

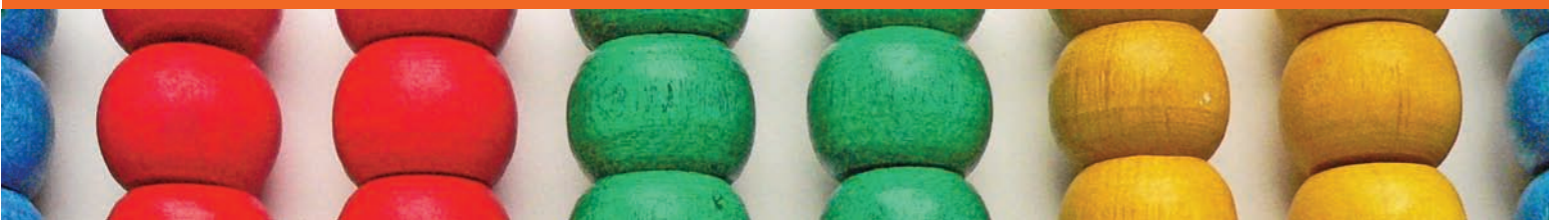
What workers would do if they earned a living wage

In Hamilton, living wage advocates have been asking low wage workers, "What difference would earning a living wage make in your life?" Here are some of those responses:

"I wouldn't need to go to the food bank anymore."

"I'd be able to quit one of my 3 part-time jobs and go back to school at night."

"I'd be able to pay off my student loan."



WHO BENEFITS FROM A LIVING WAGE?

BENEFITS FOR WORKERS

- Receive fair compensation
- Raised out of poverty
- Better quality of life
- Improved health
- Opportunities for education/skills training

BENEFITS FOR EMPLOYERS

- Reduced absenteeism
- Decreased turnover which lowers training costs
- Increased morale, loyalty and productivity
- Decreased in-house shoplifting
- Recognition for responsible employers

BENEFITS FOR THE COMMUNITY

- Greater consumer purchasing power
- Increased spending in local economy
- Increased civic participation

Living Wage - An investment in Hamilton's economy

A living wage policy is good for the local economy because higher incomes allow individuals and families to purchase more goods and services in their neighbourhoods and in the larger community. This is particularly beneficial for small local businesses that tend to draw their customers from the local community.

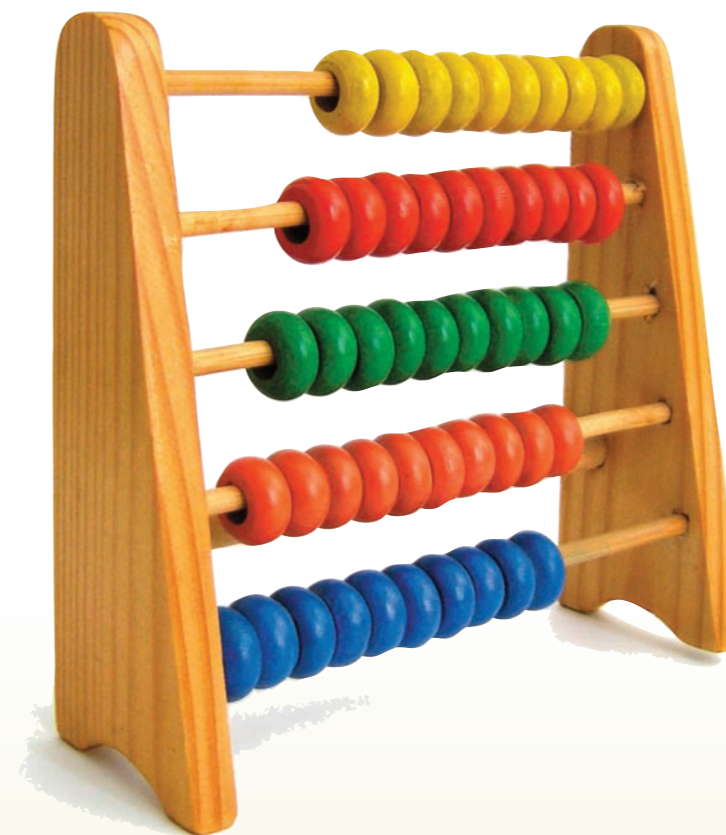
Small businesses, and organizations that represent them, are sometimes alarmed at the idea of having to pay a living wage as it is assumed to be unaffordable. But many small businesses do pay a living wage and have found it to be good for business, noting savings from decreased training costs, increased productivity and staff morale.

However, living wage campaigns primarily work to bring flagship employers in a community forward to be champions of paying a living wage or moving in that direction. In many communities, such as New Westminster, B.C., the municipal corporation becomes the lead living wage employer. In others it may be the university or another large employer.



Living Wage Hamilton (LWH) is a coalition of community partners including the Hamilton Training Advisory Board, the Hamilton Roundtable for Poverty Reduction, the McMaster Community Poverty Initiative, and the Social Planning and Research Council. LWH is embarking on community conversations with employers in the private, non-profit and public sectors to determine what steps can be taken to make Hamilton a living wage community. A Living Wage Employer Program is in development that will recognize employers for the commitment they make toward paying all their workers a living wage.

For more information, please visit:
www.livingwagehamilton.ca



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What is a living wage?

A living wage enables wage earners living in a household to:

- Feed, clothe and provide shelter for their family
- Promote healthy child development
- Participate in activities that are an ordinary part of life in the community
- And avoid the chronic stress of living in poverty

(Canadian Centre for Policy Alternatives)

Working and still poor? It doesn't add up!

Why living wage is coming to Hamilton

30,000 Hamiltonians are working and still living in poverty. How is this possible? It used to be that if someone was having a tough time making ends meet, the simple answer was "get a job". However, it has become increasingly difficult to find employment with adequate wages to lift workers above the poverty line.

In 2006, there were 30,000 Hamiltonians with a job but still not above the poverty line. Of those, just over 10,000 were full-time, full-year workers. 9,000 were part of families where at least one parent worked full-time but still lived in poverty.

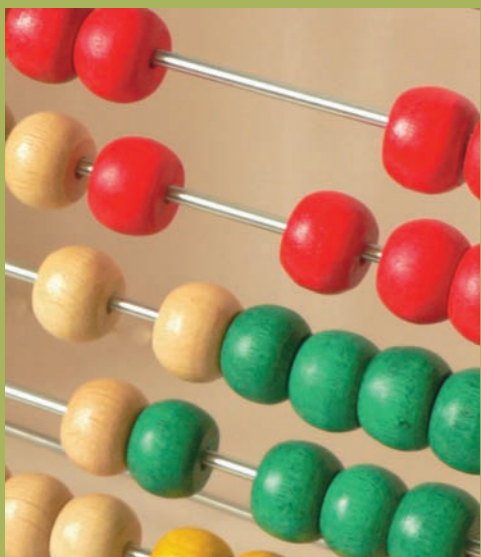
Issues such as the impact of eroding labour standards on workers' health and safety, declining wages, and an increase in part-time, casual and temporary work, all add up to the reality of precarious employment in our community, much of it not paying enough to lift an individual or family out of poverty.

As a starting point to reverse some of these trends, living wage policies have been adopted in 140 cities in the United States. The 2012 Summer Olympics in London will be the first international games where all employees will be paid a living wage. With two new cities in B.C. adopting living wage policies, the living wage movement in Canada is gaining momentum.

For more information about Hamilton's new living wage coalition, please visit:
www.livingwagehamilton.ca

What is the poverty line?

One of the most commonly used poverty lines is Statistics Canada's Low Income Cut-Off (LICO). In 2010, the before tax LICO for large cities like Hamilton was just over \$22,000 for a single person, \$28,000 for a single parent with one child, and \$42,000 for a family of four. In comparison, Hamilton's median full-time employment income was almost \$44,000 per worker in 2006, well above the poverty line and above Hamilton's living wage.



Are benefits included?

The \$14.95 calculation does not include any employer paid medical and dental benefits. The living wage calculation allows for each household to purchase private medical and dental insurance. If an employer does pay for group employee health benefits, the living wage hourly rate would be lower.

For a detailed explanation of how Hamilton's living wage was calculated and what amounts were included in the budgets, please read the full calculation report available at: www.livingwagehamilton.ca

Minimum wage is not a living wage

Minimum wage is a rate set by provincial governments as the bare minimum workers must be paid, and does not reflect cost of living. The current rate of \$10.25 an hour in Ontario is not enough to raise a single person working 40 hours per week out of poverty, never mind a family unit with more than one adult or including children.

A living wage is a rate determined by individual communities and voluntarily implemented by employers. A living wage is based on actual costs of living so it reflects the income that people need in order to participate in their communities.

How much is a living wage?

A living wage is calculated by individual communities using local costs. The living wage for Hamilton is based on a detailed formula created by Hugh MacKenzie, a prominent Canadian economist, and Research Associate of the Canadian Centre for Policy Alternatives and of the Centre for Urban Studies at the University of Toronto. Trustworthy local and national data sources were used and, where necessary, cost estimates were obtained from local businesses such as insurance providers. The calculation includes all income and payroll taxes, tax benefits, credits and applicable subsidies (such as for childcare).

Included

- Food
- Shelter
- Transportation
- Utilities
- Personal care
- Household items
- Extended health and dental insurance
- Continuing education to upgrade skills
- Childcare
- Social activities

Not Included

- Household debt
- Home ownership
- Saving for children's education
- Saving for retirement

The living wage rate in Hamilton is: **\$14.95 per hour**



Demographics of Hamilton's full-time working poor population

Seven percent of Hamilton's full-time workers live on incomes below the poverty line, according to the last census. Within this group, there is a wide variety of age groups represented, with the majority aged 35 years or older (Chart 1).

Chart 2 shows that women working full-time are slightly more likely to be living in poverty than full-time working men.

Among full-time workers who are members visible minority groups, the rate of poverty is 13%, compared to 7% for the city. Similarly, 12% of full-time workers who self-identify as Aboriginal are living in poverty. The fact that members of these groups are almost twice as likely to be living in poverty is evidence of the racialization of the labour market, and occurs even though racialized groups are better educated than their non-racialized peers. For example, 24% of Hamilton's population who identify with a visible minority group have university education, compared to 16% of the city's population overall.

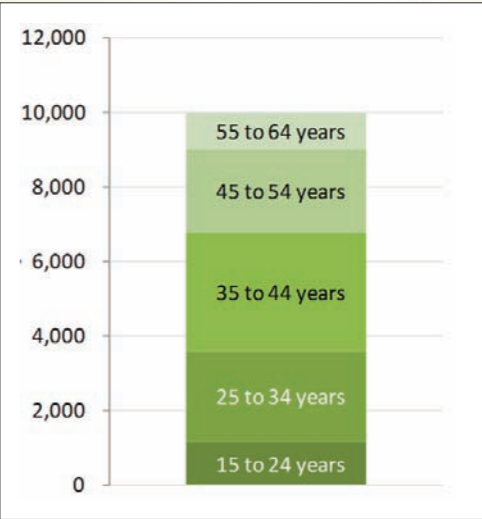


Chart 1. Number of full-time workers living on incomes below the poverty line by age groups, city of Hamilton, 2006 Census

Chart 2. Percentage of full-time workers living on incomes below the poverty line, by sex and selected groups, city of Hamilton, 2006 Census



Changes in median wages by occupation categories

The distribution of wages within Hamilton's working population is changing. The highest paid occupation category, managers, saw a 55% increase in their salaries in the last two decades, while the lowest paid workers, in sales and service occupations, saw only a 5% increase in their wages.

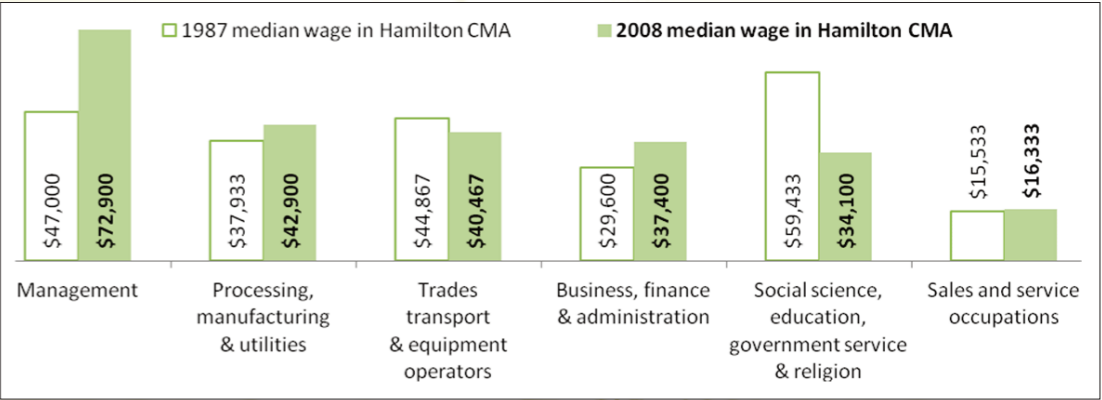


Chart 3. Changes in median earnings by occupation categories, Hamilton Census Metropolitan Area, 1987-2008, Survey of Labour and Income Dynamics (Statistics Canada)