



The Dollars and Sense of the Sweatfree Consortium

Non-sweatshop products don't cost much more

Academic research and apparel industry sources show that **labor costs represent a very small part—typically 1-3%—of the retail price paid by consumers.** This means that we can double the wages paid to apparel workers in developing countries—a step usually required to provide a non-poverty wage—and still have a very limited effect on what we must pay for the product. For example, on \$30 overalls, a doubling of wages would result in the price of the overalls rising to about \$30.60. Consistent with these estimates, **the City of Los Angeles estimated a low 0.7 – 2.3% increase in the cost of goods made by workers paid a “procurement living wage.”**

Sweatfree purchasing makes “very little difference” in states’ budgets

Two of the leading states in sweatfree procurement, Pennsylvania and Maine, report **“very little difference”** between the prices they used to pay before the sweatfree requirements and prices they now pay.

The Sweatfree Consortium can save state and local governments money through economies of scale

By joining with other public entities in the Sweatfree Consortium for large cooperative sweatfree purchasing contracts, state and local governments may be able to **lower their product costs by achieving economies of scale.** With the combined purchasing power of state and local governments, the Consortium will attract low bids from companies eager to capture this market. The Consortium will also keep sweatfree products affordable by making it easier for vendors to bid on sweatfree contracts through an up-to-date information clearinghouse and uniform sweatfree standards and requirements.

The Sweatfree Consortium can save state and local governments money by lowering administrative costs

By teaming up with other public entities to stop tax dollar support for sweatshops, state and local governments can ensure that there is **no duplication of government budgets and staff efforts in conducting investigations of contractors and subcontractors.**

State and local governments don't have to foot the bill

The States of Pennsylvania and Maine are showing that it is possible to raise the limited money needed to enforce a sweatfree procurement policy without new appropriations. Many state and city contracts already include small vendor fees to help cover administrative costs; Maine and Pennsylvania apply small vendor fees to their contracts to help cover the annual Consortium membership fee. We can have a voice in determining the Consortium fees and other governance issues by joining the Consortium in its early stage.