

Good public policy builds equality

Canada has experienced one of the longest economic booms in its history. Despite fifteen years of strong economic growth, record low unemployment and the accumulation of well over \$100 billion in federal surpluses, inequality in Canada has continued to grow:

Corporate windfall

- Much higher corporate profits have reached record levels and are taking up ever-higher shares of our national wealth.

Families feel the pinch

- Virtually all the real gains in earnings in the last 30 years have gone to the richest 10 per cent of Canadians.
- 90 per cent of families – all but the richest 10 per cent – are working more to keep up, but only the top 10 per cent saw a significant increase in their earnings.

Shrinking wages

- Average real hourly wages have been stagnant since 1991, increasing by a total of less than one per cent between 1991 and 2007.
- In real dollar terms, the average minimum wage today is worth almost 20 per cent less than in 1976.

Persistent poverty

- At least 3.4 million people – about one in ten Canadians – lived in relative poverty in 2005. This includes nearly 900,000 children.
- About one in six employed workers – almost 2.2 million – earned less than \$10 an hour in 2006.
- Almost two-thirds of all low-paid workers are women. The overall pay gap for women working full-time, full-year is still at 70 per cent of average men's wages – worse than in the mid-1990s.
- Recent immigrants and aboriginal Canadians earn much less than the average wage and have far less stable incomes.

Inequality isn't just bad for those directly affected. It erodes quality of life for everyone, damaging social cohesion within communities. The social and economic costs of inequality are enormous.

Just as there are many causes of soaring inequality in Canada, there are a number of solutions. Regressive income tax cuts and tax loopholes have overwhelmingly benefited the affluent in Canada. Increasing reliance on user fees and property taxes has also magnified the burden on lower-income people. Rising house prices and a shortage of affordable housing have made life difficult for those on low and moderate incomes in recent years. Rising energy prices and the growing cost of food are now pushing up this cost of living even more.

Local solutions that build equality

- Work with community groups and local labour councils to develop an anti-poverty plan for your city or town.
- Stop privatization through P3s and contracting out, which generally lead to lower wages, fewer benefits and lower-quality services.
- Maintain and expand important public services. Public services – including education, health care, social services, child care, affordable housing, income support programs, community, recreational and other municipal services – are powerful anti-poverty tools.
- Adopt living wage ordinances and policies. These require businesses and organizations that receive funds from or have contracts with a municipality to pay a “living wage”.
- Adopt a fair wage schedule so private contractors don’t profit from the public by undercutting on wages.
- Provide pay equity and decent benefits to women workers, who are too often underpaid and over-represented in low-wage and precarious jobs.
- Ensure recent immigrants and aboriginal Canadians can develop and apply their skills and have good job opportunities.
- Push for more progressive federal and provincial tax measures including greater reliance on income and corporate taxation, eliminating wasteful tax loopholes, and increasing transfers to local governments.
- Reduce local government reliance on regressive user fees and property taxes.

Waging war on poverty

A living wage pays enough for someone working full-time to keep their family above the poverty line. A large number of US cities have adopted living wage ordinances, including Chicago, where it also applies to large retailers. Calgary is now considering a living wage rate of \$12 per hour.

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