



SURREY BOARD OF TRADE LIVING WAGE SURVEY RESULTS

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1. INTRODUCTION

The Surrey Board of Trade (SBOT), a not-for-profit organization with a membership of over 6,000 business contacts and over 2,700 businesses, supports business and attracts business. Our role is to enhance economic opportunities. The Surrey Board of Trade contributes to city-building initiatives that enhance livability in the region.

The BC government has authorized a Living Wage Commission to seek feedback from employers, employees, associations and other interested parties on the concept of a living wage - ways to close the gap between the minimum wage and a living wage.

Since being established in October 2017, the independent Fair Wages Commission has advised the BC Government on an approach to raising provincial minimum wages with increases that are regular, measured and predictable. The commission is now asking for input on the living wage to broaden their understanding of diverse perspectives on this topic.

A living wage is defined as the hourly rate at which a household can meet its basic needs based on the actual costs of living in a specific community. A living wage is generally higher than a minimum wage because it considers what earners in a family need to bring home based on the actual costs of living in a specific community. The minimum wage is the legislated minimum set by the provincial government.

The BC government plans to implement a \$15 minimum wage – different from the living wage which is currently pegged at \$21 per hour – across the province by 2021. The BC Fair Wages Commission (FWC) Report was released in January 2018. The 3-panel commission recommended that the basic minimum wage be increased to \$15 by 2021. They proposed the following:

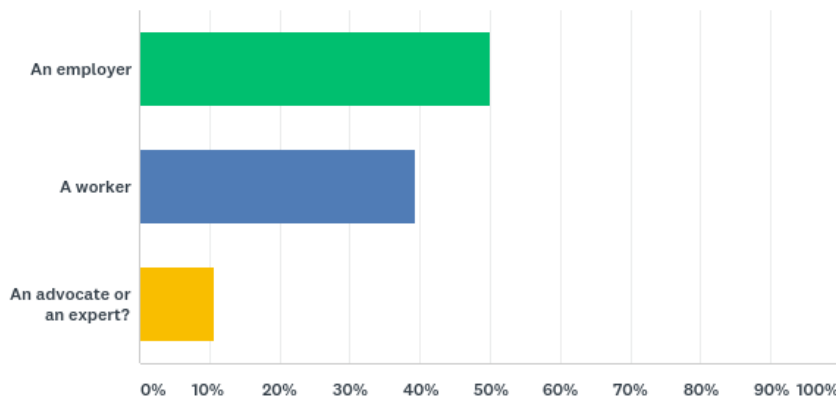
| Year | Increase (\$) | Minimum Wage | % Increase |
|-------------|----------------------|---------------------|-------------------|
| June 2018 | 1.30 | \$12.65 | 11.5 |
| June 2019 | 1.20 | \$13.85 | 9.5 |
| June 2020 | 0.75 | \$14.60 | 5.4 |
| June 2021 | 0.60 | \$15.20 | 4.1 |

The Surrey Board of Trade asked its membership through a survey for their input on the living wage discussion.

2. RESULTS SUMMARY

A simple survey was distributed to the Surrey Board of Trade’s membership and network via email and social media. The survey contained five questions:

Q1 From what perspective are you approaching this living wage discussion?



Q2 From your perspective as defined in the previous question, what are your views on the living wage?

To summarize, 75% of our respondents, many of whom are employers, indicated support for this initiative. About 7% of respondents stated that the area needs to be significantly studied by government with extensive consultations with businesses and economic experts. The cost of living has skyrocketed by the wages have not kept up with the increases. Approximately 17.8% of respondents were against the living wage stating that it would raise the cost of goods; there are already incentives available from the government to combat high prices of goods, and; that the living wage would be artificial and therefore not a natural occurrence in supply-demand economies.

Q3 If you are currently a living wage employer:

- a. What motivated your decision to pay a living wage?

Generally, industries indicated that if workers are paid a living wage there will be higher worker retention and employee satisfaction. Paying a living wage also increases the competitiveness of a company and allows the company to stand out when employees are job-hunting. In an increasingly competitive and interconnected world, employees have fewer barriers to finding attractive employers outside of the city in which they currently live. Paying a living wage also

indicates that the corporation has an environment that puts the employees needs and wants at the forefront and so the employee in turn will be likely to work harder. An employee that is paid well at the outset will have less money related stress and function optimally leading to a productive industry.

b. How did your organization implement the living wage?

Many companies that pay a living wage now set out to pay a living wage during the formation of the company. This was a decision that was made by entrepreneurs and small businesses who were aware of the many benefits that come with paying a living wage. Some companies had board members that advocated for a living wage to be paid and thus it became a governance policy. Others are unable to pay a living wage due to their industry's constraints e.g. a not-for-profit that relies on grants for certain purposes has little maneuvering for ensuring the payment of a living wage.

c. Are you a certified living wage employer?

Those who do not already pay a living wage indicated that they were unaware on how to become certified in this respect. It is noted that the government should do more to create awareness of this ability, and the benefits that come with being certified.

d. What were the consequences for your organization and workforce of becoming a living wage employer?

The general consensus was that high-quality workers and long-term success was attributed to having a working environment that implemented a living wage. Employees were happier, harder working, and the standard of living was improved among the workforce. Although it was noted that costs did increase to the businesses, it was offset by productivity and low employee turnover.

Q5 Are there any key employment/workplace benefits that could help address the discrepancy between the minimum wage and the living wage in British Columbia?

Survey respondents indicated many benefits to address the discrepancy between minimum wage and the living wage such as:

- Free or discounted day cares
- Fair housing prices
- 100% paid sick time
- Sound wage increase guidelines that employers must meet that can be tied to the Consumer Price Index, inflation, and cost of living



- Increased grants and subsidies offered by federal and provincial governments for meeting high standards of employability
- Employer provided bonuses

Q6 Are there any key government transfers or other programs that could be developed or revised that could help address the discrepancy between the minimum wage and the living wage in British Columbia

Key programs or transfers indicated by survey respondents included:

- Rent and mortgage subsidies for those making less than the living wage
- Cellphone, gas, hydro, and food tax deductions for those making less than the living wage
- Limiting tax breaks on personal income for those that make 10 times the living wage and using that tax in a meaningful way for the working middle class



3. CONCLUSION

Survey results show that there is work already being done by employers to implement a living wage-type salary. The Surrey Board of Trade's formal position on this matter is that we need predictable wage increases based on the Consumer Price Index. We need to ensure businesses are consulted in a meaningful way before implementing any changes relating to a living wage.

If you have any questions regarding the Surrey Board of Trade Fair Wage Commission submission, please don't hesitate to contact Anita Huberman, CEO, at anita@businessinsurrey.com or call 604-634-0342.