

# ABBOTSFORD LIVING WAGE



## WHAT IS A LIVING WAGE?

A living wage allows Abbotsfordians to:

- Obtain basic needs
- Create safe home environments for themselves and their children
- Maintain a decent standard of living
- Feel like an equal member of society



# \$16.42

**the minimum wage/ hr required for a 2 parent, 2 child household in which both parents are working 35 hrs/ week and 52 weeks/ year.**

Abbotsford is currently the fifth largest city in the province of British Columbia and it continues to grow. With a growing population comes responsibility to employees to ensure that they can function with pride in society.

## LIVING WAGE POLICY

Cities that introduce Living Wage policies support the idea that their administration should not employ workers at poverty-level wages or sub-contract with employers who pay poverty-level wages. Living Wage policies have been implemented in over 130 American cities. Living Wage policies ensure that workers employed or contracted by an employer will be paid a Living Wage. In most cities, Living Wage policies are formalized by legislation and guarantee municipal workers are paid more than a minimum wage.

*Figure I: Formula to Factor Living Wage*

$$\begin{aligned} & \text{Income from Employment (Living Wage)} \\ & + \text{Income from Government Transfers} \\ & - \text{EI \& CPP Premiums, Federal Taxes, Provincial Taxes} \\ & \text{Annual Family Expenses} \end{aligned}$$

# WHY SHOULD THE CITY OF ABBOTSFORD ADOPT A LIVING WAGE POLICY?

The City of Abbotsford should pay all its staff and contracted employees a Living Wage because:

- 1) Hard work should be rewarded with adequate pay and benefits.
- 2) People who work fulltime should not live in poverty.
- 3) Research shows that low-income workers spend their paycheques locally, thereby stimulating our local economy.
- 4) Tax dollars should not be used to subsidize employers who pay wages that leave workers and their families in poverty.
- 5) Paying a Living Wage to all staff and contract employees would position the City of Abbotsford as an ethical leader and a model for other governments and agencies.

**Employers that pay poverty wages pass the costs on to the city and the community in other ways, including, but not limited to homelessness, crime prevention, fee assistance subsidies and funding for social service agencies.**



# DID YOU KNOW?

- From 2001 to 2006 Abbotsford's population grew 7.1% (9<sup>th</sup> fastest growing CMA in Canada)
- In a study done in '93, '95, '97, '99, '01, and '05, Abbotsford's average income has consistently been lower than the BC average.
- According to Stats Canada 2006 Census, 14,685 Abbotsford homeowners pay more than the recommended 25% of their income on their mortgage payments. 3,970 Abbotsfordians pay over 50% of their income to cover their mortgage.
- Fraser Valley Regional Homeless Count found 117 homeless in Abbotsford on a 24-hour survey of the city.
- Payscale.com reports that five out of seven of Abbotsford's most popular jobs [Administrative Assistant (average \$14), Medical Office Assistant (average \$16.32), CSR (average \$10.48), and Accounts Receivable Clerks (average \$12.67)] median hourly rate is less than the Living Wage.



## LOW INCOME CUT-OFFS

There are 35 different low-income cut-offs, which vary according to family size and size of community. According to a Stats Can report from July 2010, the poverty line for a family of five (two adults, with three children) living in Abbotsford is \$40,345/ year. This works out to \$8,069 per person to encompass all of their basic needs.

If that family of five were to surpass that line, they could make up to \$50,366 before they would no longer be eligible for a GST/ HST credit. Whereas, a single person can earn up to \$40,126 before they are ineligible; when this person gets married and has their first child their net family income needs to be lower than \$45,126 combined with her partners earnings they must earn less than \$5,000 extra to be eligible for GST/HST rebates.

**“Wages are the measure of dignity that society puts on a job.”**

- Johnnie Tillmon (British Economist)

# EVERYONE WINS WITH THE LIVING WAGE

## Employers Win:

- Greater corporate social responsibility
- Higher employee loyalty and productivity
- Lower absenteeism
- Decreased employee turnover
- Cost savings for staff hiring and training

## Employees Win:

- Increased wages
- Access to benefits and workplace support
- Reduced stress
- Improved health
- Greater self-sufficiency
- Reduced reliance on social programs

## Community Wins:

- More social participation
- Larger taxpayer base
- Increased consumer purchasing power
- Reduced costs of health care and social services
- Increased local investment



## HISTORY OF THE LIVING WAGE

The concept of a Living Wage formerly began in 1891 when Pope Leo XIII insisted that the state adopt Living Wage policies. He explained, “Wealthy owners of the means of production and employers must never forget that both divine and human law forbid them to squeeze the poor and wretched for the sake of gain or to profit from the helplessness of others.”

In the 1990s, collaborative community initiatives launched Living Wage campaigns in the United States as a means of addressing the increase of poverty faced by workers and their families.

Over 140 jurisdictions in the United States currently have Living Wage ordinances that guarantee a minimum hourly wage at a rate that exceeds the legal minimum wage. These policies have reduced poverty, increased productivity, reduced staff absenteeism and turnover, and improved the quality of life for hardworking people.

In Canada, Vancouver, the Waterloo region, Hamilton, and Calgary are considering Living Wage policies. In late April 2010, the city of New Westminster, BC was the first city in Canada to adopt a Living Wage bylaw. Esquimalt also passed a Living Wage bylaw in January 2011.

## SHOW YOUR SUPPORT

1. Create and endorse a Living Wage policy for your employees.
2. Be a champion for the Living Wage movement by raising public awareness of the benefits of a Living Wage.
3. Volunteer your time and expertise. Join Vibrant Abbotsford's Living Wage Action Team!
4. Support the work of Vibrant Abbotsford by making a charitable donation.
5. Join the Living Wage Leader Program – ask us how.

## LIVING WAGE RESOURCES

Business for Social Responsibility:

<http://www.bsr.org>

Vibrant Communities Canada:

<http://www.tamarackcommunity.ca>

Canada's Living Wage Resource Centre:

<http://www.livingwages.ca>



### FOR MORE INFORMATION CONTACT VIBRANT ABBOTSFORD

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