

**MOTION PERSONNEL AND HIRING
BUDGET & FINANCE**

The rising cost of living in Los Angeles, driven by inflation, housing pressures, federal tariff policies, and recent overseas conflicts, have placed increasing financial strain on Angelenos, including City of Los Angeles employees. A 2025 study from Nasdaq reported that the City of Los Angeles was the least affordable city for median income earners, beating out New York, San Francisco, and Miami.

This is particularly true for those employees below the city median wage and in part-time positions. These workers are the backbone of our municipal operations, yet they often lack access to affordable credit and financial tools that promote long-term stability. Our employees are often more vulnerable to predatory financial products such as payday loans, auto title loans, and “Buy Now Pay Later” (BNPL) products, which can charge up 391% interest rates, according to a University of Southern California Sol Price School study.

The City Los Angeles’ Personnel Department recently analyzed payroll data from City departments with the highest number of active part time workers over a 3-month period. They found that part-time workers in a majority of the departments analyzed made less than \$1,000 per pay period. Further, of those active workers, over half had one or more pay periods with 0 hours worked.

The cities of San Francisco, Austin, and several other jurisdictions across the country have become increasingly aware of the economic challenges faced by their employees, and have created programs for their employees that provide small dollar lending products that are cheaper and more flexible than traditional banks and credit unions. The City of Los Angeles has an opportunity to explore similar solutions to support its most vulnerable employees.

I THEREFORE MOVE that the City Council INSTRUCT the Chief Legislative Analyst (CLA), with the assistance of the Personnel Department and the City Administrative Officer, to report on 1) the prevalence and effectiveness of city-sponsored employee micro loan programs, (2) the feasibility of establishing a low or no-interest micro loan program for City of Los Angeles employees, and (3) a landscape analysis of local and regional financial partners that have the capability of administering this type of pilot program.

I FURTHER MOVE that the City Council INSTRUCT the CLA to report on any regulatory considerations associated with a city-sponsored employee loan program, including any applicable fair lending standards, to ensure that a pilot program would be structured in a manner consistent with sound underwriting and equitable treatment of borrowers.

PRESENTED BY: 
HEATHER HUTT
Councilmember, 10th District

SECONDED BY: 

ORIGINAL

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