

HARVARD COMMITTEE ON EMPLOYMENT AND CONTRACTING POLICIES

BACKGROUND INFORMATION ON LOWER-PAID EMPLOYEES AT HARVARD UNIVERSITY: WAGES AND WORKER CHARACTERISTICS

October 22, 2001

This report provides preliminary background data on the situation of lower-paid workers at Harvard. The full report of the committee, with final background data, will be made public in December 2001. Meanwhile, feedback on this preliminary data overview is welcome and may be directed to the address on our website: <http://www.hcecp.harvard.edu>.

SUMMARY

- As of March 2001 Harvard directly employed 424 workers (not including “casuals”) who earned less than the \$10.68 per hour level adopted as the “living wage” by the City of Cambridge and by the Harvard Living Wage Campaign. Some 290 were custodians, 58 worked in dining services, and 53 served as security/museum guards or parking attendants, and the remaining 23 were in various other clerical/technical positions. All of these lower-paid Harvard (non-casual) employees are represented by unions.
- In addition, contractors providing custodial, dining, security, and landscaping services on site employ 579 on-campus workers who are paid below \$10.68 per hour (as of September 2001). Unions represent virtually all of the custodians, more than half of the dining service workers, and none of the security/parking and landscaping workers employed by contractors.
- The number of Harvard direct employees paid less than \$10.68 per hour increased from 170 in September 1994 to 424 in March 2001.

Custodial Workers

- Harvard’s custodial services are offered to each of its many schools on a fee-for-service basis, and the schools may choose these in-house services or those of an outside contractor. The same union local (SEIU Local 254) represents all of the custodians directly employed by Harvard and almost all of the on-campus custodians with outside contractors. Until 1996, the union wages of Harvard’s custodial employees were significantly above wages in the master collective bargaining agreement covering the employees of major custodial services contractors in the Boston area.
- Between 1980 and 1996, Harvard’s schools turned increasingly to outside contractors for janitorial work. The number of Harvard custodians fell from 980 to 260 over this period. Administrators claim that both quality and costs were problems for the in-house Harvard services. Then in 1996, Harvard and the union negotiated a new contract setting the same wage scale for Harvard in-house custodians as for the employees of contractors covered by local master agreement. The agreement froze wages of existing workers and lowered wages of new workers. The effect of this change was to reduce median hourly pay, adjusted for inflation, by 13% from 1994 to 2001. During the same period, there was a sharp increase in the number of Hispanics, immigrants, and persons with less than a high school degree employed as janitors by Harvard. Contractors employ workers with similar demographics.
- Since the 1996 wage agreement, the number of Harvard employed janitors has risen from 260 to roughly 350 with an increase in the share of full-time workers. Quality as measured by outside auditors has improved in the last couple of years and is comparable to that of contractors

Dining Workers

- In March 2001, Harvard directly employed 491 dining service workers, up from 419 seven years before. Of these, 58 or 11% of the workers earn less than \$10.68. Median real wages for these workers fell slightly from September 1994 to March 2001. There has been a gradual increase in the share of dining service workers who are Hispanic and African-American. A single union (HEREIU Local 26) represents the dining service workers that are directly employed by Harvard.
- Food service contractors employ 218 workers at Harvard. More than half work for a contractor that is covered by the same union with virtually the same collective bargaining agreement as Harvard's in-house dining service workers. 48 of the contract workers earn less than \$10.68 per hour, nearly all of them working for a non-union contractor.
- New collective bargaining agreements should push the hourly wages of all unionized dining workers on campus above \$10.68 except for roughly 40 Harvard employees currently working in "retail" or cash-based operations.

Uniformed Security Guards, Museum Guards, and Parking Attendants

- Harvard's uniformed security guard services have long been offered to the schools on a fee for service basis, and the schools are free to contract for such services from outside firms if they choose. During the past decade, uniformed security guard work at Harvard has been increasingly outsourced to non-union contractors. Between 1994 and March 2001, the number of uniformed security guards directly employed by Harvard shrank from 94 to 20. By contrast, museum guards continue to be hired directly by Harvard, and the number employed by Harvard has expanded from 44 in 1994 to 55 in 2001.
- Uniformed security guards, museum guards, and parking attendants employed by Harvard formed their own union (HUSPGMU) in 1996. The University and this union were unable to come to an agreement until 1999. The new agreement essentially froze wages at the 1996 level and included a voluntary severance package that 27 workers accepted. An 11-16% cut in real median pay (adjusted for inflation) has been experienced by full-time workers in each of the guard and parking attendant groups since 1994. 59% of Harvard's direct employees in these categories earned less than \$10.68 per hour (as of March 2001). In recent years, there has been a shift towards hiring less educated museum guards.
- Various units around Harvard now contract with outside firms providing 174 guards and 22 parking attendants. Thus, the vast majority of non-museum security work is currently performed by outside contractors. None of these contractors are unionized. Roughly 60% are paid under \$10.68 per hour. Harvard reports that its own uniformed guard service is not financially viable and that it intends to phase it out through attrition and eventually contract out all such work.

I. INTRODUCTION

The Harvard Committee on Employment and Contracting Policies (HCECP) was formed in May 2001 to examine issues relating to the economic welfare and opportunities of lower-paid employees at Harvard, both those employed directly by the University and those employed by companies that contract to provide on-campus services to the University. The committee is specifically charged with considering and making recommendations concerning (1) the principles and policies that should guide the University's employment practices with regard to the lower-paid members of Harvard's workforce, and (2) guidelines for the "outsourcing" or "contracting out" of services performed at the University. The committee, chaired by Professor Lawrence Katz, is composed of 20 members including 11 faculty members, 5 Harvard staff members (3 unionized employees and two senior administrators), and 4 student members (2 undergraduates and 2 graduate/professional students). A list of the members of the committee is appended to this report.

The committee has devoted considerable time to outreach efforts, data collection, and to hearing testimony from a wide range of persons affected by or involved in the implementation of the University's employment and contracting practices. The committee began its work in a full-committee meeting on May 31, 2001 and determined that the summer should be devoted to assembling a wide range of current and historical data on the wages, benefits, demographic composition, length of service, and education levels of workers at Harvard including both direct employees of Harvard and the on-campus employees of Harvard's contractors. The collection of data on wage rates and outsourcing policies at other local colleges and at peer national research universities was also initiated over the summer and is still ongoing.

Beginning in September, the full committee began meeting regularly to consider the data and to hear testimony from members of the Harvard community. Meetings of the full committee through October 19, 2001 have received testimony from the Harvard administration, workers, unions who represent workers at Harvard, contracting firms employing workers at Harvard, the Harvard Living Wage Campaign, and the Harvard Workers' Center. Committee members heard directly from approximately 20 Harvard service workers at a forum on October 4, 2001 sponsored by the Harvard Workers' Center. In addition, the committee has received numerous comments from members of the Harvard community via mail, e-mail, and the HCECP web site.

The committee continues to solicit input from the Harvard community and has placed ads and notices in campus newspapers asking for comments, distributed a letter soliciting comments from workers (translated into five languages), and regularly updates its web site:

<http://www.hcecp.harvard.edu>. A public forum organized by the committee for October 22 at the Kennedy School ARCO Forum represents another opportunity for the HCECP to receive input directly from members of the Harvard community.

From workers, we have heard powerful accounts of their working lives at Harvard and also about their struggles to make ends meet. Managers have talked of the specific challenges they face in reconciling the needs of Harvard's multiple stakeholders.

It will take the committee some more time to reflect upon and react to the wide range of information and testimony we have received and are still receiving. But, in an effort to provide information to the community as we continue our learning and deliberation, we are releasing background information on the situation of lower-paid members of Harvard's workforce.

This preliminary data release provides information on the current levels of and recent time trends in the pay and demographic characteristics of lower-paid workers at Harvard. To provide some context for this information, we have included an initial narrative description of the patterns in the data and the recent evolution of Harvard's employment and contracting practices related to lower-paid service workers.

This document reflects only a portion of the committee's work to this date, particularly that portion for which reasonably consistent quantitative data is now available for making comparisons over time and between Harvard employees and the on-campus employees of contractors. The data and our descriptions of it in this report are preliminary, and we expect to make additions and corrections as further information is collected, verified, and discussed.

We should also emphasize that this release contains relatively little information on (non-wage) employee benefits such as health insurance, pensions, sick pay, and education and training programs. A more complete assessment of employee compensation at Harvard requires the full consideration of both wages and benefits. The committee is in the process of considering additional data concerning health insurance and other employee benefits, other conditions of employment, employee turnover, service quality, policies of other comparable employers, and the local cost of living. A presentation of the full range of information collected and considered by the committee will be included in the committee's final report.

Data Sources

The data for this background report comes from two main sources: Harvard's personnel records and a new survey of Harvard's service contractors. Harvard's Office of Human Resources (OHR) has provided a great deal of information that has been extremely useful to the committee. Harvard's computerized personnel records are only available beginning in September 1994, so this is the starting date for most of our data for Harvard employees. We report most data only through March 2001 to ensure that information was fully verified.

In addition, OHR helped the committee solicit specific information from Harvard's current contractors concerning the pay and characteristics of their on-campus employees. This information was collected in the summer and fall of 2001. Both OHR and the contractors have been extremely forthcoming and responsive to our requests for basic data on wages, employee characteristics, and other employment policies. In general we have a high degree of confidence in the reliability of the data.

To realistically compare pay rates in different years, it is necessary to take into account changes in the cost of living in the Boston area (including the recent rapid rise in housing costs). We have therefore adjusted all wage data into 2001 dollars using the official Boston area consumer price index (Boston CPI-U) produced by the U.S. Bureau of Labor Statistics.¹ Thus, when we speak of falling or rising pay, we speak of pay that was falling or rising in *real*, *inflation*-adjusted dollars. It is important to understand that a period of falling *real* pay may correspond to a period when *nominal* pay (the unadjusted dollar level of pay) was flat or rising, but still not keeping pace with inflation in the Boston area.

A glossary of terms related to Harvard's employment policies is included at the end of this report.

II. LOWER-PAID WORKERS AT HARVARD: OVERVIEW

Table 1 shows that as of March 2001 Harvard directly employed 14,352 workers (not including "casual" employees).² Of these, 424 or roughly 3% earned less than \$10.68 per hour,

¹ Specifically, we adjusted pay using the Consumer Price Index—All Urban Consumers for Boston-Brockton-Nashua, MA-NH-ME-CT. We used March 2001 as our base period.

² This figure includes 14,071 "regular" employees and 281 "limited regular" employees. Harvard also employs about 1200 to 1500 casual workers per week. Casual workers are hired on a short-term basis (for three months or less) or work less than 17-1/2 hours per week. Harvard's core personnel records do not provide information on casual employees. To fill this gap, the Mills Committee conducted a survey of casual employees who worked at Harvard University during the last two weeks of September 1999. The report of the Mills Committee (*Ad Hoc Committee on Employment Policies Report*, 04-May-2000, available at <http://www.provost.harvard.edu/adhoc/>)

the level adopted as the “living wage” by the City of Cambridge and by the Harvard Living Wage Campaign.³ A small number of these low-paid Harvard employees were in clerical and technical positions, but the overwhelming share (95%) were employed in service and trade occupations. And all of these low-paid service and trade employees are found in three employment categories: custodians, dining services, and security/museum guards and parking attendants. All (non-casual) direct Harvard employees earning below \$10.68 per hour are represented by unions and have wages and conditions of employment determined through collective bargaining.

Harvard’s most recent collective bargaining agreement with the Harvard Union of Clerical and Technical Workers (HUCTW) covering clerical and technical workers (starting July 1, 2001) sets a new minimum hourly wage rate of over \$10.68. The new agreement with the Hotel Employees and Restaurant Employees International Union (HEREIU), Local 26 covering dining service workers (starting June 20, 2001) includes wage increases setting the minimum wage for dining service workers in board-rate (non-retail) and faculty club operations at \$11.30 per hour. Thus, the remaining Harvard employees (excluding casual employees) with hourly wages below \$10.68 are custodians represented by the Service Employees International Union (SEIU), Local 254, dining service workers in retail operations represented by the HEREIU, and security, museum and parking employees represented by the Harvard University Security, Parking and Museum Guards Union (HUSPMGU).

In addition, Harvard contracts with a wide range of companies who perform work on-site. Based on the data from the Mills Committee’s large-scale survey of Harvard’s service contractors of October 1999 and based on data we have collected from contractors, we believe virtually all of the on-campus employees of contractors who are paid less than \$10.68 per hour are employed in the same three service categories (custodial, dining, and security services) where lower-paid Harvard employees are found plus a very small group in landscaping.⁴ Thus, we concentrated particular attention on contractors providing custodial, dining, security, and

contains data and a detailed discussion on the characteristics and compensation of Harvard’s casual employees.

³ The Cambridge living wage ordinance covers (with certain exceptions and waivers) the employees of the City of Cambridge, employees working on city service contracts and subcontracts of over \$10,000, and the employees of recipients of city business assistance of over \$10,000.

⁴ Details on the Mills Committee survey of service contractors can be found in the *Ad Hoc Committee on Employment Policies Report*, 04-May-2000, Appendices M and N.

landscaping services; and undertook a survey this summer to collect information on their employment policies and on-campus employees.⁵

Table 1 shows that contractors in these domains employ another 919 employees, of whom 579 (or 63%) are paid below \$10.68 per hour. Most (58%) of the on-campus employees of service contractors in these areas are unionized: almost all (93%) of the custodial workers, more than half (56%) of the dining service workers, and none of the security and parking or landscaping workers of contractors are represented by unions.

Overall then, 1003 (non-casual) workers employed at Harvard earn hourly wages of less than \$10.68 (based on data through March 2001 for Harvard employees and through September 2001 for the on-campus employees of contractors).⁶ The vast majority (81%) of the (non-casual) employees earning hourly wages below \$10.68 at Harvard are unionized, including all of the low-paid Harvard direct employees and two-thirds of the low-paid employees of on-site contractors. In a typical week, Harvard also directly employs approximately 1200 to 1500 casual workers on a short-term or part-time basis. Estimates from the Mills Committee survey of casual employees indicate that 327 (approximately 30%) of Harvard's casual employees earned below \$10.68 per hour (in 2001 dollars) as of September 1999.

Table 2 provides an overview of changes in the number and characteristics of Harvard direct employees earning less than \$10.68 per hour (in 2001 dollars) from 1994 to 2001. (We lack similar historical information for Harvard casual employees and for the on-campus employees of contractors.) The number of Harvard (non-casual) employees with real wages below \$10.68 per hour increased from 170 in September 1994 to 424 in March 2001. The number (share) of these low-paid employees that are full-time ("regular") employees increased from 44 (26%) to 194 (46%) from 1994 to 2001. The demographic composition of Harvard direct employees earning less than \$10.68 per hour has shifted with an increase in the share of Hispanics from 31% in 1994 to 40% in 2001. The proportion of Harvard's low-paid employees with limited education (less than a high school degree) also increased from 14% in 1994 to 36% in 2001.

⁵ The committee has also reviewed anonymous profiles of the on-campus employment of Harvard's service contractors. These profiles were assembled and provided to the committee by the Harvard Workers' Center.

⁶ The wage increases contained in Harvard's new collective bargaining agreements with the HUCTW and HEREIU have increased the wages of Harvard's lowest-paid employees in clerical/technical and dining service jobs since March 2001. OHR reports a decline in the number of Harvard employees earning less than \$10.68 per hour from 424 in March 2001 to 392 in September 2001. Thus, we estimate that the total number of (non-casual) workers at Harvard paid less than \$10.68 per hour is 971 as of September 2001.

III. LOWER-PAID WORKERS AT HARVARD BY CATEGORY

Since nearly all of the on-campus low-paid (non-casual) employees work in custodial services, dining services, and security, museum, and parking services, the committee has concentrated its work on understanding the employment situations for each of these specific groups of workers.

A. Custodial Services

Two features of Harvard's structure influence the employment of custodians at Harvard. First, each of the University's major units such as the Faculty of Arts and Sciences, the Business School, the Law School, or the Medical School has much autonomy in setting academic priorities, managing programs, generating and allocating resources, and in making hiring, contracting, and maintenance decisions. This management strategy known as "every tub on its own bottom" (ETOB) has characterized Harvard's operations since the turn of the last century.⁷

Second, custodial services have long been offered by the University to the various Harvard units on a fee-for-service basis, first through the Buildings and Grounds Department (B&G) and, since the mid 1980s, through the Facilities Maintenance Organization (FMO). The vast majority of Harvard's custodial employees work for FMO, though some work directly for other campus units.⁸ Formally, FMO offers services in precisely the same way that an outside contractor might: FMO bids on work at the various schools, and FMO is ultimately held accountable for the quality of the service it contracts to provide. FMO is responsible for the hiring, supervision, and compensation of its workers. Schools have long been free to seek bids from outside contractors and can decide whether to use FMO or an outside contractor to provide services. Thus, FMO competes with outside contractors for contracts with Harvard's faculties.

Custodians and Their Union: SEIU Local 254 in Boston and at Harvard

All of the custodial workers employed by Harvard and almost all (over 90%) of the on-campus employees of Harvard's custodial contractors are represented by the same union: the Service Employees International Union (SEIU), Local 254. Most of Harvard's custodial contractors are covered under the SEIU Local 254 Master Agreement for metropolitan Boston. Custodians employed by Harvard (both working for FMO and for other campus units) are

⁷ However, Harvard does have a central Office of Labor Relations that negotiates collective bargaining agreements covering direct Harvard employees working in the University's various units and schools.

⁸ As of September 1, 2001, Harvard directly employs 351 custodians of which 258 work for FMO, 77 work directly for the Medical School, 7 are employed by the University Art Museums, and 8 are employed by the Department of Engineering & Applied Sciences.

covered by a separate collective bargaining agreement negotiated independently by the SEIU with the University.⁹ Prior to 1996, the Harvard agreement called for significantly higher pay than did the master agreement.

Figure 1 shows the real hourly pay levels for full-time custodial workers under the SEIU master agreement and Harvard's site-specific agreement from 1988 to 2001. Harvard's site-specific agreements prior to 1996 provided for pay rising with seniority through wage increases occurring after the completion of one year and two years of service at Harvard. Thus, we plot the Harvard contract rates for both a senior employee (one with 4 years of service at Harvard) and for a new employee. The SEIU master agreement provides a standard rate for full-time janitors with no pay progression with seniority.¹⁰ As of 1992, senior custodians at Harvard were paid about 40% more and newly hired Harvard custodians were paid about 20% more than the comparable workers of other Boston employers covered under the SEIU master agreement. In 1996, the Harvard agreement was renegotiated to be in line with the lower pay rates of the master agreement. Since 1997, pay rates have essentially been the same in the two agreements, and the Harvard agreement (like the master agreement) no longer provides for any pay progression with seniority for full-time (Category A) custodians.

SEIU has a high level of market penetration in the Boston area. At a time when unions represent only 10% of U.S. private-sector workers, SEIU claims to represent nearly 90% of custodial workers in downtown Boston (although union density is lower in the rest of metropolitan Boston). Yet during the latter half of the 1990s, when unemployment was exceptionally low in Boston, the master agreement included pay increases that failed to keep pace with cost-of-living increases in the Boston area. Therefore, pay in the master agreement fell in real (inflation-adjusted) terms. Figure 1 shows that real hourly wages of full-time custodians in the SEIU master agreement actually declined by 2% from 1995 to 2001 (and by 1% from 1996 to 2000). Over the same period (1996 to 2000), Current Population Survey data indicate that the mean real hourly wage of custodians (janitors) in the New England census division increased by 7% and the national mean hourly wage for janitors increased by 6%.

⁹ SEIU Local 254 has roughly 15 site agreements in the Boston metropolitan area that differ from the master agreement, including a number with local colleges and universities.

¹⁰ For part-time (Category B) custodians working 20 hours or less per week, the SEIU 254 master agreement and Harvard's current agreement with the SEIU provide a small (15 cents per hours) wage premium for those with 5 or more years of seniority. There is no seniority wage premium provided for full-time (Category A) custodians.

In the late 1990s, a dissident union group of local SEIU members called Trabajadores Unidos, or Workers United, alleged that SEIU Local 254 officials negotiated contracts that undercut their wages. The SEIU international union began monitoring Local 254 in 1998 after a hearing on accusations that the Local unfairly represented members.¹¹ Following charges of improprieties, the SEIU international union placed Local 254 into trusteeship on February 22, 2001. The current trustees of Local 254 have been critical, including in testimony to the committee, of the previous leadership. The current trustees indicated they do not believe the previous leadership of Local 254 carried out its collective bargaining responsibility as well as it should have for its Boston-area custodians.

Custodians at Harvard: Recent History of Wage and Employment Changes

Prior to 1980, virtually all of the custodial work done at Harvard was provided through B&G (FMO's predecessor). Administration officials testified to the committee that in the 1980s and 1990s, independent audits showed that FMO (or B&G in earlier years) offered significantly worse service quality than that of outside contractors. Moreover, since the pay of custodians at Harvard was higher than that for contractors covered under the SEIU Local 254 master agreement, FMO prices were higher as well. Schools and divisions within the University report that beginning around 1980 they became increasingly concerned with the service quality and contract costs associated with the use of FMO for custodial services. They increasingly looked to outside contractors, who paid lower wages, as an alternative to FMO. Between 1980 and 1996, the number of custodial workers employed directly by Harvard fell from 980 to 260. Outsourced custodial work grew from nearly nothing in 1980 to well over half of the work (measured in the dollar value of custodial service contracts) at Harvard in 1996.

Faced with continuing losses of custodial work, FMO sought to reduce costs and switched to using a larger number of part-time workers who qualified for lower pay and more limited benefits (a practice that FMO reports was common among contractors at the time). Harvard also sought and won a new collective bargaining agreement with its custodians in 1996 that aligned Harvard pay with the lower wages of the SEIU Local 254 master agreement that covered workers in the contracting firms. The dollar (or nominal) pay of existing workers was not actually lowered, but dollar wages were frozen, and, as shown in Figure 1, newly hired workers were paid at the lower rates equivalent to those in the master agreement. FMO also

¹¹ *Boston Globe*, 9/17/98.

testifies that they have become more aggressive in improving quality. FMO's average building-cleanliness ratings (based on inspections by an independent auditor) available from mid-1998 show a marked jump in service quality over the last several years, and comparison audits of cleanliness show results for FMO and outside contractors that are comparable.

Since the 1996 agreement was signed, Harvard's in-house custodial staff has risen from a low of approximately 250 workers in 1997 to roughly 350 workers today and the outsourcing of on-campus custodial work has been reduced commensurately. In addition, FMO has returned to hiring more "full-time" (20 or more hours per week) workers who receive full benefits, and FMO provides opportunities for Harvard's part-time custodians to move into these full-time positions. According to FMO, preference has been given to internal candidates in filling the new full-time FMO positions and an expanding number of positions for custodial crew chiefs. FMO reports that it has created 80 new full-time custodial positions since January 1997 with 93% filled by internal candidates.

The impact of these developments on the pay and full-time status of workers is illustrated in Table 3. Between 1994 and 2001, the fraction of custodial workers earning less than \$10.68 per hour rose from 27% to 83%. The median wage (adjusted for inflation) fell from roughly \$11 per hour in 1994 to just over \$9.50 in 2001, a decline of 13%. It should be emphasized that this does not mean individual workers at Harvard faced actual nominal dollar pay cuts. The 1996 agreement guaranteed that workers who remained in the same status would not have any actual dollar reductions in pay (though real pay would erode with inflation).

Under the 1996 collective bargaining agreement, Harvard reduced the trend towards part-time custodial work and increased the share of its custodians working "full-time" (greater than 20 hours a week) from under 1/3 (32%) in 1996 to 44% in 2001.¹² The increase in full-time work for custodians also provides greater access to health insurance provided by Harvard. As of March 2001, 74% of the full-time custodians employed by Harvard (as compared to 9% of the part-time custodians) were enrolled in one of Harvard's health insurance plans.

We do not have historical information on contractor pay, but current information shows that the pay of on-campus custodians employed by contractors is now virtually identical to that

¹² An increase in the share of full-time custodians from 1996 to 2001 is also apparent for definitions of full-time work using minimum cut offs of 30, 35, or 40 hours per week. For example, the share of directly-employed Harvard custodians with standard scheduled hours per week of 40 or more hours increased from 23% in 1996 to 30% in 2001.

of in-house Harvard custodians. Given that Harvard's custodians and those employed by contractors are now covered by essentially the same collective bargaining agreement, this similarity should come as no surprise.

Custodians at Harvard: Worker Demographics

Table 4 documents that the demographic composition of custodial workers at Harvard also changed from 1994 to 2001. The share of custodial workers who are Hispanic rose from 20% in 1994 to 50% in 2001, while the shares of both white and black workers fell. The current employment share of Hispanics (78%) is even larger among the contracting firms. As of March 2001, two-thirds of the janitors employed by Harvard were not U.S. citizens, but legal immigrants. Typically they are permanent residents or recent émigrés.

The educational mix of Harvard's custodians has also changed. As recently as 1998, 24% of custodians had less than a high school degree. Today nearly half have not completed high school. The changes in the educational and ethnic mix of Harvard's in-house custodians partly reflect changes in the pool of custodial workers in the region, but the magnitude of the changes at Harvard is more extreme than for the overall Boston area.

In recent years the median age of custodians has not changed much and the median length of service has fallen. In particular, the fraction of workers with less than 1 year of service at Harvard has risen from 11% in 1996 to 21% in 2001. In part this trend reflects recent employment gains for FMO as discussed above, which would lead to the influx of new workers, but it may also reflect higher turnover rates.

Comparing the Wages of Harvard Custodians With Wages Paid By Other Colleges

To assess how wages at Harvard compare with other local colleges and universities, the committee asked OHR to compile data on the hourly, entry-level, union contract wage rates for custodians (and other service occupations) at 10 other Boston area colleges and universities and at Harvard for July 2001.¹³ Because SEIU is such a dominant force in the compensation of janitors in the Boston metropolitan area, a comparison with other major Boston employers is essentially a comparison with either the SEIU Local 254 master agreement or with separate site-specific agreements negotiated by SEIU. Several local colleges and universities rely almost entirely on in-house custodians and have separate site-specific agreements with SEIU providing

¹³ The colleges in our Boston Area College Survey are Harvard, Babson College, Bentley College, Boston College, Tufts, Boston University, Brandeis, MIT, Northeastern University, Suffolk, Tufts and Wellesley College.

wages above the level in the master agreement. Overall 6 of the 10 other local colleges surveyed pay hourly entry-level wages for full-time custodians (ranging from \$11.23 to \$15.26) that are significantly above the Harvard entry-level wage of \$9.65. The 4 other local colleges pay wages (for both in-house and outsourced custodians) that are almost equivalent to those at Harvard and in the master agreement; 2 of these schools appear to outsource all of their custodial services. Thus, the 11 local colleges in our survey are approximately evenly divided among those paying at or close to the rates in the SEIU master agreement (5 of the 11 including Harvard) and those that pay more than the SEIU master agreement (6 of the 11).

Custodians at Harvard: Summary

The structure of Harvard's system of custodial service makes Harvard employees subject to market competition over quality and pay. In practice this competition comes almost entirely from contractors employing workers represented by SEIU Local 254, which also is the same union representing Harvard's directly employed custodians. The effect of this competition since the 1980s seems to be that Harvard moved a substantial part of custodial worker to outside contractors and wages for Harvard's in-house custodians were brought down to the level of the SEIU master agreement. According to FMO and the administrative deans of several Harvard schools, a further consequence is that the quality of custodial services at Harvard has improved as FMO has faced greater effective competition from outside contractors.

Custodians now make up two-thirds of all workers paid less than \$10.68 per hour by Harvard. In recent years, the demographic mix of Harvard's custodial employees has changed. Harvard's current custodial workers are far more likely to be Hispanics, high school dropouts, and non-citizen immigrants than seven years ago.

SEIU Local 254 now has new leadership and continues to have a very large market share in Boston. The current master agreement expires next fall. The new leadership has indicated to the committee that it is intent on using its bargaining power to boost pay in the master agreement. Harvard has committed to renegotiate its collective bargaining agreement with SEIU Local 254 early next year (within four weeks of the issuance of the final report of this committee).

B. Dining Services

Workers directly employed by Harvard in dining service operations include cooks, kitchen helpers, and other food service workers. These workers are responsible for food service

in the Houses, the faculty club, the freshman-dining hall, Crimson Catering, and some of the on-campus retail food operations such as the Greenhouse in the Science Center. Harvard's in-house dining service workers are employed and managed by Harvard University Dining Services (HUDS) and the Harvard Faculty Club, and are represented by the Hotel Employees and Restaurant Employees International Union (HEREIU), Local 26.

Harvard directly employed 491 dining service workers in March of 2001. In addition there are roughly 218 outsourced dining workers. These latter workers are chiefly employed by two firms: Restaurant Associates with 123 employees that serve the Business School, and Sodexo which employs 45 workers at the Kennedy School and 39 workers at the Law School. The employees of Restaurant Associates are also represented by HEREIU and are covered by a collective bargaining agreement that is essentially identical to the contract held by Harvard's in-house dining service employees. Sodexo's employees at Harvard are not unionized.

At the Kennedy School, Sodexo (and its predecessor company) have held a contract for many years. The contract consists primarily of catering and includes the operation of a small café. The Law School operation includes catering, a cafeteria, and vending operations.

There has been modest growth in the number of dining service workers employed by Harvard and relatively little change in outsourcing in recent years. The university employed 419 dining service workers in September of 1994, so employment has grown by 72 workers in the past 7 years. Some of the smaller retail operations of Harvard's schools that previously were run by contractors have been brought in-house in recent years. The University's agreements with HEREIU since the early 1990s allow for lower wage rates for Harvard dining service employees in retail operations than for those employed by the faculty club and in places where a board rate is charged (e.g., the Houses). HUDS and some of the smaller contractors report difficulties in "breaking even" in the smaller on-campus retail operations of some of the schools. Some Harvard faculties believe that a food service facility helps build community by serving as locations where faculty and students can interact. In some cases (notably the Business School and the Law School), faculties subsidize their retail food operations to maintain prices low enough to attract their community members and to ensure the financial viability of such operations.

This spring, HEREIU negotiated a new five-year collective bargaining agreement with Harvard. The agreement ensures that all "board rate" and faculty club employees will now earn

at least \$11.30 per hour, but the starting wage rates for Harvard employees in retail (or cash) food service operations currently are as low as \$9.00 per hour.

Dining Service Workers at Harvard

Tables 5 and 6 illustrate that there have been only modest changes in the pay and characteristics of dining service workers at Harvard since 1994. Table 5 shows that median pay for in-house Harvard dining service workers was roughly \$12.50 per hour in real (inflation-adjusted) dollars throughout the period. Real wages were somewhat below this level by March 2001 with 10% earning below \$10 per hour as compared to 5% in September 1994, but this was at the very end of the contract cycle and the new contract boosted starting pay. Overall, 58 Harvard employees or 12% of dining service workers were paid less than \$10.68 per hour in March 2001.¹⁴ Contractors have a larger share of workers paid below \$10.68 per hour, 22% or 48 workers in all (mainly employed by Sodexo).

According to Table 6, there was a gradual shift in the demographic composition of Harvard's directly employed dining workers, though not nearly as dramatic as for custodial workers. There was a decline in the share of white (non-Hispanic) workers and significant increase in the fraction Hispanic and African-American. There was also a rise in the share of workers who were not U.S. citizens. Relative to Harvard's in-house dining service workers, the contractors have a larger share of workers of color, and they have a slightly larger share of employees with less than a high school degree.

Comparing the Wages of Dining Services Workers With Wages Paid by Others

We compared the hourly entry-level wages of Harvard's directly employed dining service workers (cooks, food service workers, and kitchen helpers) with those at the 10 other local colleges and universities in our Boston area college survey. Harvard, compared with other local colleges and universities, pays relatively high wages in these job categories for its directly employed workers in board operations and at the faculty club. Four of the other colleges entirely outsource their food service operations. Harvard's pay for cooks in board operations is quite comparable to that at other local colleges with in-house dining operations, and Harvard's pay for such food service workers and kitchen helpers is well above average with only one surveyed college paying higher entry-level wages for these positions. However, the wages of Harvard's

¹⁴ Following the most recent Harvard agreement with HEREIU, the number of food service workers employed by Harvard earning below \$10.68 per hour has declined to 40 (as of September 2001), all employed in retail operations.

directly employed workers in retail food operations and for some of the on-campus food service employees of Sodexo are significantly lower.

Dining Service Workers: Summary

The picture for dining workers at Harvard has been one of relative stability in real wages in recent years, a modest expansion of in-house employment, and little change in the scale of outsourcing. The new HEREIU Local 26 agreement with Harvard has a starting pay of at least \$11.30 per hour for Harvard dining service employees working in “board rate” and faculty club operations. The minimum wage rates for Harvard food-service workers in retail operations remains below \$10.68 per hour, and a significant share of the nonunion employees of Harvard’s dining service contractors (primarily those employed by Sodexo at the Kennedy School and the Law School) are paid hourly wages that remain below \$10.68.

C. Uniformed Security Guards, Museum Guards, and Parking Attendants

Harvard direct employees in these three categories are represented by the Harvard University Security, Parking, and Museum Guards Union (HUSPMGU), affiliated with the International Brotherhood of Police Officers, but there is considerable variation among the three groups in how they are managed at Harvard and in what has happened to their numbers. Harvard also utilizes a substantial number of non-union security guards employed by contractors.

The Harvard uniformed guards service was formed under the titular control of the Harvard Police, but, in fact, the guards are managed and supervised separately and have always been represented by a different union than Harvard police officers. Until 1996, the uniformed guards were represented by SEIU Local 254, the same union representing the custodians. Guard services have long been offered to each of the schools on a fee-for-service basis. The uniformed guards unit has always been expected to break even by the University, but according to the University, the guards have run a deficit for every year since 1992. Schools also have the option of contracting with outside security services, but unlike the case of janitors, the outside firms do not have unionized workers

By 1996 the uniformed guards were dissatisfied with their representation by SEIU Local 254, and they then formed the HUSPMGU and successfully petitioned the National Labor Relations Board to withdraw from the SEIU. Negotiations for a first contract between the HUSPMGU and Harvard were heated (according to both sides) and lasted several years with no contract approved until July 1999. The agreement froze the nominal wages of existing

uniformed security guards and included some reductions in benefits (such as paid time off). A voluntary severance package was offered to the guards, and 27 opted to accept it.

The number of directly-hired, unionized members of the guards service peaked in the late 1980s with 122 full-time equivalent (FTE) staff members, but has fallen to under 20 FTEs today. The University has announced it does not believe it can make the guards a viable financial unit and plans to eventually end the in-house uniformed guard operation. Although the University has agreed that there would be no immediate shutdown of the in-house security operation, jobs vacated by attrition will not be filled.

Overall, the University describes its shift in security policies over the past decade as an expansion of community policing augmented by contract guards paid at market rates. Security Systems Incorporated (SSI), a non-union contractor, has become the largest provider of guard services on campus. The University reports that Harvard's schools believe this is an improved arrangement and that complaints about guard services have been substantially reduced in recent years. The HUSPGMU disputes the University's claim about increased service quality and views the ending of the in-house uniform guard operation as weakening the collective bargaining rights of on-campus uniformed guards.

The management, supervision, and provision of work by the museum guards and the parking lot attendants are quite different. Museum guards are hired separately by the University Art Museums Department of Safety and Security. Parking attendants are hired by University Operations Services and work at the University's parking lots. Thus, unlike the uniformed guards, there is no fee-for-service component for museum security employees, and direct competition from outside contractors does not appear to be a significant issue at this time. There is some outsourcing of parking services at Harvard.

In contrast to Harvard's uniformed guards, there has been no reduction in in-house work for these museum and parking workers. The number of museum guards has risen in recent years. And while the number of parking attendants has fallen, the fraction working full-time has risen sharply, thus fewer full-time workers have replaced a larger group of part-time workers.

Guards and Parking Attendants at Harvard: Wages

Table 7 illustrates the changes experienced by these workers. We break some categories out separately by type of worker where there are important differences. The table shows that the number of directly hired, uniformed guards fell from 94 to just 20 in the period between 1994

and 2001. Meanwhile the number of museum guards rose from 44 to 55 and the parking attendants moved from being 2/3s part-time to being 2/3s full-time. But real wages for all three groups fell. Overall the median real wage fell from \$14.31 to \$9.58. This is, however, somewhat misleading in two respects. First, higher-paid guards were offered a buy-out package in 1999 and the median wage of the guards that remained was lower. Second, as uniform guards have declined as a share of this group, the median worker has shifted from being a guard to being one of the other groups of workers.

Still the wages of Harvard's directly-employed uniform guards have failed to keep up with the Boston area cost of living since 1994. This is because the nominal pay for existing guards has essentially been frozen since the mid-1990s.

Within the full-time museum and parking employees, median wages, adjusted for inflation, fell significantly over this period. This also was accomplished primarily through what was essentially a nominal wage freeze since 1996. The median pay for full-time museum guards is now below \$9.00 per hour and almost all (87%) all of Harvard's museum security workers earn below \$10.68 per hour.

Contractor pay appears to be comparable to the pay received by Harvard's direct employees when one averages across uniform guards, museum guard, and parking attendants. On-campus security guards working for contractors earn more on average than museum guards who are directly employed by Harvard but less than Harvard's directly employed uniform guards. Whereas 58% of Harvard workers in the security and parking categories are paid below \$10 per hour, only 23% of contract employees are. Furthermore, all of the remaining uniformed security guards employed by Harvard were paid \$11.97 per hour in March 2001 (the same nominal rate they have been paid since 1995). For both Harvard and the contractors, about 60% of this overall group or workers earn less than \$10.68 per hour.

Guards and Parking Attendants at Harvard: Demographics

In contrast to custodial and dining workers, the gender, race, and ethnicity of security and parking workers directly employed by Harvard have hardly changed: these workers remain predominantly white males. Table 8 shows that roughly 80% of these workers are whites, and roughly 80% are males. But the educational mix has shifted significantly. Whereas 40% of workers has schooling beyond high school in 1994, now only 19% do. The change has been greatest among museum guards (not shown separately here) where 61% had some higher

education in 1994 as compared to only 16% today. The length of service has declined for these workers, particularly after the 1999 buy out of the more highly paid uniformed guards.

Comparing the Wages of Guards and Parking Attendants with the Pay of Others

The committee currently lacks adequate data to make comparisons of the pay of Harvard's security and parking employees with similar workers employed at other local colleges.

Guards and Parking Attendants: Summary

Harvard's uniformed guard unit has faced sharp competition from outside firms on the basis of both cost and quality. Over the past decade, Harvard has moved most of its security work from an in-house guards unit to outside contractors. In spite of the refusal of the directly-employed guards to accept the pay cuts embodied in the 1996 SEIU Local agreement with Harvard, they have effectively faced a nominal wage freeze and experienced reductions in pay that were comparable to those of Harvard-employed custodians. The number of uniformed guards, which used to dominate this group, has dwindled to 20 and Harvard seeks to phase out its uniformed guard operation entirely. Museum guards and parking attendants have not faced as intense competition and their work has grown, but they are paid under the same contract as the uniformed guards and have seen their real wages fall in recent years. The reductions in inflation-adjusted pay have been associated with a substantial drop in the fraction of workers with education beyond high school.

IV. CONCLUDING SUMMARY AND REMARKS

Overall the number of Harvard direct employees earning less than \$10.68 per hour rose from 170 in September 1994 to 424 in March 2001. In addition, as of September 2001, 579 on-campus workers employed by service contractors earn below this wage level. For Harvard employees, wages below the \$10.68 per hour level (chosen as a benchmark by living wage proponents) is mostly an issue of custodians, food service workers in retail operations, security guards employed by contractors, parking attendants, and directly-employed museum guards. The inflation-adjusted pay for Harvard custodians, security workers, and parking attendants fell by 10-15% over this period, moving Harvard wages more in line with the wages paid by contractors. The direct employment of custodians at Harvard has increased substantially since 1997 when Harvard's custodial wage scale became essentially equivalent to wages of the employees of contractors. Dining service workers, except for those working in retail operations

for Harvard and for one major contractor, are now generally paid above \$10.68 per hour wage threshold, and their in-house employment has grown.

Lower real pay for custodians, security, and parking workers has also been associated with different types of people working at Harvard. Such service employees are now much more likely to be Hispanics, non-citizens, and to have no schooling beyond high school than in the early 1990s.

As Harvard's in-house service units faced strong competition from potential contractors, the wages of Harvard employees in these units have fallen to be more in line with the outside market rates of contractors and the University reports that service quality has improved. Ironically in the case of custodians, the group who represents the largest share of low-paid workers at Harvard, the competition came almost entirely from firms using workers represented by the very same union, SEIU Local 254. For uniformed guards, the competition came from non-union establishments.

In addition to the quantitative data on wages and worker characteristics presented in this release, the committee has received testimony from a range of workers at Harvard. Their accounts – presented both directly and via union or student representatives, both publicly (in a workers' forum) and privately – paint a complex picture, one that the committee will consider in conjunction with “hard” quantitative data. The committee is studying the contrast between the reported experiences of some workers at Harvard and the stated policies under which they work. These discrepancies involve both direct Harvard employees and the on-campus employees of contractors, and they span issues from access to benefits to treatment by supervisors. The committee is actively seeking the input of workers and other members of the Harvard community on these and other issues concerning Harvard's employment and contracting practices.

In the next phase of our work, the committee will consider additional data and move into discussions and deliberations on the economic, ethical, and practical considerations that should guide the University's compensation and contracting policies. A final report will be presented to President Lawrence Summers by December 19, 2001 and made available on the HCECP web site.

Table 1

Number and Occupational Mix of Harvard Employees
and the Employees of Selected On-Site Service Contractors

	All Workers	Workers Earning Below \$10.68 per hour
HARVARD EMPLOYEES (as of March 2001)		
Total employees	14352	424
Faculty & Research	3591	0
Administrative & Professional	5351	0
Clerical & Technical (C&T)	4182	23
Percent Union (C&T)	100%	100%
Service & Trade (S&T)	1228	401
Percent Union (S&T)	100%	100%
- Custodians	349	290
- Dining Services	491	58
- Security, Museum, and Parking	90	53
- Other Service and Trade	298	0
ON-CAMPUS EMPLOYEES OF SERVICE CONTRACTORS (performing custodial services, dining services, security/parking services and landscaping work on-site at Harvard as of Summer 2001)		
Total Employees	919	579
Percent Union	58%	67%
- Custodians	448	408
- Dining Services	218	48
- Security, Museum, and Parking	196	117
- Landscaping	57	6

Notes: The counts of Harvard employees include regular employees (payroll codes 01-06, 08) and limited regulars (payroll code 07); they do not include casual employees.

Sources: Harvard University, Office of Human Resources, personnel data files for Harvard employees; HCECP Survey of Contractors, July-September 2001, for the on-campus employees of service contractors.

Table 2
 Characteristics of Harvard Employees with Hourly Wages of Less than \$10.68 (in 2001 dollars),
 1994 to 2001

	<i>September 1994</i>	<i>March 1998</i>	<i>March 2001</i>
Number < \$10.68/hour	170	339	424
Number by employee type			
Limited Regular	126	216	230
Regular	44	123	194
Number by occupational group (union)			
Custodians (SEIU)	117	235	290
Security, Museum, and Parking (HUSPMGU)	32	46	53
Dining Services (HEREIU)	21	58	58
Clerical & Technical (HUCTW)	0	0	23
Worker characteristics			
% White	36%	29%	27%
% African American	32%	40%	30%
% Hispanic	31%	28%	40%
% Asian/Native American	1%	3%	3%
% < high school degree	14%	17%	36%
Average age	38.6 years	43.8 years	43.9 years
Average years of service	2.0 years	5.7 years	4.5 year

Notes: These data cover Harvard regular and limited regular employees. Casual employees and the employees of Harvard contractors are not included in these tabulations. All wage figures are deflated by the Boston CPI-U and reported in 2001 dollars.

Source: Harvard University, Office of Human Resources.

Table 3
Pay and Part-time Status of Custodial Employees at Harvard

	HARVARD EMPLOYEES			CONTRACTOR EMPLOYEES
	September 1994	March 1998	March 2001	Summer/Fall 2001
Total number	426	288	349	448
Percent working less than 20 hours/week	68%	61%	56%	8%
Hourly wage (in 2001 dollars)				
< \$8.00	0%	0%	0%	3%
\$8.00-\$9.99	20%	46%	82%	86%
\$10.00-\$11.99	51%	36%	14%	9%
\$12.00-\$13.99	18%	13%	4%	1%
\$14.00 and over	11%	5%	0%	1%
Median wage	\$10.96	\$10.52	\$9.55	n.a.
Mean wage	\$11.58	\$10.56	\$9.92	\$10.04
Number earning less than \$10.68/hour	117	235	290	408
Percent below \$10.68/hour	27%	82%	83%	91%
Average annualized pay (in 2001 dollars)	\$24,078	\$21,968	\$20,632	\$20,883

Notes: All wage figures are adjusted for inflation using the Boston CPI-U and reported in 2001 dollars. n.a. stands for “not available.” Average annualized pay represents the annual earnings of a full-year, full-time worker (2080 hours or 52 weeks times 40 hours) earning the mean hourly wage.

Sources: Data on Harvard employees are from Harvard University, Office of Human Resources, personnel data files, and cover custodians in payroll classes 07 (limited regulars) and 08 (regular employees). Data on contractor employees are from the HCECP Survey of Contractors, July-September 2001, and cover the on-campus employees of service contractors providing custodial services.

Table 4
 Characteristics of Custodial Employees at Harvard

	HARVARD EMPLOYEES			CONTRACTOR EMPLOYEES
	September 1994	March 1998	March 2001	Summer/Fall 2001
Total number	426	288	349	448
Gender				
Male	61%	65%	56%	67%
Female	39%	35%	44%	33%
Race/Ethnicity				
White	22%	17%	12%	11%
African-American	54%	49%	36%	6%
Hispanic	20%	31%	50%	78%
Asian	4%	3%	2%	4%
Native American/Other	0%	0%	0%	1%
Percent U.S. citizens	56%	44%	34%	n.a.
Percent Union	100%	100%	100%	93%
Education				
Less than High School	31%	24%	46%	41%
High School graduate	52%	66%	46%	55%
Some college or vocational Training	9%	5%	4%	3%
Four year college graduate or more	6%	5%	3%	0%
Median Age (in years)	44.6	45.9	45.6	n.a.
Length of Service				
Percent less than one year	10.8%	9.4%	20.6%	n.a.
Median (mean for contractors)	6.0 years	8.0 years	3.6 years	3.7 years

Notes: n.a. stands for “not available.”

Sources: Data on Harvard employees are from Harvard University, Office of Human Resources, personnel data files, and cover custodians in payroll classes 07 (limited regulars) and 08 (regular employees). Data on contractor employees are from the HCECP Survey of Contractors, July-September 2001, and cover the on-campus employees of service contractors providing custodial services.

Table 5
Pay and Part-time Status of Dining Service Employees at Harvard

	HARVARD EMPLOYEES			CONTRACTOR EMPLOYEES
	September 1994	March 1998	March 2001	Summer/Fall 2001
Total number	419	442	491	218
Percent working less than 20 hours/week	11%	9%	11%	4
Hourly wage (in 2001 dollars)				
< \$8.00	0%	0%	0%	0%
\$8.00-\$9.99	5%	12%	10%	14%
\$10.00-\$11.99	12%	7%	23%	29%
\$12.00-\$13.99	59%	57%	49%	37%
\$14.00 and over	24%	24%	18%	20%
Median wage	\$12.65	\$12.79	\$12.35	n.a.
Mean wage	\$13.17	\$12.94	\$12.47	\$12.53
Number earning less than \$10.68/hour	21	58	58	48
Percent below \$10.68/hour	5%	13%	12%	22%
Average annualized pay (in 2001 dollars)	\$27,384	\$26,909	\$25,932	\$26,062

Notes: All wage figures are adjusted for inflation using the Boston CPI-U and reported in 2001 dollars. n.a. stands for “not available.” Average annualized pay represents the annual earnings of a full-year, full-time worker (2080 hours or 52 weeks times 40 hours) earning the mean hourly wage.

Sources: Data on Harvard employees are from Harvard University, Office of Human Resources, personnel data files, and cover dining service workers in payroll classes 07 (limited regulars) and 08 (regular employees). Data on contractor employees are from the HCECP Survey of Contractors, July-September 2001, and cover the on-campus employees of contractors providing dining services.

Table 6
 Characteristics of Dining Service Employees at Harvard

	HARVARD EMPLOYEES			CONTRACTOR EMPLOYEES
	September 1994	March 1998	March 2001	Summer/Fall 2001
Total number	419	442	491	218
Gender				
Male	57%	56%	58%	58%
Female	43%	44%	42%	42%
Race/Ethnicity				
White	75%	66%	57%	32%
African-American	16%	17%	21%	21%
Hispanic	4%	11%	16%	32%
Asian	5%	6%	6%	4%
Native American/Other	0%	0%	0%	11%
Percent U.S. citizens	80%	72%	67%	n.a.
Percent Union	100%	100%	100%	56%
Education				
Less than High School	22%	16%	18%	25%
High School graduate	60%	70%	72%	48%
Some college or vocational training	14%	10%	7%	16%
Four year college graduate or more	4%	3%	3%	12%
Median Age (in years)	38.3	39.4	41.8	n.a.
Length of Service				
Percent less than one year	9.8%	14.7%	20.4%	n.a.
Median (mean for contractors)	5.5 years	7.0 years	4.8 years	4.2 years

Notes: n.a. stands for “not available.”

Sources: Data on Harvard employees are from Harvard University, Office of Human Resources, personnel data files, and cover dining service employees in payroll classes 07 (limited regulars) and 08 (regular employees). Data on contractor employees are from the HCECP Survey of Contractors, July-September 2001, and cover the on-campus employees of service contractors providing dining services.

Table 7
Pay and Part-time Status of Security Guards, Museum Guards and Parking Attendants at Harvard

	HARVARD EMPLOYEES			CONTRACTOR
	September 1994	March 1998	March 2001	EMPLOYEES Summer/Fall 2001
Total number	159	125	90	196
Uniformed Guards	94	64	20	174
Museum Guards	44	45	55	0
Parking Attendants	21	16	15	22
Percent working less than 20 hours/week	25%	26%	37%	17%
Uniformed Guards	3%	5%	0%	18%
Museum Guards	52%	49%	51%	n.a.
Parking Attendants	62%	50%	33%	9%
Hourly wage (in 2001 dollars)				
< \$8.00	0%	0%	0%	0%
\$8.00-\$9.99	19%	26%	58%	23%
\$10.00-\$11.99	11%	12%	30%	73%
\$12.00-\$13.99	11%	62%	12%	2%
\$14.00 and over	58%	0%	0%	2%
Median wage	\$14.31	\$13.37	\$9.58	n.a.
Mean wage	\$12.98	\$12.00	\$10.14	\$10.82
Number earning less than \$10.68/hour	32	46	53	117
Percent below \$10.68/hour	20%	37%	59%	60%
Average annualized pay (in 2001 dollars)	\$26,999	\$24,962	\$21,085	\$22,506
Median Wage of Full-Time Workers				
Uniformed Guards	\$14.31	\$13.37	\$11.97	n.a.
Museum Guards	\$10.14	\$8.88	\$8.96	n.a.
Parking Attendants	\$13.98	\$13.07	\$12.41	n.a.

Notes: All wage figures are adjusted for inflation using the Boston CPI-U and reported in 2001 dollars. n.a. stands for “not available.” Average annualized pay represents the annual earnings of a full-year, full-time worker (2080 hours or 52 weeks times 40 hours) earning the mean hourly wage.

Sources: Data on Harvard employees are from Harvard University, Office of Human Resources, personnel data files, and cover security, museum and parking workers in payroll classes 07 (limited regulars) and 08 (regular employees). Data on contractor employees are from the HCECP Survey of Contractors, July-September 2001, and cover the on-campus employees of service contractors providing security and parking services.

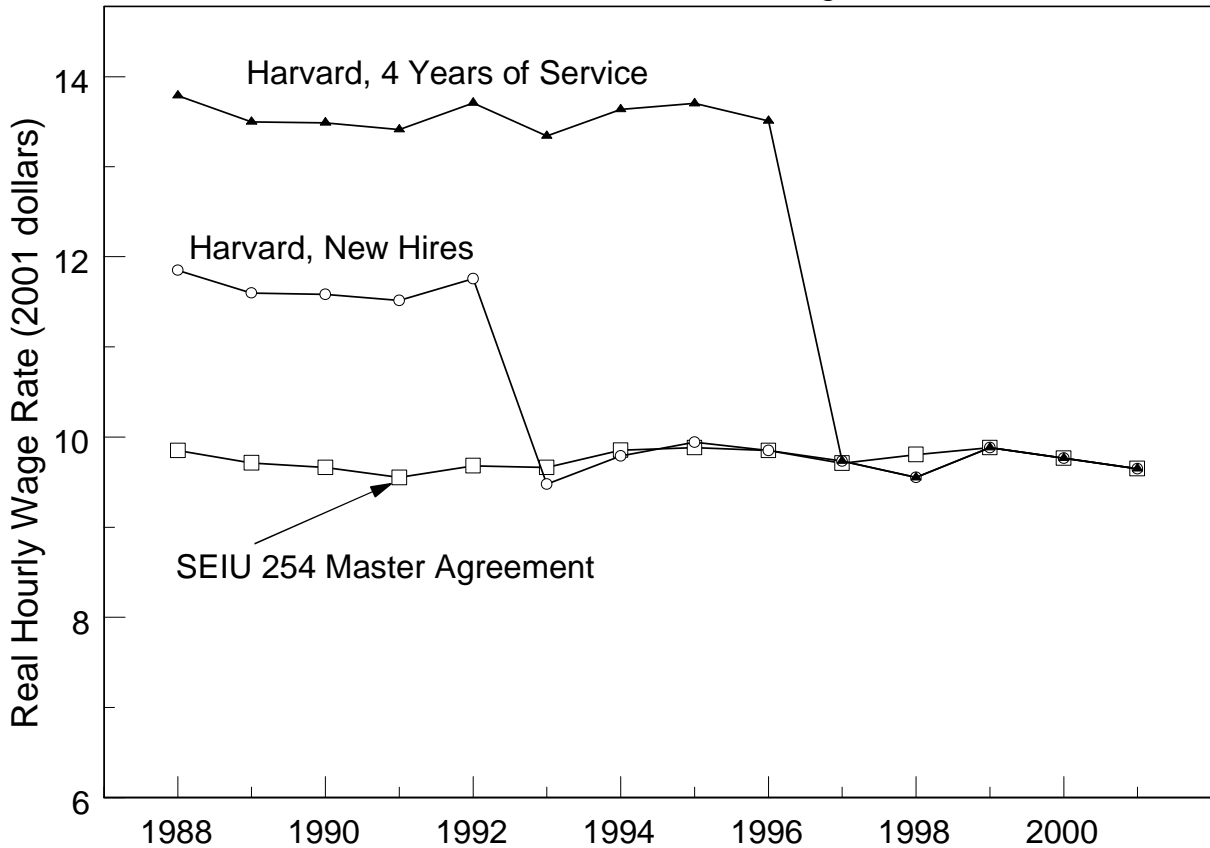
Table 8
 Characteristics of Security Guards, Museum Guards, and Parking Attendants at Harvard

	HARVARD EMPLOYEES			CONTRACTOR EMPLOYEES
	September 1994	March 1998	March 2001	Summer/Fall 2001
Total number	159	125	90	196
Gender				
Male	83%	86%	78%	84%
Female	17%	14%	22%	16%
Race/Ethnicity				
White	80%	79%	79%	37%
African-American	14%	17%	14%	48%
Hispanic	4%	2%	3%	2%
Asian	2%	2%	3%	13%
Native American/Other	0%	0%	0%	0%
Percent U.S. citizens	94%	96%	89%	n.a.
Percent Union	100%	100%	100%	0%
Education				
Less than High School	7%	6%	4%	0
High School graduate	54%	60%	77%	96%
Some college or vocational training	23%	18%	12%	4%
Four year college graduate or more	16%	16%	7%	1%
Median Age (in years)	39.9	45.3	43.2	n.a.
Length of Service				
Percent less than one year	13.8%	12.8%	26.7%	n.a.
Median (mean for contractors)	5.0 years	8.6 years	3.9 years	4.2 years

Notes: n.a. stands for “not available.”

Sources: Data on Harvard employees are from Harvard University, Office of Human Resources, personnel data files, and cover security, museum security, and parking workers in payroll classes 07 (limited regulars) and 08 (regular employees). Data on contractor employees are from the HCECP Survey of Contractors, July-September 2001, and cover the on-campus employees of service contractors providing security and parking.

Figure 1: Real Hourly Wage Rates for Full-Time Custodians, Harvard versus SEIU Local 254 Master Agreement, 1988-2001



Notes: The plotted wage rates are for March of year. Wages are deflated by the Boston CPI-U and reported in 2001 dollars. The plotted wages correspond to contract wage rates for full-time, regularly scheduled custodians, working over 29 hours per week (Category A), provided in the SEIU Local 254 Master Agreement for Metropolitan Boston and in SEIU Local 254 site-specific agreement with Harvard University. The reported Harvard wage rates are for day employees in Category A. The rates for night employees were slightly higher (2 to 3 percent higher) prior to 1996. The “Harvard, 4 years of service” rates are for Harvard Category A, day employees with exactly 4 years of service and from 1993 to 1996 reflect the “grandfathering” of higher wage rates for custodians hired before 1993.

APPENDIX

Members of the Harvard Committee on Employment and Contracting Policies

Faculty

Lawrence F. Katz, Committee Chair, Department of Economics, Faculty of Arts and Sciences

David Ellwood, John F. Kennedy School of Government

Caroline M. Hoxby, Department of Economics, Faculty of Arts and Sciences

Daniel Meltzer, Harvard Law School

Martha Minow, Harvard Law School

Susan Pharr, Department of Government, Faculty of Arts and Sciences

Thomas Scanlon, Department of Philosophy, Faculty of Arts and Sciences

Marcelo Suárez-Orozco, Harvard Graduate School of Education

Sidney Verba, Department of Government, Faculty of Arts and Sciences

David Wilkins, Harvard Law School

Dyann Wirth, Harvard School of Public Health

Union Employees

Edward Childs, Adams House Dining Hall, Hotel Employees and Restaurant Employees

International Union, Local 26

Alexandra Chisholm, Harvard Graduate School of Education, Harvard Union of Clerical and
Technical Workers

Jean Phane, Harvard Medical School, Service Employees International Union, Local 254

Senior Administrators

Bonnie Newman, Executive Dean, John F. Kennedy School of Government

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Undergraduate Students

Benjamin McKean, '02, Cabot House

Matthew Milikowsky, '02, Mather House

Graduate/Professional Students

Faisal Chaudhry, JD Candidate, Harvard Law School

Chris Wheat, Ph.D. Candidate, Organizational Behavior, Harvard Business School and Graduate
School of Arts and Sciences

Glossary

Boston CPI-U: Bureau of Labor Statistics CPI-U data for the Boston Metropolitan area including Boston-Brockton-Nashua, MA-NH-ME-CT.

"Casual" Employee: An individual who is hired for three months or less, or who works less than 17-1/2 hours per week and earns less than \$15,000 per year.

Clerical and Technical Staff: Includes all employees represented by HUCTW (with a few exceptions).

Consumer Price Index, All Urban Consumers (CPI-U): a measure of the average change over time in the prices paid by urban consumers for a 'market basket' of consumer goods and services (food, housing, clothing, transportation, etc.)

HEREIU: Hotel Employees and Restaurant Employees International Union

HUCTW: Harvard Union of Clerical and Technical Workers

HUSPMGU: Harvard University Security, Parking, and Museum Guard Union

Limited Regular Employee: Harvard employee who works, depending on the agreement, less than 20 hours a week and who is represented by a Harvard union.

Low-Paid Employee: An employee earning less than \$10.68 per hour in wages in 2001 dollars.

Regular Employee: An employee who is hired to regularly work 17-1/2 hours or more per week for a period exceeding three months in duration, or who is regularly paid at the rate of at least \$15,000 per year.

Service and Trade Staff: Includes all Harvard employees represented by a union, with the exception of those employees represented by HUCTW.

SEIU: Service Employees International Union