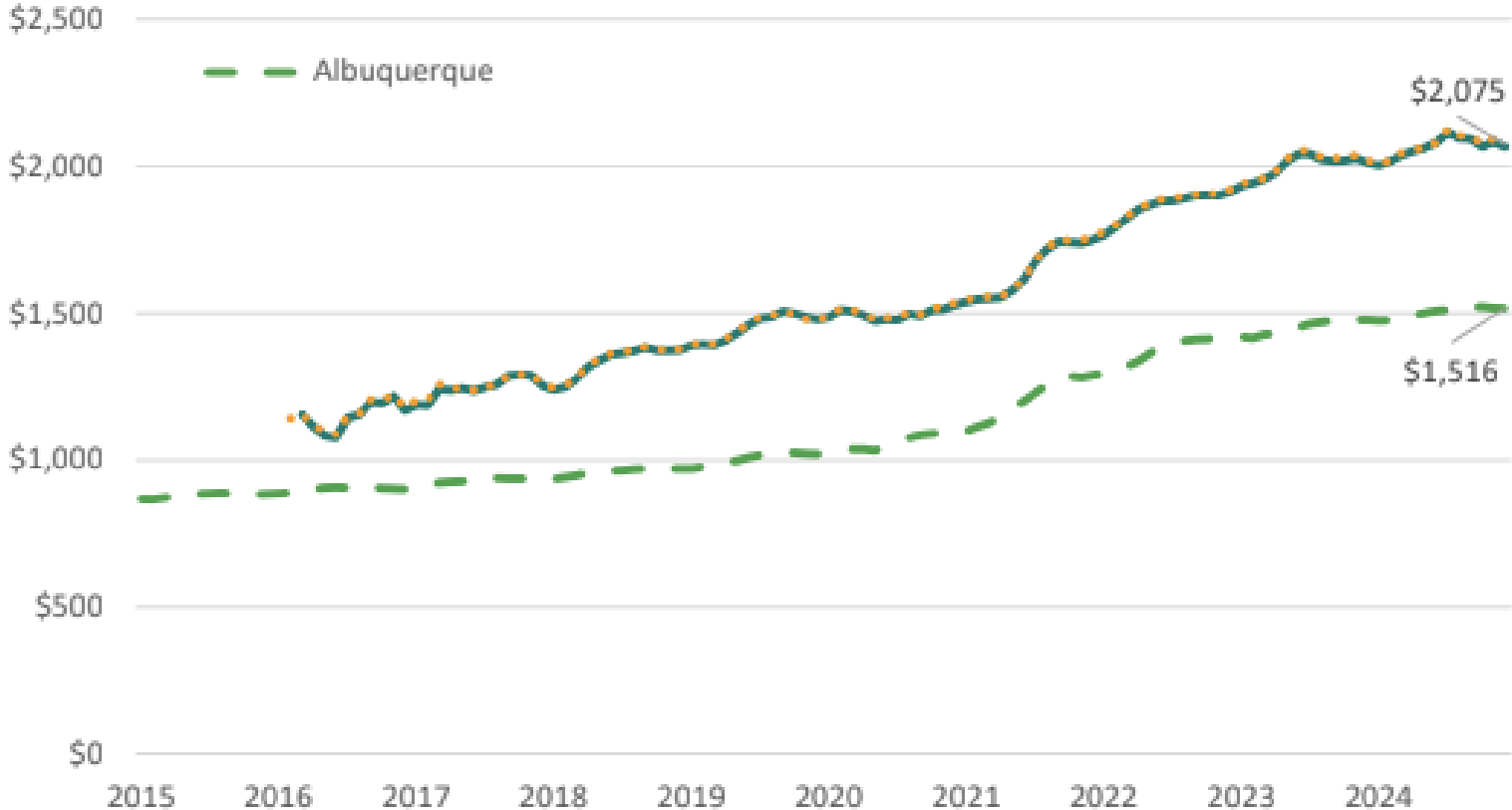
Figure 7-13. Housing Pipeline in Santa Fe, September 2024



Source: City of Santa Fe

Santa Fe Rent Since 2016

Figure 7-19. Zillow Observed Rent Index (ZORI) for Santa Fe with Comparison Areas, 2015-2025



Source: Zillow



Santa Fe Affordable Housing Programs



Affordable Housing Trust Fund provides funding for housing for Santa Fe residents earning less than 120 percent area median income (AMI). The Santa Fe **AHTF** has granted millions in proceeds to provide rental, downpayment and closing cost assistance. In addition, funds can be used to help acquire, construct, and renovate buildings into affordable housing opportunities.



The **Santa Fe Homes Program (SFHP)** is an inclusionary zoning program enacted in 2011, which requires developers to set aside a share of new homes for rent or purchase for residents with low to moderate incomes.

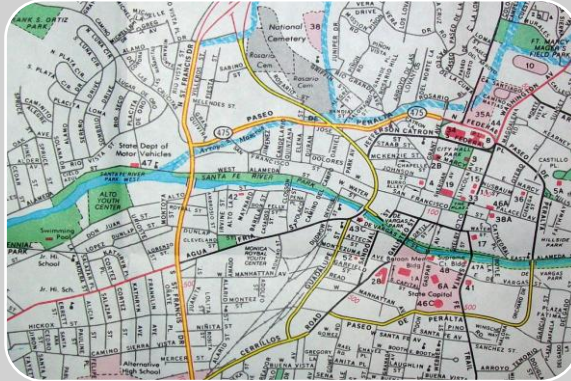


The **Community Development Block Grant (CDBG)** Program provides annual grants, to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons.





Santa Fe Housing Efforts



Land Use Development Code Phase 1 Updates which are under consideration will allow developers to develop more homes on their parcels when they include additional affordable homes in their projects. Regulations will be adopted which will enable “infill” on smaller parcels of land. That will provide for the ability to develop more housing on small parcels.

Fair Housing. It is illegal for a landlord to discriminate against a tenant because they pay for their rent with any lawful source of income. IF you feel that you have been discriminated against, please go to the Office of Affordable Housing website, where we have a portal to report alleged discrimination.



Snapshot of City Action Taken to Help Make our Home a more Livable Community



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Affordable Housing: 10 years ago, we were permitting fewer than 200 new units per year. In the past 8 years we began permitting between 400-900 per year.

We have over **3,000 homes under construction and over 4,000 in the pipeline.**

We have **over 1,360 affordable homes under construction and in the pipeline.**

We have strong tools: AHTF, SFHP, CDBG Program Grants

More on the horizon: Land Use Development Code Phase 1 Updates contains provisions to encourage developers to produce more affordable homes on their parcels.

Taking action to prevent anti-displacement for example, the community led Hopewell Mann Anti-displacement Study.

Our economic mobility programs are strong with a focus on Planning Pathways, Removing Barriers and Supporting Employers & Small Businesses.

What ideas would you recommend as additional ways to increase affordable and workforce housing in Santa Fe?

- **Build more housing / allow greater density (243 mentions):**

Many called for new construction of multi-family units, ADUs, and infill development within city limits.

- **Expand affordable / workforce units (138 mentions):**

Support for more inclusionary zoning, public–private partnerships, and City-led projects.

- **Short Term Rental and Air BnB Regulation (96 mentions)**

Common recommendation to reduce Airbnb and vacation rentals that displace long-term housing.

- **Public Investment and Subsidies (74 mentions).**

Respondents advocated for greater city, county, and state investment—through bonds, grants, or partnerships—to create affordable units or offer rent support.

- **Tax and Policy Reform (58 mentions):**

Comments included ideas such as property tax caps for residents, rent control, and vacancy taxes on unoccupied homes or speculative investment properties.

What is the biggest obstacle you face in living and working in Santa Fe?

Respondents overwhelmingly cited the **cost of housing** as their biggest barrier, followed by wages, transportation, and childcare challenges.

- **Housing costs and affordability (603 mentions):**
The dominant issue — many said high rents and home prices make it difficult to live where they work or stay in Santa Fe.
- **Wages and pay levels (242 mentions):**
Many said wages haven't kept pace with Santa Fe's rising cost of living.
- **Access to employment and business resources (126 mentions):**
Small business owners noted challenges with City processes, permits, and support.
- **Transportation (77 mentions):**
Respondents cited limited public transit options, long commutes, and high vehicle costs.
- **Childcare (71 mentions):**
Families cited limited access, long waitlists, and high costs.
- **Cultural/Community Displacement (53 mentions)**
A meaningful minority voiced concern over community displacement, tying economic stress to cultural loss and the erosion of Santa Fe's local identity.

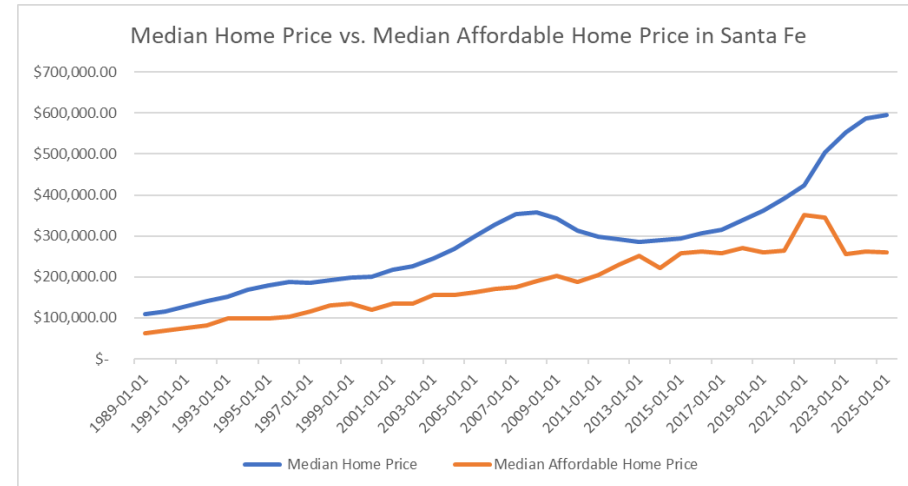
The Living Wage Proposal

- **Base Wage Increase to \$17.50/hour on Jan 1, 2027**
- **Annual Adjustment Formula (from Mar 1, 2028):**
 - Average of Western Region CPI-U (inflation) and the HUD Fair Market Rent (2-BR, Santa Fe)
 - Capped at **5% per year**, cannot decrease
- **Applies to City employees, city contractors (\$30k+ contracts), subsidized businesses (\$25k+), all licensed businesses & nonprofits**
 - Exemptions: Medicaid waiver nonprofits, interns for credit, student employees, court-ordered community service
- **Rationale:** Santa Fe wages remain **12% below national average**
 - **Rent increases up 28% (2015–2021)**; affordability challenges persist
 - COLA approach ensures wages track local costs
- **Enforcement & Remedies**
 - City manager authorized to investigate, revoke licenses, and impose penalties
 - Independent impact study due by **July 1, 2029** on employment, business trends, tax impacts, turnover, and youth jobs

Year	HUD Fair Market Rent		CPI (Western Region)	
	Two-Bedroom	% Change	Index	% Change
2025	\$ 1,627	6.0%		
2024	\$ 1,535	22.9%	332.9	2.8%
2023	\$ 1,249	12.2%	323.8	4.3%
2022	\$ 1,113	3.9%	310.5	8.0%
2021	\$ 1,071	1.3%	287.5	4.5%
2020	\$ 1,057	-1.1%	275.1	1.7%
201G	\$ 1,069	6.3%	270.4	2.7%
2018	\$ 1,006	-4.0%	263.3	3.3%
2017	\$ 1,048	11.1%	254.7	2.8%
2016	\$ 943	-1.0%	247.7	1.9%
2015	\$ 953	-0.4%	243.0	1.6%
2014	\$ 957	-1.9%	239.1	1.3%
2013	\$ 976	10.9%	236.1	1.8%
2012	\$ 880	-9.7%	232.0	1.7%
2011	\$ 974	0.7%	228.1	2.7%
2010	\$ 967	4.2%	222.1	1.3%
200G	\$ 928	5.0%	219.3	2.2%
2008	\$ 884	1.4%	214.7	0.0%
2007	\$ 872	3.4%	214.7	4.1%
2006	\$ 843	3.1%	206.2	3.1%
2005	\$ 818	2.5%	200.0	3.0%
2004	\$ 798	0.4%	194.2	3.1%
2003	\$ 795	2.6%	188.3	1.5%
2002	\$ 775	3.5%	185.5	2.1%
2001	\$ 749	1.1%	181.6	2.5%
2000	\$ 741		177.1	

The Need for Indexing

- **Housing cost divergence:** Over the past 25 years, HUD Fair Market Rent (FMR) for a two-bedroom unit in Santa Fe has increased 3.4% annually on average, compared to 2.7% CPI-W in the Western Region.
 - The gap widened sharply post-pandemic, with 22.9% rent growth in 2024 vs. 2.8% CPI-W
- **Affordability crisis:** To purchase the median home in Santa Fe (\$590,845), a household must earn **\$172,375 annually** — more than **twice the median household income (\$83,567 in 2025)**
- **Displacement risk:** Without intervention, wage stagnation relative to rents will accelerate the out-migration of core service workers, undermining labor market stability and long-term community resilience



Labor Market Exposure

- **Directly affected workforce:** Estimates suggest 10–20% of Santa Fe’s labor force will see direct wage adjustments from a \$17.50 floor; a broader share will be indirectly impacted through wage compression
- **Sectoral concentration:**
 - Leisure & Hospitality ≈ 20% of local employment, with high sensitivity to wage floors.
 - Retail and personal services: thin-margin employers most exposed. Government (23% of jobs) largely insulated but subject to vendor cost adjustments
- Gains disproportionately accrue to women, Hispanic, and younger workers, consistent with national findings (Allegretto, Dube & Reich 2011; BBER 2024 review)

Largest Employment Sectors, Santa Fe County

June 2025

Government	14.8	22.8%
Leisure and Hospitality	12.7	19.6%
Education and Health Services	11.5	17.7%
Trade, Transportation, and Utilities	10.2	15.7%
Professional and Business Services	5.4	8.3%
Mining, Logging, and Construction	3.2	4.9%
Other Services	3.2	4.9%
Financial Activities	2.3	3.5%
Manufacturing	0.8	1.2%
Information	0.8	1.2%
Total Nonfarm Labor Force	64.9	100%

Expected Impacts

- A full-time minimum-wage worker's annual income rises from \$31,200 to \$36,400 — a gain of \$5,200.
- Meta-analysis (Cengiz, Dube, Lindner & Zipperer 2019) finds small to **near-zero net employment effects** in most cases. Large wage adjustments may compress hours at the lowest tail of the distribution (Jardim et al. 2022, Seattle study).
- **How do employers respond?** Higher performance expectations, role consolidation, and modest pass-through pricing (~0.3–1.4% per 10% wage hike; Renkin et al. 2020; Ashenfelter & Jurajda 2021). In a tourism-driven economy, these adjustments are less likely to suppress
- Raising City of Santa Fe employees' wages from below \$17.50 adds ≈\$15,000 annually (<0.1% of personnel budget) — negligible in fiscal terms

Year	10th pct 0.00%	25th pct 1.06%	50th pct 2.60%	75th pct 4.04%	90th pct 5.00%
2025	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
2026	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
2027	\$17.50	\$17.50	\$17.50	\$17.50	\$17.50
2028	\$17.50	\$17.53	\$17.96	\$18.21	\$18.38
2029	\$17.50	\$17.56	\$18.42	\$18.94	\$19.29
2030	\$17.50	\$17.58	\$18.90	\$19.71	\$20.26
2031	\$17.50	\$17.61	\$19.39	\$20.50	\$21.27
2032	\$17.50	\$17.64	\$19.90	\$21.33	\$22.33
2033	\$17.50	\$17.67	\$20.41	\$22.19	\$23.45
2034	\$17.50	\$17.70	\$20.94	\$23.09	\$24.62

Note: The Kaitz Index (*defined roughly as 'minimum wage ÷ median wage'*) is a common benchmark used by economists. In practice, increases that raise the minimum wage to around 50–60% of the median wage are generally viewed as sustainable without significant employment losses. In fact, the UK's Low Pay Commission currently targets about two-thirds of median earnings, with careful monitoring. In Santa Fe, the median hourly wage of was \$29.05 in 2024, and a two-thirds level would be approximately \$19.35 per hour.