

June 2015

Working for a Living, Not Living for Work

The Halifax Living Wage 2015

Mary-Dan Johnston and Christine Saulnier

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United Way
Halifax

ISBN 978-1-77125-205-8

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ACKNOWLEDGEMENTS

This living wage work was guided first and foremost by the work that has been done by the BC Centre of the Canadian Centre for Policy Alternatives (see <https://www.policyalternatives.ca/livingwage2014>) and the Canadian Living Wage Framework (see <http://livingwagecanada.ca/>). We want to thank Iglia Ivanova (Senior Economist, CCPA-BC) for her guidance and patience answering questions and for her very methodical and careful review of the calculations. Her expertise was invaluable. Thanks also to Kaylie Thiessen (Senior Economist, CCPA-Ontario) for her help. We appreciate the work of the Tamarack Institute, which convenes a Living Wage Community of Practice.

We acknowledge the critical input of the Opportunities Council of United Way Halifax as well as select staff of United Way Halifax. We want to acknowledge the important input of the members of this council and United Way staff as follows: Josh Bates, Max Chauvin, Shakara Joseph, Julie Keizer, Robert LaPierre, Sue LaPierre, Sarah MacLaren, and David O'Neil.

We extend a special thanks to all of the participants in the research who so generously shared their stories with us. All identifying personal information has been removed in order to protect their anonymity.

We also want to thank those who shared their experiences working in organizations that have been certified as living wage employers: Catherine Ludgate at VanCity Credit Union, Toby Barazzuol at Eclipse Awards, and Kirsten Daub at Café Ético.

We want to acknowledge that initial work on the living wage in Halifax was done and led by the Food ARC at Mount St. Vincent University and Kate MacPhee who served as their intern and then did an honours thesis on this work.

Funding for this report has been provided by United Way Halifax, who is a partner on this project.

1	Report Summary
5	Report Methodology
7	Wages and Work in Halifax: Setting the Context
	Low Wages Aren't Enough to Ensure Food Security for Families
	Getting Another, Better Job, Is Never Easy for Anyone
	Employment Alone Cannot Guarantee Healthy Child Development
	A Job Doesn't Guarantee Social Inclusion
	Low-Wage Work Exacerbates Gender Inequality
	Employment Alone Cannot Address Rising Income Inequality
13	What Is a Living Wage?
	A Living Wage Is Not a Minimum Wage
	A Living Wage Is Not a Basic/Guaranteed Annual Income
15	What Is the Living Wage for Halifax?
	Calculating the Halifax Living Wage: Methodology and Evidence
	Which Family Expenses Is the Living Wage Designed to Cover?
	Expense Summary
	Government Transfers and Deductions
	The Living Wage Is a Conservative Estimate:
	What Is Not Included in the Budget
39	Benefits of a Living Wage
	For Workers and Their Families
	For Employers
	For the Community
48	Achieving a Living Wage
	The Role of Employers
	Government Taxes and Transfers
	Public Services and Social Programs
	The Role of the Community
54	Conclusion: Implementing a Living Wage in Halifax
56	Appendix A
58	Notes

Report Summary

Why a Living Wage?

I don't look forward because I am too afraid to look forward. I'm stuck in the now. I'm stuck. One month. Month-to-month budgeting. Can I get through this month; can I get through this week? — *Low-Wage Worker in Halifax*

Although many assume that working-full time is an insurance policy against poverty, plenty of people who work at or around the minimum wage in Nova Scotia know that this is not necessarily the case. Indeed, the data tells us that about 40% of children living in poverty in Nova Scotia live in a family with at least one full-time/full year earner; between one third and one half of all poor children in this province are members of working families.¹ The stress of struggling to make ends meet takes a serious toll on people's health, and has an adverse effect on our society as a whole.

What Is a Living Wage?

Living wage to me means: live comfortably; being able to support family without stressing out, freaking out about a budget every week and things pop up. Less stress. Being calm... — *Low-Wage Worker in Halifax*

A *living wage* covers what it actually costs to live and raise a family in a specific community.

The living wage is designed to cover all basic necessities plus allow families to live in dignity and enjoy a decent quality of life. It is designed to:

- Enable families who are working to escape poverty
- Foster healthy childhood development
- Encourage gender equality
- Alleviate severe financial stress and provide some level of economic security
- Allow for active participation in the social, cultural, and civic life of the community

A living wage is *not a legislated minimum wage*. In Canada, it is a voluntary commitment made by both public and private sector employers to pay a living wage to directly-employed and contract-employed workers. Once the wage is calculated, campaigns to certify living wage employers as well as related community campaigns such as \$10/day child care begin to take shape.

I'm a big believer in sustainability, and our company makes that a high priority...so I think if you're looking at sustainability, you have to be paying living wages, or else you're surviving off the sacrifices of your staff. I wanted to help advance that in the world of progressive business.
— *Living Wage Employer in BC*

How Is the Living Wage Calculated?

The living wage is an hourly wage rate for any adult earner working 35 hours/week. The living wage for Halifax is calculated on the basis of the Canadian Living Wage Framework, which uses a *standard reference family* for communities across the country (the framework is explained in full detail in a later section; a technical calculation guide and spreadsheet are available for free download as well).

The Formula for Calculating the Living Wage

A reference family was used to calculate the living wage. The members of the reference family are all healthy and able-bodied and consist of:

- Two parents: both working full time (35 hours/week), one parent in two three-credit courses at the Nova Scotia Community College

- Two children: a four-year-old in full-time regulated child care; a seven-year-old in before-and after-school child care, plus six weeks of full-time summer camp

The living wage for Halifax is \$20.10 per hour per adult earner. This wage covers the needs of a majority of families living in our community, including two-parent, two-child families, unattached individuals and single parent families with one child. For a family of four, this is the amount that two income earners in a household would need to meet their expenses (monthly budget) once government transfers have been added (Universal Child Care Benefit, Canada Child Tax Benefit) and government deductions from wages (Canada Pension Plan, Employment Insurance) and government income taxes have been subtracted.

The living wage rate is designed to support the diversity of families in our community *throughout the life cycle*, so that young adults are in a position to consider having children, to save for their children's education, and older workers have some extra income as they age and may need additional health or other supports, and seek to retire with a decent income. It is also sufficient to meet the needs of a single adult and a lone parent with one child.

Monthly Family Budget

The living wage for any given community is a very conservative estimate. The budget *does not include* expenses such as credit card or loan payments, savings for retirement, life insurance, home ownership, or costs associated with caring for a disabled, seriously ill or elderly family member.

The *monthly budget* uses figures from Statistics Canada's Market Basket Measure (MBM) for Halifax for many household expenses, and local sources for expenses for food, child care, and education. In some cases, the monthly budget amounts reflect fixed monthly expenses (such as rent), while others are based on an annual total averaged over 12 months. Some of these expenses are one-time annual payments, and some fluctuate depending on the season and expense (such as utilities during the winter, or child care during school year versus the summer).

Benefits of a Living Wage: For Workers and Their Families, Employers and Communities

Living wages help families to escape in-work poverty, but people working at low wages aren't the only group who can benefit from the implementation of a living wage. A living wage can also improve the productivity of local businesses, and boost the general standard of living in the community.

Once the Living Wage Is Calculated, Then What?

The living wage is a tool to help families sustain a quality of life that would allow them to fully participate in our community, whether in social, cultural or civic life. The living wage is one of many tools in our tool-box to assist low wage workers — it is *not* a substitute for a higher minimum wage, or for strengthening and enforcing labour standards, improving income assistance rates, more affordable housing in our community, or making public transit more affordable and accessible.

The calculation of the living wage provides our community with information that should spark discussion about:

- *Real-life, real-time costs of living and raising a family in our community:* What are the most significant costs? What can be done to lower the costs?
- *How our community compares with others across Canada:* Using a consistent national methodology allows us to compare costs, taxes, and government programs across the country; What is being done and can be done at the local level to support families striving for a good quality of life? What can be done at the provincial level? At the federal level?

The living wage assumes that labour market wages are a necessary contributor to solve the problems of poverty and social exclusion, and that government-funded benefits play a critical role.

Report Methodology

THE GOAL OF this report is to provide a clear understanding of: (1) what a living wage is (2) the successes and challenges of living wage implementation, (3) what the living wage would be for Halifax (technical calculation) and (4) how it would impact families.

To accomplish these goals, the researchers conducted a literature review, and collected primary qualitative and quantitative data for analysis. The literature review allowed the researchers to consider the successes and challenges of implementing living wages in Canada, the US and the UK. The literature review also considered the benefits and costs of living wages for workers, employers, and the community.

Qualitative research was used to gather feedback on the assumptions and the expenses incorporated in the calculations. Two focus groups with low-wage workers were organized, which were held in Halifax with a total of 9 participants plus one individual telephone interview with a low-wage worker who moved out of the province. Posters advertising the study were sent to community partners, who distributed the information. Participants self-referred as low-wage workers living in Halifax struggling to make ends meet. We did not collect demographic data. All participants signed informed consent forms. All participants were compensated for their time at the rate of the living wage. Participants were also provided with bus tickets or taxi fare, and those who required a stipend for child care received one.

The focus groups were used to check in on the living wage framework, and ensure that it does reflect local realities, as well as to capture stories about

what it means to be a low-wage worker and to learn about the difference a living wage might make. See Appendix A for the focus group guide.

The focus groups ensure that the voices of people in low-wage positions are heard: direct testimonies help to clarify the impact of a living wage. The focus groups were audio-recorded and transcribed. Quotations from these participants pepper the report. All of the workers felt that the framework and the expenses reflected the reality of what it costs to live a quality of life in Halifax, and most thought that the budget was conservative. Had the participants raised a red flag either about an expense that was included or not included, some reconsideration would have been required. However, it was also agreed that more work would need to be done in order to make significant changes to the living wage framework at this time, including the establishment of a broad reference group of researchers and other stakeholders.

In addition to the focus groups with workers, three telephone interviews were conducted with living wage employers in other jurisdictions in Canada (they are identified in the report). These were informational interviews and were not meant to bring saturation to the data required to draw conclusive evidence of the impact the living wage has for employers or employees. Employers were chosen in different sectors and from businesses of different sizes. The employers verbally consented before being interviewed and agreed to waive their confidentiality. This data enabled the authors to integrate the voices of Canadian employers into the report who have chosen to be living wage employers. See Appendix A for the full list of questions asked of employers.

Wages and Work in Halifax: Setting the Context

WE KNOW THAT employment alone is no guarantee against poverty. Many members of our community who receive help from food banks have employment income, while 40% of children living in poverty in our province live with at least one full-time, full-year wage earner.² Every year, more people are finding that the money they bring home (through a combination of paid work and social benefits) is not enough to meet their basic needs. Rent and general living expenses are on the rise: people who work for low wages are sometimes forced to choose between paying for food and paying for electricity and heat, a choice that no one should have to make. People living in poverty must continually seek ways to fill gaps left by inadequate income, whether by going to food banks and community suppers, or seeking out other community supports that provide discounted or free goods and services. As we heard from the low-wage workers in Halifax, there are additional stressors and strains that make it all the more important to create the conditions for jobs that pay a living wage.

Low Wages Aren't Enough to Ensure Food Security for Families

Nova Scotia has the second highest rate of household food insecurity in the country (17.5%), second only to Nunavut.³ Halifax's rate was reported as being higher than any of the other 33 reported urban areas in Canada at 19.9% (1 in 5 households). In 2011, 21.2% of children in Nova Scotia lived in food insecure homes.⁴ Almost one third of users in Nova Scotia (32%) were children in both 2012 and 2013.⁵ We know that one in every seven households in Nova Scotia that receive help from food banks have income from current or recent employment.⁶

The workers we spoke to were acutely aware of the food insecurity they faced, and spoke of carrying the burden of not being able to provide nutritional food for their families. One participant said of her daughter:

She always wants grapes but it is like \$4 a pound. Junk food is cheaper. You don't want to give them junk all the time...

It is a heartbreaking reality, as one participant shared with us:

For me, and I am sure a lot of other parents that I have seen, we go without eating so my son can have his three meals a day, his snacks, his juice, his milk.

Participants also talked about the amount of time it takes to shop for groceries because they can't buy anything at full price.

Food banks are not the answer to food insecurity either. Many participants have to resort to them, but wish they did not. In the words of one participant,

I hate going to food banks...it makes me feel about *that big* [she made a tiny space between her thumb and forefinger]; but you know you got to eat.

Others were frustrated with the selection available at the food bank, and recalled receiving some items that were expired or mouldy.

Participants described a living wage as being important to enable them to buy better food, healthier food and more food for themselves and their children.

Getting Another, Better Job, Is Never Easy for Anyone

People don't understand, if you don't make enough money at your job, why don't you get another job. It is not that easy. After I graduated college I couldn't get a job for like 6 months, they wouldn't even call me back at Tim Hortons. It is not that easy to go out and get a job at all. You have to weigh

your benefits, I am at the top of the pay for my field but it is not enough money to survive, I have health coverage, it is kind of like a balance.

Another participant is struggling despite having a law degree:

I apply for more than 10 jobs a week, I mean I apply for a lot more than that sometimes but I make sure that I am applying...I've applied to McDonalds, and I have two resumes: one does not have a law degree on it, because I'm pretty sure McDonald's would be like, "no, we're not hiring you"...I've applied for everything from McDonald's right up to articling positions...and the competition for even entry level positions is hard.

As another participant said:

You are desperate for things. Desperate to get help. Desperate for a way to find a break.

Employment Alone Cannot Guarantee Healthy Child Development

In Halifax, 18.6% of children age 18 and under live in poverty.⁷ In terms of these families, we also know that 6% of couple families with two children and 30% of lone parent families with one child are living in poverty.⁸ The longer children live in poverty the more devastating the material deprivation becomes to their development. A recent UNICEF report card on child poverty summarized the case as follows: "failure to protect and promote the well-being of children is associated with increased risk across a wide range of later-life outcomes. Those outcomes range from impaired cognitive development to lower levels of school achievement, from reduced skills and expectations to lower productivity and earnings, from higher rates of unemployment to increased dependence on welfare, from the prevalence of antisocial behaviour to involvement in crime, from the greater likelihood of drug and alcohol abuse to higher levels of teenage births, and from increased health care costs to a higher incidence of mental illness."⁹

Families in our community deserve the best chance possible to ensure their kids have a healthy environment to grow up in and are supported to nurture and care for them. Participants repeatedly indicated how parents working for low wages do whatever they can to provide for their children as best they can, but instead of being able to enjoy quality time or provide what they know their children need, they are constantly struggling and

stressed. The beginning of a new school year for families and young children should be an exciting time, but instead, focus group participants admitted that September is “really, really stressful,” because of all of the additional costs (e.g. for two pairs of sneakers and the long list of school supplies). As another participant said:

Me and my son, we babysit all the time after work; I am here all day doing child care and then...to babysit, well that could be another \$20...and then you just work, work, work.

A Job Doesn't Guarantee Social Inclusion

Many of the people who contributed their thoughts and feelings spoke about how a living wage would help them to contribute more to the wider community. One woman in particular, who was an artist, spoke about how a living wage would help her to be her “best self”. She envisioned a life where she could use her own gifts to assist others around her:

I know that we're all here, kind of talking about these difficult things, and I know that I am a positive person, and things can be done...and then I wrote “opportunity”...so like, the opportunity to make things better, to help yourself physically and mentally, help your family, your parents, children...and like...I wrote “live to full potential” because I feel like there's so much more that I can do for the world, for my community, for my family, for myself...that working like, those sluggish jobs with very little reward either emotional or financial...it's hard to do that.

The members of the focus group also spoke about how a living wage would allow them to fit into their communities with greater ease. One man spoke hopefully about having enough extra money to perhaps go out dancing with his wife, or go to see a show. With a living wage, the participants wouldn't have to worry about whether or not their children could participate in educational activities or recreational programs. As one woman (who was a grandparent) pointed out, there are few opportunities for children in low-income families to access the kinds of educational entertainment that their more privileged peers might have access to:

Sesame Street is coming...\$56 is the lowest ticket...like [another participant] said, where in the hell am I coming up with \$56 to take my granddaughter...so then I started thinking, well, the Discovery Centre, I can't take her there,

because if I wanted to take her there, it's like \$20 to get in. Even the Museum of Natural History you have to pay.

Instituting a living wage can strengthen communities by creating more time in the lives of working people for participation. People who have an adequate and reliable paycheque do not have to worry about working multiple jobs in order to get by. They can spend more time with their families and communities, volunteer their time to worthy causes, and contribute to the life of the places they call home. A living wage can also help to revitalize communities where poverty is entrenched. The living wage movement offers a different approach to economic development: one that raises wages for the people who will invest in the communities they live in.¹⁰

Low-Wage Work Exacerbates Gender Inequality

More women than men work in low-wage work, therefore, the living wage has an important gender equality dimension. In Nova Scotia, 61% of employees that earn minimum wage or less are women. Women in Nova Scotia represent 100% of those employed in 6 of the 10 lowest paying occupations in Nova Scotia.¹¹ Women in NS are paid on average 70 cents for every dollar that a man earns — and that is the gap when we compare full-time earnings to men's full-time earnings, and even when we do so for comparable jobs. The gap is even larger when we compare women's average earnings to men's, because more women work part-time and most of them do so not because they want to, but because they can't find full-time work. The rate of involuntary part-time work for women in Nova Scotia was 31.1% in 2014.¹² Paying for child care under these circumstances is a difficult scenario.

Most of the workers we spoke to were women, and their stories point to underlying systemic and structural issues including continued low-wage ghettos dominated by women, and gender discrimination in addition to discrimination based on parental status.

I'm an early childhood educator. I've been in the field for close to twenty years...I have two degrees and I'm certified, which means I have the highest level of training available in NS. And I still, in the years that I've worked (and I've worked for the same employer since 1994), and I'm the highest paid worker...I'm making \$16.42 an hour...

Employment Alone Cannot Address Rising Income Inequality

There is increasing evidence that we are all affected by having injustice in our society, even if we are not the ones facing injustice directly. Indeed, evidence is on our side for rethinking what we need to build a just society. Growing evidence suggests that there is a diminishing return on investment once we have achieved a certain level of wealth – that is, how healthy we are is less about economic growth (measured by the size of our economy and GDP) and more about sustainable growth and shared prosperity.

Increasingly we understand that, in fact, the larger the gap between top income earners and the rest of society, the less healthy the society (that is comparing the rich developed countries in the world.)¹³ High levels of inequality between citizens are reported to lead to social problems, health disparities and increased crime rates.

In Halifax, the average income of the top 1% of income earners is 10 times higher than the average income of the bottom 90%. This gap is far too wide. We live in a society where to qualify for membership in Halifax's 1% requires an income of at least \$185,400. The average income of the top 1% of income earners in our city is \$330,100 (2010). In contrast, the average income of the bottom 90% of tax filers is just \$31,300.¹⁴

Rising income inequality is especially concerning when we consider how median family incomes in our province have changed since 1989 when the pledge was made in the House of Commons to end child and family poverty. Comparing median income of the wealthiest families with middle and low-income families shows a growing inequality gap. Since 1989, the median income of the wealthiest families (\$179,339/year) in Nova Scotia with children under 18 has been steadily climbing. However, the median income of the lowest income families has remained stagnant since 1989 and in 2011 was only \$19,756 per year. Middle class incomes have also remained relatively stagnant during this time. As a result the percentage of children living in poverty in 2012 in Nova Scotia is in fact *22.7% higher than it was in 1989*.¹⁵

What Is a Living Wage?

A LIVING WAGE is an hourly rate of pay calculated based on what it actually costs to live and raise a family in a specific community. The living wage for any given community is a conservative estimate, but it is designed to ensure that full-time paid work does more than just lift people out of poverty. A living wage is one that allows low-wage workers a chance to do more than just exist to work, but a chance to live in dignity and enjoy a certain quality of life.

The living wage rate for a family of four requires two adult earners to work full time (35 hours per week). It is designed to support this family throughout the life cycle. It is also designed to support the diversity of families in our community so that single, young adults are in a position to consider having children and older workers have some extra income as they age. It is also sufficient to meet the needs of most¹⁶ lone parent families with one child.

The living wage as it is calculated here is designed with key principles as outlined in the Canadian Living Wage Framework.¹⁷ The living wage is designed to:

- Enable families who are working to escape poverty
- Foster healthy childhood development
- Encourage gender equality
- Alleviate severe financial stress and provide some level of economic security

- Allow for active participation in the social, cultural, and civic life of the community

A Living Wage Is Not a Minimum Wage

The minimum wage is implemented through government legislation. All employers are required by law to pay their workers at least this hourly rate. The minimum wage creates a ‘floor’ for the labour market. In Canada, provincial governments set minimum wages for workers within the province with a few exceptions. The federal government sets a minimum wage for workers in federally regulated companies or agencies anywhere in Canada. In Canada, the living wage is not legislated and varies by community because it considers the rate of pay that families need to meet their basic needs given the costs, and norms of a specified community.

A Living Wage Is Not a Basic/Guaranteed Annual Income

A living wage is not a guaranteed annual income. A Guaranteed Annual Income (GAI) is a redistributive grant, generally administered by a national or federal government and often via the tax system. In Canada, we provide senior citizens with a guaranteed annual income through our public pension system, which has three components: a universal demogrant (the Old Age Security program), a means-tested grant (the Guaranteed Income Supplement), and a contributory, earnings-related social insurance program (the Canada Pension Plan).¹⁸ While a Guaranteed Annual Income does set a minimum income floor at a level that is meant to provide for the basic needs of Canadian seniors, it is a *redistributive* measure, as opposed to the living wage, which is *pre-distributive*.

What Is the Living Wage for Halifax?

THE LIVING WAGE for Halifax is \$20.10 per adult earner, based on a 35-hour work week and 52 weeks of employment.¹⁹ The living wage for Halifax covers the needs a majority of families living in our community, including two-parent, two-child families, unattached individuals and single parent families with one child. It was calculated following the Canadian Living Wage Framework.²⁰ The decision was made to follow the framework because doing so increases the credibility of the calculations. In addition, following the calculation method in that framework allows for meaningful comparison between different communities across the country, any differences would reflect “real differences in costs or standards between communities, rather than methodological differences.”²¹

The living wage rate is determined by not just the employment income required to cover expenses, but also the income that a family receives from government transfers such as the National Child Benefit. The rate is determined by also taking into account deductions from employment income (EI, CPP and income tax).

A detailed step-by-step guide is available for those interested in calculating the living wage in other communities in Nova Scotia.²² Many of the household expenses are from Statistics Canada’s Market Basket Measure, while food, child care, educational expenses and part of the transportation expenses

are sourced locally. The cost of housing is from the Canada Housing and Mortgage Corporation (CMHC).

The methodology for calculating the Halifax living wage follows what is in the Canadian Living Wage Framework, which calculates a living wage that would allow two income earners to support a family of four. This methodology assumes the following scenario:

- A healthy family of four with two children
- One child in full-time child care, one in summer camps and before- and after-school care
- Full-time hours of employment per week for each of two parents
- One parent taking evening courses at a local college to improve employment capacity
- Costs of living including transportation, food, rental housing, clothing, childcare, medical expenses and other
- Inclusion of any applicable tax credits, returns and government benefits

Calculating the Halifax Living Wage: Methodology and Evidence

The following section gives evidence for adhering to the Canadian Living Wage Framework, explains the rationale behind the methodological decisions and justifies following them for the Halifax community.

Family Characteristics

Families in Nova Scotia differ by so many factors, not just those that are used to define the parameters of the living wage calculation (namely the inclusion of two adults and two young children in the family unit). According to the 2011 Census, 83% of families in Halifax are couple families and 48% have children at home.²³ It is especially important given high poverty rates for single parent families that a living wage should also cover this family; In 2012, half (49.9%) of the children living in lone parent families in Nova Scotia lived below the poverty line.²⁴ The living wage calculated for Halifax meets the expenses of a single parent family with one child age 5 and older (63% of single parent families in Halifax have only one child and 86% of single

parents have children 5 years or over). The living wage could also cover the costs of a younger age child if the parent was able to access a subsidy for a child care space, which is not a guarantee.

The living wage is also aspirational. Allowing young families to afford to raise two children would assist the province in its goal of addressing population decline and associated demographic challenges. The use of the reference family ensures that a living wage would help to address family poverty, and child poverty in particular. The reference family budget also allows for changes across the life cycle. The children in our scenario are young and thus require child care, which represents a significant expense. As the children grow older, child care expenses will decrease, but other expenses will increase. The budget thus has realistic flexibility built in: money put towards child care costs can be shifted to saving for post-secondary education, another major factor in safeguarding against poverty for the next generation, a fact that focus group participants understood well. As one single mother and low-wage worker shared with us:

I really want to put money in my son's RESP, but I never have the extra money to put into that. Then I feel guilty. My son is going to grow up and not be able to go to college and he is going to be in the same struggle I am going through right now because I didn't put enough money in that.

Hours of Paid Employment

The national living wage framework recommends that each parent be employed full-time. There is no recommendation for determining what would constitute full-time hours. Following the principles of a living wage, which are linked to quality of life and promoting social inclusion, we have chosen to calculate the wage assuming both parents work 35 hours per week. The more one works, the less time one has to spend on other activities including caring for family members, learning, leisure time and volunteering. Ideally, the couple would work fewer hours than 35 because a 70 hour work week makes it very difficult to juggle family responsibilities alone: part of the reason why owning a car in Halifax is a justified expense for this family. As we heard from the workers we spoke to, getting children to where they need to go and getting two adults to work on time is difficult with a private car, but literally impossible without one. Families often cannot afford accommodations that are either near where they work or near their child care centres and schools

or else struggle to secure affordable, convenient accommodations that are of a suitable quality.

If we examine current hours worked in Nova Scotia, 35 hours/week is also not uncommon. The group of workers that would be impacted by the living wage are low-wage workers, who are typically employed in services jobs, and paid by the hour. In Nova Scotia, 58% of workers are paid by the hour.²⁵ Employees paid by the hour in Nova Scotia work an average of 29.9 hours weekly: for service producing jobs, that number drops to 28.3 hours per week.²⁶ The standard workweek for salaried employees in Nova Scotia is 36.4 hours.²⁷

Which Family Expenses Is the Living Wage Designed to Cover?

A living wage is the hourly amount needed to cover basic expenses based on what it actually costs to live and raise a family in a specific community. The Halifax living wage incorporates the same expense categories as the Canadian Living Wage Framework, but it divides the ‘Other’ category into household expenses and social inclusion expenses. Following the national living wage framework and the Canadian Centre for Policy Alternatives-British Columbia’s Living Wage Calculation, the living wage calculation for Halifax has 11 categories of expenses:

- Food
- Clothing and Footwear
- Shelter
- Utilities
- Transportation
- Child care
- Not provincially insured Health Expenses
- A contingency/emergency fund
- Parent education
- Household expenses
- Social Inclusion

Family expenses are calculated drawing on local sources as well as the Market Basket Measure (MBM) developed by Human Resources Development Canada. The measure is published by Statistics Canada and includes provincial rates, rates broken down by community size, and rates provided for certain specific communities, as well as by specific categories. The calculations are based on the actual costs of goods and services in a given community.²⁸ The MBM is “a basket of goods and services representing a modest, basic standard of living (food, shelter, clothing, footwear, transportation and other common expense such as personal care, household needs, furniture, basic telephone service, school supplies and modest levels of reading material, recreation and entertainment). Its purpose was to measure the cost of this basket for a reference family of one male and one female adult aged 25-49 with two children (a girl aged 9 and a boy aged 13) in 49 geographical areas within the ten Provinces.”²⁹ The MBM is used to calculate the clothing and footwear, transportation, and the ‘other’ category, which has been split in our calculations into household expenses and social inclusion expenses.

Part of the focus group with the low-wage workers involved asking participants about their family budgets, their challenges covering expenses and their thoughts about what was included in the living wage. This section incorporates their reactions and experiences.

Food

The amount for food is based upon the provincial data available in the most recent report published by the Participatory Food Costing Project in Nova Scotia.³⁰ Since 2002, partners of the Participatory Food Costing Project in Nova Scotia have used an adapted National Nutritious Food Basket to conduct a survey of food costs in the province and calculated costs for specific ages and sexes. The basket does not include any nutritional supplements, special diets, or organic food products. **TOTAL AMOUNT PER MONTH: \$817.71.**

Some reactions of the low-wage workers to the food budget being proposed:

I wish I had that much money to go buy food; my child be like I got this, I can take grapes, I can have cheese

I could have somebody over for supper.

You can say to your friends, “OK, come over. You guys hungry? [Have a] granola bar, or a bag of whatever,” and just be normal.

I could buy bread that is not 50% off or meats that are not half brown.

I would not have to go to the food bank or St Vincent de Paul Society or other places to get support.

Clothing and Footwear

The amount for clothing and footwear is based on the MBM. The most recent MBM amounts are for 2011: they are adjusted based on the Consumer Price Index changes. This amount works out to approximately \$50 per month per family member. **AMOUNT PER MONTH: \$225.68**

Low-wage workers talked about how difficult it is to always rely on second hand clothing stores or hand-me downs and how stressful it is when you have to purchase expensive items like sneakers and shoes when school starts or a winter coat when the temperatures drop.

If I had good pair of boots, I wouldn't have to wear these; these are hard-toe boots, heavy work boots are so heavy but I wore my shoes and they were so soaked, my whole body was freezing. And my friend said today, "I think it is time for you to go buy a pair of boots," I was saying to myself...I wanted to tell her if I had the money I would, but I don't want to tell.

We get hand me downs, but often they are not the right size.

[My son's] winter jacket sleeves are rolled up, and it should come to his waist but it comes to his knees...but if I am paying that much for a jacket, then it has to last two years at least. [I'm always] stressed about keeping it good, always saying "be careful! Don't get a rip in it, because it has to last you."

Shelter

The shelter amount includes the amount for renting a 3-bedroom accommodation (\$1,200) and the cost of basic contents insurance (\$20 per month). The rent amount is based on median rents for three-bedroom apartments and three-bedroom row houses. It is drawn from Canada Mortgage and Housing's survey on rental housing for October 2013.³¹ **TOTAL AMOUNT PER MONTH: \$1,220.00** plus utilities

The low-wage workers we spoke with shared their experiences finding accommodations that are suitable in quality and affordable.

I can't afford a 3 bedroom even though I have 2 kids.

My apartment is small, even my door is not a full size door, you can touch the ceiling, but I love it because we do have a yard.

We had bed bugs, I had to live like that for 6 months, fighting with the landlord.

If you want to complain or file an application, it is \$25 fee for tenancy board and unless you are on income assistance and they will waive it, you have to pay it up front...even if your landlord might pay it in the end or it might get waived, you have to have it. You can't even advocate for yourself.

If I had a lot of money I could call the pest people myself.

Even though there are some affordable accommodations options like co-operative housing, participants expressed frustration about accessing those and the process involved in attaining subsidies. In the words of one participant: "You really have to know somebody to be able to get in. Or else call, call everyday."

Utilities

The Nova Scotia Power amount is based on the Statistics Canada data for the amount of power used by a couple-headed family with two children living in a three-bedroom apartment, at the twenty-fifth percentile (low income), after the energy rebate (10% reduction in taxes on power).³² It is assumed that water is included in the rent and heat is electric. **AMOUNT PER MONTH: \$181.38**

The high cost of shelter (including utilities) has made it difficult for the young adults we spoke with to leave home. They also help their families deal with expenses like power:

I still live at home, my parents are still struggling...at least two or three times a year the power-company cuts off our power...which means we have no TV, no hot water, we can't take a shower, we can't eat, we can't do anything. And we've certainly put everything we can into bills...

Transportation

The amount for transportation includes the expense for both a used vehicle and a bus pass. The private vehicle cost (**\$4777.98** averaged over 12 months) and expenses included comes from the MBM calculation for rural Nova Scotia, which are based on owning a second hand (five-year-old) Ford Focus,

and includes the costs for two adult drivers for license, registration and basic insurance, as well as tires, batteries and other automotive parts for maintenance, plus 1500 litres of gas. This cost also includes interest charges for a 36-month loan on the entire purchase amount. In addition, one parent has access to a regular bus pass (**\$78/month**), which also enables that parent to attend their education classes. Note that while there are discounted student fares and U-Passes, they are only for full-time students, therefore our parent does not qualify. **AMOUNT PER MONTH: \$476.16**

Public transportation was not considered a viable option for a family where both parents work full-time and two children need to be taken to (most likely) two different places. Most families have to travel outside of their neighbourhood for child care, and many families are not able to carpool to work together.

As we heard from one of the families we spoke to: “my husband was sometimes on an opposite schedule and it would be difficult with a baby; logistics with a child, the time I would need to take the bus, was not feasible. We got a car when we were planning to have child.” This participant had her baby in care at her place of work and it was still a challenge.

One research participant, when describing an average day in her life, explained to the focus group how arranging for family members’ transportation added significant stress to her day:

And then my daughter called, she’s in a panic, because she has no way to get her child to daycare. So I have to use laundry money, which I really didn’t want to use, to take to her, and drop off (this is before 7 o’clock this morning, you’re already stressed about a couple of toonies for a bus). So I took [my daughter] enough money for her to get to drop her child off at pre-school, and her boyfriend to get to a job that he was supposed to start today, because they have nothing...so you go to work, and then I’m thinking, well how in the hell am I supposed to get to this focus group?

For other participants, using public transport meant sacrificing getting other things done: “You are always on somebody else’s time; I could go somewhere when I wanted to and not have to wait, sit.” As one participant said of owning a car: “I am so thankful every single day that we have that car. It just means the world to us. It is like a blessing.”

While owning a car is something that helps these families, it also causes stress, as one participant said about the state of her car: “Do I get winter tires or fix the rear axle because the wheel’s going to fall off or keep going for now; I am so grateful to have a car but tomorrow I might not have a car.”

It is also important to note that the costs associated with cycling is one of the areas considered an 'other' expense in our social inclusion expense category. However, some of our participants discussed how difficult biking is in our city. As one said:

I was biking to and from work. My mom was fixing up to buy me a bike because on the bus, it was such a long time, and then you aren't making the connecting bus that drives by; I was able to bike so fast because I was so panicked because I was not going to get my son on time, that is what drove me to have turbo super mom powers to be able to bike. I was scared crapless biking, it is so dangerous, and I only bike on the sidewalks, I was not biking on the road, and have people screaming at you but I couldn't do it, I can't do it, I was tired of biking, but I had to find a way to get to all those child care situations.

When you have children to get from point A to point B with lots of stops in between, it is even more difficult without a private vehicle. Recalling searching for new accommodation in the dead of winter, one participant shared:

...but even just looking for an apartment with no transportation, I was pulling him around in his sled in Halifax looking for apartments, which was one of the hardest things I had to do. And then you get there and you are full of snow, and people don't even want to really let you in to look at the apartment because you look like a drowned rat.

Child Care

The ages chosen for the two children in the reference family are key in determining child care costs. As in the Canadian Living Wage Framework, the children were aged 4 and 7. Since the parents are both working full-time, their children need to be in child care programs most weeks. However, it is assumed that the parents get two weeks of vacation each year, so the children would be with their parents those weeks. The four year old is in full-time day care for the full year (most centres require parents to pay regardless of vacation time), and the 7 year old is in before- and after-school care for ten months. Additionally, in the summer, the 7 year old will be in summer day camps for six weeks. Along with the parents' two weeks of vacation, this accounts for the entire year. The median amount for child care for Halifax for the four year old is \$781 per month.³³ The before/after school and summer camp amounts were determined based on a local survey of costs and represent an average cost. **AMOUNT PER MONTH: \$1132.72**

Child care was a major challenge for the focus group participants. One woman, who had worked in the field, identified the lack of available accessible, affordable child care in Halifax as the major barrier preventing women from escaping poverty:

Women cannot get out of poverty because of child care. You cannot work without child care. Even if she left home and she got a place, and she applied for a subsidy...the subsidy will pay that portion of her child care spot, but there's still a remainder of \$400 that is not covered. So if you're living on income assistance, and you're only getting, say, your personal \$300...let's say \$350, plus you're getting your child tax credit for one child which is what, 4-something...you're living on about \$700 a month. There's no way...there is no way she can afford a child care spot. So how can she go to school, and how can she work to get out of poverty?

Another participant, who was living with family at the time of the focus group, had her daughter on a waiting list for daycare. However, she knew that were she to get a spot, she would be faced with a bill amounting to “pretty much [her] entire paycheque”. It seemed to her that poverty was a kind of trap, one that was very difficult to escape from.

One participant shared how difficult it has been even now that her child moved into school. She assumed that once that happened, she would not pay very much for child care. In the end, because the before- and after- school program she uses isn't at a regulated child care centre, she doesn't qualify for a subsidy, and is now paying more for child care than she did when her son was in full-time care.

Now that my son is older and I have less tax credit and UCCB but am paying the same for EXCEL that I did for full-time day care because I could get a subsidy; it isn't a daycare, it is afterschool care, and so I have to pay full price. I thought, “oh great,” when he was starting school, “I am going to save this money every month that I am paying for day care for an hour in the morning or hour or two at the end. Child tax credit just goes for the EXCEL payment.

Participants also shared how difficult it is to arrange adequate summer care for school-aged children:

I have to pay for 9 weeks of child care in the summer, not 6; you don't get any time off...summer camp only opens at 9am through Halifax Rec, and the only one that offered a discounted rate for low-income families and I had to pay for a sitter to take care of him and bring him and then I had to have

somebody else pick him up at the end of the day and bring him home until I came home from work. So, three different places that I am paying money to just be able to come to work from 8:30–4:30. It was torture.

Another focus group participant shared that she lost her job when her shift was changed and was scheduled to begin at 5:30am; she could not take the shift because there is no regulated child care available at that hour. The participants highlighted not only affordability issues with child care but also accessibility and quality issues.

Not Provincially Insured Health Expenses

This cost is an estimate of health related costs that are not covered by Medicare and would include dental care, optical expenses, physiotherapy, etc. The cost is based on basic coverage for the family if they purchased private health insurance.³⁴ Even if they purchased the health insurance they would still face costs that were not covered. **AMOUNT PER MONTH: \$155.33**

An analysis of expenditures in this area by income concluded that the percentage of after-tax income being spent on out of pocket health care expenses is increasing and in 2009 amounted to 4.9% for the second lowest income group.³⁵ Even if we used an out-dated percentage, this cost would amount to about \$3000 for our family. This is one area wherein the participants in the focus groups felt the stated cost in the living wage budget might be too low. They shared many stories of these costs being prohibitive and affecting their quality of life directly and very negatively.

Many of the focus group participants were concerned about the fact that most private health insurance plans do not include sufficient coverage for the medications they need. With conditions ranging from psychiatric and mental health issues to type II diabetes and heart disease to physical disabilities, managing to take care of themselves and their dependents on a tight budget was a major challenge.

One member of the group reflected on trying to maintain a balance:

My son has ADHD, he's on medication, he's on the medication that is covered at five dollars a prescription. The medication that would be better for him would be \$4 or \$5 per pill. Yeah, forget that...I love my child more than anything else in the world but we also like food.

Another woman in her mid-twenties, who had worked in minimum wage retail jobs and who was expecting her first child at the time of the focus

group spoke about struggling to deal with her mental health issues while maintaining a healthy pregnancy:

If I spend sixty dollars to take this medication that's going to keep my heart from feeling like it's beating out of control, then that's \$60 that I can't pay to a counsellor to go and like, cognitively think about how I can change my thinking to feel better, which is like, \$60 that I can't go to Sobey's and buy produce.

Other participants spoke openly about having to choose between providing for their own health needs and for those of loved ones. One woman, who had type II diabetes, recounted having to pawn off her microwave in order to buy insulin. She described interactions with her physician as frequently strained, because she was rarely able to keep track of her blood glucose levels:

You go to places like your doctor's office, and she's mad, because I'm not testing. She says, "well, how am I supposed to know what your sugar is?" I said, "Well you don't." "Well, why aren't you testing?" "Because I can't afford the strips." One strip is a dollar. You're supposed to test, realistically, 4-5 times a day, and my husband and I are both diabetics, and he's also with... he's permanently disabled because of a heart problem...so I have no idea the last time I tested my sugars, so if I have to go for tests, or for blood work, I have no idea, because I can't afford to. And because his diabetes is worse than mine, sometimes, if we are lucky enough to have a few strips kicking around the house, I quite often will save mine for him.

The focus group participant quoted above noted that her income was considered too high for her to be eligible for financial supports that would make testing and controlling her blood glucose levels easier.

The participants also talked about the shame of not being able to do more to address their health. As one said of her child:

Because I can't afford healthy food, she's eating junk. She had an operation to get all her front teeth out and caps in the back, so they are checking her teeth all the time.

Another said:

I got a tooth pulled because I wasn't able to go to the dentist for 7 or 8 years, no cleanings, no nothing and my dentist is like why didn't you come in? I didn't have money to pay for a cleaning, so I choose food over going to the dentist, I ended up having to get a root canal.

She went on to say:

now I have lots of cavities and lots of dentist stuff to take care off and I just keep doing it as I can. And they make you feel like crap.

Parent's Education

Part of the reason the living wage is a decent wage is that it includes the costs of education for one of the parents. **AMOUNT PER MONTH: \$69.81.** The cost included in the calculation is for part-time/continuing education at the college level. The amount (\$837.67) is the approximate cost to enroll in two courses per year and pay for student fees at the Nova Scotia Community College.³⁶ It was not possible to estimate textbook costs, but some costs for this are included in the 'other' social inclusion category below.

The living wage would make the biggest difference to workers at the bottom of the income scale, and recognizes that increasing their skills and education, would assist them to find better paying jobs. Of course, many low-wage workers already have post-secondary education and they said they certainly wouldn't go back and incur further student debt:

I am still paying student loan but interest relief. I keep calling them to have it forgiven. I would never add more to that cause that is a big debt looming over my head now as well. Another thing I have to not think about or else I would feel like I am never going to get ahead.

Many of the focus group participants expressed hesitation to go back to school. As one participant said:

For myself, I have gone to college and I have a good job but I am still a single mom...like, what else can I do? Well, I could go back to university maybe but then am I going to get a higher paying job?

She has the highest pay in her field and it is not enough to make ends meet.

One of the participants was planning on finishing her high school. Another said she would like to go on to university, and eventually become a Junior High Teacher but,

There's no way I can put away the amount of money I need to go to college or university and still live...it's just, you know, not possible, because my first-year tuition out of eight years is \$6000 and some odd cents...there's no way to do it.

Contingency Amount

This expense represents two weeks' pay per parent for the year and is designated as an emergency fund. This is a very conservative estimate of what might be needed in any given year for emergency items. It is designed to for example, cover two weeks of unpaid leave perhaps because of family illness or travel to a funeral and can cover the two-week waiting period for Employment Insurance. **AMOUNT PER MONTH: \$234.50**

The families we spoke to talked about never getting ahead and certainly not having any cushion for emergencies, sometimes with devastating consequences as one participant shared: “my husband had a heart attack last year, and we went bankrupt this summer...we had no choice, we had to file for bankruptcy.” Her husband was too sick to go back to work.

As one low-wage worker said about the stress:

What if I lock my keys in my house and I have to call my landlord and I have to pay to get him to unlock the door. You worry about stuff like that happening. Like ambulance bills – if you ever have to send your kid in an ambulance it is like \$300 and that is insane; would you not call an ambulance for your child? In that moment you just have to do it and worry about that bill later.

This participant actually had to call an ambulance for her child and the bill was sent to collections.

Other: Household Expenses and Social Inclusion

These two categories are a critical part of what makes this a living wage, and what helps the family begin to lift their heads up from the stress of just making ends meet, and allow them to work to live.

The amounts for these are based on the ‘Other’ category in the MBM, which is described as a category designed “to cover other goods and services that would be considered necessities according to the current societal norms.”³⁷ The MBM other category is based on items from Statistics Canada’s Survey of Household Spending (2012). Therefore, following the MBM approach, the ‘Other’ category for Halifax is calculated at 75.4% of the food and clothing/footwear expense.³⁸ No specific breakdown of costs is provided, except to allocate half of the expenditures for household expenses and half for social inclusion, which is to indicate that the two categories are equally important. We chose not to allocate any specific amounts because these categories are about allowing for a bit of choice in regards to household expenses.

In addition, regarding social inclusion, it is designed to allow families to make choices based on societal norms, which differ depending on cultural, neighbourhood, school, family, etc.

Social Inclusion

The social inclusion category is meant to lessen stigma and allow family members to participate fully in the life of their communities, whatever form that participation takes. The category would include expenses such as school supplies, reading materials, minimal recreation and sports fees, child's birthday gift and a small budget for entertainment (e.g. a tickets for a movie, museum fees).

We heard a lot from low-wage workers about how embarrassed they feel because of the lack of choices they have.

One mother explained it like this:

I feel like it cuts you off socially from other people; even in my experience wanting to have a play date with another mom but worrying you know if they come over around supper time do I have enough food to feed them or is it rude to say I can't feed them or I can't offer you a glass of milk because I only have so much milk for the rest of the week. Even if the kid wants a drink, we only have so many juice boxes to go for the rest of the week. Then you can't have play date and have social interactions with other people and feel normal about it. You feel guilty and worried all the time...am I going to run out of this, do I have a bus ticket to meet up with that other parent just to have a social or any other type of support with other moms around you; it can be really challenging. You have to always have to look for free things all the time.

The low-wage workers we talked to expressed feelings of guilt about having to deny their kids things that other kids get to enjoy. In the words of one participant, "You have to make a lot of choices [about] where the money's going to go; If your kid's in school and they need money for this [fieldtrip] now or can't get something from the book order because it is \$20 to buy a book." Another said: "It would be nice to be able to look at your children and say, 'what would you like to do?'"

When asked what they might spend this money on, the low-wage workers in our focus groups were concerned first and foremost with the needs and desires of their children. Given their struggles to make ends meet, they were not able to allow their kids to do much at all, let alone to pursue an activity that is of interest to them from a young age. As one participant noted:

my son wanted to take violin lessons, and we went to six different places in Halifax: \$35 for half hour lesson and that doesn't include a violin.

Another mother ran into similar financial barriers when her daughter showed an interest in music:

in Grade 6 they had a band, and the teacher wanted her to play the clarinet, but it would have been \$140 for the year; I want her to take it, but I just can't afford it.

Even less specialized children's programs were out of reach for many of the participants:

my son wanted to go to Beavers and that was ridiculous amount.

Parents did discuss being grateful for the subsidies that exist such as through Halifax Recreation and Jump Start. However, they shared that even if they somehow manage to find subsidies, they sometimes create additional pressures. Subsidies generally only cover direct fees, which still leaves parents to cover other costs, such as just getting children to and from activities, ensuring their children are adequately nourished to do the sport, and having the equipment or supplies that will help them blend in, rather than stand out as the low-income kids.

When prompted as to what they would do for themselves, as one low-wage worker said:

I want to do something for myself and not have to worry about how much money and be able to do something whether it is haircut or buy a piece of chocolate or buy a DVD, little tiny things to reward yourself.

Others said: buy a magazine, go bowling, go to bingo. Another said:

I can never go anywhere with my friends. I don't have child care money. I don't have time. I would like to go to see a movie or for my child to go...she never seen a movie before.

For many of the focus group members, participating in special occasion social activities was a considerable strain:

I find it hard even going to events at my son's school where you have to pay like social events, like spring carnival have to pay for the ice cream and \$1 for the pop; just to people able to go there and spend money and support my son's school.

Indeed, it is striking to note that people in the second lowest income quintile in Nova Scotia, report that they contribute almost \$700 per year to charities. These contributions are part of being socially included and being able to give back to your community.

Most of our participants had not been on any kind of trip, let alone an actual vacation. One said she would love “to be able to go on a day trip, or a weekend trip somewhere whether it is camping or visiting friends you haven’t seen for a while.”

For many families, birthday parties are out of the question: not just holding one for their own children, but being able to send their children to the parties of their friends and classmates: “My daughter is invited to a birthday party it seems every weekend and I have to say, ‘No, you are not going to all those birthday parties.’” As another parent said, having this money for social inclusion would allow her “to be able to buy presents for other kids’ birthdays.” Right now, she had to tell her child, “You can’t go and you have to make up an excuse. I don’t have money to buy a card...we make our own cards.” The social distance experienced by families headed by low-wage workers is palpable in one woman’s testimony: “We try to get stuff on sale and try to save it in case we need it for a birthday party, but then you still feel embarrassed when the gifts are opened.”

The amounts provided below are used to illustrate the cost of some expenses that these families would be in a position to choose from. The amounts listed are those reported by families who have incomes at the second quintile (second lowest income group) in Nova Scotia when available, or the national number if provincial data was not available.³⁹ Quintiles are used to group the population by average household income. Income quintiles are created by dividing the population into five groups (quintiles), such that 20% of the population is in each group. The groups are ordered from lowest to highest income. These amounts are conservative when we consider how much it actually costs for most sports, especially popular sports like hockey.

A survey of what some of sport costs in Nova Scotia indicates that the costs certainly vary. Hockey NS reports that average annual costs are between \$400–600, but it is not clear what is included in this, likely just fees and basic equipment.⁴⁰ For Soccer for example, the costs we found varied from a low of approximately \$400 for basic foundation program once a week and equipment, but no tournaments or other costs incurred. Soccer club fees are can be as much as \$1200 per year, and if you have a goalkeeper, you will have to purchase gloves (another \$200–\$400). One must also consider travel to the sport practices and competitions, whether within the city or within the

TABLE 1 Social Inclusion Expense Examples

	Amount Per Year
Membership or fees for sports & recreation	\$ 428.00
Reading materials and supplies	\$ 148.00
Contributions to charity	\$ 681.00
Admission museum	\$ 49.00
Movie Theatres	\$ 58.00
Children's toys	\$ 85.00
Food purchased at restaurants	\$ 1,372.00

Source Statistics Canada, Table 203-00221, Survey of household spending (SHS), household spending, Canada, regions and provinces, by household income quintile, annual (dollars) 2012

province (\$350 per year), as well as registration fees for tournaments (\$150 per year). Teams often book extra fitness or turf time (\$100 per season extra). While tournaments and extra sessions might be optional, the children will want to attend and in practice these are not really 'optional' if only the low-income children are the ones that don't attend. One has to also consider the nutrition needs including snacks required to do these sports. These are costs for the recreational level; competitive level sports would certainly be out of the question for this family no matter the sport. **AMOUNT PER MONTH: \$393.36**

Household Expenses

The household expenses category allocates resources that might take a bit of stress out of families' lives especially related to time poverty, and help them manage a household just a bit easier. Often purchases that are convenient are more expensive. As one participant said, if she made a living wage, she would

[be] able to provide extras...being able to afford paper towels! I would not go as far as buying napkins, but just being able to have those things that you can just go out and pick something up at the store if you need it.

Our living wage budget does not have a specific line item for communications (eg. internet or phone), but rather this item is included as a household expense' because it falls under the 'other' category of the MBM. Many of us take for granted how easy it is to access communication technologies, but these are costs that are difficult to cover for low-wage workers. This expense is both a household expense and very important for social inclusion and could be included in either category. As one participant said:

TABLE 2 Household Operations Expense Examples

	Amount Per Year
Household supplies (cleaning, paper, plastic, foil)	\$ 610.00
Furniture, furnishings, electric appliances	\$ 297.00
Personal care	\$ 811.00
Home entertainment equipment and services	\$ 416.00
Rental of cablevision services (installation, service and pay TV charges)	\$ 470.00
Laundry	\$ 51.00
Computer equipment and supplies	\$ 221.00
Photographic goods and services	\$ 94.00
Service charges from banks	\$ 226.00
Bicycles (purchase), parts and accessories	\$ 39.00
Communication Expenses	
Telephones and telephone services	\$ 631.00
Internet access services	\$ 458.00
Postal, courier and other communication services	\$ 65.00

Source Statistics Canada, Table 203-00221, Survey of household spending (SHS), household spending, Canada, regions and provinces, by household income quintile, annual (dollars) 2012

I don't just have to text my old friend, we can just talk over the phone.

Other costs that could be covered by this expense category are those related to personal care. As one participant said:

The price of everything has gone up; even deodorant, shampoo, toiletries, you might have to decide if you are going to get tampons for yourself or if you are going to pay for something for your child which is like a huge deal and you have to be finding other places to get support, which is only once in a while because you can't keep going to those other places because you are restricted.

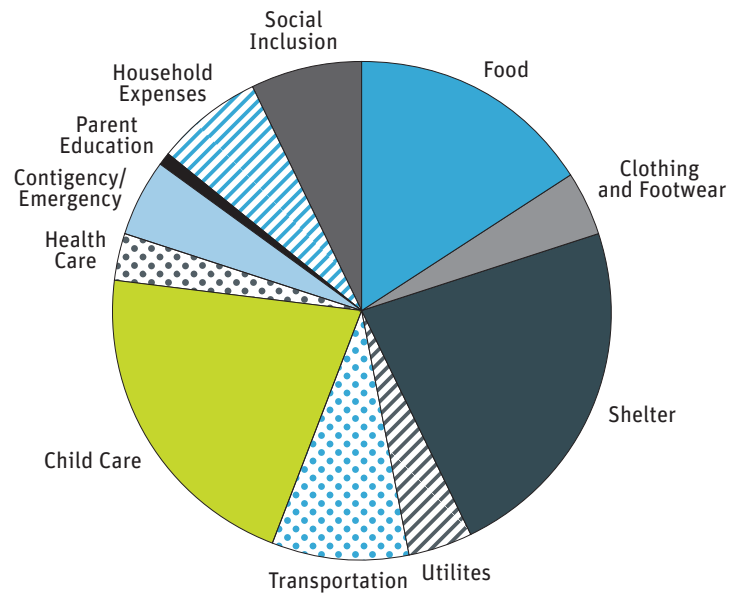
These household expenses include those items considered necessities, but not essential basics, and covers items such as personal care, furniture, household supplies, and communication expenses (whether landline, cell phone or/and internet, cable). **AMOUNT PER MONTH: \$393.36**

TABLE 3 Family Expenses — Two Adults and Two Children (age 4 and 7)

Item	Monthly	Annually	% of Total
Food	\$817.71	\$9,812.54	15.4%
Clothing and Footwear	\$225.68	\$2,708.16	4.3%
Shelter	\$1,220.00	\$14,640.00	23.0%
Utilities	\$181.38	\$2,176.57	3.4%
Transportation	\$476.16	\$5,713.98	9.0%
Child Care	\$1,132.72	\$13,592.58	21.4%
Health Care	\$155.33	\$1,864.00	2.9%
Contingency/Emergency	\$234.50	\$2,814.00	4.4%
Parent Education	\$69.81	\$837.67	1.3%
Household Expenses	\$393.36	\$4,720.31	7.4%
Social Inclusion	\$393.36	\$4,720.31	7.4%
Total	\$5,300.01	\$63,600.11	100.0%

* numbers may not add due to rounding

FIGURE 1 Family Expenses: % of Budget



Expense Summary

The table above summarizes the family expense for each category for Halifax. The living wage has been calculated based on 2014 data.

Government Transfers and Deductions

Government Transfers

The calculation of the living wage factors in income from government transfers.

Federal Transfers: \$281.03 per month

- The Canada Child Tax Benefit (CCTB):⁴¹ This is an income-tested benefit received for children under 18 years of age. The amount is affected by two factors: number of children; and family's net income. The CCTB reduction begins at family net income of \$43,953 and therefore the reference family only qualifies for a partial benefit. The National Child Benefit Supplement (NCBS) ceases at two-child family net income of \$45,000 and therefore the reference family's income is too high to qualify to receive it.⁴²
- Universal Child Care Benefit (UCCB): is not income-tested; this benefit is \$100/month for each child under six years of age.⁴³ This is a taxable benefit, and thus this is not a net benefit.
- GST/HST Credit:⁴⁴ is income-tested and consider whether the parent has a spouse, number of children and family's net income. For a two-parent, two-child family, the GST/HST credit ceases at a family net income of \$51,232,⁴⁵ therefore the reference family does not qualify.

Provincial Transfers: 0\$

- Nova Scotia Child Benefit (NSCB):⁴⁶ To qualify for this full transfer, a family must have a net income below \$18,000, and *families whose net income is between \$18,000 and \$25,000 will receive partial benefits*. The reference family does not qualify because its net income is too high.
- Nova Scotia Child Care Subsidy:⁴⁷ This program is income-tested and to be eligible families must have a combined net income below \$61,668 (for two children). Two other criteria have to be met in order to be eligible: i) Finances: families cannot have more than \$50,000 in savings or investments; ii) Social need: applicants and spouses/

partners must be working, looking for work, be a student or have a special need within the family. If all three criteria are met, the family *may* qualify. This reference family's net income is too high to qualify.

- Nova Scotia Affordable Living Tax Credit (NSALTC):⁴⁸ is income tested and provides a base amount of \$255.00 for individuals or couples and \$60.00 per child each year. The credit is reduced by \$0.05 for every dollar of adjusted family income over \$30,000. The reference family is not eligible because their income is too high. The credit ceases at a family net adjusted income of \$36,300.⁴⁹
- Poverty Reduction Credit:⁵⁰ this credit is only for families on income assistance, who have no children and for those with income below \$12,000, therefore the reference family does not qualify.

Government Deductions and Taxes

The living wage calculation also factors in payroll deductions and government taxes. It subtracts Employment Insurance premiums and Canada Pension Plan premiums. The formula also deducts provincial income taxes and federal income taxes from the employment income.

The calculation also assumes that the family claims all available expenses and tax credits, and the tax credits are allocated between the parents to maximize the benefits. The federal tax credits claimed are for CPP and EI premiums, the Canada Employment Amount, the Child Tax Credit, the Public Transit Amount, Medical Expenses, the Fitness Amount, and the Tuition, Education and Textbook amounts. One parent claims the allowable

TABLE 4 Total Disposable Family Income

Total Annual Income from Employment	\$73,164.00
– EI, CPP, Federal and Provincial Taxes	\$12,892.37
= Family Take Home Pay	\$60,271.63
+ CCTB, NSCB, UCCB, NSALTC, GSTTC	\$3,372.38
Equals Total Disposable Family Income	\$63,644.02

child care expense. The provincial tax credits claimed are for EI and CPP premiums, Tuition, Child Care Tax Credit, Healthy Living Tax Credit, and Medical Expenses. This family does not qualify for the Nova Scotia Low Income Tax Reduction, because our family's income is too high.⁵¹

The Living Wage Is a Conservative Estimate: What Is Not Included in the Budget

There are many expenses that are not included in the living wage:

- debt repayment
- retirement savings beyond CPP
- savings for children's education
- life insurance
- mortgage payments or savings to own a home

Debt repayment is a significant cost and stress for these families. Participants express feeling like a failure because they constantly have no money, and coworkers and family members don't understand. As one said:

I work full-time and I am a grown up, my parents are retired! They should stop having to pay for me, but if I don't ask them to borrow money...and then you get paid and paying back people who you borrowed money from...

They expressed how hard it is to juggle paying regular monthly bills, and daily costs, let alone any emergency expenses or something that could not be budgeted for: "Every time I get paid I pay as much money as I can to all my bills, but it might not be the whole money, so every time you get money, you still owe." The living wage budget includes a small contingency fund that certainly would not be sufficient to cover all of the possible costs that a family might have to cover in a day, week, month or year.

The living wage budget doesn't include any provision for savings, though shifting child care expenses into savings might be possible. As one participant said,

My goal is to take money and save it but I never have it.

Another said that she set up an RESP account,

I really want to put money in my son's RESP, but I never have the extra money to put into that...then I feel guilty. My son is going to grow up and not be able to go to college and he is going to be in the same struggle I am going through right now because I didn't put enough money in that.

The small amount allocated to non-publicly insured health related expenses to cover very basic insurance is not likely to cover the full cost of dental services, non-insured health practitioners, prescription eye glasses, any nutritional supplements or special diets or organic food products.

Indeed, many of the expenses in the living wage budget are below median expenses in Nova Scotia. The expenses are drawn from the MBM, which was developed as a low-income measure. For example, the cost of competitive sports for kids can be very expensive and would consume a good portion of the entire 'other' category.

The contingency fund would not account for multiple interruptions in paid work and the budget assumes constant, full-time work.

Benefits of a Living Wage

THE BENEFITS OF paying working people a living wage extend further than one might think. While we know that a living wage supports the mental and physical health and wellbeing of the people who receive it, we should also remember that living wages help both employers and the wider community as well. This section considers the economic and social benefits of paying living wages for individuals and their families, the organizations and businesses they work for, and their communities.

For Workers and Their Families

The living wage “allows working people not just to survive (in minimal physiological terms) but to enjoy a decent quality of life in which one can raise a family, be healthy and enjoy recreation, culture, entertainment and participate fully in social life.”⁵² Low-wage workers in Halifax have told us the same thing: we should be working to live, not living to work.

Alleviation of Stress

The level of stress that comes with living low-income is significant and involves constant negotiations and juggling. Low-wage workers have to make not just difficult choices, but impossible ones.

So I have had times where I worked here but I really need to go to the food bank but there is no food bank open after work and so I have to decide do I miss work to go to the food bank and then miss out money or do you work to make money and try to get the food later...so many choices that you have to try always be figuring out in your head and always be one step ahead of the game and have [in mind] those times where you have no money at all.

“I loved my job. The pay was difficult and I had to rely on my husband to take extra hours to pick up the slack,” said one participant, who made the decision to move to Ontario. She went on to talk about that difficult decision, but said in the end “average pay is substantially higher and the cost of living was about the same when we compared it; I am making \$3/hour at least more than in Halifax.” In Halifax, she had been working for seven years for the same employer, has a degree in a related field, and had additional training, but barely received cost of living increases.

Improvements to Mental and Physical Health

Participants also anticipated that a living wage would improve their physical and mental health: they would be able to pay for the medications and therapy that they needed to be well, and most importantly, would have a major source of stress alleviated. Rather than having to choose between medications, they would be able to ensure they had access to what they need without having to worry about borrowing money or the effects of going without. Receiving adequate compensation for their work and having access to good benefits would go a long way towards helping them to recover from conditions that had gone untreated or inadequately treated for too long. As one woman noted:

...as a person who's predisposed to anxiety and depression even before I was old enough to understand that, or old enough to understand...that's just...been part of my living reality since I was like 12...so that's before the stress of having a baby and being a grownup...to be a person predisposed to that, to be constantly working on it, and trying not to surrender to it... but sometimes the fight makes it worse...to just be able to...to not have to think about affording help, or affording...taking time to do things to take

care of my mental health, [because] that gets pushed to the back burner so often for financial reasons.

Receiving a living wage would also make it easier for the participants to eat a healthier diet. Every member of the focus group mentioned the struggle to maintain a healthy diet when living close to the poverty line. When one participant was able to receive an extra \$150 a month in take-home pay, she reported that her children asked her if they were rich, because they could afford an extra trip to the grocery store:

...no, we are not rich, but the fact that I could make that one extra trip...I keep milk and bread in the house...there's not always fresh vegetables, I wish.... but that extra cheque means that I can pick up some extra vegetables...and I think it's a sad, sad world when the difference between \$1200 and \$1350 causes my kids to think we're rich because we're able to hit the grocery store one more time.

Plan for the Future

For the focus group participants, a living wage would help them to be the people they wanted to be for their families: less stressed, better able to cope both financially and emotionally. Reflecting on the fact that she could not provide for her children's requests, one member of the group made it clear that while she understood that some of their wants (for things like name-brand sweatshirts or hockey bags) didn't factor in to their "absolute need to survive", she had to "carry it, emotionally." While one participant talked about how a living wage would allow her to be present for her partner and family, rather than worrying about the future, another noted that a living wage would allow her to plan for the future in a way that she couldn't given her circumstances:

[Other people] talked about...in ten years...[but] I don't look forward because I am too afraid to look forward. I'm stuck in the now. I'm stuck. One month. Month-to-month budgeting. Can I get through this month; can I get through this week?

The ability to escape that feeling of being "stuck" in the present, and the opportunity to plan for the future was an important aspect of the living wage for many members of the focus group.

You are doing a lot of work for the little bit of money that you get, and then when you do get a raise it is so small, it doesn't make a difference. So you are there trying to scrape together; OK well I have this much money and have these bills, trying to make things work. It is very frustrating, stressful.

Ability to Participate in the Life of the Community

All of the research participants agreed that their current wages, which ranged from under the minimum wage to just over \$16/hour, did not allow them to take part in the lives of their communities. They were scraping just to get by. One worker talked about missing out on the little things that make life enjoyable:

You know, my bills are paid, my wife and I pay the bills, but I'm always broke! I don't have any extra to do anything! Say I wanna go to a show, or go out and go dancing. I can't do that. I don't have any extra money."

For Employers

Employers also stand to benefit from implementing a living wage in their workplaces. There are four main categories into which employer benefits fall: decreased employee turnover, improved work quality and productivity, reputational benefits (which translate into increased competitiveness both in attracting customers and when recruiting new skilled talent, especially for upper level positions), and business sustainability.

Significant Improvements in Worker Productivity and Morale

In 2012, the Trust for London commissioned a report to look specifically at how the London living wage affected outsourced workers, most of them in cleaning and grounds-work. The report used a number of case studies, comprised of interviews with clients and employers, a survey of workers, and quantitative income, tax, and benefits data to assess the scheme. The report found that while the costs and benefits of implementing the living wage varied significantly by workplace, there were some general findings.

In terms of benefits, in most cases, employers saw reduced rates of labour turnover and sickness, which in turn promoted workplace productivity and good relationships between in-house staff and those working on sub-contracts.⁵³ The Trust for London report also discovered that the living wage

was associated with psychological well-being, a finding that was shown to be statistically significant.

The academic literature is unanimous on the fact that living wages improve the well-being of workers. This, in combination with the decline in turnover described above, boosts workplace productivity, improves morale and lowers absenteeism.⁵⁴ The number of sick days taken by workers declines in living wage workplaces, especially at low-wage firms, allowing organizations to work more efficiently.⁵⁵ In a study of the San Francisco Airport's living wage commitment, Reich, Hall and Jacobs found that after the living wage was implemented, work quality improved dramatically, as did employee morale.⁵⁶ Of the employers involved in the London Living Wage Program, 80% of them saw improvements in work quality after living wage implementation.⁵⁷ Thompson and Chapman's major 2006 review of the effects of living wage ordinances found that, in general, employers who paid living wages saw increases in productivity: specifically, an improvement in work performance, fewer disciplinary issues, and improved customer service.⁵⁸

Decreased Employee Turnover

Plenty of evidence shows that employers who pay living wages see a decline in employee turnover, leading to cost savings in staff hiring and training. Costco, a North American wholesale retailer, has a turnover rate of just 17%; compare that to Wal-Mart's staff turnover rate of 44% a year, which is close to the industry average.⁵⁹ Researchers surveying a large group of contractors in Los Angeles found that staff turnover rates were 17% lower on average at firms with living wage policies than in comparable firms with no living wage commitment.⁶⁰ Firms dedicating less energy to staff recruitment and retention can re-allocate that time and money elsewhere, giving them an advantage over those businesses and organizations that develop large human resources functions to replenish their constantly diminishing supplies of human capital.

In sum, the living wage had low or moderate cost for employers, and workers and their families benefited. There were few, if any negative effects. Indeed, KPMG says this: "Since introducing the Living Wage for its staff in 2006, KPMG has found that the extra wage costs are more than met by lowered recruitment churn and absenteeism, greater loyalty, and higher morale leading to better performance. Turnover amongst KPMG's contracted cleaning staff *has more than halved.*"⁶¹

Reputational Benefits

Many firms reported that paying staff a living wage bolstered their reputation as a good employer, improving their ability to recruit high-quality candidates into professional roles.⁶² Some firms also reported that the boost to their standing helped them to win other contracts and bring in more business, especially given the increasing number of companies who have developed ethical procurement policies. Consumers, too, are boosting demand for ethically produced goods and services: firms that pay a living wage are better positioned to capture that lucrative market.⁶³ An increase in the number of firms paying living wages was also beneficial for larger organizations tendering contracts: in the state of Maryland, more living wage employers meant more competition, and a more level playing field of potential bidders.⁶⁴

Since the first implementation phase in 2005, researchers at Queen Mary (University of London) have been tracking the impact of the London Living Wage. In 2013, more than 11,000 full-time and over 7,000 part-time workers had been brought up to the wage. A wide variety of sectors are represented: health and social care, finance, legal services, higher and further education, the Greater London Authority (including the London Fire Brigade), some National Government departments, local government (including thirteen of London's Local Councils), schools, the arts, retail, hospitality, and Third Sector (charitable and civil society groups). The combined financial impact of the implementation amounted to £182,077,447.⁶⁵ It is estimated that the combination of increased tax payments and reduced benefit spending associated with the living wage will save the government £823 million per year.

Similarities across the low-paid sectors (hospitality, care, and security) make the Trust for London report findings relatively generalizable, as these sectors “similarly involve labour intensive out-sourced work with relatively low spend on technical assets, research and development”.⁶⁶ Research on the London living wage supports much of the existing literature addressed in Thompson and Chapman's major review.

Building Sustainable and Ethical Enterprises

Some Canadian employers who have instituted a living wage were enthusiastic about the living wage ‘movement’. VanCity Credit Union, based in Vancouver, B.C., was a founding partner in the province's Living Wage Campaign. Paying a living wage made perfect sense for the credit union, because social justice is part of their mandate. Although it took a few years to shift from their old

compensation scheme to a new one, which ensured that all sub-contractors were covered, VanCity's Community Investment Manager Catherine Ludgate says that the investment was worth it.

Ludgate thinks that the commitment of leadership was a crucial aspect of ensuring that the process was done right the first time. Making sure that a living wage is paid to every worker for every major supplier as well as all of the lower-paid, more vulnerable workers (security guards, temporary workers, catering staff, and janitorial workers) took a great deal of coordination, and dedication to the process.

For VanCity, their new procurement model is a major part of making the living wage work:

We are willing to pay a premium to buy from living wage suppliers. We want to work with willing suppliers who want to join the campaign. Ideally they join the campaign themselves. If they can't join us in the long-term, we want to ensure that the labour they provide us, those people are compensated at a living wage rate.

For Toby Barazzuol, the owner of Eclipse Awards, paying a living wage is crucial for sustainable business:

I'm a big believer in sustainability, and our company makes that a high priority...so I think if you're looking at sustainability, you have to be paying living wages, or else you're surviving off the sacrifices of your staff. I wanted to help advance that in the world of progressive business.

Ideally, instituting a living wage among a number of different enterprises could create a support network where companies could use each other for procurement. Barazzuol felt that this aspect of the living wage campaign had not been fully realized in Vancouver, but was confident that were it to develop further, a network of committed companies would be very helpful, especially for smaller businesses with more limited resources. With more upfront education for employers and the opportunity to connect with other businesses and learn about what they provide, Barazzuol thought that the BC campaign would be even more successful.

For the Community

When employers commit to paying living wages, the community stands to benefit in both material and immaterial ways. High wages boost the tax base

of communities, decrease reliance on government benefits, put money in the pockets of people who tend to spend their money locally, and promote social inclusion and participation in the democratic process.

Boosts the Tax Base

In Wills and Linneker's landmark study of the economic impacts of the London Living Wage, researchers at Queen Mary (University of London) found that while the implementation of the living wage did not make public subsidies unnecessary, it did increase the tax base and eased reliance on state benefits.⁶⁷ Both of these tendencies represented a significant savings to the public purse. Wills and Linneker's models (which hold current benefit-claiming rates constant) suggest that were all of London's low paid workers to be compensated at the level of the living wage, the British Treasury would save £823 million per year.

Stimulates the Local Economy

Moving working people to a living wage would do a great deal to stimulate local economies. People with lower incomes generally have unmet needs: as a demographic, they tend to spend more of their increasing income than those with higher incomes, who are more likely to save or invest any additional wealth they accrue.⁶⁸ Additionally, people earning lower incomes are spending on necessities, and thus, tend to spend locally.⁶⁹ Increases in consumer spending put more money into circulation: they bolster local businesses and stimulate economic growth.

Over the course of the past thirty years, while wages have stagnated, the cost of living has risen significantly, making it harder for working families to get the most out of each dollar. Although a living wage would not restore the purchasing power of the dollar in general, it would make a real difference in the lives of people who have to make those dollars go further than those earning higher wages.

Families living in poverty are forced to use most of their energy just trying to scrape by. When all of their resources go towards making ends meet, they rarely have anything left at the end of the day to contribute to their communities. We know that poverty wages do not help working families escape material deprivation, but that's not all: many low-wage workers are not only income-poor, but also time-poor. When we factor in the additional burdens borne by working women with children, it is easy to see how the

majority of low-wage workers are effectively barred from civic participation and meaningful involvement in the lives of their communities.

Precarious, low-wage employment creates micro-level boom and bust cycles in the lives of working people, making it difficult for many to justify long-term investments in themselves or their communities. However, a living wage can rectify that. Many of the participants in our focus groups identified social cohesion and community participation as anticipated benefits of a living wage, and the research shows that when low-wage workers receive a boost, they become more active in civil society and the democratic process.

Reduces Poverty and Income Inequality

Poverty is a serious problem in Nova Scotia. It is especially troubling when we consider how many children live in families who live in poverty. The *Nova Scotia Family and Child Poverty Report Card 2014* reports that 22.2% of Nova Scotian children were living in families with incomes below the poverty line (in 2012).⁷⁰ As was stated in that report: “Ending family and child poverty is achievable and depends to a large degree on governments’ agendas for poverty reduction and eradication, as well as their broader social and economic public policy priorities that tackle issues including income inequality, gender inequality, and provide much needed family supports such as access to affordable child care, and housing.”

Ensuring that working people are compensated adequately for their labour bolsters local economies and increases purchasing power among the segment of society most likely to spend their whole paycheque. A living wage also strengthens the tax base, and helps to move people who rely on social assistance and other benefits into paid work, providing a significant overall savings to taxpayers. Investing in publicly funded, universal social programs like child care and affordable housing as part of a living wage strategy also has positive spin-off effects for the whole population, not just those working at or near the current minimum wage.

Lifting people out of poverty will benefit us all. The estimated cost of poverty in Nova Scotia is approximately *\$600 million dollars per year representing almost 7%* of the provincial government budget. When the direct costs to government are added to individual and societal costs, this *total cost of poverty – \$2.4 billion – is equivalent to 7% of Nova Scotia’s GDP* (gross domestic product or size of its economy).⁷¹

Achieving a Living Wage

WE STARTED THIS project with plenty of questions. We wanted to know why Halifax might need a living wage, and how to calculate it. We were curious about how a living wage would affect our neighbours, and our community as a whole. Having shed some light on those issues, we can start to consider what needs to be done in order to achieve a living wage. In this section, we'll move from the theoretical to the practical, and begin to think about how we can go about ensuring that workers in our community receive a living wage.

The Role of Employers

The simplest way for employers to ensure that workers receive a living wage is to pay them the equivalent hourly rate. The prospect of increasing the hourly wage of low-wage employees to \$20.10/hour might seem daunting to some employers: some have voiced concern that a higher wage bill will leave them with no choice but to cut either hours worked or employees on the payroll. However, evidence from other jurisdictions shows that businesses and organizations have discovered plenty of ways not just to survive, but to thrive, after committing to becoming living wage employers.

In their study of the London Living Wage, Wills and Linneker found that while some contractors did reduce the hours they offered staff, a far greater number found other ways to manage their costs. Even though the wage bill may have ended up representing a greater proportion of overall organizational

spending than it had prior to living wage commitments, this was addressed by finding efficiencies elsewhere.⁷² As far as costs are concerned, many employers dealt with the wage premium by restructuring the work itself, or adjusting how contracts were negotiated and evaluated. Example measures included the use of fixed-price contracts, service audits, adjusting supplies or specified services, and reducing hours.⁷³ Similarly, in the American context, the majority of the major US studies on living wage implementation found either little adverse impact on employment or working hours, or none at all.⁷⁴

Higher wage bills can also be addressed in both the short and the long term by increasing productivity associated with living wage implementation. As Brenner notes, in American living wage case studies productivity gains tend not to come from replacing lower-skilled workers with higher skilled workers. In fact, employers saw more significant improvements in productivity when they boosted the wages of existing employees, who responded to better pay by raising their work effort.⁷⁵ While productivity gains can come in a number of shapes (from minimizing the costs associated with high turnover to returns on investment in employee training), the benefits associated with becoming a living wage employer can help to balance the costs. In cases where productivity gains could not cover wage increases, some firms in the UK did respond by increasing prices.

The calculation of a living wage is a call to employers to pay a living wage. That being said, increasing the hourly rate that workers are paid is only one way to achieve a living wage. Employers can:

- Support flexibility in the workplace to keep costs down. For example, offer parents an earlier or later shift so they can avoid paying for before or after school care for their children.
- Provide other extended benefits that help with costs such as subsidized bus passes or extended health benefits, more paid vacation, paid professional development/education/training.
- Be advocates for policy changes that improve government benefits and social programs.

Some employers in Nova Scotia are undoubtedly already paying a living wage to their workers: they have employees working at least 35 hours per week at \$20.10 hourly wage. Other employers may be paying their employees the living wage hourly rate but without sufficient hours to allow the employee to cover their expenses. Still more employers are paying their employees far less than the living wage. Some employers may choose to work toward

the goal of becoming a living wage employer. Other employers may feel that this wage is financially not possible for them to offer.

It is important for employers to first consider how to pay their employees a living wage (through direct compensation or the arrangement of benefits for workers). However, the other way to achieve a living wage is to decrease the costs that need to be covered by that wage, costs that could be addressed at a societal level through social programs and public infrastructure.

Government Taxes and Transfers

Our progressive taxation system is a good place to start when thinking about how we can use existing structures to achieve a living wage.

Make the tax system more progressive: When we calculate total taxes paid as a percentage of income, we find that those who make the lowest income in our society pay as much in taxes as the highest income.⁷⁶ Strengthening universal public services funded by a progressive tax system would alleviate some of the pressure on families. We should be shifting away from regressive forms of taxation (including consumption taxes, government user fees, and property taxes) and towards a more progressive income taxation system based on ability to pay.

Make the tax transfer system more generous: As the living wage calculation shows, government policies and programs have a direct impact on our standard of living; the more generous government transfers or public services, the lower the private wage needed to cover costs. While our reference family's net income is just below the cut off to be eligible for a child care subsidy, the wait list for regulated child care means that we cannot be sure that they would access this subsidy. Even if the family could access the subsidy, the approximate subsidy for this reference family (at \$60,000 net family income) would be approximately \$1.71 per day and might decrease the child care fees for the four year old by \$555.75 per year. This would make very little difference for the living wage. The seven-year-old's child care expenses would not qualify for a subsidy unless the family arranged for before- and after-school care at a regulated child care centre, where fees are much higher than the Halifax Regional School Board's EXCEL program, where they would only pay \$294 per month versus as much as \$575 at a regulated centre. It should be noted, however, that at regulated child care centres, supervisors are

trained in early childhood education, and there is a lower ratio of children to child care workers.

The family's net income is too high to qualify for the affordable living tax credit, or the Nova Scotia Child Benefit. Our family also does not qualify for the full Canada Child Tax Benefit (CCTB) or the GST Rebate. This family also doesn't qualify for the heating assistance rebate program.

Public Services and Social Programs

In addition to direct government transfers, public services can help meet the needs of this family: they can lessen some costs and serve as a form of income redistribution. The financial benefit our family receives from the public services paid for by their taxes is not represented in their monthly budget: benefits received from public services (not including direct income transfers) is estimated to be as high as \$17,000 per year.⁷⁷ Shelter, child care, food and transportation represent almost 80% of the reference family's expenses: some of this burden could be alleviated through strategic public investment.

Decrease child care costs: If Nova Scotia had a system of subsidized public early learning and child care that cost \$10 a day, the hourly living wage would be significantly lower. \$10/day child care would cost this family: \$3250 (325 days of care required) for the year. For the school aged child, it would be \$10 for 195 school days plus summer camp: \$1950 for a total of \$5,200 per year. This translates to \$3.55 less per hour required for the living wage. This would also lower their net income and allow the family to qualify for a small child care subsidy (approximately \$1.71 per day).

A publicly funded universal child care program would help working people with young children to pursue training opportunities and re-enter the workforce more easily. As one participant said: "I needed to be working but I didn't actually make much money once you took away the day care expenses."

In addition, there are ways to strengthen the tax benefits provided, by for example, lowering the eligibility requirements to the child tax benefit, and increasing that benefit.

Improve public transportation, and reduce fees: This family's expenses could be decreased if the U-Pass was available to part-time students and not just full-time students, and significantly decreased if public transit was a more accessible and viable alternative to owning a car for working families with children.

Provide more affordable housing: Another significant expense for this family is housing. If our government made more affordable housing available to families, the hourly living wage could be lower.

Prioritize food security: The nutritional food basket also represents a significant expense for the reference family; a food strategy in our province that addresses the cost of food while ensuring that those who produce food locally are supported to do so, would go a long way to assist this family.⁷⁸

The Role of the Community

In Canada and around the world, communities have come together to build support for a living wage. Living Wage campaigns generally draw their organizing teams from a variety of stakeholder groups: people working for poverty wages join together with academics, health and social service providers, and representatives of labour and the business community to craft strategies for moving forward.

Once the living wage is calculated for a given jurisdiction, campaigners identify an official certifier. The certifier accepts responsibility for ensuring that the official living wage number is kept up-to-date and that employers understand their obligations when they commit to becoming a living wage employer. In the early stages of organizing, campaigners also identify living wage “champions” – employers who will commit to paying their workers a living wage, and who agree to act as leaders advocating for a living wage in the community.

In Canada, campaigners have had success with two different champion strategies: in larger centres like Vancouver and Hamilton, a large private employer has agreed to commit to the role. In smaller locales, such as New Westminster and Esquimalt (both in British Columbia), campaigners have worked to support the municipal adoption of living wage policies, which apply to both directly employed city staff and municipal contractors.

In the United States, campaigners have used geography to their benefit, and successfully pushed for the establishment of living wage zones around publicly owned transport hubs such as seaports and airports. Many west coast airports (including Los Angeles and San Francisco) are covered by living wage ordinances. In Los Angeles, the city council also passed an extension to bring hotels in the “airport corridor” under the ordinance.

Universities are also fertile ground for living wage campaigns. Of the top 25 universities in the United States, 22 have living wage policies. In the United

Kingdom, many of the Russell Group universities are officially accredited as living wage employers. In many of these cases, undergraduate students have been the driving force behind university accreditation. Grassroots organizing has won living wages for university staff at many institutions.

In the United Kingdom, Citizens UK, a non-partisan citizen's activist group, has been a driving force in securing living wages for many British workers. Citizens UK helped to found the Living Wage Foundation, which serves as the official living wage accreditation body in the country, as well as a resource for on-the-ground campaigners in cities and towns across the country.

The London living wage has enjoyed a great deal of support from a broad coalition of employers and community stakeholders. The current Mayor of London, Boris Johnson, is one of the campaign's biggest advocates, making frequent public appearances to speak in support of the living wage. In November 2014, Johnson announced a new rate of £9.15 per hour, saying that the London living wage "rewards hard working Londoners for their valuable contribution to the productivity and growth of this city's economy. It is a win-win scenario for the workforce and employers alike...this isn't just about economic dividends, but the immeasurable improvement to quality of life and workplace morale."⁷⁹

Conclusion: Implementing a Living Wage in Halifax

CALCULATING THE LIVING wage provides private and public employers with a credible wage level that provides income sufficient to cover the costs of living in our community, which helps address severe financial stress, and provides a basic level of economic security. This wage level has been proven to increase productivity, decrease turnover, and allow workers to fully contribute, in the workplace and beyond.

Paying a living wage is a voluntary commitment made by public or private employers. Once the wage is calculated there are sometimes campaigns developed to certify living wage employers.

In the U.S., where it is possible to pass wage ordinances at a city-level, 140 cities have successfully implemented living wage policies, including New York, Chicago, Boston, and Detroit. A number of UK municipalities, such as the Greater London Authority, also have legislated living wage policies — as did the London Olympics. Since 2008, 28 employers have become certified in BC including the City of New Westminster (municipal and contract staff), a school board, hospital and the largest credit union.

As the living wage calculation shows, government policies and programs have a direct impact on our standard of living; the more generous government transfers or public services, the less the private wage has to be to cover costs.

In our community, there are few programs in place that our family would qualify to access because the reference family's income is too high. Should thresholds levels be raised and some of those benefits be increased, this would lower the private wage required.

In addition to income transfers, government services and infrastructure can also help lessen costs on the shoulders of low-wage workers. For example, if we had a universal \$10/day child care program, our living wage could be as much as \$3.55 less/hour. Our family could certainly not afford to pay for the costs that are currently covered by public health care, but they are still faced with paying out of pocket for too many health-related costs that will only be lessened slightly if they can afford to pay for private health insurance. A national pharmacare program would assist this family, as would extending medicare to cover dental costs and other essential health care costs not currently covered. A living wage is designed to work with, not replace universal government programs and services as well as those targeted for the working poor.

Appendix A

Low-Wage Workers Focus Group Guide

1. What is your experience trying to make ends meet given what you are currently earning? Describe a day in your life if that helps.
2. What does a living wage mean to them? (Participants were given sticky notes for writing a word or drawing a picture and these figures are in this report.)
3. One of the authors explained what the living wage is and how it is calculated. Participants were given a handout with the budget based on the living wage calculation (just the expense components and total, but not the actual hourly rate). Participants were asked their reaction and if the budget seemed realistic given their own needs.
4. How do you think a living wage campaign might affect you?

Living Wage Employers Interviews with Guide

1. What is your position within your company?
2. How are wage rates determined in your company? Before introducing the living wage into the company, were the wages that you typically pay, higher or lower than the estimated living wage?

3. How did your employees respond when a living wage was implemented at your company?
4. How do you think your workplace environment was affected by the implementation of a living wage?
5. Were there challenges you faced implementing a living wage? Probe: external contracts
6. What supports need to be in place for an employer to become a living wage employer? What would help employer implement a living wage?
7. Are you officially certified as a living wage employer? Are there advantages to this?
8. Can you tell me what disadvantages you would see in such a campaign?
9. Can you tell me what disadvantages you would see in such a campaign?
10. I'd be interested if you have any final thoughts?

Notes

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- 17** Living Wage Canada, *Canadian Living Wage Framework: A National Methodology For Calculating The Living Wage In Your Community*, http://livingwagecanada.ca/index.php/download_file/view/113/171
- 18** Mackenzie, Hugh. *Risky Business: Canada’s Retirement Income System* (Ottawa: CCPA, 2014).
- 19** This wage is based on 2014 expenses and taxes.
- 20** Living Wage Canada, *ibid.*
- 21** *ibid.*, p. 2.
- 22** The technical guide and spreadsheet will be made available for free download.
- 23** Statistics Canada, Age Groups of Children at Home (15) and Census Family Structure (7) for the Census Families in Private Households of Canada, Provinces, Territories, Census Metropolitan Areas and Census Agglomerations, 2006 and 2011 Censuses. Catalogue number 98-312-XCB2011032.
- 24** This is according to the After-Tax Low-Income Measure. See Frank, 2014.
- 25** Statistics Canada, Table 281-0024, Survey of Employment, Payroll and Hours (SEPH), Employment unadjusted for seasonal variation, by type of employee for selected industries classified using the North American Industry Classification System (NAICS)
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- 27** Statistics Canada, Table 281-0038, Standard work week for salaried employees (paid a fixed salary) (SEPH), excluding overtime, for selected industries classified using the North American Industry Classification System (NAICS)
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