



## The Need to Increase the Minimum Wage for All Workers

Fair Wage Commission, Vancouver

November 23, 2017

Hello, I'm Trish Garner, the Community Organizer for the BC Poverty Reduction Coalition. Thank you for giving me the opportunity to present to you this morning.

The **BC Poverty Reduction Coalition** is an alliance of organizations that have come together to raise awareness about poverty in BC and improve the health and well-being of all British Columbians. The Coalition was launched in 2009 and has now gained the support of over 400 organizations throughout the province in the call for a **strong, comprehensive poverty reduction strategy with legislated targets and timelines** to significantly reduce poverty, inequality, and homelessness in BC. Our work is grounded in the foundation of universal human rights.

We have a diverse membership of over 90 organizations that bring their collective strength and support to this work, including community and non-profit groups, faith groups, health organizations, indigenous organizations, immigrant service agencies, businesses, labour organizations, and social policy groups. I have included the full list as an Appendix and I will leave that with you today. I am here on behalf of all of those organizations throughout the province, and you will also here from many of them individually.

**We congratulate the government for their commitment to implement a poverty reduction plan for BC.** After almost a decade of calling for action to address the root causes of BC's high poverty rates, it is good to see a government paying attention to the evidence. When the cost of poverty -- \$8-9 billion per year -- is double that of a comprehensive poverty reduction plan, it is smart policy to invest in eliminating and preventing poverty.

**Increasing and enhancing the minimum wage needs to be a critical piece of that plan, (one of the pieces at no direct cost to government), and it needs to happen as soon as possible.**

British Columbia has the highest rate of poverty in Canada with 678,000 people living in poverty and many more living one pay-cheque away. While the *depth* of poverty may be about deeply inadequate income assistance rates, the *breadth* of poverty in BC is about working poverty – it's a low wage story. In fact, about half the poor in BC are either the working poor or the children of the working poor.

The latest Census data reveals that BC has the second highest poverty rate in Canada for working age people (18-64 years) at almost 15 per cent. One of the factors driving the high poverty rate in this age range is the fact that our minimum wage of \$11.35 per hour leaves a worker living below the poverty line. Not just slightly below the poverty line but thousands

below; for instance, according to the latest BC Child Poverty Report Card just released two days ago by First Call, a single parent with one child working full-time for the whole year for minimum wage would have only earned \$18,761, leaving them about \$10,000 below the poverty line. This provides strong evidence for immediately increasing the minimum wage to \$15 an hour.

Families who work for low wages face impossible choices – buy clothing or heat the house, feed the children or pay the rent. The result can be spiraling debt, constant anxiety and long-term health problems. In many cases it means that the adults in the family are working long hours just to pay for basic necessities, often at two or three jobs. These workers have little time to spend with their family, much less to help their children with school work or participate in community activities. Not only does that have a direct impact on those workers and their families, but we are all impacted by that loss within our communities and our society in general.

Our cities, in particular, are losing their diversity and vitality when low wages and high housing costs are forcing a mass migration of workers. Time on transportation is a huge factor – and, of course, we don't have a low-income transit program.

1 in 4 workers in BC, almost half a million people, earn less than \$15 an hour, and they are predominantly women and racialized making this an issue of gender and racial justice. In contrast to the view that low wage workers are teenagers still living at home working part-time just to earn some extra money, the reality is that many of them are trying to support families:

- Almost 80% are 20 or older
- Two thirds do not live at home with their parents and 76% are not students
- Over half work full-time and over a third have worked in the same job for more than 2 years so these are long-term positions
- 14% or 69,600 of these workers are over 55

A low minimum wage makes it hard to transition off welfare, especially for those with children. The recent increase to the earnings exemption bringing it now up to \$400 helps with that transition but, if the minimum wage job remains a sentence of poverty and now adds the cost of child care to the family expenses, it is unsustainable. An inadequate minimum wage keeps people in a cycle from welfare to low wage work and back again.

An increase of the minimum wage to \$15/hour would not only lift workers above any poverty line, it would benefit the government in terms of increased tax and consumption revenue. While there would be an initial cost to local businesses, they will also experience the benefit because low-wage workers would have more purchasing power and these workers largely spend within their local communities. Their increased spending drives demand for firms' products, in turn generating more employment and investment.

There is often a fear about the impact of increasing the minimum wage on small businesses but recognizing that higher wages improve productivity and decrease absenteeism, many small businesses pay better. In fact, most minimum wage workers work for large corporations with 100 or more employees. These are businesses that can well afford to pay better.

## **Recommendations**

**Workers tell us they needed an increase to the minimum wage to \$15 an hour yesterday but, as a concession to business, we recommend incremental increases to reach \$15 an hour by January 2019.**

On the issue of exemptions, given the sorry state of the general minimum wage that I have outlined, I hope it is unnecessary to detail why no-one should be paid any less than that.

**We recommend that all workers be paid the minimum wage with no exceptions.**

**The minimum wage should not be left to get so out of touch with the cost of living again so we recommend attaching future increases to a defined measure, such as setting it at a percentage above the Market Basket Measure poverty line, which tracks cost of living with regional differences.**

**Further, there is a continued role for the Commission to play in ensuring this in the future so we recommend the establishment of a Permanent Fair Wages Commission:**

- To include recommendations on stronger employment standards and enforcement
- And other provisions to close the gap between the minimum wage and the living wage
- To ensure that low wage workers voices and experiences are driving these changes

I think it's worth highlighting as you hear from employers, if a business has a business plan that relies on keeping people in poverty, that's a bad business plan, and it is not the role of government to support bad business operating on the backs of poor people. It is the role of government to support all British Columbians in thriving, and a minimum wage of \$15 an hour is a big step towards that.

Thank you.

## Appendix A: Current Members of BCPRC

Africa Great Lakes Networking Foundation  
Association of Neighbourhood Houses BC  
Basic Income Vancouver  
ACORN BC  
BC Alliance on Mental Health/Illness & Addiction  
BC Disability Caucus  
BC Federation of Labour  
BC Federation of Students  
BC Ferry and Marine Workers Union  
BC Food Systems Network  
BC Government and Service Employees' Union  
BC Health Coalition  
BC Healthy Communities  
BC Healthy Living Alliance  
BC Non-Profit Housing Association  
BC Public Interest Advocacy Centre  
BC Teachers' Federation  
Burnaby Community Services Society  
Canada Without Poverty  
Canadian Cancer Society, BC & Yukon Division  
Canadian Centre for Policy Alternatives - BC  
Canadian Federation of University Women BC Council  
Canadian Mental Health Association - BC Division  
Cedar Cottage Neighbourhood House  
Check Your Head: The Youth Global Education Network  
Citizens for Accessible Neighbourhoods  
Coalition of Child Care Advocates of BC  
Community Legal Assistance Society  
Community Social Planning Council, Victoria  
Council of Senior Citizens' Organizations of BC  
Cranbrook Social Planning Society  
Disability Alliance BC  
Downtown Eastside Neighbourhood House  
Early Childhood Educators of BC  
Faith in Action  
Federation of Community Social Services of BC  
Federation of Post-Secondary Educators of BC  
First Call: BC Child and Youth Advocacy Coalition  
Gordon Neighbourhood House  
Grandview Woodland Food Connection  
Greater Trail Community Skills Centre  
Greater Vancouver Food Bank  
Health Officer's Council of BC  
Health Sciences Association of BC  
Hospital Employees' Union  
Interspiritual Centre of Vancouver Society  
Jewish Seniors Alliance of Greater Vancouver  
Living Wage for Families Campaign  
Megaphone Magazine  
MOSAIC  
MoveUP  
New Westminster & District Labour Council  
North Shore Disability Resource Centre  
North Shore Homelessness Task Force  
Pacific Community Resource Centre  
Parent Advocacy Network for Public Education  
PIVOT Legal Society  
Positive Living BC  
Protein for People  
Public Health Association of BC  
Raise the Rates Coalition  
Revelstoke Poverty Reduction Working Group  
Richmond Poverty Response Committee  
Single Mothers' Alliance of BC  
Society for Children and Youth of BC  
SPARC BC  
Streams of Justice  
Surrey Poverty Reduction Coalition  
Together Against Poverty Society  
UFCW 1518  
Unifor  
Union Gospel Mission  
United Way of Greater Victoria  
United Way of the Lower Mainland  
Vancity Community Foundation  
Vancity Credit Union  
Vancouver & District Labour Council  
Vancouver Foundation  
Vancouver Neighbourhood Food Networks  
Vancouver Rape Relief and Women's Shelter  
Vibrant Abbotsford  
West Coast Domestic Workers' Association  
West Coast Women's LEAF  
Women Against Violence Against Women  
YWCA Metro Vancouver