



Understanding Living Wage

Research Report

December 16, 2003



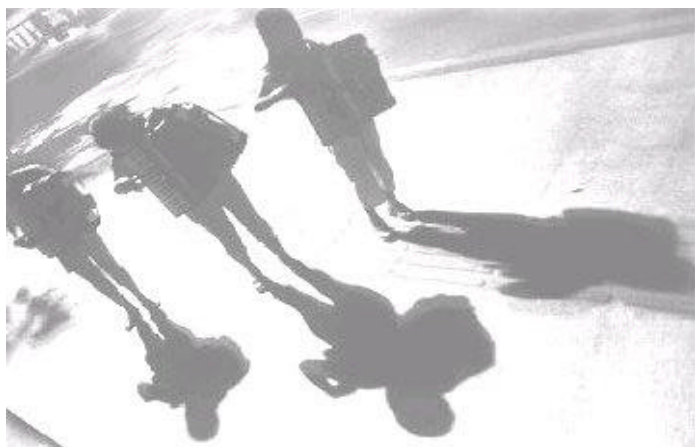
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Calgary Living Wage Action Group

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EXECUTIVE SUMMARY

Introduction

The Calgary Living Wage Action Group commissioned this Report. The purpose of this research project was to develop a document that would help local groups better understand how a Living Wage campaign might be part of a broad based sustained poverty reduction initiative. To this end, this Report includes detailed information about ten Living Wage campaigns across the United States as well as preliminary information about the initiative in Waterloo, Ontario. This information is combined with local economic research and demographic information on the working poor in Calgary.

Background

MCC Employment Development, a community economic development organisation, and United Way of Calgary and Area are convening partners for the Vibrant Communities Learning Project in Calgary, which involves participants and projects from 15 cities across Canada. The project goal is to develop a framework and ongoing support to further the sustained poverty reduction work already happening in Calgary. Leading this work is the Sustained Poverty Reduction Working Group, which is embarking on a number of poverty reduction initiatives aimed at addressing the root causes of poverty.

As part of the strategy to encourage progressive workplace practices, one of the practical initiatives believed worthy of exploration is Living Wage. In the spring of 2003 a Living Wage Action Group was formed under the umbrella of the Sustained Poverty Reduction Working Group. Two community consultations were held with representatives from the health region, business, municipal government, faith communities, labour, service agencies, advocacy groups and community members. The participants began exploring the concept of Living Wage as a sustained poverty reduction initiative. Concerns were voiced over the lack of information about Living Wage, and the participants asked whether the Living Wage Action Group could assist in clarifying the issues by conducting research into low wages in Calgary and Living Wage initiatives in other jurisdictions. This Report is the result of this research.

Disclaimer

The contents of this Report do not necessarily reflect the opinions of the Living Wage Action Group, nor of United Way of Calgary and Area and MCC Employment Development.

What is a Living Wage?

A Living Wage is the amount of income a family needs to meet their basic needs, to maintain a safe, decent standard of living in their community, and to save for future needs and goals. Individuals benefiting from earning a Living Wage potentially move into a higher standard of living for themselves and their families, enjoy the opportunity for increased community participation, experience a decrease in social isolation and have more disposable income to invest in the local economy. The amount of a Living Wage varies depending on the method used to measure the local cost of living in a particular community. No Living Wage figure has been articulated for Calgary.

Living Wage is *not* minimum wage. Living Wage campaigns in the United States began on the premise that people who work for a living should not have to live in poverty nor should they have to raise a family in

poverty. Living Wages are intended to be higher than the provincial (or state) minimum wages, which do not enable full-time workers to earn enough to lift themselves above the commonly used poverty measures (such as the Low Income Cut-off line and the Federal Market Basket Measure).

In addition, the scope of Living Wage initiatives is generally much narrower than minimum wage. Living Wage initiatives in the United States cover businesses that receive municipal contracts. Canadian initiatives such as the one presently underway in Waterloo, Ontario, seek to engage small business owners to voluntarily increase low wages, with the understanding that this is one way to improve the lives of employees and their families, as well as the community. Therefore, in both Canada and the United States, the proportion of people affected by a Living Wage is much narrower than that affected by the provincial or state minimum wages.

Living Wage Initiatives

The following is a summary of a few of the lessons learned from Living Wage initiatives in other jurisdictions.

- Understanding and addressing local business concerns is crucial to the success of Living Wage initiatives. This entails building a broad-based coalition and engaging businesses in long-term strategic planning, with Living Wage as one issue in an initiative to promote progressive workplace contributions to poverty reduction.
- In the United States, Living Wage campaigns have sought a legislated municipal ordinance. The scope and amount of the Living Wage varies from campaign to campaign. Lessons learned from these campaigns show that early campaign efforts should be directed toward building support for the concept of Living Wage rather than trying to set the amount and scope of the wage.
- Opposition to Living Wage campaigns in the United States has come from private businesses. In some cities, businesses that support Living Wage have served as strong advocates among the business community during Living Wage campaigns. Finding supportive business leaders is one part of developing a proactive communications strategy. The arguments for and against Living Wage have been well developed through previous campaigns. This information is summarized in this Report and can be used as the basis for developing responses to opposition arguments.
- Extensive economic and policy analyses have been conducted of Living Wage campaigns in the United States. Researchers comparing the costs to businesses with the benefits of Living Wage on people who live on low incomes, the businesses involved and their communities, conclude that:
 - for most businesses, wage and benefit increases due to Living Wage will be less than one percent of the business's total spending to produce goods and services;
 - businesses experience less labour turnover, better quality of work, better co-operation with management, more flexibility in the operation of the business, and higher overall morale;
 - low income families benefit in many ways – their incomes increase, their spending power increases, they have access to better health care, they enjoy the paid days off of the family's working member, they are able to build their credit rating, and they rely less on government subsidies; and,
 - increasing incomes for families of low-wage workers generates community spillover effects – increased spending at local businesses, higher rates of home ownership, greater investment in education and small business leading to more robust housing and small-business markets in low

income neighbourhoods.

Poverty and its Measurement

There is no official poverty line in Canada, but there are a number of different low-income measures, including the Low Income Cut-off (LICO) and the recently released Federal Market Basket Measure (Federal MBM). According to the 2003 Federal MBM, a family of four (one male adult and one female adult aged 25-49 with two children, a girl aged 9 and a boy aged 13) in Calgary is living in poverty if they have an annual income of less than \$24,180. The current LICO lines based on the size of family unit for large cities such as Calgary are listed in the following table.

2002 Low Income Cut-off (LICO) Measures for a community of Residence of 500,000+							
Family Size	1	2	3	4	5	6	7
LICO	\$ 19,261	\$ 24,077	\$ 29,944	\$ 36,247	\$ 40,518	\$ 44,789	\$ 49,060

An individual living in Calgary and working full-time with no dependants would need to earn \$9.26 per hour in order to meet the LICO line of \$19,261.

Poverty and Minimum Wage

While it is important not to confuse a Living Wage initiative with a campaign to increase minimum wage, information about Alberta’s minimum wage is included in this Report for comparative purposes, and because increases to the minimum wage tend to “trickle up” and result in increases to low wages immediately above the minimum wage.

Alberta’s minimum wage last increased from \$5.65 to \$5.90 on October 1, 1999. At \$5.90 an hour, Alberta’s minimum wage is the lowest in Canada, 90 cents per hour less than the national average. Saskatchewan’s is \$6.65 per hour, Manitoba’s is \$6.75 per hour and British Columbia’s is \$8.00. In 2002, the minimum wage in Alberta was 32% lower than it was in 1977 real dollars, due to inflation.

A person in Calgary earning minimum wage and working 40 hours a week earns \$1,022.67 per month, or \$12,272 per year. A person earning minimum wage would need to work over 60 hours a week to earn \$19,261 – the Low Income Cut-off for a single person in Calgary. A single parent with one child would need to work close to 80 hours a week in order to earn \$24,077 – the Low Income Cut-off for a two-person family in Calgary. This increases to almost 100 hours per week (\$29,944 per year) if the worker has two dependants.

Overview of poverty in Calgary

Over 12% of all individuals in Calgary lived below the LICO lines in 2000; 11.7% of children and 16.4% of seniors over age 65 lived below the LICO. Over 22,000 Calgarians relied on social assistance (Supports for Independence and Assured Income for the Severely Handicapped) in December 2002.

In Calgary, as many as 50% of the people living in homeless shelters are employed. A person earning minimum wage would have to spend 70% of his or her gross income to afford the average rent of \$716 a month for a one-bedroom apartment. The average rent for a two-bedroom apartment in Calgary was \$804

in 2002, up 2.7% from 2001. In 2002, 1,737 Calgarians were homeless – an increase of 34% from 2000.

48,311 individuals received food hampers in 2002, up 11% from 2001. In Calgary, 31.8% of the visible minority population and 50.6% of people of Aboriginal identity live in poverty. The poverty rate among immigrants in Calgary is 27% compared to 19% among Canadian born residents.

Growing Income Inequality

Income inequality is a measure of relative difference in income between the rich and the poor. Recent research indicates increasing economic and social polarization across Canada, especially in larger metropolitan areas. The wealth-poverty ratio in Calgary is significantly higher than it is for Alberta and Canada. 2001 Census figures show that the poorest 10% of the Calgary population had an average annual income of \$13,000 while those in the top 10% averaged annual incomes of \$248,600 or one dollar for every \$19.10. The table below contrasts the wealth gap information for Calgary with figures for Alberta and Canada.

Income Inequality in Calgary, 2001				
Region	Median Income	Wealthiest 10%	Poorest 10%	Wealth-Poverty Ratio
Canada	\$ 55,016	\$ 185,070	\$ 10,341	\$ 17.90 per \$ 1
Alberta	\$ 60,142	\$ 198,000	\$ 11,845	\$ 16.70 per \$ 1
Calgary	\$ 65,488	\$ 248,600	\$ 13,000	\$ 19.10 per \$ 1

Low Wage Workers in Calgary

In 2000, more than 47,800 Calgarians worked full-time, all year and still did not earn enough to raise themselves and their families above the poverty line. Close to 17% of employed Calgarians over the age of 15 earn less than \$9 an hour. Over half (41,800) of these 82,800 low-wage workers are age 25 or older. The result is that one in ten men and women workers age 25 and over in Calgary earn less than \$9 an hour.

There continues to be a persistent gender gap with regards to low wages and overall poverty rates. The percentage of women in Calgary who earn less than \$9 per hour exceeds the percentage of men earning low wages in every age demographic except age 65 and over.

Economic Climate

Most of the new jobs created in Alberta since 1975 have been in the low-waged services sectors. A review of the various occupation groups in Calgary shows that, in general, workers in sales and service occupations earn the lowest average annual incomes, at only \$20,004. This is significant because one-quarter of Calgary’s work force is employed in sales and service occupations, more than any other occupation group.

Unemployment rates in Alberta continue to fall and of the 25 largest cities in Canada, in August 2003 Calgary had the lowest unemployment at a rate of 4.7%. In the same month, the national average was significantly higher at 8.0%. This indicates that the local labour market is “tight” enough to support increases to low wages, as employers search for ways to attract and retain skilled workers.

Summary

As poverty increases in Calgary, greater numbers of people are facing economic, health and social barriers to their active participation in society. Growing rates of poverty are cause for concern not only for the health and social consequences for those who are living in poverty but also because of the broader economic implications for Calgary and Alberta. Calgary's appeal as a sound place for businesses to invest is directly related to its ability to attract and retain skilled workers, reduce social service and health expenditures, increase the educational attainment of our youth, reduce crime, and improve the health and well being of all Calgarians. Each of these factors is closely linked with financial security, a key component of which is wages that are high enough to keep workers and their families out of poverty.

INTRODUCTION

I have the audacity to believe that people everywhere can have three meals a day for their bodies, education and culture for their minds, and dignity, equality and justice for their spirits.
- Martin Luther King Jr.

The Calgary Living Wage Action Group commissioned this report. The purpose of this project was to develop a document that would help local groups better understand how a Living Wage campaign might be part of a broad based sustained poverty reduction initiative. To this end, this report includes detailed information about ten Living Wage campaigns across the United States as well as preliminary information about the campaign in Waterloo, Ontario. This information is combined with local economic research and demographic information on the working poor in Calgary.

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As part of the strategy to encourage progressive workplace practices, one of the practical initiatives believed worthy of exploration is Living Wage. In the spring of 2003 a Living Wage Action Group was formed under the umbrella of the Sustained Poverty Reduction Working Group. Two community consultations were held with representatives from the health region, business, municipal government, faith communities, labour, service agencies, advocacy groups and community members. The participants explored the concept of Living Wage as a sustained poverty reduction initiative. As a result of the consultations, individuals concerned about issues affecting the working poor in Calgary formed the following four Living Wage subcommittees: Research, Public Awareness, Engaging Government and Non-profit Employers, and Involving the Business Community. Their goal is to take further action towards a Living Wage initiative. Local economic data and information about previous Living Wage campaigns summarized in this report provide a foundation for moving this exciting initiative forward.

Overview

In the first section we describe Living Wage campaigns, synthesizing data gathered from documents and discussions with Living Wage campaign staff. Detailed campaign information is followed by a synthesis of the lessons learned across Living Wage campaigns. While the social and economic context in which campaigns are situated influences what is legislatively and politically possible, the nuts and bolts of Living Wage campaigns are remarkably consistent across contexts. Successful Living Wage campaigns are usually nested within broad progressive workplace practices initiatives, which focus on Living Wage as one part of their agenda. The emphasis across campaigns is on the need for long term commitment to community development through broad-based coalitions.

In the second section we discuss some of the issues necessary to inform, support and guide a sustained poverty reduction strategy generally and a Living Wage initiative specifically. We begin with an overview of some of the poverty measures currently used, outlining their strengths and weaknesses. This is followed by a look at the economic climate in Canada and in Alberta, and touch on the depth, breadth and impact of poverty in Calgary. We examine the private, public and non-profit work sectors in the context of that climate. Moving beyond a broader view of the economic state of working Albertans, this segment focuses on Calgary and specific population groups, including Aboriginal persons, immigrant persons, persons who have disabilities, seniors, youth and women.

Understanding Living Wage is a collection and synthesis of information, in other words a summary. Our tasks for the Working Group did not include providing recommendations and conclusions. Consequently, the section summaries and the final summary are quite brief. However, the information in this report will help to support and guide the worthy and important work of the Calgary Sustained Poverty Reduction Working Group.

LIVING WAGE CAMPAIGNS: ONE STRATEGY FOR POVERTY REDUCTION

What is a Living Wage?

A Living Wage is the amount of income a family needs to meet their basic needs, to maintain a safe, decent standard of living in their community, and to save for future needs and goals [Waterloo, undated draft]. Individuals benefiting from earning Living Wage potentially move into a higher standard of living for themselves and their families, enjoy the opportunity for increased community participation, experience a decrease in social isolation and have more disposable income to invest in the local economy.

Living Wage is *not* minimum wage. Living wages are generally higher than the provincial or state minimum wages and the scope of Living Wage campaigns in the United States have generally been much narrower than minimum wage (i.e., covering businesses that receive municipal contracts). The proportion of people affected by Living Wage is therefore much narrower than that affected by the provincial minimum wage.¹ Living wage campaigns are therefore described as one part of broad poverty reduction initiatives. When launching a Living Wage campaign it is important to make these distinctions clear.

The Living Wage amount varies from campaign to campaign across the United States and Canada (Table 1). Not only does the amount vary but the scope of the Living Wage (i.e., jobs that are covered) and the manner of arriving at the amount are also quite variable. Some US ordinances cover only companies that contract with the municipal government, others cover recipients of economic development subsidies and still others cover employees of the municipal government [Reynolds, Pearson and Vortkamp, 1999]. Living wage campaigns began on the premise that people who work for a living should not have to live in poverty nor should they have to raise a family in poverty [Pollin and Luce, 2000]. Some campaigns have therefore set the Living Wage as an amount that would raise a family of three or four above the federal poverty line [Pollin and Luce, 2003]. Other campaigns have set the amount as a percentage of the existing federal minimum wage (e.g., 100-125% higher than \$5.15 US). Jen Kern [2003] of the ACORN Living Wage Resource Centre indicated that a common misstep made in Living Wage campaigns is spending too much time and too many resources debating strategies for arriving at the Living Wage amount. Her advice was to choose an amount that is reasonable and politically attainable (e.g., setting the Living Wage as the highest minimum wage in the country - \$8.50 in Nunavut).

In Canada, the city of Waterloo has embarked on a Living Wage initiative. Two possible approaches to calculating the Living Wage have been proposed for Waterloo. The first uses a market basket approach to calculate the cost of living (see Poverty and its Measurement, p. 39, this report). The second approach is based on the method used by the Austin Living Wage Coalition and is premised on the assumption that no more than 30% of a person's gross income should be spent on housing² [ALWC, 2003; Skillen, 2003]. Both calculations result in amounts that are considerably higher than the highest provincial minimum wage in

¹ Minimum wage laws in Canada come under federal and provincial employment standards legislation. Minimum wage rates vary across the country from a low of \$5.90/hour in Alberta to a high of \$8.00 in British Columbia and \$8.50 in Nunavut.

² For example, to calculate a Living Wage for an individual in a community with an average single-dwelling rental rate of \$600 per month, the worker would need to earn at least \$2,000 per month (\$600 is 30% of \$2,000). \$2,000 per month is \$24,000 per year. A Living Wage in this community would be \$11.54 per hour, for an individual working 40 hours per week, 52 weeks a year.

Canada (i.e., the market basket measure = \$17.88/hour, the housing calculation = \$16.86/hour, both without benefits).

At the federal level, the Government of Canada has established Fair Wages and Hours of Labour Regulations that apply to government contracts for construction related work [Government of Canada, 2002]. Under these regulations, fair wage rates have been established for government contracted construction in each of the provinces. Section 4 of the regulations stipulates that fair wage rates may be set at the provincial rate for a class of work if that rate is generally accepted as current. If the rate is not considered to be current, the rate will be calculated based on statistical estimates produced by Statistics Canada from occupational surveys. The fair wage rate may not be less than the minimum wage set in each province. The average fair wage rate set for construction work in Calgary (\$19.53) is significantly higher than the provincial minimum wage (\$5.90).

Why a Living Wage?

Income inequality is a measure of relative difference in income between the rich and the poor. During the late 20th century, the rich have been getting richer and the poor poorer in both Canada and the United States [Ross et al., 2000]. As poverty is increasing in Canada greater numbers of people are facing economic, health and social barriers to their active participation in society [CCSD, 2003; Lee, 2000]. While social support and health services may buffer the effects of poverty in Canada, poverty is clearly associated with higher rates of death and ill health [Cohen, Farley and Mason, 2003; Ross et al., 2000]. Feelings of helplessness, uncertainty and lack of control are also associated with living on low incomes and contributors to poor health [Wallerstein, 1992]. Growing rates of poverty across Canada are cause for concern not only for the health and social consequences for those who are living in poverty but also because of the economic implications for the country as a whole. Future social and economic well being depends on investing in all citizens “to the point where they can be effective in their work, family, and civil society roles. It also requires a pay structure which offers a Living Wage” for all people [Maxwell, 2003, p. x].

There is some suggestion that increasing differences between the rich and the poor result, in part, from the use of economic development policies that focus on tax incentives for businesses and policies that support contracting out municipal work to private firms [Pollin and Luce, 2000]. The first of these strategies is based on the assumption that creating a favourable business climate through tax incentives and other economic policies will result in positive spin-off effects for all people residing in a community with active and prosperous businesses. Tax incentives and economic development subsidies have also been advocated as a means of supporting domestic business in an increasingly competitive global economy. While these economic development strategies continue to be used, their effects have rarely been monitored and there is little research demonstrating positive “trickle down” effects to the majority of citizens. On the contrary, there is some research that suggests that the costs (i.e., lost taxes resulting from concessions to businesses) outweigh the benefits to local economies [Pollin and Luce, 2000].

The strategy to contract out services is based on the assumption that private firms conduct work more efficiently than public organizations, thus saving municipal governments money that may be spent elsewhere. There is little research to support the commonly held notion that private businesses are

inherently more efficient than public institutions. There is also little evidence that the types of jobs created through the provision of tax incentives, economic development subsidies or contracting out have any lasting positive impact on the majority of the population or on the economic well being of municipalities. Living wage campaigns have been proposed to ensure that economic development policies are guided by principles of social and economic justice. This is accomplished by creating jobs that support employees to a level at which they have the financial means to reinvest in their communities, thus creating increased demand for goods and services.³

Living Wage Campaigns: A Brief Overview

Baltimore is cited as the first city in the United States in which a Living Wage ordinance was passed [Reynolds with ACORN, 2003; Bartik, 2002]. In December 1994, a year long campaign led by an alliance between labour and religious leaders culminated in the civic government of Baltimore passing a bill that required all city contractors to pay service workers at least \$6.10 US per hour [ACORN(a), 2003; Reynolds with ACORN, 2003]. Since that time, similar campaigns have resulted in the introduction of 104 Living Wage bylaws across the United States with 74 Living Wage campaigns underway in the US and one in Canada [ACORN(a), 2003; Skillen, 2000].

Although details of the campaigns vary slightly depending on the context in which they develop, motivations for the campaigns in the United States are generally similar. As stated earlier, the premise of the majority of Living Wage campaigns in the United States is that **people who work for a living should not have to live in poverty**. Living Wage campaigns in the United States that have begun by targeting municipal contract workers are founded on “the belief that public money should not be used to subsidise or create working poverty or to subsidise employers who pay wages that can not sustain a family” [Reynolds, Pearson and Vortkamp, 1999, p. 4]. Pollin and Luce [2000] indicate that even though municipal contracts are usually the first target for Living Wage campaigns, the goals extend beyond improving wages for people who work for municipal contractors. The campaign goals of the Los Angeles Living Wage coalition were, “...to directly affect the lives of low-wage workers...and to raise the public issue of the need for a Living Wage, the problem of wage inequity, and a certain level of dignified treatment for workers” [Pollin and Luce, 2000, p. 8].

Leadership for Living Wage campaigns (LWCs) has come from many sources. The Association for Community Organization for Reform Now (ACORN) has been very active in promoting Living Wage campaigns [Pollin and Luce, 2000]. ACORN has taken on a co-ordination role working with unions, labour councils, faith-based organizations, and citizen groups as they engage in LWCs. For some of the earlier campaigns (e.g., Boston, Chicago) there have been extensive reports written on justification for and implementation of Living Wage campaigns as well as on enforcement of bylaws. More recently there have been comprehensive economic evaluations of the impact of Living Wage ordinances.

Presented below is an overview of ten Living Wage campaigns in the United States, preliminary information about the campaign in Waterloo, lessons learned, a discussion of various Living Wage rationales and

³ For a detailed discussion of these issues see Pollin and Luce, 2000 and Reynolds, 2003.

calculations, arguments for and against Living Wage bylaws and finally, an impact analysis of research findings.

Living Wage Campaign Profiles

In Table 1, basic information about ten Living Wage campaigns across the United States is presented. Criteria used to select these cities were: population size over 500,000; similar levels of income inequality; availability and comprehensiveness of documentation;⁴ and, the desire to highlight the range of issues raised during Living Wage campaigns. In some instances, the city may not appear to be contextually relevant to Calgary, however, unique issues raised during the campaign could be instructive for local decision-making processes. For example, Santa Monica has a small population but provides an example of a city in which the campaign experienced setbacks. Social, demographic and economic information along with campaign information is compiled immediately following Table 1.

⁴ Initially the researchers attempted to gather this information directly from people who work on Living Wage campaigns. Contact was made by email with a number of the individual Living Wage campaign contacts across the United States as well as the ACORN head office. The majority of these contacts forwarded the questions directly to the national Living Wage Resource Centre office for response. As a result, some information was collected during a telephone conversation with Ms. Jen Kern who directs the ACORN Living Wage Resource Centre office.

City	Current Population ⁵	Type	Outcomes	Scope	Wage Rates	Other Provisions
Baltimore	651,154	Contracts	Passed 1994	City contracts	1996 - \$6.10 US 1997 - \$6.60 US 1998 - \$7.70 US 1999 onward – to rise at a rate that “exceeds the poverty level” ⁶	
Boston	574,241	Contracts and Economic Development	Passed 1997 Amended 1998	\$25,000 US contracts, leases on city property, \$1 million US subsidy or \$100,000 US if on a continuing annual basis	Poverty level for a family of four	Must use community based hiring halls and/or job centres; as part of contract signing, contractor must report hiring, wage levels and training plans; quarterly report required; Living Wage advisory committee with labour and community representatives

⁵ U.S. Census Data 2000. Ethnic distribution for each city is reported in the next section. These statistics are calculated based on census data for the city rather than the metropolitan area therefore, for consistency, current population statistics reported here are for the population of the city not the metropolitan area. The population for the metropolitan areas for each of these cities is over 500,000.

⁶ United States poverty lines or thresholds are determined by the US Census Bureau and are the standard used in measuring poverty. There is only one set of poverty thresholds for the entire US (i.e., there are no adjustments made for regional differences in the cost of living). The measure is based on the assumption that a family spends approximately one third of their income on food. The measure is calculated by multiplying the costs of a food plan for different family sizes by three. In 1995, the federal poverty line in the US equated to \$6.05 US per hour. The threshold for a family of four (2 adults, 2 children) in 2002 is \$18, 244 US [U.S. Census Bureau]; one income earner working 40 hours a week, 52 weeks a year would need to earn \$8.77 US per hour to reach this level. There have been few changes in the way the thresholds are calculated since the measure was developed in the early 1960s. Pollin [2002] considers the poverty threshold to be an indicator of severe poverty. For a discussion of the limitations of this measure go to: http://www.epinet.org/content.cfm/issueguides_poverty_povertyfaq. Also see the Reynolds [with ACORN, 2003, p. 38]. Note: The US Federal minimum wage has been \$5.15 US since 1997 but has been set as high as \$6.75 US at the State level (e.g., Washington).

City	Current Population⁵	Type	Outcomes	Scope	Wage Rates	Other Provisions
Chicago	2,896,016	Contracts	Failed 1997 Passed 1998 Amended 2002	Security, parking day labourers, home and health care, cashiers, elevator operators, custodial, clerical	1998 - \$7.60 US 2002 - \$9.05 US	
Los Angeles	3,694,820	Contract and Economic Development	Passed 1997	\$25,000 US contracts, leases on city property, \$1 million US subsidy, or \$1,000 US if continuing annual basis	\$7.39 US with health care or \$8.64 US without health care	Require 12 paid vacation days and 10 unpaid sick days, collective bargaining agreement may supersede, anti-retaliation and worker protections
Milwaukee	596,974	Contracts	Passed 1995 School Board Passed 1996	Contractors at \$5,000 US or more	\$6.05 US adjusted annually to poverty line for a family of three	
Pittsburgh	334,563	Contracts and Economic Development	Passed 2001	City and certain contracts, subsidy recipients, and leases	\$9.12 US with health care or \$10.62 US without health care	Covers for profit 10+ employees, non-profits with 25+ employees (3 year phase-in period for non-profits)
Sacramento	407,018	Contracts and Economic Development	Passed 2003	Businesses with at least 15 employees and receiving \$25,000 US contracts, or \$100,000 US in economic development subsidies form the city	\$10.00 US with benefits or \$12.84 US without benefits	

City	Current Population⁵	Type	Outcomes	Scope	Wage Rates	Other Provisions
Santa Monica	84,084	Contracts and Economic Development	Passed 2001 Repealed 2002	City employees in the city's coastal zone, including employees in tourism industry	\$10.50 US with health care or \$13.00 US without health care	Includes health benefits Law repealed before it went into effect
St. Louis	348,672	Contracts and Economic Development	Passed 2000	Contracts over \$50,000 US or subsidies over \$100,000 US	Lift family of three above eligibility for food stamps (In 2000, \$8.84 US with benefits or \$10.23 US without benefits)	
St. Paul	287,151	Economic Development	Failed 1995 Passed 1997	Contracts over \$100,000 US	110% of poverty line for a family of four without health care, 100% of poverty line with health care	Requires 60% new hiring from city residents Phase-in period
Waterloo	102,300	Ongoing development – see pages 30-31, this report, for current information				

Detailed Information on North American Living Wage Campaigns

In this section, detailed information on ten US Living Wage campaigns along with preliminary information from the Waterloo, Ontario campaign is presented. The sources of social, political, economic and campaign information vary from city to city. While every attempt was made to report information consistently across the cities, variation in detail is attributed to the limitations of the sources. The US cities included are Baltimore, Boston, Chicago, Los Angeles, Milwaukee, Pittsburgh, Sacramento, Santa Monica, St. Louis, and St. Paul.

For each city a brief social and economic profile was compiled including a description of the ethnic⁷ distribution within each city, local and state politics, an economic profile and statistics relating to poverty. US Living Wage campaigns are consistent in their broad goals. As stated earlier, campaigns are usually nested within comprehensive poverty reduction initiatives with the goals of the Living Wage campaign being to ensure that public money is not used to subsidise or create working poverty. The initial campaign focus has therefore often been on businesses that receive municipal contracts or economic development subsidies. In some instances, the goals have extended to include other sectors (e.g., tourism workers in Santa Monica); however, such campaigns have been less successful. While lists of organizations involved in each campaign were not available, the groups involved (e.g., religious and community groups, labour) are reported for each city. As evident in Table 1, Living Wage amounts for the US campaigns have frequently been set at varying amounts above the US Census Bureau poverty line or threshold. In many cities the amount of the Living Wage has been set at a percentage above the poverty threshold to reflect the cost of living in that city. For example, Pollin [2002] suggests that in Los Angeles, 185% of the poverty threshold would measure a near poor living standard.

Lessons learned from these campaigns are synthesized at the end of this section and are discussed in more detail in the next section. Evidence of success or impact of campaigns is variable. One level of success includes initial and ongoing implementation of the bylaw and this is easily documented. Other measures of success and impact are less easily documented for they are dependent on resources being made available for monitoring and enforcement (see Baltimore and Los Angeles for brief discussions of this issue). Based on the data available, it is not possible to make causal inferences regarding Living Wage campaigns and economic and social change in the cities in which campaigns have been launched. A synthesis of the results of formal impact analyses is provided in the “Impact Analyses” section.

⁷ Ethnicity is a multi-dimensional concept. Race, place of origin, ethnic identification, and ethnic culture are used as indicators of ethnicity. Lack of uniformity and precision in the measurement of ethnicity make meaningful comparisons difficult. In the 1991 Canadian census, ethnic origin refers to the ethnic or cultural group(s) to which the respondents belong. Statistics for the US cities are limited in that they use terms like White or Asian to classify groups of people that may be quite ethnically diverse. 18

Baltimore

Social Context

- The ethnic distribution within the city of Baltimore is African American (66%), White (32%), and other (2%).⁸

Political Context

- From 1987 to 1999, which included the years of the Living Wage Campaign, the mayor of Baltimore was Kurt L. Schmoke (Democrat). http://www.calvertinstitute.org/news/Vol2-1/cn2_1h.html, <http://www.ci.baltimore.md.us/faq/mayors.html>
- In November 1999, Martin O'Malley succeeded Mr. Schmoke as another Democratic mayor. He was active on the Baltimore City Council from 1991 to 1999, and as an Assistant State's Attorney for the City of Baltimore from 1988 to 1990. <http://www.ci.baltimore.md.us/mayor/biography.htm>
- Both the Maryland Governor and Lieutenant Governor are Republicans. The General Assembly majority in both the State House of Delegates and the State Senate is the Democratic Party. <http://www.politics1.com>

Economic Context

- Baltimore is realizing its economic potential for the very first time in years.
- Currently policy includes adopting an economic development strategy focused on building from the city's strengths, investing in all of Baltimore's people, improving the quality of life for the people who live and work in the city, and a firm belief that economic and community development go hand in hand. Since 2000, city economic development policy has emphasized empowering minority businesses. <http://www.ci.baltimore.md.us/mayor/biography.html>
- Maryland had the lowest average poverty rate for the United States over the three-year period between 1998 and 2000, with only 7.3% of the population below the poverty threshold. <http://www.bizjournals.com/baltimore/stories/2002/07/22/daily25.html> The poverty rate for the city of Baltimore was 23%.⁹

Living Wage Campaign Implementation, Enforcement and Outcomes

- Impetus for the Living Wage campaign in Baltimore came from a multi-denominational church group known as BUILD (Baltimoreans United for Leadership in Development). Members of this organization saw that there were increasing numbers of people who were working and still poor but having to access soup kitchens and other charitable services. BUILD joined with the American Federation of

⁸ In 2000, respondents were allowed to mark more than one race/ethnicity, thus accounting for the discrepancy between the total number of people in the city/county and the total number of people in a category. In addition, the "Native Hawaiian and Other Pacific Islander" category was added. Because of these changes, no comparison can be made between the 2000 data and the 1990 data. The "Other" category refers to any other category not already defined which a person identifies. Hispanic Decent: This number comes from the total population and is not a category of race. It is defined as anyone being of Spanish, Latino, or Hispanic decent. http://www.cityofsacramento.org/planning/longrange/2002%20Housing%20Element/Sec_3-1_2.pdf

⁹ Overall poverty rates are reported here, however, it is important to note that poverty is not equally distributed (e.g., based on sex and ethnicity). Women are more likely than men to live in poverty and people who are visible minorities are more likely live in poverty than people who are white.

State, County, and Municipal Employees (AFSCME) to work toward a bylaw that would ensure companies receiving city contracts pay their employees a Living Wage [Niedt, Ruiters, Wise and Schoenberger, 1999; Reynolds with ACORN, 2003].

- The living-wage law was strongly opposed by the local business community and some segments of the city government. It was perceived that the law would undermine the economic health of Baltimore with negative impacts on tax rates, the provision of city services and the ability to attract new business to the city. The arguments presented by the Living Wage coalition held sway and the ordinance¹⁰ was signed into law in December 1994. It went into effect July 1995. While the law is still in effect, the Living Wage coalition is not currently active in the ACORN Living Wage coalition [Kern, 2003; Niedt, Ruiters, Wise and Schoenberger, 1999; Pollin and Luce, 2000; Reynolds with ACORN, 2003].
- Studies conducted since that time indicate that the bylaw has had positive effects on a small number of workers (approximately 1500 workers) without significant cost to the city. The city does limited monitoring of the bylaw therefore there are no official figures on the numbers of workers affected. In interviews, many contractors emphasized that paying higher wages had reduced turnover. It was also found that due to the prevalence of part-time and seasonal work, Living Wages did not always amount to a living income. Some researchers have recommended incorporating hours of work into revisions to the law. Non-compliance with the Living Wage law is an ongoing problem [Niedt, Ruiters, Wise and Schoenberger, 1999; reported in Pollin and Luce, 2000].

Boston

Social Context

- The ethnic distribution within the city of Boston is White (non-Hispanic)(49.5%), Black/African American (23.8%), Hispanic (14.4%), Asian (7.5%), Native American (0.3%), other (4.5 %) [City of Boston, 2001]. The population of the city doubles during the day due to daily in-migration of workers, shoppers, students, health care patients receiving treatment, tourism, and convention/trade shows [Insight, 1996].

Political Context

- Tom Menino was first elected mayor on November 2, 1993 and is now serving his third term as mayor of Boston. During that time the policy platform in Boston has been socially liberal (i.e., emphasizing social housing programs, public education and decreasing racial segregation within neighbourhoods).
- Democrats have dominated the Senate and House of Representatives in Massachusetts; however, a republican Governor and Lieutenant Governor were recently elected. <http://www.politics1.com>

Economic Context

- By 1997, Fortune Magazine ranked the city in the top ten cities in North America each year since 1991 [Insight, 1997].

¹⁰ In the United States, the word ordinance is used in the way that Canadians use the term bylaw (i.e., to mean a local law or a statute or regulation, especially one enacted by a municipal government) [Merriam Webster Unabridged, 2003]. An ordinance may be enacted through legislative processes where city councillors vote on the law or through a ballot where the public votes. See Appendix A for some of the questions to address when drafting a Living Wage bylaw.

- Boston experienced significant economic growth during the decade prior to 2001; overall employment fell between 2001-2002 [Boston Business Journal, 2003]. Much of this growth was in the hotel, convention and service industries [Insight, 1997].
- Poverty rates have increased in Boston over the decade between 1990 and 2000. Boston's poverty rate grew from 18.75 to 19.5% during the 1990s [Boston Redevelopment Authority, 2000].

Living Wage Campaign Implementation, Enforcement and Outcomes

- 1995-96: In Boston, ACORN worked to link use of public money to requirements for local hiring and decent wages. ACORN representatives met with local unions. They pulled together a diverse group to form a Living Wage Steering Committee which drafted a Living Wage ordinance (rates and provisions listed in Table 1). The campaign kicked off with 150 people attending a rally on September 1, 1996.
- 1997: Committee members made personal visits, called and sent letters to city councillors to garner their endorsement for the general principle of a Living Wage ordinance and to secure a promise to attend the Living Wage rally in February 1997. The mayor expressed concern about the ordinance one week before the rally. Despite initial commitment from many councillors, only one councillor attended the rally. This lack of attendance galvanized support from a broad coalition – unions, religious and community groups. Living wage became a core issue for organized labour. A multi-pronged campaign was launched (e.g., volunteers with placards at transit sites, lawn signs, public rallies, members of the coalition visiting councillors as individuals and in groups). Coalition members developed individualized strategies for each councillor and addressed the councillors' concerns as the campaign developed. When a majority of councillors formally supported the campaign, LWC leadership entered into negotiation with the mayor. The final details of the ordinance were purposefully not released until just before the council vote to limit the time for opposition to be coordinated. Boston Living Wage law passed summer of 1997. One year later the Chamber of Commerce mounted opposition. The Living Wage advisory committee implemented strategies that strengthened the ordinance [Reynolds with ACORN, 2003].

Chicago

Social Context

- The ethnic distribution within the city of Chicago is African American (37%), White (32%), Hispanic (27%), Asian & Pacific Islander (5%), Native American (0.1%), Other Race (0.1%).
- With the 2000 census registering Chicago's first population increase since World War II, the city is experiencing residential growth in many of its 77 community areas.
<http://www.cityofchicago.org/Planning/ChgoFacts/Demo.html>

Political Context

- Chicago Mayor Richard M. Daley has earned a national reputation for his innovative, community-based programs to address education, public safety, neighbourhood development and other challenges. A former state senator and county prosecutor, Daley was elected Mayor on April 4, 1989, and was re-elected in 1991, 1995 and 1999 by overwhelming margins. <http://egov.cityofchicago.org/city> He was elected to his fifth term in February 2003 in a primary non-partisan election; a general election was not held due to winning the majority in the primary election.

<http://www.chipublic.org/004chicago/mayors/daley2.html>

- Illinois' Governor and Lieutenant Governor are Democrats. The Democrats also hold the majority of seats in the General Assembly's State House and State Senate. <http://www.politics1.com>

Economic Context

- Chicago has reversed decades of decline by investing \$11 billion US into infrastructure improvements.
- In the last decade, Chicago has added population, increased its median household income, and decreased poverty. The poverty rate in Chicago is 19.4% [World Business Chicago, 2003; Census 2000, Supplementary Survey Summary Tables, Chicago IL].

Living Wage Campaign Implementation, Enforcement and Outcomes

- Reynolds [with ACORN, 2003] describes the Chicago campaign as one that offers an example of how a broad-based, full-scale community mobilization campaign can change local politics and prevail in the face of powerful opposition.
- In 1995 ACORN called together a group of community, religious and labour groups to form a steering committee for the Chicago Jobs and Living Wage Campaign (CJLWC). Members of the steering committee systematically contacted 50 members of the Chicago Board of Alderman to discuss the campaign. At a successful kick-off rally 13 alderman signed onto the campaign [Reynolds with ACORN, 2003].
- In the face of strong opposition from a very powerful mayor the CJLWC took on the cause of a Living Wage company that was being forced to relocate out of the city due to difficulties getting paperwork through city hall. By highlighting this company's case and comparing it with city-funded poverty employers, the campaign succeeded in having the Mayor intervene on behalf of the Living Wage company. Despite his intervention on this case, the mayor continued to oppose the campaign. When it appeared that discussions with the mayor were not moving ahead, the CJLWC decided to take the Living Wage issue to the city council for a vote. Despite losing this vote in 1997, the CJLWC had support from a core group of Alderman and by this time (two years into the campaign) had sixty community organizations representing approximately 250,000 people on board [Reynolds with ACORN, 2003].
- Supporters of the campaign attribute success in advocating for school reforms in low-income neighbourhoods to the lobbying associated with the Living Wage campaign. Between 1997 and 1999, support for the CJLWC continued to grow. When the mayor and Aldermen prepared to vote themselves a large pay increase the CJLWC launched a "No raises for city officials unless low wage workers get their Living Wage" campaign. The strength of this campaign resulted in unanimous support from city council for the Living Wage bylaw. While the Living Wage law that was passed was not as strong as the original proposal, CJLWC members were actively involved in the City's Living Wage Implementation Task Force and in a position to ensure its implementation and effective enforcement. In 2002, the campaign successfully increased the Living Wage amount from \$7.60 US to \$9.05 US [Reynolds with ACORN, 2003].
- Positive outcomes in terms of reduced staff turnover and absenteeism are beginning to be documented. The CJLWC are continuing to campaign for expansion of the law [Reynolds with ACORN, 2003].

Los Angeles

Social Context

- Ethnic distribution within the city of Los Angeles is Hispanic – Latino or other (47%), White-non Hispanic (30%), African American (11%), Asian/Pacific Islander (10%), Multi-Racial (2%), Native American (0.2%) [Census 2000].

Political Context

- Republican Richard J. Riordan served two terms as the Mayor of Los Angeles from 1993 to 2001 [Meyerson, June 8, 2001]. <http://www.commondreams.org/views01/0608-06.htm>
- The current Mayor, Jim Hahn, is a Democrat who was elected in June 2001 [Meyerson, June 8, 2001]. <http://www.commondreams.org/views01/0608-06.htm>
- The Governor of California and the Lieutenant Governor were Democrats during the time of the Living Wage Campaign. Republicans were recently elected to these offices. The Legislature is represented by a majority of democrats in both the State Assembly and State Senate. <http://www.politics1.com>

Economic Context

- Services, wholesale and retail trade, manufacturing, government, financial service industries, transportation, utilities and construction contribute significantly to local employment.
- The County is the top ranked county in manufacturing in the United States, producing more than 10% of the nation's production of such diverse items as aircraft, aircraft equipment, aluminium, dental equipment, games and toys, gas transmissions and distribution equipment, guided missiles, space vehicles and propulsion units, and women's apparel. Fuelled by trade with the Pacific Rim countries, the Ports of Los Angeles and Long Beach combined rank first in the nation in volume.
- As home to the film, television and recording industries, as well as important cultural facilities, Los Angeles serves as a principal global cultural centre. <http://www.lacity.org/cao/econdemo030130.pdf>

Living Wage Campaign Implementation, Enforcement and Outcomes

- The Los Angeles Living Wage emerged from the efforts of local labour groups, community and religious groups to organize non-union workers at the city's main airport. This group's strategy involved passing three pieces of legislation aimed at connecting public funds to community standards. One part of the strategy was a law that required recipients of city contracts to retain their existing workforce. This legislation was passed in 1995. The second part of the strategy is the Living Wage law and the third relates to legal protections for workers' right to organize.
- As with the Boston campaign, members of the Living Wage coalition developed an individualized approach for each city councillor. As with other cities, mayoral opposition to the Living Wage campaign prompted the coalition members to build majority support among city councillors.
- Reynolds [with ACORN, 2003] describes the campaign tactics in the following way:
Activists organized a phone-in campaign to the council. Organizations faxed letters of support. Over a thousand "New Years" cards flooded in from city residents. For three months delegations visited city council twice a day, three days a week. Some actions became quite dramatic. For Thanksgiving, the campaign asked groups and individuals to mail council members over 1,000 decorated plates which symbolized the struggle to feed a

family on poverty wages. For the winter holidays, one hundred clergy and others accompanied a volunteer actor playing the part of the ghost of Jacob Marley who went to city hall draped with chains to decry the Mayor's Scrooge-like opposition to the Living Wage. Volunteers went carolling at city hall and nearby restaurants with lyrics modified for the Living Wage campaign [p.18].

- Campaign organizers recruited workers who would be directly affected by the legislation. These workers developed campaign components that specifically highlighted their work situation (e.g., media events highlighting the impact of dangerous work environments, lack of time off for medical appointments). Participation of affected workers continues to be an integral component of the Los Angeles campaign.
- Los Angeles City Council unanimously passed the Living Wage law in 1997 with councillors overriding the mayor's veto.
- The Los Angeles campaign was structured to provide opportunities for union organizing and as such, the Living Wage ordinance has provisions allowing a union contract to override the law's requirements. The law also includes holiday and sick leave provisions.
- This campaign has developed its own strategies for monitoring and enforcing the law including a database on covered employers and releasing report cards that describe the results of implementation. The first report card resulted in revisions to the city's monitoring and enforcement strategies [Reynolds with ACORN, 2003].
- Activism around the Living Wage campaign is credited with building the Los Angeles Alliance for a New Economy (LAANE); a labour-community non-profit focused on economic justice activities.

Milwaukee

Social Context

- The City of Milwaukee's ethnic composition is: White (45.4 %), African American (36.9%), Native American (0.7%), Asian Pacific (2.9%), Other (0.2%), Multi-racial (1.9%) and Hispanic (12.0%) [City of Milwaukee, 2000].
- Milwaukee was selected by the Utne Reader in 2001 as America's Most Underrated City. Milwaukee Mayor John O. Norquist said the population figures show the city is poised for population growth for the first time in more than 40 years. "Milwaukee is the only true urban environment in Wisconsin and population growth in the city will continue as more and more people of all ages come to value that environment," Norquist said. "We now have 12,660 people living in the downtown area, compared with 7,155 in 1990. That's a growth of 61.5 percent, and many of those who have moved downtown are new residents moving in from the suburbs."
<http://www.bizjournals.com/milwaukee/stories/2001/01/22/tidbits.html>

Political Context

- John Norquist took office in 1988 as the 37th Mayor of Milwaukee. Under his Democratic leadership, Milwaukee has experienced a decline in poverty, a boom in new downtown housing and become a leading centre of education and welfare reform. *Governing* magazine named him Public Official of the Year in 1998.
- Wisconsin has a Democrat Governor and Lieutenant Governor while the Republicans are the majority

party in both the State Assembly and State Senate. <http://www.politics1.com>

Economic Context

- The number of people living in poverty in Milwaukee has been rising. The poverty rate in the city is 22%. <http://www.jsonline.com/news/metro/sep03/167089.asp>

Living Wage Campaign Implementation, Enforcement and Outcomes

- In the early to mid-1990s, Milwaukee was experiencing some of the fastest growth rates in low-wage work in the US. A group of local community activists met to discuss strategies to address growing poverty rates. Several parallel efforts came together at the same time to launch the Living Wage campaign including groups such as Progressive Milwaukee (the local chapter of the New Party), Sustainable Milwaukee (a labour-community coalition), the New Hope Project (a welfare reform initiative), and the local AFSCME District Council.
- From the beginning, campaign organizers were committed to a multi-layered broad-based approach to organize low-wage workers. As in other cities, volunteers targeted city councillors. Initial efforts included door-knocking campaign to ask people to sign cards supporting the Living Wage campaign and asking residents to attend city council hearings. As the campaign progressed, the numbers of volunteers increased and several hundred signed “activist contracts” committing to regular work on electoral and issue campaigns. In 1995, the coalition won a Living Wage set to the federal poverty line for city contracts. In 1996, a minimum of \$7.70 US per hour was established for all workers employed by the public schools or contractors with the schools. In 1997, the Living Wage campaign secured a Living Wage of \$6.25 US at the county level for janitorial, security and parking lot attendants.
- Campaign activists continue to work for expansion of the existing Living Wage laws with increases in both wages and benefits. They have applied pressure to private employers unconnected to local contracts to encourage paying Living Wages. For example, in 1998 they distributed leaflets to employees of fast food outlets to highlight the discrepancy between wages for employees in the central outlets and those in the suburbs. Advocacy for public standards in business behaviour paid off in the form of the Milwaukee County labour peace ordinance that was passed in 2000. Under this law, recipients of human service contracts worth more than \$250,000 US are required to remain neutral during union elections and unions promise not to strike or picket during the election campaign [Reynolds with ACORN, 2003; Pollin & Luce, 2000].

Pittsburgh

Social Context

- Ethnic distribution based upon the total population of 334,563 is: White (67.6%); African American (27.1%); American Indian and Alaskan Native (0.2%); Asian (including Hawaiian and Pacific Islander) (2.7%); Other race (0.7%); Two or more races (1.6%); Hispanic or Latino (of any race) (1.3%) [2000 Demographics]. http://www.city.pittsburgh.pa.us/cp/html/pittsburgh_fact_sheet.html
- Pittsburgh is the 10th-safest large metropolitan area in the country last year, according to preliminary statistics by the FBI and city police [Chris Osher, TRIBUNE-REVIEW, Tuesday, June 17, 2003]. http://www.pittsburghlive.com/x/tribune-review/news/s_140214.html

Political Context

- Tom Murphy was elected mayor of Pittsburgh in 1994. Prior to this, Murphy worked in the Peace Corps from 1970 to 1979 and worked as a State Representative for the 20th Legislative District in Pittsburgh from 1979 until 1994. http://www.city.pittsburgh.pa.us/mayor/html/meet_mayor_murphy.html
- While Republicans hold the majority in the State House and State Senate in the Pennsylvania General Assembly, both the Governor and Lieutenant Governor are Democrats. <http://www.politics1.com/pa.htm>

Economic Context

- In 1994, Pittsburgh's poverty rate was higher than in most other large US cities. <http://www.pitt.edu/utimes/issues/27/102794/18.html>
- According to a 1998 *Fortune Magazine* survey, Pittsburgh ranks seventh in the nation in the number of Fortune 500 headquarters located in the city. http://www.city.pittsburgh.pa.us/ed/business_climate.html
- Pittsburgh is ranked as the nation's third least expensive city which may also attract new business because of the important role that cost-of-living factors play in corporate site location decisions [*Site Selection* magazine, July 7, 2003]. www.conway.com/ssinsider/snapshot
- As a technology booster, the Mayor has made Pittsburgh a model for Northeastern cities transitioning from heavy industrial-based economies. The city is now experiencing an increase of new economic ventures with anchors in high technology and internet-based start-up companies. According to a recent survey by the Pittsburgh Technology Council, Pittsburgh now has more jobs available in the technology field than people to fill them. http://www.city.pittsburgh.pa.us/mayor/html/meet_mayor_murphy.html

Living Wage Campaign Implementation, Enforcement and Outcomes

- In Pittsburgh the campaign began with explicit recognition of the movement-building benefits of organizing around Living Wage. The timeline of two years and the intent to focus on a multi-county initiative is evidence of the long-range vision of the Western Pennsylvania Living Wage Campaign organizers. Passing a Living Wage ordinance was only one of four campaign goals. The other goals were:
 - To build an inclusive, broad-based movement of working people and the unemployed through their unions, religious institutions, and other community based organizations;
 - To support the rights of workers trying to organize, to work to preserve existing Living Wage jobs by fighting privatization and contracting out, and to sustain prevailing wage standards and other such struggles;
 - To provide broad public education that explains economic change and regional economic development from the perspective of working people and their communities [Reynolds with ACORN, 2003, pp. 19-20].
- Extensive coalition experience in Pittsburgh helped organizers to pull together a coalition of over 30 organizations including labour, religious and community groups. This coalition developed the goals listed above which look toward long-term organizing around economic issues.
- This was done despite some initial level of support within council. A supportive councillor tried to introduce an ordinance before the campaign was fully organized but withdrew it in the face of opposition and a request from the Living Wage coalition. Coalition organizers believed it was not in the best interests of the campaign to put a weak motion before a resistant mayor and opposition from the

- majority of council.
- Campaign activists have engaged in other projects that are separate from but related to the Living Wage campaign. These other projects included:
 - A campaign to block privatization of four nursing homes;
 - Organizing support for striking nursing home employees where 60% of workers made minimum wage;
 - Working with other groups to update a 1989 survey of the human service industry (i.e., day care, mental health and other human service providers);and,
 - Organizing support for workers facing job loss.
 - Focus on long-range movement building sparked the development of an economic workshop. Campaign organizers trained volunteers in the basic curriculum. The volunteers then spoke at other gatherings to discuss both the economic realities of working people and strategies to address these issues. To date, over 3000 people have been involved in the workshops.
 - In 2000, following two years of organizing, campaign organizers won increased funding for non-profits needing help to pay a Living Wage. Later that year, the city council included \$1 million US in its first budget to help human service non-profits pay a Living Wage. In 2001 the city of Pittsburgh passed a Living Wage law covering contracts, subsidies and city employees. Also in 2001, the Allegheny council voted down the countywide Living Wage law and Pittsburgh suspended implementation of their law until the county ordinance passes. The county defeat was attributed to difficulties associated with including the human service sector in the ordinance.
 - Coalition members provided staff and other resources for this long-term campaign.

Sacramento

Social Context

- The city of Sacramento experienced a 10.2% population increase between 1990 and 2000. The population in 2000 was 407,018 [U.S. 2000 Census Bureau].
- The demographic breakdown is: White (53%); African American (17%); American Indian, Alaskan Native (3%); Asian (19%), Native Hawaiian and Other Pacific Islander (2%); Other (14%), Persons of Hispanic Decent (22%) [2000, US Census Bureau/US Department of Commerce].
- The City of Sacramento is the cultural, educational, business and governmental centre of a four - county metropolitan region. As California's capitol city, Sacramento is centre stage for governmental policy for the entire state. Founded in 1849, Sacramento was California's first charter city and is at the heart of California history – the gold rush, Pony Express and first continental railroad all began in Sacramento. The city's rich historical heritage, commitment to quality of life, and abundance of trees and parkland contributed to *Newsweek* magazine naming Sacramento one of the ten best cities in the US. <http://www.cityofsacramento.org/webtech/activities/aboutsac.htm>

Political Context

- Sacramento's Mayor Heather Fargo, a Democrat, was elected in 2000.
- The Governor and Lieutenant Governor of California were Democrats during the time of the Living Wage campaign. The Legislature is also represented by a majority of Democrats in both the State Assembly and State Senate. <http://www.politics1.com>

Economic Context

- Sacramento County is home to over 38,000 employers and over 550,000 workers. Total employment in the county has steadily grown from 465,100 in 1990 to 559,400 in 2000. The unemployment rate has decreased from 8.2 percent in 1993 to a current rate between 4.0 and 5.0 percent. The Sacramento Region has continued to add new jobs since the recession of the early 1990's when the region lost close to 12,300 jobs. The services sector increased by 33 percent during the seven-year period of 1994 to 2000 and actually became the county's largest employer in 1995, overtaking the government sector. Other sectors with actual and anticipated growth are computers and electronics manufacturing, the services industry as well as construction.
http://www.cityofsacramento.org/planning/longrange/2002%20Housing%20Element/Sec_3-1_2.pdf
- The poverty rate has increased in Sacramento over the past decade and is currently approximately 14%. The 2002 Sacramento Area median income figure, as determined by the U.S. Department of Housing and Urban Development (HUD), is \$57,300 US. Median income is adjusted for family size, and the median for a four-member household is considered the area median. The income categories used various housing agencies, are as follows: Very Low Income Less than 50% of median; Low Income 51%-80% of median; Moderate Income 81%-120% of median; Above Moderate Income more than 120% of median. The Sacramento Area Council of Governments (SACOG) estimates that 45.2% of the City's households are in the low and very low-income categories.
http://www.cityofsacramento.org/planning/longrange/2002%20Housing%20Element/Sec_3-1_2.pdf

Living Wage Campaign Implementation, Enforcement and Outcomes

- The Sacramento Living Wage coalition is made up of members of the Sacramento County Central Labour Council, a number of individual labour unions, civil rights groups and religious organizations. The Sacramento campaign is another example of a broad-based, multi-strategy campaign that built support for a Living Wage ordinance through creating opportunities for public discussion and debate over a period of two years.
- After two years of campaigning by ACORN and allies, Sacramento City Council held a committee hearing on a Living Wage proposal on November 19, 2002 ACORN and allies turned out 140 supporters for the hearing and canvassed key districts to build support.
- On January 7, 2003 twenty elected and appointed officials, led by California State Senator Deborah Ortiz and Assemblyman Darrell Steinberg, and including mayors and city council members from the Sacramento region, endorsed the Living Wage proposal on the steps of Sacramento City Hall. James K. Galbraith and 32 other prominent economists have signed a letter endorsing the proposal, which would make Sacramento the 102nd locality in the country and the 22nd in California to enact a Living Wage ordinance. Business and Professional People in the Public Interest released a 30-page paper arguing that "Extensive economic research and studies of existing Living Wage ordinances from around the country indicate that a Living Wage law in Sacramento could provide: 1) significant economic and social benefits for working poor families, 2) significant cost savings, improved services and a stronger local economy for the public, and 3) increased productivity, cost savings, and consumer buying power for employers." The proposed ordinance required that businesses receiving major contracts or economic development subsidies from the city pay their employees a Living Wage of \$10.00 US plus benefits or \$12.84 US without.

- At the January 9th city council meeting a supportive councillor introduced a Living Wage bill prepared by ACORN and allies in the Sacramento Living Wage Campaign. This coalition brought 400 people and delivered 45 minutes of testimony at a City Council workshop on Living Wage held on the 9th. Four of nine Council Members expressed strong support for the bill. The bill which required city service contractors and economic development subsidy recipients to pay a Living Wage of at least \$10 US an hour with benefits or \$12.84 US if benefits are not provided, came into effect in March 2003.
www.acorn.org/campaigns

Santa Monica

Social Context

- The ethnic demographics for the City of Santa Monica are: White (72%); African American (4%); Asian/Pacific Islander (7%); Latino (13%); American Indian (0%); Other (4%); Two or more races (3.1%).

Political Context

- Santa Monica's Mayor Richard Bloom, a Democrat, was elected in 2002. He is liberal in his politics, and cares about social justice and responsibility, especially when it comes to the people who live and work in Santa Monica.
- Michael Feinstein served as Santa Monica City Council Member since 1996 and as the Mayor of Santa Monica between 2000 and 2002. Currently he is a City Council Member. www.feinstein.org
- "A Green Party activist, Feinstein has worked with Santa Monica labor unions to promote union organizing and living wage campaigns" [Nichols, 2002].
- In 1996, Feinstein gained the support of the Santa Monicans for Renters' Rights, or SMRRs, endorsement and ran for City Council. Since then, Feinstein has won another four-year term, finishing first among 13 candidates for four seats, with the second highest vote total ever in Santa Monica for a city Council candidate, and was chosen Mayor by his Council colleagues in 2000 [Rosenthal, 2001].
- The Governor and Lieutenant Governor of California were Democrat during the time of the Living Wage Campaign. Republicans were recently elected to these offices. The Legislature is represented by a majority of democrats in both the State Assembly and State Senate. <http://www.politics1.com>

Economic Context

- In the early 1990s, Santa Monica invested \$170 million US in taxpayer money to revitalize its tourist district. As a result, Santa Monica became one of the most lucrative resort towns in the US. Tourism is a key component of the economy and lifestyle of this beachfront community. Over 3.8 million people visit the city each year from outside Los Angeles County for pleasure, vacation, or business. These visitors spend \$788 US million annually, and bring in hotel tax revenues of \$20 million US to the city. Approximately 11,500 jobs are supported by the tourist industry. http://pen.ci.santa-monica.ca.us/resource_mgmt/business/glance.htm
- In 2000, 32% of Santa Monica residents worked in Santa Monica with 68% finding work outside the city. <http://www.rand.org/publications/DRU/DRU2989.pdf>
- According to the US Census Bureau's annual poverty report, while overall Santa Monica is in the middle of the pack, it has the highest rate of poverty of any affluent city in Los Angeles County, edging

out Beverly Hills and Malibu. In all, 11.5 percent of Santa Monica families are below the poverty threshold, which City officials correlate to rising rental housing prices.

http://www.smmirror.com/volume4/issue45/poverty_on_rise.asp

Living Wage Campaign Implementation, Enforcement and Outcomes

- The coalition in Santa Monica included a group called Santa Monicans Allied for Responsible Tourism as well as local labour and community groups.
- In May 2001, the Santa Monica Living Wage campaign organizers sought to broaden the scope of the Living Wage movement by proposing a Living Wage ordinance that applied not just to city contractors but to all workers in the city's tourism district. The law was passed by city guaranteeing \$10.50 US plus benefits to all workers in the city's tourism district. This was an unusual approach because it applied to all workers, not just those that worked for the city, a city contractor, or a city-subsidized company. The Living Wage ordinance became law in 2001. The ordinance was a first in that it covers employers who have no direct financial relationship with the city.
- The law is still indirectly based on the argument that businesses that benefit from taxpayer money should pay a Living Wage but is it also based on the argument that hotels that benefited from the tourism boom should not pay service workers poverty wages.
- In 2002 opponents (led by the hotel industry) took legal measures to delay implementation and it was repealed before it came into effect.

St. Louis

Social Context

- The City of St. Louis is home for approximately 348,672 (2000 Census) individuals, comprised of the following ethnic demographics: White (44%); African American (51%); Asian (2%); Other (1%) and Hispanic (2%).
<http://www.ded.state.mo.us/business/researchandplanning/regional/slmetro/index.shtml#popl>
- St. Louis is named the best sports city in North America by *The Sporting News* magazine because of its loyal fans, successful teams and superior sports facilities.
http://www.explorestlouis.com/factSheetsMedia/fact_timeline.htm

Political Context

- The Living Wage ordinance was passed in 2000 when Clarence Harmon was Mayor. Mayor Harmon, a Democrat, became St. Louis' second African-American Mayor on April 15, 1997. Prior to being elected Mayor, Harmon was Director of Business Development for United Van Lines. He also served as director of United Van Lines Market Research and Analysis Department. Previous to this, he had a 26-year career with the St. Louis Metropolitan Police Department, including four years as Chief of Police. During his career with the St. Louis Police Department, he was instrumental in developing and implementing a variety of innovative programs focusing on community involvement in supporting law enforcement. <http://www.epa.gov/superfund/tools/ciconf/1999ciconference/keynote.htm>
- Francis G. Slay, a Democrat, was sworn in as the 45th Mayor of the City of St. Louis on April 17, 2001. <http://stlouis.missouri.org/citygov/mayor/mayorbio.html>
- The mayor has continued the tradition of honouring the Spirit of St. Louis Awards to businesses that

make major expansions or improvements in the City, innovative new businesses that open in the City of St. Louis, as well as major City projects. <http://stlouis.missouri.org/sldc/spirit/spirit.html>

- The Governor and Lieutenant Governor of Missouri are Democrats whereas the majority party within the State Legislature, House of Representatives and State Senate, is Republican. <http://www.politics1.com/mo.htm>

Economic Context

- A hotel building boom is transforming downtown St. Louis' hospitality industry as several historic buildings are turned into lodging facilities. http://www.explorestlouis.com/factSheetsMedia/fact_timeline.htm
- The economy of the St. Louis Metro Region is generally trailing the economy of Missouri as a whole. The population growth since 1990 in the St. Louis Metro Region was 5.1%, compared to 9.1% for the state. The poverty rate for this area is 9.6%. This compares with 11.8% for the state as a whole. However, the poverty rate in the urban core is much higher. The unemployment rate during 2002 for the St. Louis Metro Region was 5.6%, slightly higher than the state's rate of 5.5%. <http://www.ded.state.mo.us/business/researchandplanning/regional/slmetro/index.shtml#demographics>

Living Wage Campaign Implementation, Enforcement and Outcomes

- St. Louis ACORN and its labour and community allies took Living Wage issues to the ballot in August 2000 after two years of frustration in attempting to pass a Living Wage law through city council. The first step was to gather over 21,000 signatures to qualify for the ballot. After getting the required number of signatures, coalition members staged a multi-pronged campaign strategy that included door-knocking campaigns, phone calls, yard signs, displays in high visibility traffic intersections, distribution of flyers, and interviews with newspaper, radio and television. When the votes were counted the Living Wage issue won 77% of the popular vote.
- Following the election, a coalition of business groups filed a lawsuit claiming that a state law that banned local minimum wage laws would also apply to Living Wage laws. Although the lower court judge struck down the Living Wage ordinances due to technicalities he indicated that a city does have the legal authority to enact a Living Wage law. In July 2002, the revised Living Wage law was passed through city council. This law covers businesses receiving city service contracts as well as businesses that lease space in the airport to sell food, magazines, candy, T-shirts, etc. Opponents appealed once again, hoping to establish a broader prohibition against city Living Wage laws.
- In the meantime, ACORN representatives met with key officials from the City and the Mayor's office to discuss implementation of the new Living Wage law. The campaign focused on the potential of the law to provide extensive coverage of low wage workers at the airport, going beyond airport service contracts to include business that lease space at the airport.
- In September 2002, the Missouri Supreme Court dismissed the appeal of Living Wage opponents in the case of *Missouri Hotel & Motel Association v. St. Louis Living Wage Campaign*.

St. Paul

Social Context

- According to the 2000 Census the population of the City of St. Paul (the capital of Minnesota) is

287,151 which is broken down into the following categories: White (67%); African American (12%); American Indian and Alaska Native (.01%); Asian, Native Hawaiian and other Pacific Islander (13%); Other race (.04%); Two or more races (.04%); Hispanic or Latino (8%).

<http://www.ci.stpaul.mn.us/census/stpaulbydist2000.html>

Political Context

- “Senator Norm Coleman was elected to the United States Senate in November, 2002. Before he was elected Senator, Norm Coleman was Mayor of Saint Paul for 8 years from 1993 to 2001. As Mayor, Coleman led Minnesota's capitol city through a remarkable renaissance. Since 1993, there have been more than 18,000 new jobs created with more than \$3 billion US of new development. As Mayor he kept his commitment to a zero percent increase in the property tax levy for eight years in a row, and Saint Paul received its first 'AAA' bond rating...unprecedented in the city's history. The value of taxable property in the core downtown has more than doubled, and every neighborhood has seen an increase in property value.” <http://www.senate.gov/~coleman/biography/index.cfm>
- Mayor Randy Kelly was elected just over eighteen months ago and is affiliated with the Democratic-Farmer-Laborer party. He is respected for his efforts to represent the lower- and middle-income people of Minnesota by increasing the minimum wage, increasing access to home ownership, creating more higher-paying jobs, and retaining those that exist. The mayor is quoted as saying, “St. Paul is open for business, and we're focused on keeping our city affordable and helpful for businesses that want to expand or move here.” <http://www.ci.stpaul.mn.us/mayor/>
- Minnesota's Governor and Lieutenant Governor are both Republicans. Within the Legislature the State House of Representatives majority is Republican and the State Senate majority is the Democratic-Farmer-Labor Party.

Economic Context

- An overview of the City of St. Paul shows a healthy city with a growing population and workforce and a balanced and diversified economy. It has enjoyed such remarkable growth over the past decade by pursuing long-term, comprehensive strategies for urban vitality. <http://www.ci.stpaul.mn.us/business/business-faq.html>
- 18,000 new jobs were added in St. Paul from 1994 to 2001. Over \$2.3 billion US of new construction has been developed in downtown St. Paul in the last seven years. Capital City Partnership was the recipient of the 2001, Award of Excellence from the U.S. Conference of Mayors as the Best Public/Private Partnership in the nation. <http://www.ilovestpaul.com/aboutus/accomplishments.shtml>
- A 1992 Metropolitan Council report, *Trouble at the Core*, had documented rapid growth in poverty in the core area of Minneapolis and St. Paul from 1970 to 1990, and warned of serious consequences if poverty continued to grow. Poverty in the Twin Cities core area diminished in size and intensity during the economic boom of the 1990s, according to data recently culled from the 2000 Census. St. Paul's rate dropped from 16.7 percent in 1989 to 15.6 percent in 1999. “Poverty is still far higher in the core cities than elsewhere in the region, and higher than anyone wants,” said a city researcher. <http://www.metrocouncil.org/directions/planning/poverty.htm>

Living Wage Campaign Implementation, Enforcement and Outcomes

- In 1995, the St. Paul Living Wage campaign was the first to attempt placing the Living Wage issue on

the civic ballot. As with several previous minimum wage ballot initiatives in St. Paul, this effort was defeated. Prior to the vote, Living Wage campaign organizers had not focused on developing a broad base of support and had not developed strategies to counteract the influence of a very unsupportive mayor.

- By broadening their coalition and devising more effective campaign strategies they were able to get a Living Wage law passed eighteen months after the initial defeat. Their successful campaign involved stimulating public debate about economic development and Living Wages. This public mobilization effort resulted in the city convening a Task Force to explore the subject in more detail and to recommend concrete policy. The Task Force included members of ACORN, the New Party, labour representatives, members of the Chamber of Commerce, and the city administration representatives.
- In late 1996, St. Paul passed a Living Wage ordinance and two months later Minneapolis passed a similar resolution. Activism around economic justice in St. Paul and Minneapolis, combined with organizing throughout the state has led to a strong state-wide economic justice movement.

Waterloo

Social Context

- The 420,000 plus residents of Waterloo Region, 100 km Southwest of Toronto, are spread out over three small cities (Cambridge, Kitchener, and Waterloo) and four rural townships. The region enjoys first class universities, a strong insurance industry, and 350 high tech companies.

Political Context

- The Ontario Legislative Assembly, also known as the House, is composed of elected members, including the Premier and Cabinet ministers. The current party in power is the Ontario Liberal Party.
- Lynne Woolstencroft has been Mayor for the City of Waterloo since 2000. Prior to that she was Trustee to the Waterloo Regional Public School Board primarily serving in municipal government since 1985 as a city councillor and regional councillor. <http://www.city.waterloo.on.ca/COUNCIL/Biographies/LW.html>
- The City of Waterloo is known as a leader in local government and has been recognized by its peers for innovative and creative methods. They are the only local government in Canada to have won the Canadian Association of Municipal Administrators Award for Program Innovation and Excellence three times. The City of Waterloo has for the past two years, been named as one of Canada's 100 Best Employers by Mediacorp Canada Inc. <http://www.city.waterloo.on.ca/CS/EDM/profile.html>

Economic Context

- Waterloo is part of Canada's Technology Triangle. It surrounded by green farmland and is a modern business and industrial community. The *Financial Post's Business Magazine* [August 2001] identified Waterloo as one of the top places in Canada to help a company grow. <http://www.city.waterloo.on.ca/CS/EDM/profile.html>
- The total average income in Waterloo is 22% above the national average with an Average Census Income of \$76,529 family income and \$68,480 household income [2002 Canadian Market, Financial Post]. The percentage change in employment classified by industry shows total employment in Waterloo expanding by 14.8% between 1991 and 1999. <http://www.city.waterloo.on.ca/CS/EDM/profile.html>

- The poverty rate for persons with disabilities living in Waterloo Region is 23.42%, higher than the poverty rate for the total population of 14.30%. Also, persons with disabilities are more likely than other groups in the population to experience a longer duration of poverty [Statistics Canada, 1996, custom tabulations]. <http://www.waterlooregion.org/poverty/talk/3.html>
- The Opportunities 2000 network, now five years old, continues to work on reducing the region's poverty rate of 14.7% [2002, Vibrant Communities Initiative]. <http://www.tamarackcommunity.ca/g2s34.html>

Living Wage Campaign Implementation, Enforcement and Outcomes

- The Living Wage campaign in Waterloo is in the early stages of development. The overall goal of the project is to reduce poverty for the working poor. The target area is the Waterloo Region.
- The campaign was initiated by the Opportunities 2000 Networks (OP2000). The early focus was on educating government, non-government organizations, and business about Living Wage.
- Campaign organizers initially investigated different techniques of arriving at a Living Wage amount but they have not chosen a Living Wage figure at this time [Skillen, 2003].
- As a result of several multi-sectoral consultations OP2000 has determined that there would not be broad support for a campaign that focused specifically on a Living Wage [Wamsley, 2003].
- The campaign is currently focusing on working with businesses to establish better business practices, which include higher wages among other things. It has been determined that the business community will lead the project.
- Denise Wamsley of OP2000 is currently in contact with a member of the Calgary Living Wage Action Group and will provide ongoing information about the Waterloo campaign.

Lessons Learned from Living Wage Campaigns in the United States

While there is some variation in these campaigns, the lessons for success are quite similar. Campaigns with a broad base of support and long-term agendas appear to have had the most success. Many of the campaigns listed here as well as others were able to get their Living Wage ordinance enacted after two years of community development activity. In St. Louis, campaign organizers only decided to take the issue to public ballot when, two years into the campaign, it did not appear as if city councillors would vote positively on the ordinance. Successful Living Wage campaigns are also those that have focused first on a limited scope (e.g., city contracts and/or economic development subsidies) with the intention of becoming broader after initial success. For example, in Sante Fe and New Orleans, Living Wage campaigns that succeeded in sustaining gains for a narrow group of workers were followed by city-wide campaigns. Campaigns that have attempted to proceed city or region-wide first (e.g., Santa Monica) have been set back [Kern, 2003]. People who have been involved with the Living Wage initiative in the United States for a number of years summarize the strategies for success as follows:

- Build a broad based coalition.
- Engage in long-term strategic planning with Living Wage as one issue in an economic justice campaign.
- Learn what is legally and politically possible in your city.
- Decide what the initial campaign focus will be, tackle that first and then tackle additional components when they are likely to be achievable.
- Be realistic about resources needs – acquire the resources necessary to get the job done.
- Do the research needed to mount a strong, proactive public relations campaign. Don't recreate the

wheel. There is a large body of evidence in support of Living Wage campaigns.

- Build links with existing social policy research groups to use the information that they already have. Alternatively, work with them to begin to generate documents that offer comprehensive analysis of the potential impact of Living Wage campaigns in Canada.

Guidelines for undertaking a Living Wage campaign are clearly outlined in the *Activist's Guide to Building the Movement for Economic Justice* [Reynolds with ACORN, 2003]. This document describes components of a Living Wage campaign, then goes on to discuss the implementation and enforcement of ordinances. David Reynolds developed the guide with Jen Kern who directs the ACORN Living Wage Resource Center and is closely involved with a number of the campaigns in the United States. In a telephone conversation, Ms Kern indicated that the successful campaigns have less to do with similarities in socio-demographic and economic profiles and more to do with the ability to organize community organizations [Kern, August 2003]. The components of a Living Wage campaign are briefly outlined below.

Strategic planning

Many of the documents that were reviewed emphasized the need to spend time on planning prior to launching a Living Wage initiative. The example given in the *Activist's Guide* [Reynolds with ACORN, 2003] is of the Detroit campaign where, just two months after planning had begun an unexpected state election was called. The decision to place the Living Wage question on the ballot in Detroit meant that campaign organizers were scrambling to garner community support with few resources at hand. Late in the election process they were able to mobilize support from church and community groups and the short-term nature of the campaign meant that opposition was weak. The ballot won by 81% of the popular vote but there was a very strong anti-Living Wage backlash after the election. The lessons to be drawn from this example are that strategic planning pays off when dealing with opposition arguments but it also involves knowing when to seize political opportunities.

What is politically and legally possible?

Part of the initial strategic planning process involves finding out what is politically and legally possible. For example, would Living Wage be considered for a plebiscite? In Waterloo, after several multi-sectoral consultations, it was determined that focusing on a Living Wage campaign "pushed too many hot buttons" [Wamsley, 2000]. Determining potential political and legal roadblocks early in the campaign will help in the next phase of strategic planning.¹¹

Setting the overall purpose and scope of the campaign

The purpose of the campaign depends to a certain extent on the political context. If there is a supportive city council, little opposition and an organized Living Wage constituency, it may be decided that the campaign will involve working with supportive city councillors to draft a bylaw and put it to a council vote as quickly as possible. If there is a less supportive political context then the purpose of the Living Wage

¹¹ In Texas, there is state law that has proven to be a stumbling block for Living Wage campaigns. The Texas Competitive Bidding and Competitive Proposals Statute stipulates that municipal contracts over US \$15,000 must be awarded to the lowest responsible bidder. In 1990, the Texas Attorney General cited this law when he advised that the City of Houston could not stipulate that city contractors pay their employees basic health insurance. Paul Sonn at New York University, has worked for ACORN to develop legal arguments in support of a Living Wage ordinance in Dallas [Sonn, 2003].

campaign becomes broader than passing a bylaw; the focus becomes building a movement that works toward economic justice and along the way drafts a Living Wage bylaw. In Calgary, discussions revolve around the possibility of pursuing a voluntary route, where the public, private and non-profit sectors are educated, engaged and encouraged to voluntarily increase wages. In the *Activist's Guide*, the different types of campaigns are described as a minimal coalition campaign, a mobilizing campaign, a capacity building campaign and a union organizing campaign [Reynolds with ACORN, 2003]. Campaigns with a broader purpose are strongly advised, in order to develop the long-term community commitment required for bylaw enactment and ongoing enforcement [Kern, 2003; Reynolds with ACORN, 2003].

Building a movement

We have learned from our research of Living Wage campaigns in the US that building a strong coalition is a critical part of the groundwork for an initiative. The Living Wage Action Group and the subcommittee members represent a solid foundation for such a coalition. However, there may be some significant gaps if the Group decides to move forward with a campaign. Some of the questions members may want to consider include:

- How involved is the larger community? How involved would we like the larger community to be? What about direct citizen engagement?
- What about representation from designated population groups (Aboriginal persons, immigrant persons, persons who have disabilities, seniors, women and youth)? Are they adequately represented by the Action Group or the agencies or individuals sitting on existing committees?
- What about advocacy and activist groups? Can we compensate for the recent loss of organisations that have historically been key mobilizers of community initiatives?¹² Beyond being mandated to give political voice to diverse and marginalized causes and populations, these organisations provided infrastructure for dozens of grassroots initiatives. Can we provide the kind of infrastructure that they did?
- Do we have potential allies in business and government? Should we involve local and provincial politicians in the community building stage or engage their support later? How can we build critical support within the business community?

If a bylaw, how?

If the campaign focus is to develop a bylaw, the subsequent decisions will revolve around “how to” questions. For example, decisions may involve how to approach elected city officials to get support for and draft a bylaw or how to go about putting the Living Wage question to the ballot. In Calgary, either of these options is possible. Putting a question on the public ballot is governed by the Municipal Government Act and Local Authorities Act which require that 10% of residents sign a petition in favour of the question being placed on the ballot. Lessons from previous campaigns indicate that the legislative option is the easier route when support already exists within city council [Reynolds with ACORN, 2003]. The downside of working with city council is that it opens the bylaw or ordinance up to negotiations, which may mean compromise. By working through the legislative route in Milwaukee, negotiations resulted in the amount of

¹² Some of the groups that have ceased or critically downsized operation over the last eight years include: Calgary Anti-Poverty Group, Connection Housing, Common Front, Alberta Status of Women Action Committee, Women Looking Forward, Women of Colour Collective, the Ad Hoc Committee on Women & Economic Justice, Oxfam-Canada (Alberta office), Arusha and Calgary Status of Women Action Committee.

the Living Wage being lowered. In Los Angeles the amount added to the Living Wage, if no benefits were provided, was lowered from \$2.00 US to \$1.25 US following negotiations [Reynolds with ACORN, 2003, p. 26].

Determining your minimal resource needs

Resource requirements for a Living Wage campaign are primarily determined by the size of the city and the type of campaign. For a city the size of Calgary a capacity building campaign will likely take at least one full-time organizer to move the campaign forward. Time from field workers and coalition members will also be necessary [Kern, 2003]. In addition there may be the need for legal advice to draft a bylaw and to address opposition arguments.

Conducting research

Extensive research has been conducted in the United States on Living Wage campaign development, implementation and outcomes. While there is much to learn from the information that has been gathered to date, there may also be information needs that reflect the unique Canadian context (e.g., policy issues). In the United States, Living Wage advocates have benefited from the involvement of key policy research institutes such as the Political Economy Research Institute and the Economic Policy Institute. In Canada, Living Wage advocates may similarly benefit from work conducted by similar research bodies (e.g., Canadian Policy Research Networks (CPRN)).

The ability to assess the impact of Living Wage campaigns in the US has been variable largely due to inconsistent and sometimes non-existent monitoring and enforcement of the Living Wage laws. If a Living Wage campaign is to be pursued, it will be important to gather baseline information on participating businesses in order to monitor changes following adoption of the Living Wage. Pollin and Luce [2000] provide detailed suggestions for researching Living Wage initiatives.

Therefore, the first step in estimating the economic impact of a Living Wage initiative in Calgary would be to determine the number and types of employers that would be covered by the bylaw. While this information is less accessible when pursuing a voluntary Living Wage campaign, collection of the following data is valuable for assessing economic impact within firms or across a number of organizations:

- total number of employees in each of the affected firms;
- proportion of those employees who earn less than the Living Wage;
- average wage earned by those low-wage workers;
- average wage of all workers in the affected firms;
- average hours worked by low-wage employees in those firms;
- proportion of low-wage workers who do not have health insurance; and
- proportion of low-wage workers who do not receive paid days [Pollin and Luce, 2000, p. 208].

Methods of collecting this data include document review if information on contractors is a matter of public record or survey. With this data it is possible to estimate the following:

- the total number of workers that would be affected by the bylaw;
- full-time equivalent workers affected by the bylaw;
- the amount of average wage increase for workers;

- the total cost of wage increases;
- the total cost of health benefits; and
- the total cost of paid days off [Pollin and Luce, 2000, p. 208].

Impact Analyses

In a recent report for the Canadian Policy Research Network (CPRN), Judith Maxwell states:

While it is a small study, the outcome of the evaluation of the Living Wage legislation in Baltimore produced tantalizing results. When firms bidding on municipal requirements were compelled to pay a Living Wage, they had to raise wages by 35 percent from \$4.94 [US] to \$6.66 [US] an hour. But the net cost to the city and to the employer was zero because of a reduction in workforce turnover and an increase in work intensity. The higher wage bill was financed through efficiency gains! While these results still should be validated with a bigger study, they raise the prospect of a world where productivity gains induced by stronger work commitment will pay the bill for a wage structure which reduces poverty and raises personal well being. This is clearly a win-win strategy for employer and employee.¹³

Extensive economic and policy analyses have been conducted of Living Wage campaigns in the United States.¹⁴ In their book, Pollin and Luce [2002] summarize the results of such impact analyses and compare the costs to business and municipal governments to the benefits of Living Wage on people who live on low incomes, the businesses involved and their communities. They conclude that:

- wage and benefit increases for most firms due to Living Wage requirements will be less than one percent of these firms' total spending to produce goods and services;
- for those firms that are most affected by the bylaw, it is possible to spread the costs to minimize the overall impact;
- living wage ordinances [or bylaws] will likely have negligible effects on the behaviour of most affected businesses (e.g., hiring and relocation);
- living wage ordinances [or bylaws] will likely have negligible effects on the budgets of municipal governments, as long as the governments do not concede that the cost increases generated by the bylaws should, as a matter of course, be absorbed by themselves;
- low income families benefit in many ways – their incomes increase, their spending power increases, they have access to better health care, they enjoy the paid days off of the family's working member, they are able to build their credit rating, and they rely less on government subsidies;

¹³ Henry Ford used this logic when he invented the assembly line. He paid workers \$5 a day at a time when standard wages for industrial labour were closer to \$2 a day. As Joseph Heath says, Ford tapped into the old norm of reciprocity. Workers responded by working hard and making sure they did a good job [Heath, Joseph, 2001. *The Efficient Society*, Penguin Books, Toronto, p. 152]. Canadian employers have begun to discover this same payback in industries as diverse as steam cleaning and retail sales [cited in Maxwell, 2003].

¹⁴ Baiman, Perskey and Brunick, 2002; Brunick, Sahu, Baiman, Hurwitz, and Salib, 2002; Niedt, Ruiters, Wise, and Schoenberger, 1999; Pollin, 2002; Pollin, 2003; Pollin, Brenner and Luce; 2002; Reynolds, Pearson, and Vortkamp, 1999; Reynolds and Vortkamp, 2000; Reynolds, 2003.

- governments spend less on subsidies to businesses as well as to individual citizens;
- businesses experience less labour turnover, better quality of work, better co-operation with management, more flexibility in the operation of the business, and higher overall morale; and,
- increasing incomes for families of low-wage workers generates community spillover effects – increased spending at local businesses, higher rates of home ownership, greater investment in education and small business leading to more robust housing and small-business markets in low income neighbourhoods [Pollin and Luce, 2000, pp. 135-161].

Opposition arguments

Opposition arguments are likely to be raised when talk of Living Wage campaigns begins. Even in cities where there is perceived to be support for economic justice initiatives, campaigns have not necessarily gone smoothly [Reynolds with ACORN, 2003]. Fortunately, there is much to be learned from Living Wage campaigns across the United States. Since the Baltimore campaign in 1994, campaign organizers documented the sources and types of opposition encountered noting that the arguments across campaigns have been generally consistent [Reynolds with ACORN, 2003]. In her report for the proposed Waterloo Living Wage initiative, Skillen [2003] echoes some of these arguments.¹⁵ Feedback from members of the Calgary Living Wage Involving the Business Community Subcommittee, with regard to potential local opposition, is also incorporated in this section. Some opposition arguments from research suggest that Living Wage bylaws:

Will raise taxes

Research on many of the campaigns has demonstrated that governments and consumers absorb little or no extra cost as a result of Living Wage increases. Results from the Los Angeles campaign estimate cost increases at approximately 1% of production costs for the affected companies [Pollin and Luce, 2000]. Increased costs have been offset by cutting costs in non-wage areas, raising prices slightly, and phasing in the Living Wage ordinance [Pollin and Luce, 2000; Reynolds with ACORN, 2003; Skillen, 2003]. Research in Baltimore indicated that affected companies saved money as a result of reduced absenteeism and reduced employee turnover [Niedt, Ruiters, Wise and Schoenberger, 1999].

Will cost businesses more in wages

If a business pays the majority of its employees less than the Living Wage amount then paying a Living Wage will increase the direct costs associated with wages. Many companies affected by Living Wage campaigns indicate that increased costs associated with wages are offset by increased employee productivity, improved recruitment and retention of employees, and decreased training costs, including a reduction in expenses arising from equipment damage during the training process [Niedt, Ruiters, Wise and Schoenberger, 1999; Pollin and Luce, 2000].

Will create a hostile business climate

Studies of the impact of Living Wage campaigns across the United States [cited in Reynolds with ACORN, 2003 and Pollin and Luce, 2003] indicate that rather than creating hostile business climates, businesses

¹⁵ In this section we provide a brief summary of some opposition arguments and responses to them. More detailed description of these arguments can be found in *Living Wage Campaign: An Activist's Guide to Building the Movement for Economic Justice* [Reynolds, 2003].

actually benefit. The benefits include decreased community opposition to economic development subsidies when Living Wages will be paid. Benefits also include increased employee retention and decreased absenteeism. Lower income workers are more likely than higher income workers to spend their increased earnings in their community of residence. There is no evidence to indicate that businesses will leave Living Wage communities. Factors that encourage business expansion extend far beyond wage levels in a community (e.g., access to markets, infrastructure, education and skill level of the workforce and overall quality of life) [Skillen, 2003].

Will cost jobs

Employment rates depend on much more than wage levels (e.g., the overall level of demand for goods and services and economic trends) [Goldberg and Green, 2000]. Research conducted by Goldberg and Green (1999) indicates that changes in minimum wages explain very little of employment variation. There is in fact much evidence that suggests that employment rates actually increase when minimum wage has been increased [Pollin and Luce, 2000; Reynolds with ACORN, 2003].

Will cause businesses to relocate to other jurisdictions

There is little danger of businesses moving to other provinces as a result of raising low wages. As will be discussed in more detail in the next section of this Report, many low-wage jobs are in the services sector, and these businesses are inherently local, serving their surrounding community.

Will result in low skilled workers being replaced by highly skilled workers

Again, this is a claim that is not supported by research. Low wage jobs are, by definition, jobs that do not require highly skilled workers. Reynolds [with ACORN, 2003] and Pollin [2003] cite a number of sources indicating that increased wages result in better retention of low skilled workers with related spin-off benefits to employers.

Will not benefit adult workers with families because young adults 15-24 are the majority of minimum wage earners

Low wage earners are not primarily students and youth. Following a study of the minimum wage populations in British Columbia, Alberta, Ontario, and Quebec, Goldberg and Green [1999] concluded that, "increases to minimum wages disproportionately benefit families with low employment income" [p. 2]. In Calgary, 47% of minimum wage earners are 25 years of age or older, and 51% of workers earning less than \$9.00 per hour are age 25 or older (see Table 10, page 48). According to Statistics Canada, 33% of Calgarians earning less than \$9.00 an hour are women age 25 and older, and 21% are women age 35 and older (Table 10). Across Canada, fewer than one in five minimum wage earners are young adults still living at home. The numbers also show that the vast majority of young minimum wage earners are also full-time students at some point during the year. Higher wages help more students finance their education.

Are not needed because the majority of minimum wage earners also receive benefits, tax credits and other subsidies that raise them above the poverty line

One of the reasons many people remain in poverty is that the wages they earn are so low that they are dependent upon social supports and subsidies. To lending institutions, such benefits are not considered income and therefore they do not contribute to a low-income worker's credit-worthiness. This reduces their

ability to access even small amounts of credit, including apartment rental deposits, credit cards or loans [Pollin and Luce, 2000; Reynolds, Pearson and Vortkamp, 1999].

Will crush non-profits

Non-profit organizations vary greatly in terms of the funding they receive and the number of people they employ. The non-profit sector in Canada has undergone dramatic changes over the past ten years in terms of increased competition for funding, changes in municipal, provincial and federal jurisdictional relationships and increased demand for the services they provide [Hosli, 2000]. Because of these issues, Living Wage campaigns have paid particular attention to the impact on non-profits. Different strategies have been employed to address these issues. In “The Impact of the Detroit Living Wage Ordinance”, Reynolds, Pearson and Vortkamp [1999] list the following strategies:

1. Exempt non-profits that demonstrate that the Living Wage requirements would cause unreasonable economic harm (provision used in Ypsilanti and Ypsilanti Township ordinances).
2. Exempt non-profits within a given formula. Los Angeles exempts non-profits whose highest chief executive officer earns a salary which, when calculated on an hourly basis, is less than eight times the lowest wage paid by the organization.
3. Supplement the grant or contract given to a non-profit to aid the organization in achieving wage levels (used in Chicago and Madison, WI).
4. Combine #1 and #3 – non-profits that feel they would be unreasonably harmed by the Living Wage requirements could apply to the city as in #1. The city would first consider the feasibility of increasing the contract amount to cover the additional costs. If not able to do so, it may then grant an exemption. [p. 20]

These arguments and responses were developed through experiences across Living Wage campaigns in the United States. As more and more Canadian communities engage in discussions regarding Living Wage campaigns, new issues will emerge that require new responses. There is an emerging presence of Living Wage campaigns across Canada. Sharing lessons learned across both borders will be valuable for supporting sustained poverty reduction initiatives.

THE FACE OF POVERTY IN CALGARY

Poverty and its Measurement

There is ongoing debate around definitions of poverty and the ways in which poverty is measured in Canada. Differing definitions of poverty underpin disagreement on measurement [Zeesman, Hatfield and Gascon, 1998]. At the most basic level poverty is defined as an inability to purchase subsistence levels of food, clothing and shelter [Zeesman, Hatfield and Gascon, 1998]. Another perspective defines poverty as lacking the necessities to rise above subsistence levels of food, clothing and shelter. A third and broader perspective defines poverty as a lack of social inclusion. People are poor if they earn an income that does not allow them to participate actively in society. The Calgary Sustained Poverty Reduction Working Group defines poverty as “the condition of a human being who lacks the resources, means, choices and power necessary to acquire and maintain economic self-sufficiency and meaningful participation in society.”

There is no official poverty line in Canada, but there are a number of different low-income measures, including the Low Income Cut-off (LICO) and the recently released Federal Market Basket Measure (Federal MBM). LICO is the measure of poverty associated with a social inclusion definition. It is defined as the income level at which a household will, on average, spend 20 percent more of its pre-tax income than the average family on food, clothing and shelter. The LICO is described as a relative measure of poverty because it measures low incomes relative to all incomes in the country [Zeesman, Hatfield and Gascon, 1998]. Because the LICO allows some recognition of geographic variations in living costs, it may be a good poverty measure on which to base a regional initiative [Ross, Scott and Smith, 2000]. The current LICO lines based on the size of family unit are listed in Table 2. Since the mid-1960s, data that makes use of the LICO have been readily available through Statistics Canada and because of this, it is frequently recommended as a preferred poverty measure [Tamarack, 2003]. Statistics Canada, however, has clearly stated that the LICO is not an official measure of poverty and has developed the Federal MBM [Human Resources Development Canada, 2003].

Family Size	1	2	3	4	5	6	7
LICO Before Tax, 2002	\$ 19,261	\$ 24,077	\$ 29,944	\$ 36,247	\$ 40,518	\$ 44,789	\$ 49,060
LICO After Tax, 2000	\$ 15,020	\$ 18,327	\$ 23,179	\$ 28,870	\$ 32,368	\$ 35,666	\$ 39,062

Source: Canadian Council on Social Development, http://www.ccsd.ca/factsheets/fs_lic02.htm

Market Basket Measures are premised on poverty being defined as a lack of the necessities needed to rise above subsistence levels of food, clothing and shelter. It is an absolute measure of poverty in that the poverty level is based on the income necessary to purchase a fixed basket of market-priced goods and services. The cost of the basket is based on family size and the local cost of living. Goods and services included in the market basket are: a nutritious diet; clothing for work and social occasions; housing in the community; and other necessary expenditures such as personal care, household needs, furniture, telephone, public transportation, recreation, entertainment and school supplies [Zeesman, Hatfield and

Gascon, 1998]. To determine the income available to purchase the market basket items, the deductions that must be made from pre-tax income include income and payroll taxes, child care costs, child support payments and prescribed expenses for medical, dental and vision care as well as aids for persons with disabilities. The Waterloo Living Wage Campaign used a market basket measure as its baseline income for a family of three calculating a full-time income of \$35,080.

According to the Federal MBM, in 2000 a family of four (one male adult and one female adult aged 25-49 with two children, a girl aged 9 and a boy aged 13) in Calgary would be living in poverty if they had an annual income of less than \$24,180. In Table 3, the poverty thresholds for various family sizes are calculated based on the Federal MBM.

Table 3: MBM Thresholds by Component (\$) - Calgary¹⁶

Reference Family Size ¹⁷	Food	Clothing & Footwear	Shelter	Transportation ¹⁸	Other ¹⁹	Total	Hourly wage needed to reach MBM ²⁰
4	\$ 6,183	\$ 2,156	\$ 8,707	\$ 1,392	\$ 5,743	\$ 24,180	\$ 11.63
3 ²¹	\$ 5,256	\$ 1,833	\$ 7,401	\$ 1,183	\$ 4,882	\$ 20,553	\$ 9.88
1 ²²	\$ 3,092	\$ 1,078	\$ 4,354	\$ 696	\$ 2,872	\$ 12,090	\$ 5.81

Source: Family of four 2000 *Statistics Canada* cited in *Understanding the 2000 Low Income Statistics Based on the Market Basket Measure*. Families of three and one calculated on data sourced from *Constructing the Revised Market Basket Measure*, Working Paper T-01-1E by M. Hatfield, HRDC, April 2002.

Table 4 depicts the incidence and depth²³ of low income in Alberta and Canada using the Federal MBM and LICO.

Table 4: Federal MBM vs. LICO After Tax

	Alberta		Canada	
	MBM	LICO	MBM	LICO
Incidence of Low Income	11.9 %	10.1 %	13.1 %	10.9 %
Depth of Low Income	33.0 %	33.6 %	30.9 %	32.5 %

Source: HRDC, *Understanding the 2000 Low Income Statistics Based on the Market Basket Measure*, May 2003

The subsistence level of poverty is measured using the Basic Needs Measure developed by Chris Sarlo for the Fraser Institute. The Fraser Institute's definition is limited to basic physical necessities and does not

¹⁶ With the exception of hourly wages, figures are rounded to the nearest dollar.

¹⁷ Reference family of four is comprised of two adults aged 25-49 and two children under 16 years old. Reference family of three is comprised of one adult aged 25-49 and two children under 16 years old. Reference family of one is an unattached adult aged 25-49.

¹⁸ Based on monthly transit pass for adults plus one \$16 per month taxi ride.

¹⁹ Relative calculation based on 68.9% of combined Food and Clothing/footwear expenditures.

²⁰ Hourly wage is based on one income earner working 40 hours per week for 52 weeks per year.

²¹ Relative figure based on formula stating that a lone parent and two children under 16 costs 85% of the reference family of four.

²² Relative figure based on formula stating that an unattached adult costs 50% of the reference family of four.

²³ "Depth" of low income refers to how far below the poverty measure the average low-income individual falls.

include such things as hair cuts, dental services or school supplies. Among other things, the Fraser Institute's measurement has been criticized for including estimates that do not reflect real costs or consumption for food or basic household needs (e.g. 14 servings of fruit for \$2.11, 32 rolls of toilet paper for family of four for one year) [Shillington, 2001, Sarlo, 2001]. *The Canadian Fact Book on Poverty* (Ross, Scott and Smith, 2000) said of the Fraser Institute's poverty lines, "for those who want a basic Third World measure of poverty, one that will do little more than provide for the short-term physical survival of a family, these lines are representative of that." [p. 26].

Family Size	1	2	3	4	5	6
Calgary	\$ 8,260	\$ 12,962	\$ 15,754	\$ 18,299	\$ 20,667	\$ 22,898
Alberta	\$ 8,147	\$ 12,785	\$ 15,538	\$ 18,049	\$ 20,385	\$ 22,585

Source: Sarlo, *Measuring Poverty in Canada*, 2001.

While there may be disagreement among advocates, politicians and academics regarding definitions of poverty and poverty lines, surveys suggest that the general public favours the social inclusion approach represented by the LICO:

...it is important to note that the overwhelming reason why the current LICOs have been around so long and are the most authoritative, widely quoted and accepted lines is not because of their superior methodology, but because they give sensible results that resonate with Canadians. Since 1976, when [opinion pollster] Gallup has asked the question as to what is the minimum amount a family needs to get by on, the answers have been remarkably similar to the LICO numbers, and both have closely tracked changes in average family income levels... [Ross, Scott and Smith, 2000, p. 37].

Poverty and Minimum Wage

While it is important not to confuse a Living Wage initiative with a campaign to increase minimum wage, information about Alberta's minimum wage is included in this Report for comparative purposes, and because increases to the minimum wage tend to "trickle up" and result in increases to low wages immediately above the minimum wage.

Alberta's minimum wage last increased from \$5.65 to \$5.90 on October 1, 1999 [Battle, 2003]. At \$5.90 an hour, Alberta's minimum wage is the lowest in Canada, 90 cents per hour less than the national average. Saskatchewan's is \$6.65 per hour, Manitoba's is \$6.75 per hour and British Columbia's is \$8.00.²⁴ In 2002, the minimum wage in Alberta was 32.4 percent lower than it was in 1977 real dollars, due to inflation [Battle, 2003]. The City of Calgary, Community Strategies web site notes how "persons living in poverty automatically includes all persons living in households where working members earn the minimum wage" [City of Calgary, 2003]. Table 6 contrasts the 2002 LICO lines with Alberta's minimum wage.

²⁴ Effective November 15, 2001, the BC Liberal government implemented a first-job rate which means that instead of earning the \$8 per hour minimum wage, workers with no employment record (including immigrant and refugee people with no Canadian employment history) receive \$6 per hour until they have completed 500 "training hours."

Table 6: Alberta Minimum Wage vs. 2002 before-tax LICO²⁵

Family Size	LICO Lines		Minimum Wage		Difference		Percent Increase Required	Percent of LICO
	Annually	Hourly	Annually	Hourly	Annually	Hourly		
Individual	\$ 19,261	\$ 9.26	\$ 12,272	\$ 5.90	\$ 6,989	\$ 3.36	57 %	64 %
1 Dependant	\$ 24,077	\$ 11.58	\$ 12,272	\$ 5.90	\$ 11,805	\$ 5.68	96 %	51 %
2 Dependants	\$ 29,944	\$ 14.40	\$ 12,272	\$ 5.90	\$ 17,672	\$ 8.50	144 %	41 %

Based on this table:

- A person in Calgary earning minimum wage and working 40 hours a week brings home \$1,022.67 per month, or \$12,272 per year. Based on LICO, this results in a monthly shortfall of \$582.41.
- A person earning minimum wage would need to work over 60 hours a week to earn \$19,261 – the Low Income Cut-off for a single person in Calgary.
- A single parent with one child would need to work close to 80 hours a week in order to earn \$24,077 – the Low Income Cut-off for a two-person family in Calgary. This increases to almost 100 hours per week (\$29,944 per year) if the worker has two dependants.
- Alberta’s minimum wage represents 64% of the before-tax LICO line for an individual living in Calgary and working full-time with no dependants. In other words, this individual will still fall short of the LICO line by 36%. A full-time minimum wage worker with one dependant falls short of the LICO line by 49% and a worker with two dependants falls short by 59%.
- Alberta’s minimum wage would need to increase by 57% to \$9.26 per hour for an individual living in Calgary and working full-time with no dependants to meet the LICO line.

Economic climate

The overall number of people living in poverty²⁶ in Canada continues to climb, from 4.09 million in 1980 to 4.28 million in 1990 to 4.72 million in 2000 [CCSD, 2003]. One in four Canadian workers are caught in low-wage, insecure jobs that keep them well below the low income cut-off [Goar, 2003]. According to the Federation of Canadian Municipalities, “as the income gap widens, the groups most at risk of living in poverty are children, lone-parent families, visible minorities, immigrants and refugees, seniors, people with disabilities, and Aboriginal people” [Arundel, 2003, p. 2].

²⁵ The before-tax Low Income Cut-off lines are based on gross, pre-tax income (i.e., income from employment, investments, private pensions and other private sources plus income from government programs such as public pensions, Employment Insurance, child benefits and welfare). The after-tax Low Income Cut-off lines use the same definition of income but also factor in the federal and provincial income taxes that Canadians pay. For a single person earning minimum wage in Alberta, after-tax income totalled \$11, 915 in 2002. In addition to \$12,272 from minimum wage earnings, the single worker received \$316 from the Federal GST (Goods and Services Tax) credit, but paid \$673 in federal income tax though no Alberta income tax. Payroll taxes, not included in Statistics Canada’s after-tax LICO lines, amounted to \$653 (\$377 in Canada Pension Plan contributions and \$276 in Employment Insurance premiums) [Battle, 2003].

²⁶ Based on before-tax LICO lines.

Early analysis of the 2001 Census of Canada indicates significant increases in income polarization among Canadians: "...Canadian society is becoming increasingly polarized. ...we have been unable, as a nation, to tackle poverty in any meaningful way. The economic boom of the last part of the decade has clearly not put any real dent in Canadian child poverty rates." [CCSD, 2003, p. 1].

According to the 2001 Census, low income working Canadians among the 20 percent just below the median saw their incomes decrease. A study by the Federation of Canadian Municipalities found that, between 1992 and 1998, total family income among the poorest Calgarians dropped by almost 7%, while the wealthiest Calgarians saw a gain of just under 13% (Arundel, 2003).

2001 Census figures show that the poorest 10 percent of the Calgary population had an average annual income of \$13,000 while those in the top 10 percent averaged annual incomes of \$248,600 or one dollar for every \$19.10 [CCSD, 2003]. Table 7 contrasts the wealth gap information for Calgary with figures for Alberta and Canada. Although the average annual income is slightly higher for the poorest 10 percent of Calgarians, as contrasted with the provincial and federal numbers, the wealthiest 10 percent of Calgarians have a significantly higher average income than at the provincial and federal level. This results in a greater wealth-poverty gap in Calgary.

Region	Median Income	Wealthiest 10%	Poorest 10%	Wealth-Poverty Ratio
Canada	\$ 55,016	\$ 185,070	\$ 10,341	\$ 17.90 per \$ 1
Alberta	\$ 60,142	\$ 198,000	\$ 11,845	\$ 16.70 per \$ 1
Calgary	\$ 65,488	\$ 248,600	\$ 13,000	\$ 19.10 per \$ 1

Source: Statistics Canada, May 13, 2003

Polarization has also increased in industries and occupations with regard to wages and employment opportunities. Kevin Lee noted in *Urban Poverty in Canada, A Statistical Profile*, that, "the labour market is threatening to become more dichotomous as the jobs available increasingly fit into two categories: 'good jobs' – those that are full time, well remunerated and satisfying positions – and 'bad jobs' – those that involve unstable, poorly paid and devalorizing employment opportunities" [p. 53]. This concern was echoed in an article by *Toronto Star* columnist Carol Goar [2003]:

It is true that the job market has always been stratified. But the gulf between those with secure, remunerative work and those in precarious, low-wage jobs has widened dramatically in the last decade. Globalization, corporate restructuring, government cutbacks and technological changes have pushed increasing numbers of workers to the margins of the labour force. [reprinted in *Calgary Street Talk*, p. 3]

Unemployment rates in Alberta continue to fall and of the 25 largest cities in Canada, in August 2003 Calgary had the lowest unemployment at a rate of 4.7 percent [AHRE, 2003]. In the same month, the national average was significantly higher at 8.0 percent [AHRE, 2003]. This indicates that the local labour market is "tight" enough to support increases to low wages, as employers search for ways to attract and retain skilled workers.

Work sectors

The economic recovery of the mid-nineties in Alberta appeared to be benefiting everyone: the Alberta economy was booming, the unemployment rate was one of the lowest in the nation, corporate profits were up, and the government was reporting record budget surpluses [AFL, 1998]. At the same time, though, the consequences of a decade of government, private and public sector economic restructuring resulted in growing income polarization, increased food bank usage, and soaring homelessness. In the mid-1990s, the number of jobs created in Alberta increased by 2.8%. However, most of these jobs were the result of two trends: the increase in self-employment and growth in the services sectors associated with low wages. Consequently, rather than affording new and better employment opportunities and greater flexibility, what many Albertans experienced was the grind of two or three part time jobs, no benefits, no job security and deeper poverty [AFL, 1998; McGowen, 1997].

According to the Caledon Institute of Social Policy, across Canada, the top five industries in terms of their incidence of minimum wage workers are: accommodation and food services (19.4% of these employees work for minimum wage); agriculture (15.4%); trade (8.8%); other services (7.7%); and information, culture and recreation (6.2%)²⁷ [Battle, 2003]. Ken Battle notes that the figures change in terms of the distribution of minimum wage workers among the various industries, where the two largest minimum wage employers (trade with 30.2% of all minimum wage workers and accommodation and food services with 28.9%) total 59.1 percent of the minimum wage workforce [Battle, 2003]. The next largest minimum wage employers are: information, culture and recreation (6.1%); other services (6.1%); manufacturing (5.2%); and health care and social assistance (4.5%) [Battle, 2003].

Although hourly wage data broken down by industry or occupation is not currently available for Calgary, a review of the average annual incomes for various occupation groups clearly shows that, on average, workers in sales and service occupations earn the lowest average annual incomes, at only \$20,004 (Table 8). This is significant because one-quarter of Calgary's work force is employed in sales and service occupations, more than any other occupation group.

²⁷ The minimum wage incidence for other industries is: management, administrative and other support (5.1%); finance, insurance, real estate and leasing (2.5%); transportation and warehousing (2.2%); health care and social assistance (2.0); educational services (1.7%); forestry, fishing, mining, oil and gas (1.5%); manufacturing (1.4%); public administration (1.1%); professional, scientific and technical services (1.0%); and construction (1.0%) [Battle, 2003].

Table 8: Calgary (CMA) Labour Force Participation and Income by Occupation

Occupation	Total work force		Average Income
	Count	Percentage	
Management occupations	69,120	11.8 %	\$ 68,991
Natural and applied science and related occupations	59,760	10.2 %	\$ 55,858
Occupations in social science, education, government service, and religion	37,030	6.3 %	\$ 46,666
Health occupations	26,630	4.6 %	\$ 41,395
Business, finance and administration occupations	119,275	20.4 %	\$ 33,895
Trades, transport and equipment operators and related occupations	76,805	13.1 %	\$ 32,132
Occupations unique to processing, manufacturing and utilities	25,645	4.4 %	\$ 28,390
Occupations unique to primary industry	11,365	1.9 %	\$ 26,443
Occupations in art, culture, recreation and sport	16,490	2.8 %	\$ 26,227
Sales and service occupations	143,615	24.5 %	\$ 20,004

Source: Statistics Canada, Census of Population, 2000

Unions play an important role in protecting and advancing workers’ rights. The average weekly earnings of Canadian full-time workers who are unionized are 18.3% higher than those of non-unionized workers. The disparity between unionized and non-unionized part-time workers is even higher at 37.5%. [AFL, 2001]. Canadian non-unionized male workers are two and a half times more likely to fall below the LICO line; non-unionized female workers are almost four times more likely to be poor [Janigan, 2000]. Andrew Jackson, senior economist for the Canadian Labour Congress, notes that while collective bargaining is the best way to raise wages and improve job security, two thirds of the Canadian workforce is not unionized. In Alberta, only one in five workers belongs to a union – the lowest union penetration rate in Canada [Stanford, 1999].

Private Sector

Many of the new jobs created in the private sector between 1975 and 2000 were in industries that have traditionally paid lower wages, such as the wholesale and retail trade and services sectors. According to the Alberta Federation of Labour, the services sector now accounts for 42.2% of all jobs in Alberta [AFL, 2001]. Jobs in these sectors also tend to be non-unionized, and the smaller businesses in the services sector – where many low-waged, insecure jobs are concentrated – are unlikely to be unionized in the near future [Goar, 2003].

There is a popular misconception that most of the low-waged jobs in private sector industries such as retail, food services, hospitality and manufacturing are held by young Albertans. On the contrary, among Canadian workers, almost half of those working in low-waged jobs are over 35 years of age. The workers filling these jobs are more often well educated: 40 percent have completed high school, 36 percent have post-secondary education and most of them are women. About 65 percent of these jobs are full-time and about one third of the workers in them are the sole wage earner in their family [Maxwell, 2002].

Public Sector

The public sector has historically provided jobs that are reasonably well paid and secure and generally we find this to still be true. However, massive cuts to public sectors such as health care and education have changed the types of jobs available. In addition to this, unions have faced significant struggles over the past

decade and workers rights have been eroded. Contracting out is more common and, not surprisingly, it is here that we find low-waged jobs within the public sector. For example, a non-union, part-time, on-call concession attendant with the City of Calgary earns between \$6.98 and \$8.14 per hour [City of Calgary, Community Vitality & Protection, Recreation, September 2003].

Non-profit Sector

Recent studies of the Canadian non-profit sector have yielded interesting results. On average, more women than men are employed in non-profit organisations. In one survey, all of the staff positions – management, front-line professionals or service providers, clerical and administrative support – were more poorly paid than similar positions in other sectors. This was particularly true of newer agencies, likely due to their tendency to have smaller budgets and employ fewer full-time employees [Scott, 2003]. Among senior staff, managers of volunteers appeared to receive the lowest salaries. In *What's it Worth?* the lowest annual salary reported for this position was \$17,500, which would break down to less than \$8.50 per hour for full-time work [Adsit and Mah, 1998]. Given the generally acknowledged tendency among employees of non-profit organisations to contribute unpaid hours to their work, particularly those providing critical front-line services, even more highly paid senior staff could in actual terms be making less than \$9 per hour.

The Alberta Federation of Labour says Albertans are working longer hours for less pay. Between 1981 and 1996, “the number of Albertans working more than 50 hours per week has remained about 25 percent above the national average” [AFL, 1998, p. 14]. At the same time, hourly wages fell when expressed in constant dollars, reversing Alberta’s 1983 position of having higher average hourly wages than the national average (Table 9).

Table 9: Average Wages for Employees Paid by the Hour, Canada and Alberta, 1983–1997 (1997 Constant \$)						
	1983	1986	1989	1992	1995	1997
Canada	\$ 15.38	\$ 14.79	\$ 14.67	\$ 14.80	\$ 14.81	\$ 14.49
Alberta	\$ 16.11	\$ 14.81	\$ 14.37	\$ 14.48	\$ 13.72	\$ 13.71

Source: AFL, 1998

Non-wage benefits

The most commonly offered benefits packages include some type of pension plan, and health and dental benefits. Health coverage could include prescription drugs, chiropractic services, and physiotherapy. The provision of benefits varies widely across sectors and according to the number of hours worked, job tenure, terms of employment (contract or waged), and size of workplace. Statistics Canada has found that while 85% of employees in the communications and other utilities industry as well as capital intensive tertiary manufacturing, received some type of non-wage benefit, these numbers fell to slightly over half of the employees in retail trade and consumer services (56%), real estate, rental and leasing operators (58%), and construction (50%). According to Statistics Canada:

These results are likely related to findings for two other cross-sections: large workplaces were much more likely to provide non-wage benefits than smaller workplaces, and unionized jobs were more likely to receive these benefits than non-union. [Statistics

Canada, 2001, p. 39].

In the non-profit sector, recent studies show that fewer non-profit organisations provided benefits to workers than did private and public sector employers. As with wages, this was more pronounced in newer organisations with smaller budgets and fewer employees [Scott, 2003].

Sex and age appear to be determinants of the benefits that are received, with men somewhat more likely than women to have coverage. Youth workers also tend to have low rates of coverage, as do those working part-time. Employees earning less than \$12 per hour are half as likely to have non-wage benefits of any sort than those earning more than \$12 per hour. Like wages, access to benefits improves with level of education [Statistics Canada, 2001]. Refer to Table 9 for a comparison of non-wage benefits across the provinces.

Region	% of employees who are NOT included in:						
	Employer-sponsored Pension Plan	Group RRSP	Life / Disability Insurance	Supplemental Medical Insurance	Dental Plan	Stock Purchase Plan	No Non-wage Benefits
Atlantic	59.8	88.1	46.6	52.2	54.3	94.0	36.8
Quebec	64.3	83.8	48.5	54.5	62.6	95.4	41.8
Ontario	60.0	80.0	38.7	40.4	40.9	91.3	28.2
Manitoba	55.9	81.6	43.6	54.8	49.5	92.5	29.4
Saskatchewan	55.2	83.3	39.5	55.7	41.3	94.9	34.0
Alberta	68.9	80.8	47.0	48.2	45.3	90.3	37.2
British Columbia	64.7	85.6	48.2	47.3	44.7	93.0	34.8

Source: Workplace and Employee Survey, 1999

Overview of poverty in Calgary

Over 12 percent of all individuals in Calgary lived below the LICO lines in 2000; 11.7 percent of children and 16.4 percent of seniors over age 65 lived below the LICO [City of Calgary, November 2003, p. 1]. Over 22,000 Calgarians relied on social assistance²⁸ in December 2002 [City of Calgary, November 2003, p. 1].

In Calgary, as many as 50 percent of the people living in homeless shelters are employed [Sustainable Calgary, 2000]. A person earning minimum wage would have to spend 70% of his or her gross income to afford the average rent of \$716 a month for a one-bedroom apartment [AUMA, 2003 Resolution No. C1]. The average rent for a two-bedroom apartment in Calgary was \$804 in 2002, up 2.7 percent from 2001 [City of Calgary, November 2003, p. 1]. In 2002, 1,737 Calgarians were homeless – an increase of 34 percent from 2000 [City of Calgary, 2002]; this figure does not include the hundreds more who are marginally housed – multiple families sharing one or two bedroom apartments or people sleeping on a friend or family member’s floor or sofa.

²⁸ Supports for Independence and Assured Income for the Severely Handicapped.

48,311 individuals received food hampers in 2002, up 11 percent from 2001 [City of Calgary, November 2003, p. 1]. In Calgary, 31.8 percent of the visible minority population and 50.6 percent of people of Aboriginal identity live in poverty [Lee, 2000]. The poverty rate among immigrants in Calgary is 27 percent compared to 19 percent among Canadian born residents [Lee, 2000].

Low wage workers in Calgary

In 2000, more than 47,800 Calgarians worked full-time, all year and still did not earn enough to raise themselves and their families above the poverty line [Statistics Canada, 2001]. Table 10 provides an age and gender breakdown of employed Calgarians earning wages of less than \$9.00 per hour. Close to 17 percent of employed Calgarians over the age of 15 earn less than \$9 an hour. Over half (41,800) of these 82,800 low-wage workers are age 25 or older. The result is that one in ten men and women workers age 25 and over in Calgary earn less than \$9 an hour.

Table 10: Estimates of Employed Employees in Calgary CMA by Age, Sex and Hourly Wage Distribution, Annual Average 2002

Both Sexes	15 +	25 +	15-19	20-24	25-34	35-44	45-54	55-64	65 +
\$5.90 OR LESS	4,300	2,000	1,800	600	800	400	400	400	0
\$5.91 TO \$9.00	78,500	38,800	24,000	14,600	15,400	10,900	8,200	4,300	0
\$5.91 TO \$7.00	22,500	6,600	11,500	3,500	2,600	1,900	2,100	0	0
\$7.01 TO \$8.00	29,600	15,900	8,100	5,300	6,200	4,100	3,100	2,500	0
\$8.01 TO \$9.00	26,300	14,500	4,400	5,800	6,700	4,800	3,000	0	0
\$9.01 AND MORE	410,900	363,300	7,100	40,600	111,200	118,600	95,300	34,000	4,200
Total Employed	493,700	405,100	32,800	55,800	127,400	129,900	103,900	38,700	5,200
Total Low Wage Earners	82,800	41,800	25,700	15,200	16,200	11,300	8,600	4,700	1,000
Percent of Low Wage Earners	16.77%	10.32%	78.35%	27.24%	12.72%	8.70%	8.28%	12.14%	19.23%
Males									
	15 +	25 +	15-19	20-24	25-34	35-44	45-54	55-64	65 +
\$5.90 OR LESS	2,200	1,000	1,000	300	600	100	200	100	0
\$5.91 TO \$9.00	30,600	12,400	11,700	5,300	5,500	3,300	2,300	1,300	0
\$5.91 TO \$7.00	9,500	2,200	5,600	200	1,300	400	500	0	0
\$7.01 TO \$8.00	9,900	4,600	3,400	1,600	1,800	1,300	800	700	0
\$8.01 TO \$9.00	11,100	4,900	2,700	2,500	2,400	1,600	900	0	0
\$9.01 AND MORE	222,800	196,400	4,400	22,000	63,800	64,200	47,600	18,500	2,300
Total Employed	255,500	210,800	17,100	27,600	69,900	67,600	50,100	19,900	3,300
Total Low Wage Earners	32,700	14,400	12,700	5,600	6,100	3,400	2,500	1,400	1,000
Percent of Low Wage Earners	12.80%	6.83%	74.27%	20.29%	8.73%	5.03%	4.99%	7.04%	30.30%
Females									
	15 +	25 +	15-19	20-24	25-34	35-44	45-54	55-64	65 +
\$5.90 OR LESS	2,100	1,200	900	200	300	400	200	300	0
\$5.91 TO \$9.00	47,900	26,200	12,200	9,300	9,900	7,500	5,900	2,900	0
\$5.91 TO \$7.00	13,000	4,300	5,900	2,400	1,200	1,500	1,600	0	0
\$7.01 TO \$8.00	19,700	11,300	4,700	3,700	4,400	2,800	2,300	1,800	0
\$8.01 TO \$9.00	15,200	9,700	1,700	3,200	4,300	3,300	2,100	0	0
\$9.01 AND MORE	188,100	166,900	2,600	18,700	47,300	54,400	47,700	15,600	1,900
Total employed	238,200	194,300	15,700	28,200	57,500	62,300	53,800	18,800	1,900
Total Low Wage Earners	50,100	27,400	13,100	9,500	10,200	7,900	6,100	3,200	0
Percent of Low Wage Earners	21.03%	14.10%	83.44%	33.69%	17.74%	12.68%	11.34%	17.02%	0.00%

Notes: Data does not include self-employed workers. Zeros are estimates with less than 1,500 employed for which data is not available. Numbers may not add up due to rounding.

Source: Statistics Canada, Labour Statistics Division, Labour Force Survey

Table 11 provides a breakdown of poverty rates (based on LICO) among the Calgary Labour Force according to age and gender. Within the total population, individuals 18 to 24 years of age have the highest poverty rate at 22.6 percent. This figure increases when gender is taken into account, with women in that age group having a poverty rate of 24.8 percent. The gender gap is significantly larger among workers over 70 years of age: women have a poverty rate of 23.9 percent compared to 18.2 percent for the general population in this age group.

Table 11: Calgary Labour Force Participation and LICO			
	Total workers	Number of workers below LICO	Proportion of workers below LICO
Total labour force age 15 and over			
15-17 years	38,950	5,000	12.8 %
18-24 years	96,130	21,705	22.6 %
25-34 years	153,540	21,850	14.2 %
35-44 years	175,475	19,390	11.0 %
45-54 years	138,370	12,740	9.2 %
55-64 years	71,145	8,760	12.3 %
65-69 years	26,460	3,615	13.7 %
70 years and over	53,275	9,705	18.2 %
Females age 15 and over			
15-17 years	18,900	2,390	12.6 %
18-24 years	46,650	11,570	24.8 %
25-34 years	75,780	11,530	15.2 %
35-44 years	88,390	10,700	12.1 %
45-54 years	68,765	6,720	9.8 %
55-64 years	36,170	5,120	14.1 %
65-69 years	13,545	2,095	15.4 %
70 years and over	30,870	7,370	23.9 %
Youth (age 15 to 24)			
15-17 years	38,950	5,000	12.8 %
18-24 years	96,130	21,705	22.6 %
Mature Workers (age 55 and over)			
55-64 years	71,145	8,760	12.3 %
65-69 years	26,460	3,615	13.7 %
70 years and over	53,275	9,705	18.2 %

Source: Statistics Canada, Census, 2001

Designated population groups and poverty

Not everyone experiences poverty at the same rates or for the same reasons. Members of specific population groups face a variety of barriers to full participation in the workforce and consequently have significantly lower incomes when compared with the total population.

Aboriginal persons

Aboriginal persons in urban areas, particularly Aboriginal women, face alarmingly high poverty rates, more than twice that of non-Aboriginal persons according to 1996 census data [CCSD, 2000]. Aboriginal persons face significant barriers to finding and keeping secure and well-paid employment due to a number of factors including systemic racism and low levels of education. The Royal Commission on Aboriginal Peoples stated:

Aboriginal people face discrimination in hiring and employment. They earn about one-third less in wages. They are less likely to hold down full-time, year-round jobs. They are much more likely to be employed in manual trades such as construction than in white collar jobs as professionals, administrators, managers or clerks [CCSD, 2000, p. 39].

Despite the fact that the majority of their income comes from employment earnings [Statistics Canada, 1996], poverty among Aboriginal people living in Calgary is significantly higher than among the non-Aboriginal population (Table 12). The median income of Aboriginal women is just 76 percent of that of non-Aboriginal women in Calgary. Aboriginal men in Calgary have a median income that is only 69 percent of the median income of non-Aboriginal men.

	Aboriginal women	Non-Aboriginal women	Aboriginal men	Non-Aboriginal men
Median Income	\$ 12,417	\$ 16,289	\$ 19,412	\$ 28,224
Difference	\$ 3,872		\$ 8,812	

Source: City of Calgary, Research and Analysis, 1999

Persons who have disabilities

Persons who have disabilities experience significant barriers to full employment, tend to have rates of unemployment almost twice that of the total population. According to the City of Calgary, the labour force participation rate for persons with disabilities was 38% compared to 74% among the total population. Women with disabilities are doubly disadvantaged, with a labour force participation rate of 32% compared to a rate of 46% among men with disabilities [Custom Tabulation, Statistics Canada, 1996]. Persons with disabilities also experience a higher incidence of periods of unemployment, and are more likely to work part time and to be poor than non-disabled persons. Even persons with disabilities who are able to work full time are likely to have recurring period of illness that can seriously impair their ability to move forward in their careers. In addition to systemic barriers, they are also faced with many physical barriers to employment such as the lack of accessible workspaces and reliable transportation. Among person with disabilities who worked full-time, full-year in Calgary in 1995, 13% reported low incomes, compared with 8% among the non-disabled population [Statistics Canada, 1996].

Not only do Albertans with disabilities age 15 and over have an average annual income that is \$7,304 lower than people without disabilities, 56.3 percent of people with disabilities have incomes under \$20,000, compared to 40.6 percent of people without disabilities (Table 13).

Table 13: Total Income of Adults with and without Disabilities, Alberta, 2001

	Adults with Disabilities		Adults without Disabilities	
Total adults 15 and over	331,760	% of adults with disabilities earning:	1,912,210	% of adults without disabilities earning:
Without income in 2000	2,580		76,020	
With income in 2000	327,880		1,836,190	
Less than \$5,000	37,800	11.4 %	261,810	13.7 %
\$5,000 - \$9,999	34,400	10.4 %	171,220	9.0 %
\$10,000 - \$14,999	64,450	19.4 %	172,230	9.0 %
\$15,000 - \$19,999	50,150	15.1 %	168,490	8.8 %
\$20,000 - \$29,999	52,560	15.8 %	279,450	14.6 %
\$30,000 - \$39,999	32,870	9.9 %	255,070	13.3 %
\$40,000 - \$49,999	21,940	6.6 %	169,090	8.8 %
\$50,000 - \$59,999	11,340	3.4 %	113,680	5.9 %
\$60,000 - \$79,999	12,660	3.8 %	134,990	7.1 %
\$80,000 and over	9,720	2.9 %	110,170	5.8 %
Average income	\$ 24,317		\$ 31,621	
Median income	\$ 17,225		\$ 23,446	

Source: Statistics Canada, Catalogue no. 89-587, 2001

Women

Women are much more likely to be poor than men and are more likely to be working in insecure, part-time or contract jobs. As seen in Table 9, the percentage of women in Calgary who earn less than \$9 per hour exceeds the percentage of men earning low wages in every age category except age 65 and over. Over 10,000 women in Calgary (17.74%) between the ages of 25 and 34 are earning less than \$9 per hour. Of mature workers aged 45 to 64, women in Calgary are more than twice as likely as men to be low wage earners. Among Canadian women earning low wages, one third are the sole wage earners in their families, nearly half are over 35 years of age and one third have post-secondary education [Maxwell, 2002].

In fact, women earn less than men even if they work in the same sectors or even in the same jobs: There are no occupations in which women's average earnings exceed men's, not even in female-dominated areas such as clerical work and teaching [Statistics Canada, 2000, p. 156]. Canada has the fifth largest wage gap between women and men full-time workers out of the world's 29 most developed countries [OECD, 1999]. Only Spain, Portugal, Japan and Korea have larger wage gaps [OECD, 1999].

Youth

Young workers aged 15 to 24 in Calgary account for almost half (49.4%) of low-wage workers (Table 9). In Alberta, female youth had the lowest average hourly wage rate of all age groups, and had lower hourly wage rates than male youth. It is important to note that, while the common view of youth workers is of teens working after school for extra money, many of these workers may be young single parents, working to pay for post-secondary education, independent full-time workers or, if living at home, supplementing family

income.

Immigrant persons

There is broad agreement in the literature regarding the link between immigrant persons' economic well being and the length of time they have lived in Canada (Table 14). Generally speaking, an immigrant's success in the labour market improves over time. In *Urban Poverty in Canada: a Statistical Profile*, Kevin K. Lee noted: "In fact, the average income of some non-recent immigrants has approached, or surpassed, the average income of Canadian-born citizens" [CCSD, 2000, p. 31]. He cautioned, however, that *recent* immigrants might be having more difficulty in the labour market than did earlier immigrants, and that their incomes might never match Canadian averages. This concern was echoed in a *Calgary Herald* article [August 25, 2003, citing an unpublished report by the Canadian Labour and Business Centre], which stated that it now takes over ten years in Canada before unemployment among immigrants drops to the level of non-immigrants [Beauchesne, 2003]. It is the recently immigrated that have the most difficulty obtaining secure, well-paid employment and who experience the deepest poverty. A recent Statistics Canada study found the pay gap between newcomers and Canadian-born men grew dramatically between 1980 and 2000, despite improved credentials among immigrants: "In 1980, accounting for differences in education and age, recent male immigrants earned 17 percent less on average than their Canadian-born counterparts. By 2000, the spread had more than doubled, to 40 percent"²⁹ [Peritz in *The Globe and Mail*, October 9, 2003, p. A10]. Analysts with Statistics Canada could not determine whether the immigrants in the study were unable to secure well-paying jobs, or whether they were being paid less than native-born Canadians for the same jobs [Peritz in *The Globe and Mail*, October 9, 2003, p. A10].

Table 14: Calgary Immigrant Population Labour Force Activity

Immigrant Status	Total labour force activity	In the labour force	Not in the labour force	Participation rate	Employed	Employment rate	Unemployed	Unemployment rate
Non-immigrant population	563,665	437,500	126,160	77.6	416,270	73.9	21,230	4.9
Immigrant population	186,200	127,305	58,895	68.4	120,715	64.8	6,595	5.2
Entered country during the census year	2,475	1,455	1,015	58.8	1,060	42.8	400	27.5
Entered country within the last 5 years	26,200	18,600	7,600	71.0	17,350	66.2	1,250	6.7
Entered country 6 to 10 years ago	29,775	21,110	8,660	70.9	19,785	66.4	1,325	6.3
Entered country 11 to 15 years ago	22,280	16,680	5,600	74.9	15,545	69.8	1,135	6.8
Entered country 16 to 20 years ago	19,010	14,455	4,555	76.0	13,865	72.9	595	4.1
Entered country more than 20 years ago	86,455	55,000	31,455	63.6	53,115	61.4	1,885	3.4
Non-permanent residents	6,265	3,655	2,610	58.3	3,385	54.1	265	7.3

Source: 2001 Census - Statistics Canada 97F0012XCB01052

²⁹ Earnings of recent immigrant men fell seven percent on average from 1980 to 2000, while the real earnings of their Canadian-born equivalents rose seven percent [Peritz in *The Globe and Mail*, October 9, 2003, p. A10]

In Calgary, new immigrants have a low-income rate of 41.8 percent, compared with a rate of 27 percent among the larger immigrant population [Statistics Canada, 1999]. Across Canada, the proportion of children of recent immigrants (those in Canada less than 10 years) living in low-income households has steadily increased in the past two decades: 20 percent in 1980, 27 percent in 1990 and 33 percent in 2000³⁰ [Canadian Press, 2003].

Diversity Calgary is developing comprehensive, cross-sectoral strategies to address the following systemic barriers for immigrant persons in the employment domain:

- unfair and racially biased employment practices;
- lack of accountability (where diversity policies and procedures exist);
- under-representation and over-representation of racial minorities in certain sectors;
- lack of recognition of foreign credentials and foreign experience;
- evaluation of credentials;
- cost of accreditation; accessibility and availability of accreditation services; and
- lack of access to adequate, occupation-specific educational / training upgrading, language training and testing.

³⁰ The children of Canadian-born parents fared better as the proportion of these children in low-income households has been decreasing: 19 percent in 1980, 17 percent in 1990 and 16 percent in 2000 [Canadian Press, 2003].

SUMMARY

This report began by describing the features of a Living Wage. This was followed by a comprehensive overview of Living Wage campaigns in ten North American cities. Arguments against a Living Wage were described and responses to these concerns were offered. Economic research, demographic information and work sector employment information were synthesized. The breadth and depth of poverty among workers in Calgary warrants a comprehensive approach to poverty reduction in this city. The following points summarize the key findings of this report.

Living Wage Initiatives

- In the United States, Living Wage campaigns have sought a legislated municipal ordinance. The scope and amount of the Living Wage varies from campaign to campaign. Lessons learned from these campaigns show that early campaign efforts should be directed toward building support for the concept of Living Wage rather than trying to set the amount and scope of the wage.
- Understanding the nature of local policy networks is crucial to Living Wage policy development and implementation. This involves building a broad-based coalition and engaging in long-term strategic planning, with Living Wage as one issue in an initiative to promote progressive workplace contributions to poverty reduction.
- Learning what is legally and politically possible in Calgary will guide decisions about the initial campaign focus. Additional campaign components can be added when they are likely to be achievable.
- Living wage campaigns can be labour intensive. According to people who have engaged in campaigns in the United States, a minimum of one full-time employee is required to co-ordinate a campaign.
- Opposition to Living Wage campaigns in the US has come from private businesses. In some cities, businesses that support Living Wage have served as strong advocates among the business community during Living Wage campaigns. Finding supportive business leaders is one part of developing a proactive communications strategy. The arguments for and against Living Wage have been well developed through previous campaigns. This information is synthesized in this Report and can be used as the basis for developing responses to opposition arguments.
- The majority of research on Living Wage has been conducted in the United States. More research that reflects the Canadian context is required to support Living Wage initiatives in Canada. Social policy research groups such as the Canadian Policy Research Network (CPRN) are already undertaking research related to Living Wage. Creating links with them will provide support for ongoing research in this area.

The Face of Poverty in Calgary

- While there is ongoing debate around definitions of poverty and the ways in which poverty is measured, public opinion favours the social inclusion approach represented by the LICO lines.
- Recent research indicates increasing economic and social polarization, especially in larger metropolitan areas. The wealth-poverty ratio in Calgary is significantly higher than it is for Alberta and Canada.
- Most of the new jobs created in Alberta since 1975 have been in the low-waged services sectors.
- Statistics consistently belie the popular myth that most low-waged workers are dependent teenagers. Over half of Calgary workers earning less than \$9 per hour are over 25 years of age. Calgary workers

- between 18 and 24 have the highest poverty rates.
- There continues to be a persistent gender gap with regards to low wages and overall poverty rates. The percentage of women in Calgary who earn less than \$9 per hour exceeds the percentage of men earning low wages in every category except 65 and over.
- Persons with disabilities in Calgary have unemployment rates nearly twice that of the total population.

Poverty reduction initiatives such as Living Wage campaigns involve building public policy. Policy development is affected by values and the challenge is therefore to develop processes that encourage discussion about the issues in a way that leads to consensus-building among citizens, politicians and experts [Pal, 2001]. The quality of such policy depends on ongoing co-operation and interaction within and between private/non-profit/public policy networks [Pal, 2001]. Understanding the nature of these policy networks is crucial to Living Wage policy development and implementation. Emphasis on understanding policy networks is reflected in the lessons learned across Living Wage campaigns, which emphasize the need to nest campaigns within a broad based economic justice movement developed through extensive coalition work. Through this report, the Living Wage Action Group has taken steps toward building a dialogue around Living Wage in Calgary.

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Appendix A – Elements of a Living Wage Ordinance (Outline of Questions to Grapple With)

Source: <http://www.livingwagecampaign.org/ordinance.php>

I. "The Basics"

1. Wage level
 - Choosing base wage
 - Indexing (CPI or state median wage increase)
2. Health benefits
 - Calculate a two-tiered Living Wage (for jobs with and without benefits) and be able to defend it (e.g. base it on standard coverage from state's biggest insurer)
 - We suggest: officially define "health benefits" as simply equivalent to the gap between your required wage for those who pay benefit and those who don't
 - Other options (i.e. more detailed description of actual health plan) = ERISA pre-emption danger
 - Indexing (can use specific CPI health care cost index)
3. Scope of coverage
 - Direct city and/or county employees?
 - City/county contractors and/or subcontractors?
 - Recipients of city/county economic development assistance/subsidies? (how to define this?)
 - Contractors of economic development assistance recipients?
 - Tenants or leaseholders of economic development assistance recipients?
 - Tenants on city property? (or city as tenant?)
 - Public (or quasi-public) authorities, corporations or agencies (ports, airports, economic development arms, school districts, transit agencies, public housing authorities)
4. Covered workers
 - Part time/full time/temporary/independent contractor -- be explicit on this
 - All workers employed by covered employer or restricted just to those on contract? (suggest latter)
 - Covered for hours worked on project only? (suggest yes)
5. Thresholds for coverage
 - By dollar value of contract or subsidy?
 - By number of employees? (flag unscrupulous practice possibility here)
 - Are there different thresholds for different types of assistance? For for-profits and non-profits?
 - Make clear that separate contracts from same company in same year be aggregated
 - For contracts for any service to city? = if we can
 - For contracts for the same service to the city? = definitely
6. Monitoring/Disclosure, Enforcement
 - Which city agency is enforcement agency?
 - What is the process for determining which firms are covered?

- What company reporting will be required? Payroll submission?
- Other monitoring obligations of city? Site visits? Mailed survey to workers?
- How will workers be notified of rights? upon hire? posting requirement?
- How will worker complaints be handled? immediate city investigation? confidentiality insured?
- How will violations be handled? written notice? appeals process?
- Annual reporting on LW compliance to city council? public hearings?
- Community advisory board mandated in ordinance in order to give activists continued voice in implementation and enforcement

7. Sanctions

- Who metes out sanction?
 - Which city/county agency responsible
 - Private right of action to permit workers, unions or community organizations to enforce = draft broadly
- What kind of sanctions?
 - Termination of contract/subsidy
 - Clawback (pay back contract/subsidy monies)
 - Fines paid to city/county
 - Back-pay to workers
 - Punitive damages to workers and/or city/county
 - Barred from future contracts/subsidies, etc. (for how long?)
 - Reported to appropriate state or federal agency
- City must/can pursue any and/or all?

8. Duration of coverage

- On contracts or leases? (suggest for the term of contract or lease)
- For subsidies?
 - Indefinitely (best option)
 - Until subsidy ends (loan is paid off, tax abatement phased out, etc)
 - Until subsidy ends or X years, whichever is LONGER
 - 5 years (several ordinances have used this random measure)

II. Possible "Add-ons"

1. Community hiring or at least community posting of new positions
2. Vacation days and/or sick leave = both socially important and is a benefit that is not eroded by resulting higher taxes or loss of means-tested benefits or EITC
3. Union-friendly language/organizing handles
4. Worker retention
5. Collective bargaining supercession
6. Labor peace
 - Ban on use of public money for anti-union activities
 - Right of equal access by unions to workplaces located on city/county-owned or controlled property

- Requirement that city/county contractors minimize risk of disruptions associated with labor strife by agreeing to use card check as means of employee preference regarding unionization
- 7. Community oversight board
- 8. Up-front reporting and regular disclosure of wage and hiring info
- 9. Job creation requirements -- maximum cost per job (e.g. must create X jobs for every \$10,000)
- 10. Incentives for training workers

III. Possible exemptions (to consider ... or to beware of!)

1. Construction or other work covered by prevailing wage laws
2. Contracts for goods, as opposed to service contracts = generally not covered
3. Hardship" waivers if at all, should have tough and measurable eligibility criteria)
4. Non-profits (CEO to lowest paid worker ratio cutoff, phase-ins, employee thresholds, pass-through requirements, budget increase contingencies)
5. Loans (market rate vs. below market rate)
6. Summer youth jobs programs
7. Welfare-to-work trainees or "workfare" workers
8. New businesses
9. New employees

Appendix B – Sample Living Wage Resolution

Source: <http://www.solidarity.com/LivingWage/livingres.htm>

Organisations are encouraged to pass endorsements of the campaign using this resolution

Living Wage Resolution

Whereas, a day's work deserves a fair day's pay -- no one working full-time to support a family should have to live in poverty; and

Whereas, government and taxpayer dollars should encourage the creation of family-supporting jobs that provide health care benefits; and

Whereas, the costs of food, housing, child care and transportation make it increasingly difficult for low-wage workers to make ends meet; and

Whereas, more workers are finding their wages falling below the poverty level even with Dane County's record low unemployment rate; and

Whereas, Living Wage campaigns are winning legislation around the country to lift above the poverty level the pay for employees of firms receiving local tax dollars; and

Whereas, a Living Wage will assure social and economic benefits for the community as a whole and a supportive environment for employers who try to maintain fair wages; and

Whereas, a Living Wage will decrease the need for public assistance programs by increasing family-supporting jobs; and

Whereas, a Living Wage will increase sales tax revenues by increasing consumer spending and will help stabilize the local economy; and

Whereas, a Living Wage will discourage government privatization and contracting out that feeds the growth of part-time, poverty wage work; and

Whereas, a Living Wage will prevent "low-ball" contracting that results in low-quality service; and

Whereas, a Living Wage will result in lower turnover rates that will reduce the costs of recruitment, hiring and training and increase the quality and continuity of job performance; and

Whereas, a Living Wage will provide public vendors and businesses receiving economic development assistance with conscientious workers seeking jobs at adequate wages; and

Whereas, a Living Wage will increase incentives among low-wage workers to work and gain the experience and skills demanded in the job market;

Therefore, be it resolved that _____ supports the goal of raising base pay for employees of firms which contract for services with or receive economic assistance from local government to 110% of the federal poverty level for a family of four and to provide health care benefits.