

Living Wages: An idea whose time has come.
Deborah Littman

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As cities, Vancouver and London, England have a lot of things in common. They are both global and cosmopolitan. They are both leading proponents of developing sustainable and livable urban spaces. They have both been chosen to showcase the Olympics- while Vancouver hosted the last winter Olympics, London is hosting the next summer Olympics in 2012. However, they both also have very high costs of living and unacceptably high levels of child poverty, especially for children in families with parents working in low-paid jobs. Yet it is London alone that is using the living wage to ensure that these hard-working families get what they deserve, a wage that actually covers their core expenses and supports their children's healthy development.

When the living wage concept was first explored in London, ten years ago, it was called 'unrealistic'. Now it has broad political support. The current British Conservative Party Prime Minister, David Cameron has said that 'it is an idea whose time has come.' Every year the Greater London Authority calculates what a living wage is for London, defined as the hourly wage needed to be earned so that a family of four, with both parents working, can pay for their basic living expenses and stay out of poverty. A number of large public bodies now use this figure to ensure that nobody earns less than a living wage while working on a public contract. Unlike the minimum wage, the living wage has been implemented on a voluntary approach. It also varies throughout the country as local living expenses vary.

Businesses in London have also got behind the idea, with numerous organizations, such as KPMG, PriceWaterhouseCoopers, London's Underground subway system and London School of Economics, going so far as to be certified as Living Wage Employers. Under this designation they commit to paying all their direct and indirect staff (including contracted staff such as cleaners and security guards) a living wage. In fact the 2012 Olympics will be the first 'Living Wage Olympics' where all 7,000 workers are guaranteed to be paid a living wage. Now that's what I call creating real social sustainability!

London's living wage enjoys such broad support because employers have realized that paying a living wage improves productivity, attendance, service quality, and reduces retention costs while enhancing their reputation. The community has benefited by having more money circulating in the local economy, and by having fewer stressed-out parents working multiple jobs with no time to spend with their children or on voluntary activity. Families have benefited by simply having enough money to pay their bills rather than being forced into unsustainable debt.

Compare this with what is happening in Vancouver. Despite the recent announcement by Premier Clark of an increase to the minimum wage to \$10.25 by May 2012, it is estimated that at least 25 percent of couples with children in Metro Vancouver still earn less than a living wage, recently calculated at \$18.81 per hour. Like in London, immigrants often hold a disproportionate number of these low wage positions.

However in BC communities are starting to look at a living wage approach. The cities of New Westminster and Esquimalt have recently passed living wage policies and many local companies are starting to explore becoming Living Wage employers. Other

communities are calculating what a living wage is for their community. The Living Wage calculation is also useful in demonstrating the value of social programs. If the government invests in programs such as public housing or child care, or amends the tax system to reimburse low wage parents, their expenses are reduced and thus the wage they need to earn to pay their expenses is also reduced.

As with any new idea there will be concerns and questions; will it cost jobs? How will it be paid for? Will it make any difference? These were the same concerns that were raised in London, when this idea was first explored. However the empirical evidence from London is that Living Wages are a resounding success. So much so that the Conservative Mayor of London, Boris Johnson, who was last in Vancouver to receive the Olympic Torch from Mayor Robertson, has remarked, "Paying the London Living Wage is not only morally right, but makes good business sense too. What may appear to a company to be an unaffordable cost in a highly competitive market should more often be viewed as a sound investment decision."

Maybe it's time that more cities in BC considered following London's lead.

Deborah Littman is the Co-Chair of London Citizens, one of Britain's biggest citizen organizations and will be speaking at two public forums on 'Child Poverty and Living Wages' in the Alice McKay Room in Vancouver Public Library, downtown on Monday April 11th at 7.30pm and at SFU Surrey on Tuesday April 12th at 7.30pm. For more information see www.livingwageforfamilies.ca

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