

Make the Minimum Wage a Living Wage

Having a job is no longer a way out of poverty. The minimum wage was introduced to ensure that anyone working would not be poor. In most provinces the minimum wage is so low that even someone working full time for an entire year falls far short of the poverty line. Half of the families in Canada who are living below the poverty line have someone working 35 or more hours a week. For example, a family of four living in Calgary with one adult working fulltime on a minimum wage falls short of the poverty line by \$27,000. A single adult working fulltime at the minimum wage in Quebec falls \$6269 short of the poverty line.

Won't raising the minimum wage mainly benefit teenagers living at home? Aren't they the ones who are working at minimum wage?

The majority of people who will benefit are adults and primary breadwinners, and more specifically, women, immigrants and visible minority workers. A living wage will help approximately 1.7 million individuals work their way out of the poverty trap. Raising the minimum wage will also help people who aren't poor, such as young adults working their way through college.

Won't there be job losses from raising the minimum wage because employers cannot afford to pay?

Raising the minimum wage has a minimal impact on employment.

While some jobs might be lost, it would also create jobs. Other trends and movements in the economy influence employment levels to a much greater extent than do minimum wages. Business locate in particular locations not simply because of the minimum wage they are required to pay; more important considerations are the proximity of suppliers and markets, the quality of the local infrastructure, the quality of the labour force and the education system, and most broadly, the quality of life, including crime rate and public amenities. A comparison of provinces with significant minimum wage increases between the 70s and 80s revealed no direct impact on employment trends for various age and gender groups.

The recent experience in the United Kingdom, where the government has raised the minimum wage quite rapidly to over £5/hour (over \$11) showed no negative effect on jobs but also demonstrated that it can have a positive impact on productivity.

Raising the minimum wage will result in immediate spending by persons living with low incomes thus produce a direct contribution to the local economy – retail, hospitality, food, appliances etc. even a house. Compare this to the economic impact of tax cuts to the rich that would more likely be used for investing, or travel to other countries.

Nationally, a coalition of labour, women, immigrant and visible minority, student, church, and anti-poverty groups has been pulled together by the National Anti-Poverty Organization to develop a campaign to “Make the Minimum Wage a Living Wage” with the following objectives:

1. Get the Federal government to reinstate a federal minimum wage and set it at \$10 an hour and adjust it annually for inflation.
2. Get provincial and territorial governments to raise their minimum wages to an hourly wage that enables someone working fulltime to escape poverty.
3. Pressure employers to pay at least \$10 an hour and support call for raising the minimum wage.
4. Call on municipal governments and universities to adopt living wage policies that would require procurement and service contractors to pay their employees at least \$10 an hour.

Plans call for getting endorsements from organizations and individuals of a Call for Making the Minimum Wage a Living Wage, launching a media campaign, organizing for public input to the Federal review of labour standards legislation, organizing a series of education and organizing workshops and a series of media actions. Living Wage Pay Cheques are also available as an action tool that people can sign and send to their provincial Premier and give to local businesses who pay their workers low wages.

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