

Child Poverty and Working Parents

In 2011, 31.8% of the poor children in BC — 44,500 children — lived in families with at least one adult working full time, full year. For the children in these families, the problem is their parents' low wages. Whether full-time, full-year workers can earn enough to lift their families out of poverty depends on their wage levels compared to the poverty line for their family size and the community in which they live. Many other poor children lived in families with at least some income from part-time or part-year employment.

The large number of low-wage jobs in BC and other provinces has long been a problem, even for workers with steady periods of employment. For families with children, low wages mean they often have to take on multiple jobs and work more than full time to earn enough to support their families. This leaves them little time to spend with their children or to participate in community life outside of work.

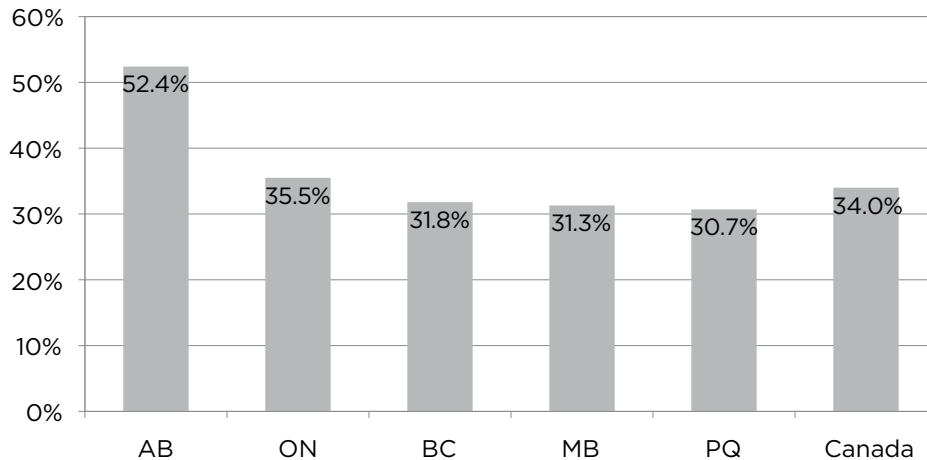


A single parent working full time full year for minimum wage earns only **\$19,019.**



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Percentage of Poor Children with One or More Parents Employed Full Time, Full Year, 2011



Source: Statistics Canada custom tabulation. SLID masterfile using LICO Before-Tax, 2011.

MINIMUM WAGES

In September 2015 the provincial government increased the minimum wage by a mere \$0.20, bringing it to \$10.45 an hour. The increase will do next to nothing to improve the situation for more than half a million low-wage workers in BC. Under the current government plan, which includes annual indexing for inflation, minimum wage won't reach \$15 per hour until 2034. BC's minimum wage is currently lower than minimum wages in every other province except New Brunswick. When New Brunswick raises its minimum wage to \$11 an hour in 2017, BC will again have the lowest minimum wage in the country.



Some BC workers are not even guaranteed the full minimum wage, for example, farm workers who are paid a piece rate and liquor servers who can be paid a lower minimum wage of \$9.20 an hour.

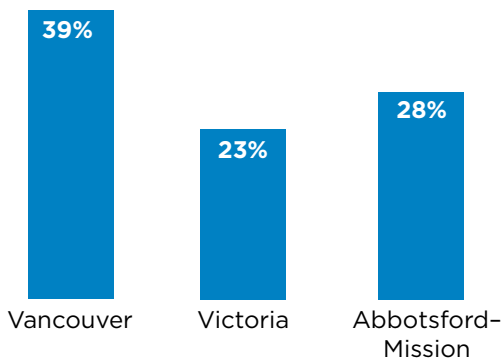
A single parent with one child, working full time, full year, but earning only \$10.45 an hour, would have earned total wages of \$19,019, more than \$8,400 below the Low Income Measure (LIM) before-tax poverty line of \$27,437 for this

family. Two parents with two children, both working full time, full year at this minimum wage would have earned \$38,038, leaving them \$1,158 below the before-tax poverty line of \$39,196 for this family.

LIVING WAGES FOR FAMILIES

First Call hosts the Living Wage for Families Campaign to raise awareness about the negative impact of low-wage poverty on families and communities. When employers pay a living wage they are contributing to a key solution to the issue of child and family poverty. The living wage is well above the poverty line, but still only provides a bare-bones budget without room for savings or paying off debt. It is recalculated annually to take into account family expenses.

Couple families with children with total incomes below regional living wages, 2013



Source: Statistics Canada Table 111-0013.

Living wages calculated for many BC communities are what a two-parent, two-child family, with both parents working full time, would need to earn to meet their basic needs such as food, rent, transportation and child care.

As shown in the graph above, significant proportions of two-parent families with children in Vancouver, Victoria and Abbotsford-Mission were earning less than the regional living wage.

To learn more about the Living Wage for Families Campaign and to see a current list of certified Living Wage Employers visit www.livingwageforfamilies.ca

LIVING WAGE RATES IN BC	
Vancouver (2015)	\$20.68
Fraser Valley (2015)	\$17.27
Greater Victoria (2015)	\$20.05
Qualicum/Parksville (2015)	\$17.66
Prince George (2015)	\$16.82
Cowichan Region (2015)	\$17.55
Port Alberni/Huu-ay-aht First Nation (2014)	\$17.22
Kitimat (2014)	\$20.61
Terrace (2014)	\$18.17
Revelstoke (2014)	\$18.87
Golden (2014)	\$20.46
Cortes Island (2014)	\$16.29
Central Okanagan (2013)	\$18.01
Lower Columbia Region (2014)	\$18.15
Nanaimo (2015)	\$17.99



THE \$10 A DAY CHILD CARE PLAN

Access for families to a public system of affordable, high-quality child care is key to an effective poverty reduction strategy. Child care is the second highest cost (and in some places the highest) in living wage family budget calculations in BC.

BC families face a crisis in accessing quality, affordable child care:

- Fees are too high—the second highest family expense after housing.
- Wait lists are too long, with a regulated space for less than 20% of children.
- Too often, families are forced into unregulated care, with no safety standards.

Since its release, the \$10aDay Child Care Plan has been enthusiastically endorsed and supported by an impressive number of individuals and organizations across the province. Local governments, boards of education, labour, business, community service, women’s and advocacy groups understand that the plan offers a made-in-BC solution to the child care crisis facing families with young children today.

Learn more and endorse the plan at www.10aday.ca



STUDENT DEBT BURDENS YOUNG FAMILIES AND LIMITS POTENTIAL

Many young couples just starting their careers are burdened by huge student loans and are wondering how or when they will be able to afford to have children. At the post-secondary level, financial barriers to access and soaring student debt are limiting many young people's potential.

Today, public funding accounts for roughly half of post-secondary education institutions' operating budgets, down from more than 90 percent in the 1960s and 1970s. The lack of public financing has created a funding gap for universities and colleges, which has been increasingly filled by relying on private sources of funding, primarily in the form of tuition fees.¹

BC offers the lowest levels of non-loan student aid in Canada² and student debt in BC averages \$35,000 for a four-year degree, well above the national average of \$27,000.³ One in every two students graduate from university in debt. Nearly 60% of those in debt owe \$20,000 or more upon graduation and 22% owe at least \$40,000.⁴ Students who must borrow to finance their education are paying an estimated 30% more than those who do not have to borrow.⁵

- 1 *The Impact of Student Debt Canadian Federation of Students*, Glenn Burley and Adam Awad, cfs-fcee.ca/wp-content/uploads/sites/2/2015/03/Report-Impact-of-Student-Debt-2015-Final.pdf
- 2 Canadian Centre for Policy Alternatives, *Tier for Two: Managing the Optics of Provincial Tuition Fee Policies*, September 2014.
- 3 Student Survey, Bank of Montreal, 2013.
- 4 BC Baccalaureate Outcomes 2013 and 2012 Surveys of Baccalaureate Graduates." Government of BC, 2014.
- 5 Canadian Federation of Students - British Columbia, *Submission to the Select Standing committee on Finance and Government Services*, October 2012.

FIRST CALL RECOMMENDS

- Raise the provincial minimum wage to \$15 and index it annually. Make sure this minimum rate applies to all workers.
- Ensure that direct and contract employees are paid a living wage by all public sector employers.
- Adopt and begin implementing the \$10aDay Child Care Plan.
- Enhance maternity and parental leave to enrich the benefit value, and extend the total duration to 18 months, reserving additional months for fathers.
- Remove financial barriers for low-income students and lower student debt levels through tuition fee reductions, student grants instead of loans, and interest free loans.
- Immediately restore the provincial Education Guarantee to reinstate tuition-free adult basic education and English language learning.
- Restore the Employment Insurance program so most workers are protected during a temporary loss of wages and receive a benefit they can live on while they look for new employment.

See the full list of recommendations on pages 48 and 49.



“Watching mommy go to work for nothing also hurts their self-value. This is time I am spending away from my family, and it is for a pittance. How is that worth it?” — Jessica

Jessica’s Story

For Jessica Alford of Sooke, BC, working at minimum wage means her three children will spend their entire childhood living below the poverty line.

Jessica was herself raised in poverty, one of three daughters brought up by a single dad. “Food was always at a minimum. Security was a luxury to us,” she explains. Jessica completed some engineering and science studies at college, but left when she had her first son. Now, with Mason, 9, Maria, 5, and Morganna, 14 months, daily life is tough, with Jessica working part-time at \$10.45 an hour without benefits to make ends meet.

Not long after they had their first child, her husband developed paralysis and fibromyalgia. When he could not work or keep a job due to his condition, he accessed monthly disability income assistance. Their situation is precarious. Rent and hydro consumes the majority of their total income, and counting meals is a necessity. Limited funds for any kind of transportation curtails their mobility, and her sons miss important extracurricular bonding time. Since they can’t afford birthday presents, they don’t attend other children’s birthday parties.

Adding insult to injury, when Jessica went on maternity leave after the birth of Morganna, the BC government clawed back their earned maternity and parental benefits from her husband’s disability cheque.

Now that she is back at work again, Jessica is frustrated by the treadmill of minimum wage. With minimum wage at a mere \$10.45 an hour, she would have to work “two full-time jobs” to make a living wage, which is impossible. Even though she is working hard, her minimum wage job will do nothing to lift them out of poverty.

Jessica worries about the impact of her low-wage work on her children’s self-esteem. “Watching mommy go to work for nothing also hurts their self-value. This is time I am spending away from my family, and it is for a pittance. How is that worth it?”