

Living Wage, Employment and Training

THE CITY OF Winnipeg faces complex challenges exacerbated by the impacts of the COVID-19 pandemic, including poverty, social exclusion, income inequality, unemployment and the challenges of the climate crisis.

These challenges have a significant impact on the economic wellbeing of Winnipeggers, particularly those living in poverty or those who have been made more vulnerable to the impacts of economic, social or environmental crises.

The City of Winnipeg is already significantly involved in economic development through the Economic Development branch of Planning, Property, and Development. However, economic development work at the City is often divorced from social or environmental considerations, instead focusing on traditional goals of business development and growth. Winnipeg would benefit from a refocused economic development approach that prioritises equity, inclusion, and sustainability. This revised focus would bolster the City's efforts toward meaningful employment and training opportunities for Winnipeggers, as well as contributing to the City's Indigenous Accord, Poverty Reduction Strategy, Climate Action Plan, OurWinnipeg, and economic recovery initiatives from the pandemic.

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MotherEarthRecycling

Mother Earth residential Mattress and Box Spring Recycling Program

The Community Economic Development Framework

Economic development in the City of Winnipeg would be strengthened by a holistic and flexible Community Economic Development (CED) approach, in continued collaboration with community partners. CED describes community-led actions that create economic opportunities while enhancing social and environmental conditions. It is flexible in that it allows communities to pursue development strategies that respond to their unique needs and priorities.

The objective of embedding a CED policy framework into Winnipeg's economic development approach is to ensure that policies better respond to the economic, social and environmental needs of Winnipeg's diverse neighbourhoods. In achieving this objective, a municipal CED policy framework would promote inclusive, sustainable and resilient communities.

Winnipeg has moved forward with this approach through its agreement with Mother Earth Recycling (MER). MER is an Indigenous-owned social enterprise that employs largely Indigenous people facing barriers to employment, while providing recycling services. Winnipeg purchases MER's services to divert thousands of mattresses from Brady Landfill every year, creating local employment opportunities with good wages, wraparound

support, and circulating incomes within the North End community. This is a positive example of CED applied municipally, and many more instances like MER's example could be possible with a municipal CED framework.

As part of a municipal CED policy framework, the following CED principles should, wherever possible, be incorporated into economic development approaches, along with the rest of the Neechi principles.¹

- Use of locally produced goods and services
- Production of goods and services for local use
- Local re-investment of profits
- Long-term employment of local residents
- Local skill development
- Local decision-making

New expenditures:

\$100,000 toward training staff and reorienting economic development work in line with a CED Framework

Resource the Poverty Reduction Strategy

Addressing poverty is integral to Winnipeg's economic development. According to the City of Winnipeg's own data, 13 per cent of the population or one in eight Winnipeggers are living below the poverty line. Certain groups experience higher likelihoods of poverty, including one in four Indigenous people and one in four new immigrant residents.² An inclusive, equitable, and sustainable approach to economic development must also address the reality of poverty in Winnipeg. A refocused economic development approach that prioritises social, economic, and environmental health can centre around implementing Winnipeg's Poverty Reduction Strategy.

In November 2021, the City Council passed the City of Winnipeg's first-ever Poverty Reduction Strategy. The strategy demonstrates leadership and acknowledges that the City does have an important role to play in addressing poverty as part of Winnipeg's overall social and economic development. It is a 10 year plan until 2031, focused on long-term

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and practical solutions to poverty within the City's policy jurisdiction, in addition to addressing the immediate needs of community members. The strategy is shaped around eight specific goals, prioritizing two key focus areas called Life Poles, Indigenous Children, Youth, and Families, and Affordable Housing. An implementation plan with 80 specific actions in the eight goal areas was included. These focus areas include areas of relevance across the Alternative Municipal Budget and are referenced throughout chapters. The Poverty Reduction Strategy also acknowledges what the City can do to support inclusive economic development and employment and training opportunities.

If the City is serious about addressing poverty, adequate funding for implementation is desperately needed.

While championing its newly-passed Poverty Reduction Strategy, the City of Winnipeg must do much more to implement the strategy. The strategy was approved by City Council with some funding added at the last minute, but without additional resources designated to implement the Plan or for key strategic priorities. If the City is serious about addressing poverty, adequate funding for implementation is desperately needed.

Make Poverty History Manitoba (MPHM) coalition members have voiced their support for resources to implement the strategy and key priorities. There is also broad public support for aspects of the poverty reduction strategy. Winnipeg's 2021 citizens survey indicated the number one community priorities should be housing and social services.³ However, additional resources are desperately needed for City Hall to adequately implement the strategy to achieve its stated goals and contribute to equitable economic development within the city.

New expenditures:

\$200,000 for adequate staff resources to implement the strategy and develop the next phase of the implementation plan.

Social Procurement

On average, the City spends \$400 million annually purchasing goods and services. This is a substantial sum of money. If spent more wisely, this spending could have a huge impact on the economic vitality of our communities. This policy innovation is an excellent example of inclusive, equitable, and sustainable approach to economic development work.

There is a growing understanding across Canada and internationally that public sector purchasing can generate more value for citizens when it promotes and accounts for social, environmental and economic outcomes. This practice is referred to as Social Procurement.

There are multiple ways the City of Winnipeg could implement social procurement. The simplest is to find opportunities to directly purchase from social enterprises. Another option is the use of Community Benefit Agreements (CBAs) within the tender process for large infrastructure projects, which broadens the evaluation criteria for bids to reward social, environmental and economic outcomes. Both options would lead to greater community benefits in government purchasing and expand the market for social enterprises in Winnipeg.

Other cities across Canada, including Toronto, Calgary, and Vancouver have instituted social procurement policies in their municipalities, expecting that community benefits, beyond the goods and services purchased, will be included in every purchase made by local government.

For example, the City of Vancouver's Community Benefits Agreement policy demands that the company who successfully wins a city contract must reach a workforce diversity target for 10 per cent of new employees to live locally and to come from equity-seeking groups, 10 per cent spent locally, and 10 per cent spent with social enterprises.⁴ In February 2022, construction of a larger hospital project triggered the City's Community Benefits Agreement. In addition to the hiring targets that the company who won the contract must achieve, a local social enterprise that provides meaningful work opportunities for people facing barriers to employment, such as poverty and disability, was sub-contracted to provide all the cleaning and garbage removal services for the project. This is a positive economic and social development outcome triggered by a Social Procurement policy.

This practice has shown a positive return on investment to government and community, including meaningful jobs for people with barriers to employment, poverty reduction, increased community services, community renewal, and fairer, stronger and more sustainable economies and environments. Further, Social Procurement in Winnipeg can contribute to the Truth and Reconciliation Commission Recommendation #92, supporting equitable access to jobs, training, and educational opportunities for Indigenous peoples, as well as meaningfully fulfilling the goals of the Indigenous Accord. With these multiple benefits, Social Procurement can be instituted without greatly increased costs for the City of Winnipeg.

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We have considerable expertise in public sector social procurement here in Winnipeg. Manitoba Housing is a national leader in social procurement. In 2016/17, Manitoba Housing purchased approximately \$5.6 million through social enterprises, employing over 220 individuals who face barriers to employment to do maintenance on public housing. An analysis conducted by the Department found that for every \$1 spent on this practice, over \$2.23 was gained through reduced expenditures for justice, health and social assistance, and increased tax revenues.⁵

In December 2020, the City of Winnipeg adopted a motion to work with community stakeholders in developing a Social Procurement policy. Throughout 2021, the Materials Management department engaged with community members in industry, business, and from the community development and social enterprise sector. In January 2022, a Social Procurement Framework was adopted by the City of Winnipeg, and resources were devoted to the creation of an Action Plan and facilitating stakeholders to support its development. This Action Plan is due back by June 2022. This policy development is a positive step forward as it embeds social, economic, environmental and Indigenous inclusion goals within existing purchasing.

In developing an action plan, high impact procurement opportunities should be identified and implemented immediately, including the work put to tender on the North End Pollution Control Centre. This massive infrastructure investment should produce community benefits beyond the control centre itself, including the potential to prioritise hiring of local communities and individuals facing multiple barriers to employment. These outcomes can be given weight within an RFP process, leading to more inclusive hiring practices and potentially subcontracted work for community-based social enterprises. The City of Winnipeg should consult closely with evaluators, prospective contractors, and community stakeholders to ensure an evaluation and accountability system is in place, both to confirm the community benefits promised are delivered and to learn from and improve upon the practice.

New Expenditures:

\$300,000 – New staffing to support implementation of social procurement for City departments, upon completion of the Social Procurement Action Plan which already has City spending devoted to its creation with support from a third party subject matter expert.

Living Wage

In 2018, Winnipeg began exploring living wage policies to mitigate working poverty as outlined in the City’s long-term strategic plan, *OurWinnipeg 2045*.

The provincially regulated minimum wage (\$11.95 at time of publication) remains insufficient to provide workers in Winnipeg with anything close to a ‘subsistence’ wage, leaving many unable to cover basic necessities.⁶ According to CCPA-MB calculations from 2020, \$16.15 per hour is required to meet the threshold of a living wage in Winnipeg. To tackle working poverty in its own workforce and to provide leadership for employers throughout the city, we recommend the City of Winnipeg adopt a living wage as the baseline for employees across its workforce.

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First, what is a living wage? CCPA-MB uses the Canada Living Wage Framework to calculate the living wage in Winnipeg.⁷ This framework has been adopted by 25 communities in Canada to calculate local living wages. At its core the living wage is the hourly earnings required “for a family of four with two parents working full-time to pay for necessities, support the healthy development of their children, escape financial stress, and participate in the social, civic and cultural lives of their communities.”⁸ The living wage covers necessities such as food, shelter, childcare, and transportation, but does not cover the costs of loans, owning a home, or saving for retirement.

CUPE Local 500 is currently the only collective agreement with full-time workers earning less than the \$16.15/hr living wage. According to our calculations, the City of Winnipeg employs 152 people earning less than the living wage (see *Table 1*). We calculated an average wage for all workers at levels 1 and 2 earning less than a living wage to simplify our analysis. According to our calculations, it would cost the City \$504,164 per year in additional expenditure to offer all workers at the city at least a living wage. In order to become a living wage employer, the City of Winnipeg should also ensure future contracts in service areas that are contracted out include a legally binding clause re-quiring contracted service workers, including those working for subcontracted companies, to be paid the living wage for Winnipeg.

New Expenditure:

\$504,164 to implement a living wage for all City of Winnipeg employees

TABLE 1 Cost of Implementing a Living Wage (CCPA-MB: \$16.15/hr)

Level	Avg. Wage Below Living Wage	Top-up Needed/hr	Top-up/yr	# Employees	Total:
1	\$14.17	\$1.98	\$3,810	110	\$419,100
2	\$15.10	\$1.05	\$2,025	42	\$85,064
					\$504,164

Employment Equity

The City can play a role in improving income and employment outcomes for Winnipeggers with its own hiring and compensation practices. Public sector employment provides jobs with good incomes, benefits, and opportunities for career advancement.

To make great strides toward Employment Equity, the City of Winnipeg should quickly implement all of the actions of Goal 3 within its Poverty Reduction Strategy, *Equity is Embedded in all City Employment and Income Opportunities*. Many of these actions are particularly related to employment opportunities within the City itself.

In particular, the City can implement its recently adopted Equity, Diversity, and Inclusion (EDI) Policy and Strategy aimed at increasing employment opportunities for equity groups in all levels of the organization. According to the City, financial implications related to the EDI strategy have been referred to in the 2022 and 2023 budget process.

The City can take action and set targets for representation of youth and equity-seeking groups (e.g. women, Indigenous people, visible minorities, persons with disabilities) within all levels of the civil service. This could include exploring options for community partnerships to target low barrier jobs to people facing barriers and provide needed support, decreasing financial barriers to low-income youth seeking employment such as free CPR or first-aid training, and implementing bias-free selection procedures.

The City can build on the successful model of Oshki Annishinabe Nigaaniwak, the Indigenous Youth Strategy, by fully embracing and implementing the strategy including the Youth in Trades pillar to increase employment opportunities. Further, the City should make a concerted effort to employ individuals from groups including racialized communities, newcomers, women, persons with disabilities, and youth, building on the success of Oshki Annishinabe Nigaaniwak and introducing the model for other equity-seeking groups.

Recommendation:

Implement all 9 action items within Goal 3 of the City’s Poverty Reduction Strategy, ‘Equity is Embedded in all City Employment and Income Opportunities’. Since these actions are within the implementation plan of the City’s Poverty Reduction Strategy which was developed within existing resources, there should be no additional cost to implementing these recommendations.

Endnotes

- 1** The Neechi principles were established by Neechi Foods Worker Co-op and used to guide the province of Manitoba’s CED framework <https://ccednet-rcdec.ca/en/toolbox/neeche-principles>
- 2** [http://clkapps.winnipeg.ca/DMIS/permalink.asp?id=A20211125\(RM\)C-16.pdf](http://clkapps.winnipeg.ca/DMIS/permalink.asp?id=A20211125(RM)C-16.pdf), page 22
- 3** Winnipeg’s 2021 Citizen Survey, slide 16. <https://www.winnipeg.ca/cao/pdfs/2021CitizenSurvey.pdf>
- 4** <https://vancouver.ca/people-programs/community-benefit-agreements.aspx>
- 5** https://ccednet-rcdec.ca/sites/ccednet-rcdec.ca/files/mbh_final_report_draft_jan_19v2.pdf
- 6** Hajer, Jesse, Ellen Smirl, and Canadian Centre for Policy Alternatives–Manitoba. 2020. *Surviving on Minimum Wage: Lived Experiences of Manitoba Workers & Policy Implications* http://epe.lac-bac.gc.ca/100/200/300/cdn_centre_policy_alternatives/2020/surviving/Surviving_on_Minimum_wage.pdf.
- 7** <http://livingwagecanada.ca/>
- 8** <https://policyfix.ca/2020/12/03/living-wage-for-manitoba-2020/>