

Living Wage Employers Improving Job Quality in Waterloo Region



A recent report from CIBC raises an alarm on declining job quality. More jobs that pay low wages are undermining Canada's economy. The trend also makes income inequality worse.

It does not have to be that way. In Waterloo Region, there are employers who are working to reverse that downward trend.

Since the launch of Living Wage Waterloo Region in November 2014, a dozen organizations have signed on as living wage employers.

It is commonly held that work is the best pathway out of poverty. The living wage takes that view seriously. It figures out what you actually need to earn to be above the poverty line and to participate in the life of your community.

The living wage in Waterloo Region for 2014-15 is \$16 an hour. That's the hourly wage you need to earn working full-time to pay for housing, a nutritious diet, transportation, clothing, and insurance for dental, vision and prescriptions. It also allows for social inclusion, covering the cost of phone and internet, some recreation and outings and a modest vacation.

The Living Wage Employers Program encourages participating employers to raise the wages of all their workers to the living wage rate or higher. In fact, it is a requirement of the program. For those that entered the program as Champions, the highest level attainable, they already do that. Employers that entered at the Partner, Supporter or Leader levels already pay their full-time staff a living wage. They have begun taking steps to raise the pay of their part-time, contracted and student workers as part of their plan to move to higher levels of the program. That has meant an increase in pay and/or benefits for workers.

It may be obvious what the benefits of the living wage is for workers. But what is in it for employers?

In the UK there are nearly 1,300 certified living wage employers. A case study found businesses do report some clear benefits of paying a living wage. These include "reducing staff turnover, increasing worker morale and loyalty; reducing absenteeism; productivity improvements; strengthening recruitment opportunities and providing reputational benefits."

Living Wage Employers in Waterloo Region definitely identify some of those same benefits to explain why they pay a living wage. "We want our employees to feel that working at Brick & Co. Restorations can be considered a career, as opposed to just a job until something better comes along," reports General Manager and Partner, Don Zehr.

But for all of Waterloo Region's living wage employers there is more to it. The living wage puts their values to work.

“Paying a living wage aligns with our values,” states Brent Zorgdrager, CEO of Mennonite Savings and Credit Union. “We believe our members would expect nothing less of us in caring for our staff members.”

The core values of organizations need to be there because not all financial costs of paying a living wage will be offset by the financial benefits.

“It can be challenging for non-profits to meet the \$16/hour benchmark, but it is important that all workers - regardless of their area or sector of work - can afford their basic needs and live with dignity,” explains Linda Terry of the Social Planning Council of Cambridge and North Dumfries.

The UK case study identifies another dimension of value in the living wage. “The question for the private sector is how to incorporate the Living Wage into its value chain and ultimately its brand and recognition.”

That perspective can also be seen in Waterloo Region. “Zero Environmental is focused on delivering to a higher standard in everything we do,” according to Project Manager, Randy Balzer.

“Becoming a living wage employer was a natural fit as we already share many of the same principles and believe that equipping our employees for success will carry through to the service we provide our clients.”

The declining quality of work is a serious problem for Canada. Paying a living wage is one tool for reversing that trend. It is good for workers and for the community. And as living wage employers in Waterloo Region are demonstrating, it also makes good business sense.

- Greg deGroot-Maggetti of Mennonite Central Committee Ontario is Program Manager for Living Wage Waterloo Region, livingwagewr.org.