

**COST-OF-LIVING  
PAY ADJUSTMENT PLANS  
FOR CITY EMPLOYEES**

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"The International City Managers' Association made an inquiry among the 13 cities which were known to have adopted a cost-of-living pay plan.

"Ten of these 13 cities use the consumers price index as the basis for making pay changes. These cities include Portland, Oregon. One city, Brookline, Massachusetts, uses the cost-of-living index of the state department of labor. Two cities, Columbus, Ohio, and San Diego, California, discontinued their cost-of-living pay adjustment plans three years ago.

"The first city to adopt a cost-of-living pay adjustment plan was St. Paul in 1922. The other cities have adopted their cost-of-living schemes since 1940, and the base for pay changes is the 1935-39 period. The 11 cities where the plan is in effect apparently have kept up with the rapid increase in the cost-of-living index. Most of these cities limit the number of pay adjustments to one a year, but because of the rapid increase in the cost of living during the last six months of 1946 several cities made more than one increase.

"Generally there is no pay adjustment made unless there is a change of from two to five points in the index. The pay adjustment usually applies only

to a certain portion of the salary. A one-point change in the index means a one per cent change in pay" and in some cities "the percentage change applies only to the first \$100 of monthly salary."

"Information supplied by city officials on cost-of-living pay adjustment plans in the eleven cities is summarized

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