

Good Wages, Strong Economy: Closing the gap between the minimum wage and the living wage

Health Sciences Association of BC submission
Fair Wages Commission
May 31, 2019

Background:

Affordability is one of the key challenges facing British Columbians across the province. Turn on any newscast, on any day of the week, and you'll hear stories about how the soaring cost of living in BC is effecting people, families and communities.

This crisis was a long-time in the making. For years we watched as housing costs dramatically increased; rents skyrocketed; critical public services were cut; employment standards and labour laws that protect working people were undermined; and rates, fees and fares, including BC Hydro, ICBC, and BC Ferries' fares, surged unchecked.

At the same time, wages for many British Columbians, especially those in low-wage sectors, were stagnant. BC had one of the lowest minimum wages in the country – in 2015 almost 500,000 working people were earning less than \$15/hour. That is one quarter of the BC workforce working for poverty wages!

You can't undo 16 years of neglect overnight. We are encouraged by the actions taken by the BC government in the last 18 months to address this crisis, including the work of the Fair Wages Commission.

The challenge before the Commission now – to close the gap between the minimum wage and the living wage – is important, and the solutions are complex. What is clear is that this challenge must be approached by reducing the cost of living, while at the same time increasing wages. To address only one side of the affordability equation would be a mistake.

We are pleased to acknowledge that this has been the approach of the current BC government.

Strong measures taken to cool the housing market and protect renters, freezes on a variety of fees and fares, the elimination of bridge tolls in the Lower Mainland, and the elimination of Medical Services Premiums are among the important initiatives taken by the government aimed at lowering the cost of living.

This work has been joined by efforts to enhance critical public services, including: improved access to health care; tuition waivers and interest-free student loans for students; and, most notable, putting in place the first stages of a universal, affordable child care system.

Finally, after 16 years of trailing behind the rest of the country, Premier John Horgan and NDP government announced a plan to lift the minimum wage to \$15/hour by 2021.

These initiatives put the province on a path to closing the gap between the minimum wage and the living wage, and ensuring our economic success benefits everyone.

Closing the Gap

The Health Sciences Association of BC represents health care and community social service workers across the province. Our members work in hospitals, community clinics, transition houses, child development centres, and in seniors care. We see first-hand the impact of the social determinants of health. Poverty has a cost – and that cost is, in part, carried by our health care system, our education system, our corrections system, and our community services.

The government's Poverty Reduction Strategy notes that, using the Market Basket Measure, there are approximately 557,000 people in BC living below the poverty line – 99,000 are children. Of the 557,000 people, around one quarter receive income and disability assistance and another 8% receive federal disability benefits. Approximately 9% are seniors and close to 40% are working adults earning below the poverty line.

Good wages are the backbone of a strong and fair economy.

While a \$15/hour minimum wage is an important step forward, the government cannot let that wage sit stagnant once achieved in 2021. We cannot let low-waged working people continually fall behind. With the rise of part-time and precarious work, this challenge becomes even more important. The minimum wage, even at \$15/hour, is not enough for a family to make ends meet.

The good news is that the work the current government has already undertaken is having an impact, and the revised living wage calculation reflects that. This positive trend should give motivation for the government keep pushing ahead.

Recommendations:

The following are a series of high-level recommendations that we encourage the government to pursue, or continue to pursue, in an effort to close the wage gap experienced by many British Columbians.

Continue to reduce the cost of living and enhance public services for British Columbians:

- Continue to invest in health care services, including primary care reform;
- Continue to address barriers to accessing post-secondary education and trades training;
- Work with the federal government on the creation of a universal pharmacare program;
- Enhance transit service, and reduce barriers for low-income passengers and children;
- Continue to build-out the universal child care program to reach the goal of \$10/day child care; and
- Continue to invest in affordable and supportive housing options in communities across the province.

Continue to ensure fair wages and protections for all workers:

- Continue to raise the minimum wage with regular and predictable increases;
- Remove all exemptions from the minimum wage – it needs to be the floor for all working people – no exceptions;
- Create better protections for temporary foreign workers and undocumented workers who routinely face exploitation and abuse;
- Increase income assistance and disability assistance rates;
- Further enhance Employment Standards regulations to protect workers, including paid sick leave and paid leave for victims of domestic and sexual violence; and
- Make it easier for workers to unionize their place of work, including a return to a card-check system of certification.

The government should also make the Fair Wages Commission a permanent body, to oversee government progress. The establishment and protection of fair wages should not be at the whim of government, and the Commission is well placed to monitor and mediate efforts to ensure working people do not fall behind.

HSA thanks the Fair Wages Commission for its work, and for the opportunity to share our thoughts on this important issue.

Sincerely,



Val Avery
President, Health Sciences Association of BC