

Vibrant Communities Calgary's Living Wage Campaign – Update 2008

This story provides an update of Vibrant Communities' Living Wage Learning Initiative. Please visit www.caledoninst.org to learn more about this work.

Background

Based on the premise that people who work full time should not live in poverty, Vibrant Communities Calgary (VCC) established a Living Wage Action Team in 2003. Members researched Living Wage campaigns launched in Canadian and American cities, and determined that they would pursue an approach that combined education with legislation. They would encourage public, private, nonprofit and government employers to adopt exemplary human resources practices. They would also continue a dialogue with the City of Calgary aimed at embedding Living Wage provisions into municipal pay structures and contracting policies. Given that the City of Calgary purchases \$900 million in goods and services each year, the municipality's leadership would set a good example for other employers.

Living Wage discussions must be sensitive to market pressures. VCC's ongoing challenge is to assess and capitalize on opportunities for encouraging exemplary human resources practices. By focusing on the issue of low wages when appropriate, Vibrant Communities Calgary hopes to broaden community understanding of the barriers to workforce participation experienced by low-paid workers.

Living Wage definition

Living Wage is defined by VCC as the amount of income an individual or family requires to meet their basic needs, to maintain a safe, decent standard of living, and to save for future needs and goals. VCC used Statistics Canada's 2001 before-tax low income cut-off (LICO), adjusted for inflation, as the basis for Living Wage calculations in 2006. They determined that an individual working full time – 35 hours per week, 52 weeks a year – needs to make a minimum of \$12 per hour

plus benefits to earn a Living Wage. Calgary Living Wage proponents are careful to point out that wage rates must reflect local conditions. Calgary's inflation rate stood at 5.7 percent in 2007, which was much higher than the rate in Edmonton (3.8 percent) or Vancouver (2.6 percent).

Statistics Canada reported in early 2006 that 74,700 (13.3 percent) of Calgary residents over the age of 15 earn less than \$12 an hour. Moreover, 39,000 of these workers (just over 50 percent) are over the age of 25 and are working full time [Statistics Canada 2007].

Using figures generated by the Canada Mortgage and Housing Corporation, the Canadian Housing and Renewal Association calculated a "minimum housing wage" – the amount full-time, full-year workers need to earn in order to rent housing without spending more than 30 percent of their income. For Calgary residents to rent a bachelor apartment in 2006, the minimum housing wage was \$11.87. For a two-bedroom apartment, they needed to earn \$15.00 an hour.

Purchasing policy developments

The "No Sweat Coalition," a grassroots advocacy group, had worked with the City of Calgary for several years to build support for fair wage municipal purchasing and contracting agreements. A motion was passed in 2004 that approved the development of a Sustainable Ethical and Environmental Purchasing Policy (SEEPP). VCC joined the coalition in 2005 and, in November of that year, members made a presentation to City Council to request that funds be directed toward preparing a SEEPP draft. Council approved the idea and, in mid-2006, a consultant hired by the City began drafting the policy and an accompanying supplier code of conduct.

Both policy and code require that items bought by the City be produced in accordance with established international environmental standards and guidelines and applicable codes of conduct. Calgary's commitment to sustainable purchasing is consistent with its adoption of a Green Procurement Policy and a Triple Bottom Line Policy (reflecting economic, social and environmental considerations) developed in 2005.

The SEEPP pilot project to administer the purchasing of apparel, food products, chemicals purchasing and custodial services began with stakeholder consultations in the spring of 2007. SEEPP and the supplier code of conduct were passed in principle in January 2007. The City's administration was directed to report back with respect to cost projections associated with the proposed SEEPP pilot project. They would also conduct a risk analysis and detail the triple bottom line implications of including Living Wage in SEEPP and the code of conduct. The report detailing these considerations is due in March 2008.

Building support for Living Wage and other exemplary employment practices

Medical and dental benefits and employment supports like flexible hours and child care provisions – together with higher wages – increase workers' economic security, improve their quality

of life and help move people out of poverty. While VCC participants would like to see all of these elements reflected in the City's purchasing policies, it has framed its work in the area of human resources improvements largely around the issue of Living Wage.

Since the formation of its Living Wage Action Team in 2003, VCC has attracted 30 representatives from business, labour, government, nonprofit organizations, the education and health sectors, faith communities and people living in poverty. Team members meet monthly; another 40 people are kept up-to-date on the group's efforts through e-mail notices. Over time, VCC has tailored its Living Wage messages to four groups – municipal officials, private sector representatives and members of the nonprofit and quasi-governmental sectors (e.g., health centres and postsecondary institutions).

municipal involvement

In the spring of 2007, members of VCC were invited to two meetings organized by the City's procurement department to review and provide suggestions for a draft SEEPP vendor questionnaire. Aimed at assessing businesses' leadership potential in the area of ethical and environmental purchasing, it posed questions about operations standards and human resources practices, and included general questions about employee payments levels and benefits provisions.

The City of Calgary's municipal elections in October 2007 focused VCC's efforts on making SEEPP – and its implications for the promotion of Living Wage – an election issue. VCC representatives spent the fall canvassing Council members and determining a communication strategy for positioning the issue in voters' minds. This work complemented a new area of VCC's work – improving voter turnout, particularly in low-income parts of the City [Makhoul 2007].

private sector involvement

VCC received three years of funding from the Calgary Foundation in August 2006 to engage the private sector in the Living Wage initiative. Funds totalling \$15,000 per year are being used for research and preparing publications that describe the economic impact and benefits of instituting a Living Wage.

Funds for 2007 paid for the production and distribution of 20,000 copies of a document entitled "Vibrant Workplaces: Creative strategies to attract and retain Calgary employees." The publication, released in October, profiles local employers that have instituted progressive employment practices. The document generated considerable interest within Calgary Economic Development, a nonprofit organization with a mandate to encourage businesses to settle in Calgary. Its "Calgary Works" division helps existing businesses attract and retain labour and provides labour force development opportunities. Both Calgary Economic Development and the Alberta Ministry of Employment, Immigration and Industry have distributed and promoted "Vibrant Workplaces" among their networks. Ultimately, how many individuals and families are positively affected by improved

human resources practices is difficult to measure. VCC members will continue to document exemplary evaluation practices in Canada and the US.

In addition, VCC has produced a variety of communications materials, including website development, web-posted fact sheets and 750-word monthly articles in *Street Talk* – an independent, nonprofit newspaper written and sold by people living on low incomes.

Vibrant Communities Calgary convened a small group of local business owners to discuss how Living Wage provisions might affect their operations. In April 2007, they defined terms of reference and adopted the name Vibrant Workplaces. Initially, they came together to prepare the Vibrant Workplaces guide. After its release in October, the group has met on an as-needed basis.

In November 2007, Vibrant Workplaces released “Low Wages in Boomtown,” a study of 150 area business owners and managers and 73 employees. The publication identifies barriers which

Two exemplary employers

The manager of Cottage Care Calgary South, a house cleaning franchise based in Calgary with offices in Edmonton and southern Ontario, recently was profiled as an exemplary employer in *Street Talk* and VCC’s summer 2007 newsletter. After taking part in discussions with VCC and learning about the Living Wage issue, he agreed to hold his base pay rate at \$10 an hour and pay a \$4 hourly bonus to employees who completed their shifts each week. (Staff absenteeism – particularly later in the week – is an ongoing problem.) As Calgary’s first Living Wage employer, he was issued a certificate by VCC that he later cited in a letter to his clients while explaining his reasons for raising cleaning rates.

The husband and wife owners of Daylight Cleaning, a janitorial and custodial consulting company, demonstrate that there are many routes by which employers can increase salaries while maintaining and, in some cases, increasing profits. The owners of Daylight Cleaning developed a system that allows building owners and managers to seamlessly convert evening-only janitorial systems to those that operate during the regular, 9-to-5 work day. This arrangement means that staff can spend more time with their families in the evenings, and can develop closer and more responsive relationships with their clients. Employees achieve a higher quality of life and clients report greater satisfaction with the cleaning services provided.

According to the 2005 Alberta Wage and Salary Survey, cleaners, caretakers and building superintendents continue to earn a minimum wage (\$7 an hour), even after three years’ experience on the job. By contrast, Daylight recommends employers pay an average salary of between \$10 and \$11, an increase which can be covered by energy savings realized by not having to keep office lights turned on during the evening hours. Participating employers also donate 10 percent of the company’s (after tax?) revenue to a scholarship fund for employees’ children.

prevent low-income Calgarians from moving up the economic ladder. VCC research has discovered that finding and retaining workers – another hot issue in the overheated Albertan economy – depends on how well employers address employee concerns. Many of the employees identified insufficient wage rates as a key problem. Employers that have increased wages have seen improvements in employee retention.

nonprofit sector

The Calgary Chamber of Voluntary Organizations (CCVO) was established in 2004 to provide the voluntary sector with much-needed infrastructure and support (<http://www.calgaryvco.org/>). Similar in function to a Chamber of Commerce, it conducts research and education as requested by its membership and acts as a vehicle for the development of public policy. Spearheaded by the United Way of Calgary and Area, CCVO now operates the Calgary Human Resources Initiative. This committee highlights and suggests action on workforce issues in Calgary's human services organizations. Its goal is to build a nonprofit sector capable of attracting and retaining high quality staff and volunteers. VCC is a member of the HR Working Group, bringing its understanding of Human Resources and Living Wage issues.

quasi-governmental sector involvement

Postsecondary institutions, the Calgary Health Region and the home care industry have all begun separate initiatives to research possible involvement in Living Wage initiatives. Calgary Health Region – southern Alberta's largest employer, with between 60,000 and 80,000 on staff – began considering the feasibility of establishing its own Living Wage policy in 2006. Though these groups have not formalized any relationship with VCC or its Living Wage working group, their members have made inquiries and partnerships may emerge in the months and years ahead.

Next steps

VCC will continue to encourage improved human resource practices through various business groups and publications. These include the Calgary Chamber of Commerce, the Calgary Social Purchasing Portal, Pieces of Seven (a hospitality-focused business group) and communication vehicles provided by the Kensington and 17th Avenue Southwest Business Revitalization Zones. Years two and three of the Calgary Foundation's VCC funding to engage the private sector in Living Wage initiatives will continue to provide the impetus for further research and activity.

Most importantly, the City's March 2008 reports on the impacts of SEEPP and the possible inclusion of Living Wage in purchasing policies and codes of conduct will direct the Living Wage Action Team's future plans.

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