

NAPO NEWS!



Speaking from experience

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Make the Minimum Wage a Living Wage

by Nancy Langdon

There was a time when having a job meant you wouldn't live in poverty. Not anymore. Minimum wages across the country take us back 30 years. "The purchasing power of the minimum wage is less than it was in the mid-1970s", states John Jacobs of the Canadian Centre for Policy Alternatives (CCPA) and author of *Time for A Real Raise: The Minimum Wage in Nova Scotia*. Anywhere in this country, a minimum wage worker working full time for a full year is still from \$5000 to \$9000 below even the most conservative poverty measure.

Women are particularly hard hit by minimum wage policies since they represent 65 % of the minimum wage earners in Canada. Many women working in the service or retail industries are paid at or slightly above the minimum wage. As the majority of these sectors are non-unionized workers rely greatly on government set minimum wages to achieve some wage fairness.

Low minimum wages drive down the bargaining power of labour groups and make premium wages appear extravagant. Currently, Canada ranks second in the developed world (following the US) for having the highest incidence of low pay employment. While many in the business sector oppose raising the minimum wage fearing it could increase their labour costs and make it more difficult to obtain wage concessions from their workers, some business leaders recognize that there are advantages for business as well. Staff turnover and absenteeism is reduced with savings in hiring and training costs. Those employers who are committed to paying above the poverty line will not be under-cut by less principled competitors who are paying poverty wages. An additional benefit for business, notes Jacobs is that, "increasing minimum wages is good for the local economy - when people with low incomes get a raise, they tend to spend it on goods and services provided by local businesses."

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Youth Poverty Advisory Committee ready for action

Eight young people with diverse backgrounds and wide ranging experiences are set to guide the youth poverty initiative in its activities this year. With youth representation from across the country NAPO will create a truly national effort to educate people on poverty issues affecting youth as well as push for significant changes. Welcome to all committee members!

YPI Committee:

Joshua McLeod

Lindsay McPherson

Angela St. Aubin

Cristina Opris

Nichole Downer

Simon Moll

Tonika Morgan

Misty Parent

The first batch of youth poverty action cards were sent to Paul Martin's office before the election call last winter. Sign a card, if you haven't already done so, and get them to us ASAP. We'll arrange to send them to the Prime Minister. Or you can sign an action card online and send it directly to the PM's office. Keep the pressure on!

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National Anti-Poverty Organization

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Right-wing groups such as the Fraser Institute warn that raising the minimum wages will lead to job losses. But experience in the UK where minimum wages have been raised significantly in the past few years, has shown that as many new jobs are created as lost because of the increased purchasing power of low-wage workers.

Dennis Howlett, executive director of NAPO says, "Minimum wages should be set at a level that makes it possible for an individual working full time for a full year to escape poverty." This means that activists in BC, Manitoba, Ontario, Quebec and Alberta should ask for no less than \$10 an hour. Other provinces have lower poverty lines, largely influenced by the population of their largest cities and the related housing costs. Still, even in smaller provinces, a minimum wage lower than \$9.40 will not help working Canadians escape poverty.

In 2000, 30% of all low-paid workers lived in low-income families (households earning incomes below Stats Canada's Low Income Cut-Offs). Until we get tangible improvements on the social policies just listed, raising the minimum wage can definitely help alleviate poverty – and it's a commitment the government can make that doesn't have a direct cost on its annual budget.

Non-unionized employees are particularly vulnerable to poverty wages. One of the best ways to raise wages is to unionize. Although there have been efforts at forming unions organizing low-wage workers is a difficult task resulting in a low unionization rate for this group. The minimum wage campaign needs the active support and credibility of the labour community. Unions campaigning for changes that benefit all workers, organized and unorganized, will highlight in a new way the value of unions to the broader population. In many provinces the provincial federations of labour are involved in minimum wage campaigns. At the national level, the CLC and member unions are very supportive of efforts to launch a national minimum wage campaign.

A variety of groups representing women, student and immigrant and visible minority populations are also involved in campaigns to raise the minimum wage

because they are disproportionately overrepresented in the ranks of the low waged. Faith groups recognize it as an important moral and justice issue and are also involved. Together with anti-poverty groups they are engaged in campaigns that are already seeing positive results – though much more needs to be done. Provincial coalitions in at least seven provinces are now actively campaigning for raising the minimum wage. A national coalition has been formed to support these provincial coalition efforts, to help organize coalitions in provinces where they do not currently exist and to lobby the federal government to reinstate a federal minimum wage at \$10 an hour and indexed.

Groups interested in getting involved can:

- Ask their union, church, student or other community group to adopt a resolution calling for a minimum wage that makes it possible for an individual working full time to escape poverty.
- Support or lead the lobbying efforts for municipal and university living wage policies that would require contracts be awarded to employers who pay a living wage. Municipalities and universities are in many cases contracting out to companies that pay poverty wages in an attempt to reduce costs. NAPO has action kits available to assist with such efforts.
- Unions, churches or other community groups can hold a public education workshop on the minimum wage. NAPO has posted a living wage workshop online at www.napo.ca/livingwage.
- Help distribute "Make the Minimum Wage a Living Wage" cheques to gather public support for raising the minimum wage. Cheques addressed to provincial premiers or blank ones that can be addressed to low wage employers in your community are available from NAPO at 1-800-810-1076 or napo@napo-onap.ca

Nancy Langdon was a Masters of Social Work intern with NAPO for 4 months in 2005.

Did You Know...

- Over the last ten years the payment of EI/UI benefits has shifted from poorer to more middle and upper income families. In 1991, the family group with the highest average benefits was in the \$30,000 to \$40,000 income range. By 2002 the highest benefits were paid to families in the

\$60,000-\$70,000 income group. ("The Redistributive Impact of Employment Insurance" by Richard Shillington in *Go Figure Number 1*, Nov. 2005.)

- More than 36% of Aboriginal women (compared with 17% of non-Aboriginal women) were living in poverty in 2003. (Statistics Canada)

Actions and Updates

Election Action – NAPO produced an election issue sheet on poverty in Canada and also questions for candidates to assist in making poverty an issue during the Federal election. NAPO also contributed to the election resources and campaigns of a number of partner groups including: Vote to Make Poverty History, Vote for a change.ca, National Coalition on Housing and Homelessness "Housing Elects" campaign. NAPO worked with the Make Poverty History group to organize a series of local events on January 12.

The HandsOff! Campaign – NAPO created questions on the clawback of the National Child Benefit Supplement from families on social assistance for the federal HandsOff! Campaign. The questions were posted on the campaign website so people could use them at all candidates meetings.

Alternative Federal Budget – The Canadian Centre for Policy Alternatives developed a report card on the minority government's action/inaction on issues such as housing, income support, childcare etc. NAPO wrote the section assessing the minority government's performance on poverty reduction. The report card is a summary of what was done over the past Parliament and what areas still need action. The report card is available at www.policyalternatives.ca.

Make the Minimum Wage a Living Wage – NAPO has produced and widely distributed thousands of living wage pay cheques addressed to provincial and territorial Premiers, calling on them to pay workers a living wage. This means raising the minimum wage to a level so that someone working fulltime can escape poverty. In most provinces \$10 an hour is the living wage rate required. In provinces with smaller cities the amount needed is \$9.40 or \$9.45 an hour. Use the order form in this newsletter to order pay cheques and help us make the minimum wage a living wage in your province or territory. The NAPO web site at www.napo.ca/livingwage has more information and fact sheets on the minimum wage. There is also a workshop you can use to help educate and mobilize people in support of this campaign.

Fighting Poverty, Fighting Racism – NAPO Executive Director Dennis Howlett was asked to speak at a conference organized by the National Anti-Racism Council of Canada in Ottawa in November 2005. He spoke about how the fight against poverty and the fight against racism are linked. His speaking notes are available on the NAPO web site at: <http://www.napo.ca/en/issues.html#race>

Canada needs a Poverty Eradication Strategy – NAPO is calling for the development of a poverty eradication strategy for Canada that would seek to reduce and eventually eradicate poverty in Canada. A strategy

would require clearly defined goals, target dates and indicators for measuring progress and coordinated federal, provincial and territorial policy initiatives.

For more details on NAPO's call for a Poverty Elimination Strategy see [NAPO's Submission to the Standing Committee on Finance, Pre-Budget Hearings 2005](#).

The government of Newfoundland in its throne speech committed to developing and implementing a comprehensive poverty reduction strategy in collaboration with stakeholders both inside and outside government. They have produced a workbook titled [Reducing Poverty in Newfoundland and Labrador, Working Towards a Solution](#), which was used as a tool for extensive public consultations throughout the province. The workbook cited NAPO's proposals for reducing poverty. A report on these consultations is expected shortly and will be posted to the Ministry of Human Resources, Labour and Employment web site under the heading Special Initiatives (www.hrle.gov.nl.ca/hrle).

Other countries have had success in reducing poverty through implementing similar strategies. For an excellent overview of the poverty reduction strategy implemented by the British government see notes from presentation on [UK Social Policy Since 1997](#) by Gavin Kelly, Senior Policy Advisor to the UK Prime Minister.

Information on Ireland's [Strategic Plan 2005-2007: Working for a Poverty-free Ireland](#) is available from the Combat Poverty agency web site at www.cpa.ie.

President Paulette Halupa and board member Debbie Frost attended the United Nations Regional Consultation on Women and the Right to Housing in North America. Held in Washington D.C from October 15-17, 2005, the consultation sought to promote the right of women and their families to adequate and equal housing, both nationally and internationally.



Paulette Halupa second from right, Debbie Frost third from right

Women and Poverty

In early November 2005 NAPO was invited by the Feminist Alliance for International Action to join a roundtable discussion on women and the Canada Social Transfer (the funding mechanism used to transfer money for social programs from the Federal government to the provinces). The CST provides money for social assistance, social services, childcare, post secondary education and many other much-needed supports that help women avoid or escape poverty. Several women's equality seeking groups contributed to the 2-day conversation, which focused on both the impact of CST funding on women's lives as well as how best to structure the Transfer so it responds to women's needs more adequately. A paper consolidating the many feminist perspectives of the groups will be submitted to the House of Commons Committee on Human Resources, Skill Development, Social Development and Persons with Disabilities and other civil society actors. NAPO provided comments from a poverty perspective (as did others). Given that 54% of people who are poor in Canada are women, a feminist debate around CST funding is crucial if it is to be an effective social policy tool.

New Resource

Hungercount 2005

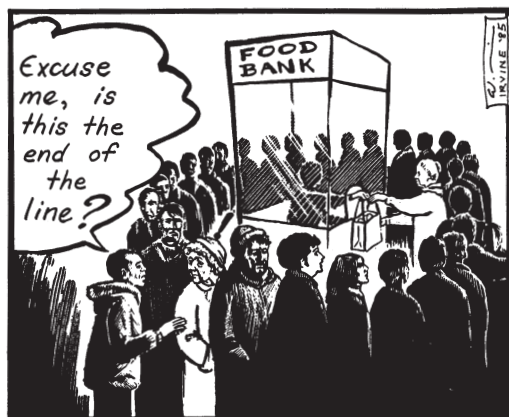
Canada's only annual survey of food banks and emergency food programs was released by the Canadian Association of Food Banks in November.

It is available on line at www.cafb-acba.ca.

See sections on (1) food bank use by province or territory and (2) policy priorities needed to reduce hunger and poverty.

A summary page of Hunger Facts includes the following :

- food bank use since 1989 : + **118%**
- change in the number of hungry children since 1989 : + **184,309**



This cartoon first appeared in the winter 1985 NAPO News. Use of food banks has been increasing ever since.

NAPO Board of Directors CALL FOR NOMINATIONS 2006

The National Anti-Poverty Organization is governed by and is accountable to its members. NAPO's mandate is to represent the voices of poor people at the national level and to support local and regional anti-poverty groups throughout the country.

There are 22 seats on NAPO's Board representing the 10 provinces and 3 territories. This year, there are 13 positions up for election for 2-year terms.

NOMINATION PROCEDURES

NAPO works to have each seat filled by nomination and election. An election takes place if there is more than one nominee for a seat.

Nominees must be regular members who have paid their annual membership fee. A regular member either lives in poverty or has lived in poverty. All nominations must be verified by the Nominating Committee.

To be eligible nominees must regularly reside in the province or territory they wish to represent and be supported by 2 current members (individual, associate or organizational) from the same province or territory. Nominees who would like the names of other NAPO members in their area should contact the NAPO office at 1-800-810-1076 or napo@napo-onap.ca.

HOW TO SUBMIT A NOMINATION

If you wish to submit a nomination for yourself or another member (consent and signature required), complete the attached form. A brief biography and explanation of why you or the person you are nominating wants to be on NAPO's Board of Directors must be included. (Maximum 500 words. Extra text will not be considered.)

DEADLINE

Nominations must be received at the NAPO office by Monday, March 6th, 2006 at 1:00 p.m. (EST)

Please send completed nomination forms to:
NAPO Nominating Committee,
2212 Gladwin Cres., Unit C7, Ottawa ON K1B 5N1.
Fax (613) 789-0141.
Email: napo@napo-onap.ca

If you have any questions please call our toll free number at 1-800-810-1076