

# LIVING WAGE 101

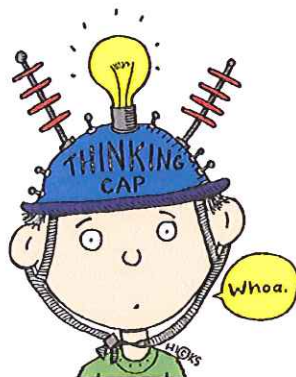
**Kelowna City Council**

June 27th, 2011

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## Presentation Outline

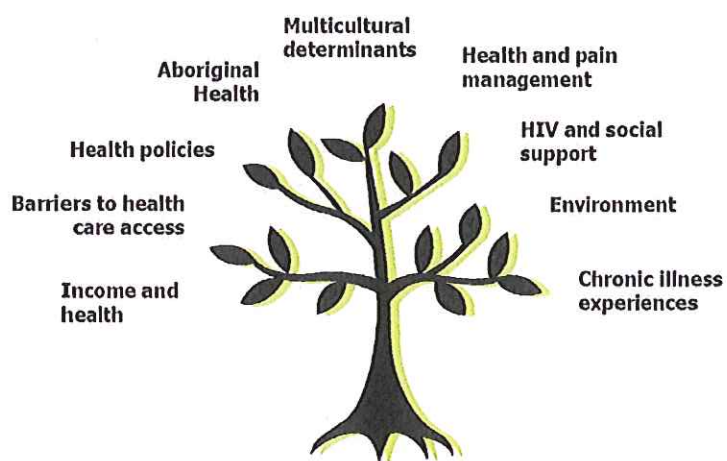
1. The Living Wage and Health
2. Living Wage Calculations
3. Living Wage Campaigns
4. Living Wage in Kelowna
5. Questions and Discussion



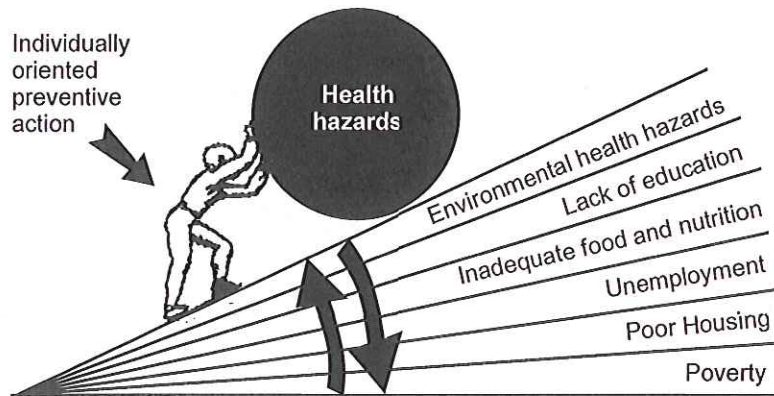
## Living Wage and Health

*"24 per cent of all potential years of life lost in Canada in 1996 were estimated to be attributable directly to poverty. This compares with 31 per cent for cancer and 18 per cent for cardiovascular disease." Bloch, Gary M.D. et al. Why Poverty Makes Us Sick. Ontario Medical Review. May 2008.*

## Social Determinants of Health



## The Health Gradient



Source: adapted from Making Partners: intersectoral action for health.

## Living Wage Calculations

*"Capitalism doesn't just enable us to pay the living wage, it actually incentivizes us to do so."* - Ian Tew, Head of Workplace, KPMG

## What is a Living Wage calculation?

- It is an hourly rate that reflects what people need to meet their basic expenses and support their families based on the actual costs of living in a specific community.
- It is *not* the minimum wage, which is the legislated minimum set by the provincial government.



***Work should lift you out of poverty, not keep you there.***

***More than half of BC's poor children live in families where at least one person has a full-time job.***

***BC has the highest child poverty rate in Canada.***



## What is a Living Wage calc. (cont'd)?



- LW = Local expenses + transfers (e.g. Canadian Child Tax benefit) – deductions (e.g. taxes)
- Based on: two full-time employed parents, two children (ages four and seven)
- Gets families out of severe financial stress by providing a basic level of economic security.
- A conservative, bare bones budget without the extras many of us take for granted.

## Living Wage Expenses

| Expense                         | Source                   | Cranbrook Per Month |
|---------------------------------|--------------------------|---------------------|
| Food                            | <i>Diet. of Canada</i>   | 736.72              |
| Clothing and Footwear           | <i>Stats Can</i>         | 186.64              |
| Shelter (3 bed, incl telephone) | <i>CMHC +</i>            | 966.12              |
| Transportation (1 car, 1 bp)    | <i>Stats Can + local</i> | 382.00              |
| Other (misc. expenses)          | <i>Stats Can</i>         | 674.98              |
| Child Care                      | <i>local</i>             | 937.50              |
| Non MSP Health                  | <i>Blue Cross</i>        | 133.00              |
| MSP                             | <i>BC Gov't +</i>        | 114.00              |
| Emergency Savings               | <i>2 weeks pay</i>       | 165.20              |
| Parent Education                | <i>local</i>             | 96.19               |
|                                 |                          | <b>4392.35</b>      |

- Vancouver: \$18.17
- New Westminster: \$16.74
  - Victoria: \$17.31
  - Cranbrook: \$14.16

### How was the calculation developed?

- Partnership between the Living Wage for Families (out of First Call) and Canadian Center for Policy Alternatives, in consultation with Professor Tim Richards at the University of Victoria – 2008
- Has been used to calculate the living wage in: Vancouver, Victoria, New Westminster, Esquimalt, William's Lake, Cranbrook (up and coming: Kamloops, Nelson and Kelowna)



## Living Wage Campaigns

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*"An idea whose time has come..."*  
– PM David Cameron, UK, May 2010

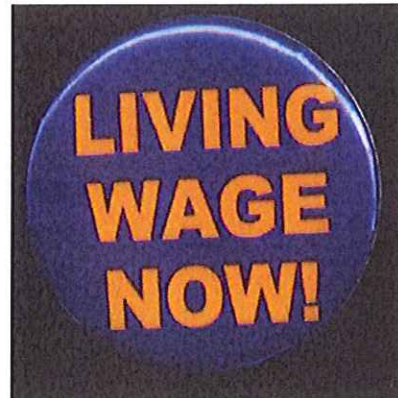
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"A living wage implies you have a life outside the office. We're not in favor of that."

## What is a Living Wage campaign?

- Varies significantly in terms of strategies, approaches, target sectors, and outcomes.
- Should be tailored to the local context – resources, demographics, economy, level of organization and multi-sectoral partnerships, openness of local government etc.
- Uses the calculation as a starting point and/or tool to better understand and communicate about lived experiences of low wage earners.



### Model #1:

#### Living Wage and Local Government

- New Westminster (April 2010) and Esquimalt (Feb 2011) – 1<sup>st</sup> and 2<sup>nd</sup> Canadian municipalities to adopt living wage policies for immediate employees and contractors
- Municipal government acts as role models for the rest of the community – sets a standard
- Requires an effective champion on council (Councilor Jamie McEvoy)





## Model #2:

### Living Wage, Advocacy and Accreditation



- Vancouver's Living Wage for Families and Calgary's Vibrant Communities Calgary
- Uses calculation for anti-poverty based advocacy
- Establishes accreditation process and supports businesses and other employers in the process of becoming accredited
- Requires strong leadership and the ability to challenge (local/provincial government, business community etc.)

## Model #2: cont'd

### Benefits of Paying a Living Wage



Employees: experience increased mental and physical health, and economic wellbeing

Employers:

- receive public recognition for demonstrating a commitment to socially responsible practices, making them more attractive to potential employees and customers
- experience a decrease in employee turnover and absenteeism, increased retention and productivity, savings on rehiring and retraining
- experience enhanced employee recruitment strategy for lower paying occupations.

### Model #3:

#### Highlighting Business's Leadership Role

- Victoria's Quality of Life Challenge
- Focus on businesses who are not able or not ready to think about paying a living wage
- Work with them to expand thinking about their role in their community
- Find alternative, complementary activities to support reducing employees expenses. E.g. "50 HR Options for Action".

<http://www.qolchallenge.ca/pdf/HROptions200606.pdf>



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**Quality of Life**  
CHALLENGE

#### Other Common LW Strategies

- Provide a platform for low wage earners voice
- Start informed conversations about issues and solutions related to poverty reduction
- Advocacy and highlighting key issues leading up to elections
- Recognize leadership role that businesses and other employers play in our communities
- To **build and strengthen community.**



## Living Wage Around the World

- Calgary – 17 organizations and companies accredited
- Vancouver – 10-12 businesses
- 140 American cities/campaigns
- 10 year old campaign in London England with over 100 accredited businesses including KPMG and Barclays, the Olympic Delivery Authority and the Greater London Authority – first LW Olympics!!



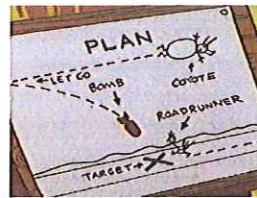
## Living Wage in Central Okanagan

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“... striving collectively to provide leadership and services to build a healthy, safe and vibrant community.”

- City of Kelowna Mission Statement, 2010 Financial Report

## Still in a Preliminary Phase



- March 2011* - introductory meeting with Mayor Shepherd and Ron Mattiussi
- Dec – June 2011* - ongoing discussions with Christene Walsh at RDCO (Social Development Coordinator)
- June 2011* - initial draft of calculation
- June 28<sup>th</sup> 2011* - community information and planning workshop

## References

**Calculation guide:**

[http://www.policyalternatives.ca/sites/default/files/uploads/publications/reports/docs/ccpa\\_bc\\_LW\\_calc\\_guide\\_may\\_2010.pdf](http://www.policyalternatives.ca/sites/default/files/uploads/publications/reports/docs/ccpa_bc_LW_calc_guide_may_2010.pdf)

**Background information:**

[http://www.policyalternatives.ca/sites/default/files/uploads/publications/BC\\_Office\\_pubs/bc\\_2008/ccpa\\_bc\\_living\\_wage\\_2008.pdf](http://www.policyalternatives.ca/sites/default/files/uploads/publications/BC_Office_pubs/bc_2008/ccpa_bc_living_wage_2008.pdf)

**Current BC campaigns:**

<http://www.livingwagebc.ca/> and <http://livingwageforfamilies.ca/>

**Victoria:** <http://www.qolchallenge.ca/>

**New Westminster:**

[http://www.newwestcity.ca/2010/05/13/living\\_wage\\_policy.php](http://www.newwestcity.ca/2010/05/13/living_wage_policy.php)

**Metro Vancouver's Living Wage Employers:**

<http://firstcallbc.org/pdfs/lw/employers%20list.pdf>

**Living Wage in the UK:** <http://www.citizensuk.org/campaigns/living-wage-campaign/>





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## Questions?

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