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## We can afford \$10 a day child care in BC

**Let's solve BC's affordability crisis in child care**

**CURRENTLY, WITH NO PLAN**

**High fees + Ineffective tax credits**

- = Not enough spaces
- = Stressful & unaffordable (\$9,700+ per year per child)
- = Many women who want to work can't
- = Low wages for early childhood educators
- = Gender inequality
- = Lost economic opportunities

**\$10 A DAY CHILD CARE PLAN**

**Affordable fees + More women work and pay taxes + Small tax increases**

- = Spaces for all who need them
- = Less stress and families save thousands per year
- = Women who want to work can
- = Fair wages for early childhood educators
- = More gender equality
- = Stronger economy

**A \$10 a day child care plan benefits families, communities and the economy. [tinyurl.com/10solution](http://tinyurl.com/10solution)**

BASED ON MEDIAN BC CHILD CARE FEES, CANADIAN CENTRE FOR POLICY ALTERNATIVES - BC OFFICE.

### by Iglia Ivanova

*Child care policy is shaping up to be a key issue in the federal election. Three of the four major parties are promising some form of national child care program (though the Liberals and Greens have yet to provide significant details), and the Conservatives are staunchly refusing to invest in one.*

It's not surprising that child care resonates with parents: at almost \$10,000 a year, four years of child care now cost more than a university degree. And that's if you're lucky enough to find a spot, since BC only has enough regulated child care spaces for 27 per cent of children under six.

The benefits of a national child care program extend beyond lowering out-of-pocket costs for families with young children. Numerous studies have shown that society as a whole benefits from quality child care being easy and affordable for all parents to access. Yet, Canada continues to invest very little in children before

they start school and is far short of the minimum public investment levels recommended by UNICEF and the OECD.

Of the major parties proposing a national child care program, the NDP has put forward the most ambitious plan, envisioning a federal-provincial partnership with one million new spaces created over eight years, a focus on providing quality of care, and fees capped at \$15 per day for parents. The plan is projected to cost \$5 billion per year in federal funds with an additional \$3.3 billion coming from the provinces in a 60/40 funding split. So far, the price tag seems to be the major criticism the plan has faced.

There is broad support for investing in a national early education and child care program in Canada from businesses, local governments and academics. However, many of our political

# Moving Forward: Unheard Voices

The needs of seniors from smaller ethno-cultural communities

By Latifa Fareed, Afghan Seniors in Action; Sandra Medina, South Granville Seniors Centre Society; and Anne Kloppenborg, Advisory Committee

*The CCPA-BC Seniors Project looks at a range of issues that affect the wellbeing of older adults and seniors, such as lack of access to home and community-based health care, social isolation, and poverty. Seniors who come to Canada as immigrants or refugees face additional challenges and often struggle to get their voices heard. We are pleased to include this article by our friends at the South Granville Seniors Centre and Afghan Women in Action, who organized a community forum on this topic.*

*One can begin life here in poverty, working at a minimum wage job, and after working full time for 15 years still be in poverty as a senior, with only a small CPP amount and limited OAS/GIS.*

On March 3 in Vancouver, the Afghan Seniors in Action and South Granville Seniors Centre Spanish-speaking seniors group invited government, health authority, community representatives and academics to meet with us, to learn and talk about the issues and challenges that affect immigrant and refugee seniors from smaller ethno-cultural communities.

We called our forum “Moving Forward: Unheard Voices,” and the fact that the forum even happened was itself a great success. It was possible because of our members’ determination to speak up about the issues we experience in our daily life even though many of us have little English.

Many Afghan and Spanish-speaking seniors have come to Canada because of war and political strife in our home countries. Some came as refugees; some sponsored by family. Some arrived as seniors; others as older adults with dependants. Besides the language barrier, even

those with good educations and job experience in their home countries faced many challenges. Both groups looked for ways to take action. Over a period of several years prior to the forum, the Afghan seniors invited government and service representatives to our weekly meetings to try to inform ourselves about Canadian systems. Likewise, the Spanish-speaking seniors worked with staff from South Granville Seniors, who helped us learn about and navigate services.

This preliminary work helped bring both groups to the point where we could work together with the support of the late Naomi Staddon to plan and sponsor the forum. Naomi was a woman who truly practiced community capacity building and whose work is deeply valued by many in the Lower Mainland’s refugee and immigrant communities. We also worked with allies including staff from the Immigrant Services Society of BC and South Granville Seniors Centre.

On the day of the Forum, seniors from both communities spoke about the issues we and our families face. Some will be familiar to anyone who has experienced immigration or worked with immigrants: problems learning English, under-employment, financial problems, problems arising from the refugee experience, family issues. However, some of these issues affect seniors and older immigrants in ways that may not be familiar. Seniors are not a priority for the limited English classes that are available, for instance, and for a 70-year-old who is illiterate in his/her own language, becoming able to function in English is a complete impossibility. So such a person is permanently dependant on others.



AFGHAN SENIORS IN ACTION & SOUTH GRANVILLE SENIORS CENTRE SPANISH GROUP. PHOTO: KATHY SHERRELL.

# A \$15 minimum wage for BC would put a serious dent in working poverty

By David Green

*BC is a prosperous province in a prosperous country, but we have done a poor job of sharing that prosperity. Inequality in BC has increased substantially over the last 30 years and we've had the worst or second worst poverty rate in Canada for several years running. Inequality and poverty tear at the fabric of our society, our economy and our democracy.*

What can we do about this? In a recent report for the Canadian Centre for Policy Alternatives, I argue that raising the minimum wage can be an important part of a broader policy solution, provided we are bold enough. At the current minimum wage—or even \$2 more—a single person working full time/full year ends up below the poverty line, so it's not surprising that business-as-usual changes in the minimum wage don't have

a big impact on poverty. But at \$15 an hour that person moves above the poverty line and inequality in wages is substantially reduced.

Minimum wages are a way to express and enforce our commonly held notion that workers should be fairly compensated for their labour. The current \$15 minimum wage campaign is about a specific fairness ideal: that no one should work full year/full time and end up in poverty. I believe that in most people's minds this reality violates a basic social contract: that hard work deserves to be compensated with a life of dignity—or, at least, not working your way into poverty.

Any policy choice involves a trade-off between costs and benefits, and this one is no exception. The main potential downside to raising the minimum wage so much is the risk of losing jobs. The debate over this point has been fierce and polarized.

At one extreme, opponents of nearly any increase in the minimum wage portray it as an economic disaster. But with minimum wages in the range where they have traditionally been set, both the historical record and the

**Who benefits if BC raises the minimum wage to \$15?**

**STEREOTYPE**

- Teenager
- Works part-time after school
- Lives with parents
- Earning extra spending money
- Works in small mom-and-pop business

**REALITY**

- 82% are not teenagers, they are 20 or older
- 39% are 35 or older
- 60% are women
- 58% work full-time
- 68% do not live at home with their parents
- 51% work for large corporations (100+ employees)

Raising the minimum wage to \$15 will put money in the pockets of workers who really need it and reduce inequality. [tinyurl.com/increasemw](http://tinyurl.com/increasemw)

best estimates in the research literature indicate that this is simply not credible.

Just before the last major increase in the BC minimum wage from \$8 to \$10.25, the Fraser Institute put out a report focusing on the job market for young people in which they concluded, “an increase in BC’s minimum wage to \$10.25 an hour could lead to over 52,000 job losses” for workers under 24. That amounts to a 16 per cent job loss for that age group. But two years later, the employment rate for people under age 24 in BC had decreased by only 1.6 per cent relative to other provinces, and most of that can be accounted for by the increased propensity of young people in BC to go to school. In other words, even a 25 per cent increase in the minimum wage did not bring economic disaster—or, really, much effect at all in terms of employment. Interestingly, that is what a careful reading of the research literature would have predicted.

It’s hard to predict the impact of a \$15 minimum wage, however, since it’s larger than previous increases. Using what I believe are the

*Minimum wages are a way to express and enforce our commonly held notion that workers should be fairly compensated for their labour.*

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*Moving Forward: Unheard Voices*

There are also many financial challenges. Government-sponsored refugees are required to repay, with interest, the costs of transporting them to Canada. Eligibility for Old Age Security is pro-rated to the length of time in Canada, so that a senior must be in Canada 10 years to receive one-quarter of the support that Canadian-born seniors receive. Seniors who are sponsored by families are ineligible for any financial benefits and are completely dependent on family for health care and all other needs for 10 years (now increased to 20 years).

It is well known that immigrants often work in minimum wage jobs, well below their actual qualifications. It is difficult enough to face this as a 30-year-old, let alone as a 50-something. As one Forum speaker pointed out, one can begin life here in poverty, working at a minimum wage job, and after working full time for 15 years still be in poverty as a senior, with only a small CPP amount and limited OAS/GIS. In some families, the senior's income may be the only stable income, if adult children

are under- or unemployed. In these situations, the senior may have no control over his/her income and may forego needed medications in order to help the family survive.

Our recommendations for change included increasing the income assistance rates; providing culture- and age-appropriate mental health and trauma programs; more first-language resources and pre-arrival orientation; targeted skills training for those 55 and older that includes a work experience component, wage subsidy and specific language training; and more cooperation among health authorities, municipalities and funding bodies to support community-based outreach and programs. Lastly, we stressed that we want to contribute to and be part of the larger community. We want the discussions on March 3 to be an important beginning.

*To see the full forum report, visit: <http://tinyurl.com/mvfwdsnrs>*

*Continued from page 3*  
*A \$15 minimum wage for BC*

most reliable estimates of the effects of wage costs on employment, my best estimate is that moving to a \$15 minimum would decrease the employment rate by about 1 per cent. So there is a cost, though it's far from the claims of economic disaster put forward by opponents. And I would argue that the benefits far outweigh the cost. In particular, for those who currently earn between \$10.25 and \$15 per hour (who will be most directly affected) the increase in wages is far greater than any decrease in employment. Combining the increase with a well-functioning unemployment insurance system would make sure the benefits and costs were widely shared.

But won't a minimum wage increase put small businesses out of business? The historical record says no. The increase from \$8 to \$10.25 did not cause mass shutterings of businesses. In part, that is because when all firms face the same wage increase, they are able to pass some of it on through increased prices. Since minimum wage workers are generally not a large percentage of costs, this price effect is likely

not large. But it means that the wage increase is shared among all of us, which is the right approach for battling poverty.

An increase in the minimum wage to \$15 per hour would make a serious dent in working poverty, eliminating the current unfair situation where a person can work full year/full time and still be in poverty. Like any policy, there are costs and benefits. Arguing that the costs are either infinitely large or zero is unrealistic. It's time for a reasoned debate on policies that will actually reduce inequality and poverty.

*David A. Green is a professor in the Vancouver School of Economics at UBC, an International Fellow at the Institute for Fiscal Studies in London and a research associate with the CCPA-BC.*

*An increase in the minimum wage to \$15 would make a serious dent in working poverty.*

# Federal election 2015: CCPA experts weigh in

In the lead-up to the federal election, our bloggers have been commenting on the issues that are (or should be) front and centre. Keep your eye on BC's Policy Note blog for the latest and make sure to follow our National Office blog too at [behindthenumbers.ca](http://behindthenumbers.ca). You've probably also seen our posts picked up by online and print media, and shared widely on social media. We hope you'll join the conversation in the comments section. The following are a few excerpts from recent Policy Note posts:



PHOTO: KODAK VIEWS / FLICKR

## **SETH KLEIN, CCPA-BC Office Director**

*When telling the truth gets you in trouble*

"We face serious challenges, most notably with respect to the inter-connected issues of climate change and inequality. Yet our political leaders seem unprepared to say anything on these subjects beyond trite platitudes, and there is a staggering mismatch between the magnitude and urgency of these issues and the meagerness of the policy responses on offer."

*The best of all policies: my wish for an ideal platform*

"I'm often asked which opposition party has the better platform when it comes to tackling climate change and inequality—the two great inconvenient truths of our time, and the focus of much of our work at the CCPA."

*RRSP withdrawal limit no solution to unaffordable housing*

"Far be it from me to school the Prime Minister in the laws of supply and demand. He is, after all, the one who has extensively studied neo-liberal economics. But the Conservatives' plan to increase what first-time homebuyers can pull from their RRSPs for a down payment would do nothing to help ease the unaffordability of housing."

## **IGLIKA IVANOVA, CCPA Senior Economist**

*Three worrisome facts about Canada's economy, beyond the drop in GDP*

"The much anticipated quarterly GDP numbers are out, and StatsCan confirmed what 79 per cent of Canadians already felt to be the case — Canada's economy is in decline. The dip in GDP is what's making the headlines today, but there are three other trends in the data released by StatsCan that suggest the economic slowdown is here to stay."

## **KEITH REYNOLDS, CUPE-BC**

*Diminishing access to government information and some things to do about it*

"The Supreme Court of Canada described freedom of information legislation as a pillar of our democracy that provides citizens with a right of access to government information. In a 1997 decision, Mr. Justice La Forest said on behalf of the entire Supreme Court, 'The overarching purpose of access to information legislation is to facilitate democracy by helping to ensure that citizens have the information required to participate meaningfully in the democratic process and that politicians and bureaucrats remain accountable to the citizenry.' Over the years, however, this pillar of democracy has seen its base chipped away."

## **SUZANNE SMYTHE, Faculty of Education, SFU**

*Where is Canada's digital inclusion strategy?*

"Low income Canadians are being kept (or pushed) offline by unaffordable high-speed Internet fees, low speed targets and data capping, as well as cuts to adult and community literacy programs that were once hubs of digital learning. The irony is that amidst these struggles, the federal government has announced intentions to take ever more government services online."

*Beyond speed: Who is talking about access to e-government this election?*

"It is one thing to connect Canadians to e-government and quite another to ensure online government serves Canadians effectively and fairly. Increasingly, this responsibility is being outsourced to community groups and public libraries."

*We face serious challenges, most notably with respect to the inter-connected issues of climate change and inequality.*

# Work injuries, chronic pain and the harmful effects of WorkSafeBC/WCB compensation denial

By Cecil Hershler and Kia Salomons

*This is an excerpt from the summary of a report we published in June. Lead author Cecil Hershler continues to give media interviews months after publication, and we have received numerous emails from people who have lived through the struggles described in the paper and were grateful to see their experiences reflected. For WCB's response to the paper, see BC Update.*

*Workers with chronic pain who cannot work should receive appropriate compensation or be provided with a pension that is comparable to their pre-injury earnings.*

This paper reviews the experiences of nine patients dealing with chronic pain and WorkSafeBC (formerly the Workers' Compensation Board). Physician Cecil Hershler selected these patients from thousands of patients over the past 25 years who sought medical help for chronic pain. He and co-author Kia Salomons explored a complex medical and social problem by listening to, summarizing and analyzing patient narratives and identifying a number of common themes and issues. The authors suggest that these themes and issues point to a need for policy changes for the compensation of injured workers.

The issues raised by the patients include:

- Off-and-on payment of compensation, or no compensation at all, over long periods of time;
- Long delays between initial termination of payments and completion of appeals;
- Lack of income and depletion of financial resources;
- Mental health problems (including suicide attempts) and other health issues aggravated by the claims experience;
- Wrestling with disbelief on the part of employers and wcb;
- Frequent change of claims managers; and
- Undue pressure to engage in job search, even when injuries should have ruled out such requirements.

Suggested policy changes include the following:

- Separate chronic pain from other work-related injuries dealt with by wcb and return the medical care of such injuries to each patient's own family doctor and specialists;
- Ensure economic security for injured workers with chronic pain during the review and appeal process;

- Allow access to a second opinion without cost to the injured worker;
- Allow injured workers a choice of therapy providers;
- Stop punitive job-search programs;
- Ensure workers are given adjusted or modified work during a gradual return-to-work process;
- Ensure workers are rehired and given work appropriate to their physical abilities, or provide adequate and appropriate retraining for workers with permanent impairments; and
- Return the care of injured workers with chronic pain to their family (attending) physicians and their respective pain specialists.

Workers with chronic pain who cannot work should receive appropriate compensation or be provided with a pension that is comparable to their pre-injury earnings.

A reasonable supportive system of care with concrete timelines is long overdue. Although the reforms proposed in this paper would likely require an increase in WCB employer premiums to cover improved benefits, a pre-defined approach to workers with severe chronic pain could reduce some expenses and duplication and may produce cost savings in other public-health expenditures.

*Cecil Hershler specializes in physical medicine and rehabilitation and has been working in Vancouver since 1985. Over 25 years, he has interviewed more than 30,000 patients with chronic pain. More than 80 per cent of referrals involve work- and/or accident-related injuries, and approximately 20 per cent of his patient population are injured workers engaged in the WCB/WorkSafeBC appeal process. Kia Salomons obtained her MSc in health care and epidemiology from the University of British Columbia.*



PHOTO: JULIE CHENG

## CCPA–BC’s research supports the living wage movement across Canada

By Igluka Ivanova

*This past April we co-published the 2015 version of Working for a Living Wage: Making Paid Work Meet Basic Family Needs in Metro Vancouver, with First Call and the Living Wage for Families Campaign. The living wage for Metro Vancouver is now \$20.68 per hour, more than double the current minimum wage.*

This is the sixth annual update of the original Metro Vancouver living wage calculation. This year we took some time to make sure that the methodology we initially developed in 2008 was still accurate. After a roundtable with researchers and community partners, and two focus groups with low-wage parents, we were able to make some refinements to the calculation to better reflect the experiences and struggles of working families who earn low wages.

Our methodology now serves as the model for living wage calculations in nearly 40 communities across Canada, including 18 in BC. This past

year I assisted allies in Parksville, Abbotsford, Victoria, Revelstoke, Golden, Nelson, Kitimat, Terrace, Prince George, Calgary, Edmonton and Halifax, and I continue to be active in the Metro Vancouver Living Wage for Families Campaign.

Vancouver Mayor Gregor Robertson’s recent announcement that the city will become a living wage employer is an exciting development that we are proud to have supported. City councillors passed the motion unanimously, and it means that the city will pay all staff and contractors the living wage. This victory is the result of hard work by the Living Wage for Families Campaign, First Call, the labour movement, the Metro Vancouver Alliance, and many others, including the CCPA.

*Working for a Living Wage 2015: Making Paid Work Meet Basic Family Needs in Metro Vancouver is available at [policyalternatives.ca/livingwage2015](http://policyalternatives.ca/livingwage2015).*

*Our methodology now serves as the model for living wage calculations in nearly 40 communities across Canada.*

leaders, including our provincial government in BC, tell us that we simply can't afford it, despite being one of the world's richest countries.

I bring you good news: publicly subsidized quality child care is entirely affordable. In fact, it would be largely self-financing.

Research from Quebec, led by economist Pierre Fortin, found large and almost immediate economic benefits from their child care program, launched in the late 1990s. In a study published in early July, I estimate that if BC's experience was similar, \$10 a day child care would significantly increase the number of women in the workforce, boosting BC's economy by \$3.9 billion per year. This would lead to higher tax revenues, fewer families with children needing social assistance, and reduced reliance on other income-tested transfers. The provincial and federal governments would see benefits to the tune of \$1.3 billion, split close to 50/50 between them.

In other words, the direct returns to government from investing in the \$10 a day plan would almost entirely cover the \$1.5 billion annual cost of the plan.

Since the federal government stands to see a boost in revenues from the introduction of quality public child care in BC (or any other province), it makes sense to share the costs. However, my analysis shows that in the absence of federal support, BC can afford to implement a provincial-only program like Quebec's.

We'd need to raise a larger amount—approximately \$870 million per year—because the boost in federal tax revenues could not be counted to offset the costs. But \$870 million is just 2 per cent of this year's provincial budget, and there are a number of ways BC could raise these revenues.

My study models one possible approach: a series of modest personal and corporate income tax increases staged in gradually over 10 years. For the vast majority of people, these would mean paying between \$20 and \$80 more per year.

Families that directly benefit from child care would still contribute a large share of the program costs—but instead of paying through exorbitant fees up front they would pay through a combination of affordable fees and the income tax system.

For the rest of us, pitching in a little is a bargain for what we'd get with universal quality child care: healthy child development, improved social inclusion, more gender and income equality and economic prosperity.

While the numbers discussed above are BC-specific, the key findings of the study extend to Canada more broadly. Canada invests too little in early education and care programs, and there would be large economic and social benefits from launching an affordable, quality child care program across the country. The economic benefits of more women re-joining the workforce after having children would be large and governments at all levels would immediately see returns in higher tax revenues and less demand for social assistance.

A federal-provincial cost-sharing agreement makes the most sense since both federal and provincial governments would benefit from the introduction of a child care system. It would also allow provinces the flexibility to design their own community-driven programs that reflect local needs, within a national framework.

This is the model we use for funding schools. It's time to extend it to earlier years by building a quality public child care system.

*Iglika Ivanova is a senior economist at the CCPA-BC and author of Solving BC's Child Care Affordability Crisis: Financing the \$10 A Day Plan.*

## BC COMMENTARY

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