

Newfoundland & Labrador Association of
Social Workers

Minimum Wage Consultation

Newfoundland and Labrador Association of Social Workers

Written Submission

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Labour Relations Agency

Newfoundland and Labrador Association of Social Workers (NLASW)

NLASW is the regulatory body and professional association for over 1400 professional social workers in this province. The vision of the NLASW is excellence in social work.

As a profession, social work is committed to improving the well-being of individuals, families and communities through intervention and counselling, collaboration, research, health promotion, policy and program development, and community capacity building.

In Newfoundland and Labrador, the profession of social work is diverse with social workers practicing in various settings. Social workers practice within hospitals, community care, seniors' homes, adult and youth corrections, child welfare, addictions, mental health, community based centres, government departments and universities. Social workers are also self-employed in private practice and consulting businesses.

This year marks the 20th anniversary of social work regulation in Newfoundland and Labrador, and in the pursuit of excellence in social work the NLASW is actively engaged in social policy analysis. In this submission, it is our intention to provide input and recommendations as part of the minimum wage review consultation process.

Background

As a profession, social workers support the social policy directions and investments made by government in recent years. These policy initiatives have included the development of the *Poverty Reduction Strategy*, *Long Term Care and Community Supports Services Strategy*, *Early Childhood Learning Strategy*, and the *Strategy for the Inclusion of Persons with Disabilities*. Social workers also applauded government's decision in 2010 to raise the minimum wage to \$10 an hour in the province. Collectively, these strategies and policies address important and significant issues across the life span.

It is recognized that government has made significant commitments and investments towards alleviating, preventing and eradicating poverty in this province. This direction is also consistent with the Canadian Association of Social Workers Code of Ethics (CASW, 2005) as outlined in the following excerpts:

- *Social workers respect the unique worth and dignity of all people and uphold human rights,*
- *Social workers uphold the right of people to have access to resources to meet basic needs,*
- *Social workers advocate for fair and equitable access to public services and benefits.*

In its 2012 pre-budget submission, the NLASW recommended that government continue to evaluate and index the minimum wage to ensure that individuals receive an appropriate and competitive living wage. As the growing gap between the rich and poor continues to widen, it is timely that government is once again exploring the minimum wage in this province.

Current Realities

The Economic Gap

The economic gap between the rich and the poor continues to increase. A 2011 report from the Organisation for Economic Cooperation and Development found that in OECD countries, “the average income of the richest 10% is now about nine times that of the poorest 10%”. In Canada, the average income of the top earners in Canada is 10 times higher than the lowest income earners.

This growing economic gap is of high concern to social workers due to the overall impact of poverty on the health and well being of individuals and families. Research demonstrates that individuals who live in poverty experience more health problems than those who do not live in or experience poverty. A 2011 report from the National Council of Welfare demonstrates that “about 20% of health care spending in Canada can be attributed to socio-economic factors such as income-related disparities.”

According to Jackson (2009) “income is perhaps the most important social determinant of health (p. 12). Given the rising cost of health care expenditures, it is imperative that the provincial government continue to invest in poverty reduction strategies that address inequality. Ensuring that individuals continue to receive an appropriate living wage is a key poverty reduction strategy.

Housing & Food Security

The Canadian Centre for Policy Alternatives (2007) proposes that “a single individual working full-time and full-year should have an income above the poverty line” (p. 12). The National Anti-Poverty Organization (2007) recommends that those working full time for minimum wage should have enough income to meet their basic needs including food, clothing and housing.

The lack of safe, affordable and accessible housing continues to be an issue for individuals and families in NL. Even in times of economic success, homelessness and housing challenges exist. Increasing rental rates is also a barrier for many individuals and families in accessing safe and affordable housing.

In addition to housing challenges, food insecurity continues to be an issue for many individuals and families in NL. According to Food Banks Canada (2011), 8.4% of those who accessed food banks in NL in 2011 were in receipt of employment income. Statistics on the consumer price index also showed that consumers were paying 2.7% more for goods and services in the first three months of 2012 than they were during the same period in 2011 (Department of Finance, 2012); thus demonstrating the importance of an appropriate and meaningful minimum wage policy which responds to these realities.

Recruitment and Retention

The recruitment and retention of employees in Newfoundland and Labrador continues to be an issue for employers in the province. Challenges facing employers, particularly in the service industry include high turnover rates in staffing and difficulties filling vacant positions. While critics to minimum wage increases may argue that raising the minimum wage will negatively impact employment rates, the Canadian Centre for Policy Alternatives (2007) highlights that there is “no compelling evidence to suggest that raising the minimum wage would result in significant job loss” (p. 8). According to Minister Susan Sullivan in a 2008 press release “increasing the minimum wage helps individuals and families achieve increased self-reliance and contributes to a stronger provincial economy”. Fair and just increases to the provincial minimum wage will allow NL to remain competitive in the recruitment and retention of workers within the service industry.

Recommendations

The NLASW proposes that government consider the following recommendations:

- Annual increases to the minimum wage that are indexed to inflation or tied to the average wage increase for the province, whichever is higher.
- First increase to the minimum wage to occur beginning January 1, 2013 or sooner.
- On-going evaluation of minimum wage policies and the impact on individuals and families in the province. According to Statistics Canada (2010), women are more likely to work in minimum wage positions than men. Therefore gender policy analysis is also important.
- Continued investments in education, affordable housing, child care and other social programming, along with a strong minimum wage. Horizontal policy analysis is needed, with the Department of Health involved in the analysis of income policy because of the significant link between income and health.
- Focus on the economic gap. Is the economic gap widening in Newfoundland and Labrador? What policies need to be put in place to ensure that this gap doesn't continue to widen? Are there areas or regions in the province where this gap is more pronounced?
- Continue to examine tax policy through the lens of poverty reduction and reducing income inequality.

Conclusion

The NLASW commends government on the commitment to reduce, alleviate and prevent poverty, and in taking this leadership position. Everyone has a right to an appropriate living wage. Ensuring that the minimum wage in the province remains strong is important in building a strong labour force in NL and promoting equality.

As a profession, social workers look forward to continuing to work with government in informing policy and program development in meeting the needs of individuals and families who live and work in Newfoundland and Labrador.

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