



# Reaching the \$15/hr. Minimum Wage: An Urgent Poverty Reduction Action for BC Youth and Families with Children

Submission to Fair Wages Commission

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# BC Fair Wages Commission Consultation, December 2017

Submission to BC Fair Wages Commission  
By First Call: BC Child and Youth Advocacy Coalition

## INTRODUCTION

First Call: BC Child and Youth Advocacy Coalition is a non-partisan, cross-sectoral coalition of 102 provincial and regional organizations, individuals and local community networks who share the belief that children and youth should have “first call” on our province’s resources. We are committed to achieving the following 4 Keys to Success for B.C.’s children and youth:

- A strong commitment to early childhood development
- Support in transitions from childhood to youth and adulthood
- Increased economic equality
- Safe and caring communities

First Call’s advocacy for increased economic equality has long been focused on the dual priorities of increasing incomes for people and families living in poverty and strengthening the social supports that help reduce pressures on family and household budgets.

We appreciate the appointment of the Fair Wages Commission and its invitation to BC residents and organizations to share their views on the minimum wage.

## MINIMUM WAGE LEVEL AND COVERAGE

Raising the provincial minimum wage is a key part of a poverty reduction plan for British Columbia. First Call’s recommendation to raise the BC minimum wage to \$15 per hour and index it has been included in our annual child poverty report cards since 2014. Below is the recommendation from our just-released 2017 BC Child Poverty Report Card.<sup>1</sup>

2017 BC Child Poverty Report Card, recommendation 1:

The provincial government should raise the minimum wage to \$15 per hour and index it annually to the cost of living. All workers in BC should be covered by this minimum wage.

## RAISING THE MINIMUM WAGE TO \$15 IS URGENT FOR BC FAMILIES WITH CHILDREN

According to the most recent data from 2015, one in five BC children are being raised in poverty and the poverty rates for several sub-groups of children are much higher: 48% for children in lone-parent families, 45% for recent immigrant children, 31% for off-reserve Aboriginal children, and 23% for racialized (‘visible minority’) children.<sup>2</sup> Lone parents in Canada with a disability and children under 25 have an astronomical poverty rate of 53%.<sup>3</sup>

<sup>1</sup> See [www.still1in5.ca](http://www.still1in5.ca)

<sup>2</sup> Statistics Canada. CANSIM Table 111-0015 and 2016 Census

<sup>3</sup> Wall, Katherine. August 2017. *Insights on Canadian Society: Low income among persons with a disability in Canada*. Statistics Canada.

Poverty is a significant contributor to family stress and undermines children's health and development in multiple ways.

The majority of poor children in BC live with parents or caregivers in the paid workforce, many of whom are working full time, full year. Given this fact, **it is clear that low wages, along with precarious work, are a significant cause of family poverty. Raising the minimum wage is thus a key solution for the poverty caused by low wages.**

Research by the Canadian Centre for Policy Alternatives on working poverty in Metro Vancouver revealed that in 2012 42% of the working poor had dependent children.<sup>4</sup>

Minimum wages have been poverty wages for a long time. The fall 2017 provincial minimum wage of \$11.35 per hour would earn a single earner an annual before-tax income of \$20,657 for a 35-hour work week all year, well below the 2015 before-tax poverty line of \$28,872 for a family of one parent and one child. A two-earner family on our current minimum wage would earn \$41,314 before tax, barely above the 2015 poverty line of \$41,246 for a couple family with two children, and the poverty line will have been adjusted up for 2017.

A single earner making \$15 per hour would earn an annual before-tax income of \$27,300. For a lone-parent with only one child this would still be below the 2015 before-tax poverty line of \$28,872 for this family type. However, two earners making a \$15 per hour minimum wage for full time, full year work would earn \$54,600 and this would lift a couple family with two children \$13,354 over the 2015 poverty line for this family type.

Of course, lone-parents' ability to work is also contingent on their access to crucial social supports such a child care.

When parents work for poverty wages, leaving them unable to afford their basic expenses or to support their children's healthy development, they frequently take on second and even third jobs to help make ends meet. This has serious implications for their children, as they experience 'time poverty' – too little time at home. They struggle to have meals with their children because of shift work, to be home to help with school work and to put their children to bed, or to take them on outings in the community, even on weekends.

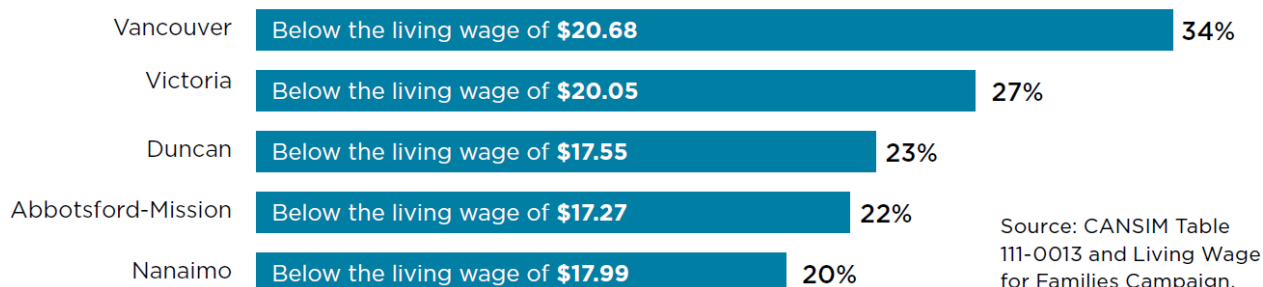
Raising the minimum wage to \$15 per hour **as soon as possible** is thus an urgent matter for families with children who rely on minimum wage jobs. With Ontario and Alberta on track to raise their provincial minimum wages to \$15 per hour by the January 2019 and October 2018, respectively, BC should aim to reach the same goal without delay.

As we've shown, even a \$15 per hour minimum wage will be too little to lift most families out of the chronic stress of financial insecurity. What families with children really need is jobs that pay a living wage. A the graph from our annual child poverty report card below shows, in 2015 significant proportions of two-parent families with children were earning less than the 2015 regional living wage in five BC communities.

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<sup>4</sup> Ivanova, Igluka. 2016. *Working Poverty in Metro Vancouver*, Vancouver: CCPA-BC.

### Percentage of Couple Families with Children with Total Incomes Below Regional Living Wages, 2015



We look forward to working with the Commission as it examines ways to address the discrepancy between the minimum wage and living wages in BC.

### ENSURING THE MINIMUM WAGE KEEPS PACE WITH LIVING COSTS

To avoid the mistakes of the past, with long periods of time where the lowest paid workers received no increases despite the rising cost of living, we recommend the provincial government establish a permanent independent Fair or Living Wages Commission charged with regularly reviewing the adequacy of the minimum wage in relation to the poverty line for a single person, using either the Low Income Measure (LIM) or the Market Basket Measure (MBM). In these regular reviews, the Commission should also consider the adequacy of the minimum wage for families raising children, including lone-parent families, taking into account the available government transfers and supports for families with children at that time.

Merely indexing the minimum wage to the Consumer Price Index would be inadequate due to the way increases in essential living expenses are known to outpace the index.

### EXCLUSIONS FROM THE MINIMUM HOURLY WAGE

As noted above, First Call recommends that the provincial minimum wage apply to all workers, regardless of type of work or industry.

### HIGH RISKS FOR YOUTH

While youth and young adults are not the majority of minimum wage workers, many young people are relying on minimum wage jobs to help pay for their post-secondary education costs and support themselves. Low minimum wages are one of the reasons young adults are living with their parents into their late 20s, as they are unable to earn enough to cope with rising tuition fees, student loan debt and high housing costs.

Although some families see this as a way to support their children in the transition to adulthood, not all young people have supportive families or families with the financial capacity to provide this support. Youth leaving government care at age 19, youth in care who are put on youth agreements for independent living prior to turning 19, and LGBTTQ youth who are kicked out of their family homes are some of the groups that need to be self-supporting during this transition. They need a

minimum wage that allows them to live in safety and good health while they get an education or training and find the connections and supports they need to move on with their lives.

Young workers are at high risk for wage theft, commonly in the form of unpaid hours of work, unpaid overtime, being charged for buying and maintaining required special clothing, lack of payment for training and being paid less than the minimum wage.<sup>5</sup>

They are often in jobs that are precarious and offer no benefits, pointing to the importance of a decent minimum wage for those at the bottom of the wage scale. They are also one of the populations of workers who are least likely to assert their workplace rights or complain when they are exploited.

Soraya started working in an office job at age 14 to earn money to get braces. Her parents did not give permission for her to start the job. She was sometimes sent home early and not paid for the minimum call out time. The company went out of business and she was not paid \$250 in wages owed to her, and she was never paid overtime rates when she earned them.

In today's rental market, raising the minimum wage to \$15 per hour cannot happen fast enough for youth without family support.

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<sup>5</sup> Montani, A. and Perry, A. 2013. *Child Labour is No Accident: The Experience of BC's Working Children*, First Call: BC Child and Youth Advocacy Coalition.