

Technical Report on Living Wage Policy Options for The City of Calgary

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1. Background

At the direction of City Council, City of Calgary Administration prepared a Sustainable Environment and Ethical Purchasing Policy (SEEPP) to establish minimum ethical and environmental standards for suppliers to The City. This policy was approved in principle by Council in January, 2007 (FCS2007-19). As part of the SEEPP, the related Supplier Code of Conduct (scc) includes a clause (3.1.5e) that encourages the payment of liveable wages. This clause states:

e) Recognizing that wages are essential to meeting workers' basic needs, all City of Calgary suppliers and their subcontractors will make every effort to ensure that workers receive wages that exceed legislated minimums that meet basic needs by local standards.

This clause is currently a non-mandatory clause in the SCC, although suppliers who can demonstrate compliance receive additional points in the bid scoring process.

At time of approval of SEEPP, a Motion Arising further directed City of Calgary Administration to report back to the SPC on Finance and Corporate Services:

... on the implications from a triple bottom line context of including a living wage in the Sustainable Environment and Ethical Procurement / Supplier Code of Conduct.

The effect of this motion would be to make the current non-mandatory clause (3.1.5e) a mandatory provision within the SCC.

A report detailing the implications of adopting a Living Wage policy was brought to Council in April, 2008 (FCS2008-10). This report was adopted by Council who further directed Administration to

*... develop Living Wage policy **options** to be applied, **among others**, to City staff and City service suppliers and to report back to the SPC on Finance and Corporate Services with associated implementation plans **and financial impacts not later than 2009 January.***

This report fulfills this request by Council.

2. Methodology

This report is based on a variety of methods for developing and analysing a range of policy options. Policy options were developed through a detailed review of the provisions of Living Wage Ordinances in the United States as well as a series of stakeholder consultations with internal and external stakeholders.

The developed policy options were analysed using a variety of methods. Human Resources and Payroll records were utilized to determine City of Calgary staff positions falling below the recommended Living Wage rate. A survey of affected staff was conducted in August and September of 2008 to assess the impact of a policy on this staff group.

City of Calgary service contract records were analysed to identify contract groups potentially affected by the implementation of a living wage policy. These contracts were then analyzed using Statistics Canada data, including data from the Census, Labour Force Survey and the Canadian Business Register.

3. Policy Parameters

The parameters of a Living Wage policy were established following a thorough review of Living Wage Ordinances in effect in the United States, as well as through a series of consultations with internal and external stakeholders. This section establishes the key recommended parameters of a Living Wage policy for The City of Calgary.

3.1 Establishing a Living Wage Rate

Recommendations

- That the Living Wage rate be established as a contingent rate tied to the pre-tax Low-income Cutoff (LICO) amount for a single person working full-time for the full-year at 35 hours per week;
- That a premium of \$1.25 per hour be required in cases where employers are not providing benefits; and,
- That the Living Wage rate be automatically adjusted annually with changes in the Low-income Cutoffs.

Rationale

Standards

Establishing the appropriate living wage rate is an important initial decision. Typically, Living Wage amounts are either set at a specific rate in a policy (defined rate), or are tied to and contingent upon an external standard (contingent rate). In the United States, the majority of Living Wage Ordinances included defined rates ranging from a low of \$7.75 / hour to a high of \$13.00 / hour with an average rate of \$10.10 / hour. Roughly one-quarter

of Living Wage Ordinances are based on a contingent rate, with rates being tied to the federal poverty line.

Internal and external stakeholders that were consulted expressed a strong opinion that any Living Wage rate should be based on an independent external standard. Options that were considered included establishing the rate as a percentage of the average industrial wage, or tying it to the Statistics Canada Low-Income Measure (LIM) or Low-income Cutoff (LICO). After consideration of these options, it is recommended that the Living Wage rate be based on the pre-tax LICO as the most appropriate standard for the following reasons:

- The LICO provides an objective comparable national standard updated annually by Statistics Canada;
- The LICO is generally accepted as the standard measure of low-income across Canada;
- The LICO is the accepted corporate standard for subsidy eligibility; and,
- If suppliers are to be covered by the policy, the LICO can be easily used to establish the appropriate rate for any jurisdiction in which a supplier is based.

Indexing

In order to ensure that the value of the Living Wage is not eroded over time by inflation, it is further recommended that the Living Wage rate be established as a contingent rate tied to the LICO, rather than a defined rate. This is recommended for the following reasons:

- Use of a contingent rate avoids the necessity to index a defined rate:
- Operationally, a contingent rate that adjusts annually would provide budget certainty for Business Units as it would build wage increases into budgets to rise incrementally rather than allowing them to stagnate requiring significant one-time investments later; and,
- Efforts to index a defined rate would be problematic if suppliers are covered by the policy as it would be necessary to index the rate by the rate of inflation in each location in which a supplier is operating.

Hours of Work

The LICO establishes minimum total annual income thresholds for households. In order to apply this as a standard for determining a Living Wage rate, it is necessary to derive the hourly wage that will provide the required annual income. The hourly wage is derived by dividing the annual income amount by the total number of hours worked for a person working full-time for the full-year. Consequently, different hours of work will produce different hourly wage rates required to meet the LICO, ranging from a low of \$10.42 / hour for a 40 hour week to \$13.89 / hour for a 30 hour week.

Hourly Wage Rates Required to Reach LICO for Single Person (Cities 500,000+) at Varying Hours per Week		
Low-income Cutoff Amount	Hours per week	Hourly Rate[†]
\$21,666	30.0	\$13.89
	35.0	\$11.90
	37.5	\$11.11
	40.0	\$10.42

The number of hours that are considered to be full-time varies considerably. Statistics Canada defined “full-time” work as work of 30 hours per week or more. At the same time, the accepted standard work week in many industries is 40 hours per week, while the Employment Standards Act in Alberta considers work of up to 43 hours per week to be standard hours of employment. Within The City of Calgary, the standard work week varies by union contract, from 35 hours per week for CUPE Local 38 employees, to 42 hours for CUPE Local 3421. In Alberta, the average number of hours per week for employees in the Service Sector is 35 hours.

Due to the variability in the number of hours, it is recommended that the number of hours used to calculate the Living Wage rate be 35 hours. This is recommended for the following reasons:

- Using variable numbers of hours dependent upon specific contracts or management practices would be operationally complex;
- Use of the average hours per week in the Services Sector is appropriate due to the fact that this policy will be applied to workers in the Services Sector; and,
- Due to the fact that workers in the Services Sector tend to be the most vulnerable to low-wage employment, establishing a rate based on average hours of work that exceed hours worked in this sector may result in low-wage workers continuing to be paid at rates that fall below the LICO.

Household Size

When Living Wage rates that are tied to independent standards (such as the LICO), it is important to determine the appropriate household configuration as income thresholds vary by household size. As shown in the following chart, the Living Wage rate (based on a 35 hour week) varies considerably by household size. In the United States, many Living Wage rates are based on incomes sufficient for a family of four to the federal poverty line. In Canada, a similar approach would result in a Living Wage rate of \$22.12 per hour. In Canada, proponents of Living Wages have typically based their rates on the income required for a single person.

2007 Before-tax Low-income Cutoff (LICO) Amount (1992 Base) for Cities of 500,000+		
Household Size	Annual Income	Hourly Rate[†]
1 person	\$21,666	\$11.90
2 persons	\$26,972	\$14.82
3 persons	\$33,159	\$18.22
4 persons	\$40,259	\$22.12
5 persons	\$45,662	\$25.09
6 persons	\$51,498	\$28.30
7 persons or more	\$57,336	\$31.50
[†] Based on 35 hours / week for a full-year (52 weeks).		
Source: National Council on Welfare		

It is acknowledged that the use of one household group as a base rate will either over-compensate or under-compensate workers in other household groups. Nevertheless, it is not possible to establish multiple rates. It is recommended that the Living Wage rate be based on the income required for a single person household to reach the LICO. This is recommended for the following reasons:

- Potential fiscal impact to The City and suppliers requires that a conservative approach be adopted;
- The establishment of multiple rates based on different household sizes would be operationally difficult and in contravention of human rights legislation; and,
- It is recognized that households with more than one person will require more than one earner to support the household.

Provision of Benefits

Typically, Living Wage rates are based on the assumption that employers are providing some form of benefits to their employees. A review of Living Wage Ordinances in the United States found that over half of such ordinances provided provisions for an hourly premium in lieu of benefits. Benefits are defined as a monetizable benefit accruing to the employee in addition to their hourly wage and in addition to Mandatory Employment Related Costs (MERCs). In the United States, the value of this premium ranges from a low of 0.88c to a high of \$2.75, with an average premium of \$1.53. In Canada, proponents of Living Wages have tended to assign a value of \$1.25 in lieu of benefits. Consequently, it is recommended that an hourly premium of \$1.25 be applied to wages in lieu of benefits.

3.2 Policy Scope

The scope of the policy refers to the range of stakeholders that could potentially be covered by a policy.

Recommendations

- A Living Wage policy should apply to City employees and potentially to contractors;

- If applied to contractors:
 - the policy should not be restricted to specific contract types;
 - the policy should apply to all workers working on the City contract.
- The policy could be expanded over time to include grant recipients, tenants and leaseholders;
- Civic partners should be explicitly excluded in this phase of the project.

Rationale

Ordinances in the United States vary in terms of their scope. Typical relationships included in ordinances include employees of the municipality; contractors providing services to the municipality and their sub-contractors; firms receiving municipal financial support in the form of grants, subsidies, economic development assistance, loans or tax abatements; and tenants or leaseholders on municipal property.

The majority of Ordinances in the United States include more than one type of relationship. The vast majority of ordinances (85%) govern municipal contractors, with a further 11% also governing subcontractors. One-quarter of ordinances govern municipal employees, and just over one-third (34%) govern recipients of municipal financial assistance; a relatively small percentage (5%) also apply to leaseholders and tenants. A number of ordinances also limit scope by restricting applicability to specified types of contractors (such as janitorial or security).

In Calgary, the scope of a Living Wage policy could range from covering only City of Calgary employees to covering all stakeholders with a relationship with The City. This could include:

- City employees;
- City contractors;
- City sub-contractors;
- Recipients of operating or other grants; and,
- Tenants and leaseholders on property owned or managed by The City.

A fundamental principle of The City's Sustainable Ethical and Environmental Purchasing Policy (SEPP) is that The City will not require contractors to adhere to requirements that The City itself does not adhere to. It is recommended that this principle be applied to the Living Wage policy as well. Consequently, City employees must necessarily be included in all scope options.

Stakeholders consulted largely agreed that a policy should include city employees and contractors, but did not support extending the scope of a policy further for the time being. If the policy were to be applied to contractors, it was felt that the policy should apply universally and not be restricted to certain contract types. Further, it was recommended that the policy apply to all workers working on a City contract, including those who might be subcontracted for the project. The policy could be expanded over time to include city grant recipients, tenants and leaseholders. However, at the present time, this was

recommended to be out of scope, and that Civic Partners should be explicitly excluded in this phase of the project.

The proposed scope of the policy is being recommended for the following reasons:

- The policy should be universally applicable for ease of administration.
- Restricting application of the policy to workers working on the contract has the effect of clarifying for the employer which employees need to be covered, as well as ensuring the inclusion of sub-contracted labour.
- Inclusion of recipients of grants (including operating grants) is important, but is too complex to address in the first phase.
- Civic partners should be excluded as they are not yet included under SEEPP, the policy mechanism through which the Living Wage is expected to be implemented to suppliers, leading to an incongruence of policy.
- Civic partners require explicit exclusions because If the policy is extended to suppliers and is implemented through SEEPP, it requires compliance of partners who use The City for their procurement process. This would impose conditions on the suppliers of the partner that are not required of the partners themselves.

3.3 Policy Coverage

Policy coverage refers to the number of firms or employees that are covered by the policy as defined by its scope. Policy coverage can vary from 100% inclusion within the scope of the policy to some percentage based on an agreed upon criterion for inclusion.

Recommendation

- Do not restrict policy coverage within the established scope of the policy.

Rationale

With respect to the coverage of firms, the principal mechanism for varying firm coverage is to establish a threshold at which the policy comes into effect. In the United States, contract value thresholds are typical, and range in value from as little as \$5k to as much as \$500k. Typical value thresholds are in the range of \$25 - \$50k. With respect to the coverage of employees, the principle mechanism for varying employee coverage is to limit the policy to certain classes of employees. Typically, in policies where limitations are included, the policy is limited to full-time staff.

Based on consultations with internal and external stakeholders, it is recommended that coverage be made as broad as possible, and that limitations not be established within the scope of the policy. Regarding firm coverage, the use of value thresholds would complicate administration. Value thresholds are also not felt to be the most effective way of targeting the policy if the intent is to exempt smaller contractors. Further, there is the risk that contractors and / or administrators could split a contract into multiple smaller contracts to avoid the policy. With respect to employee coverage, it was felt that any

variation in coverage would be most effectively addressed through policy exemptions, rather than through a general limitation in coverage.

3.4 Policy Exemptions

Policy exemptions are considered for two primary reasons:

- i) The policy may have a differential impact on some employers based on the employer's size and financial capacity;
- ii) The policy may poorly target the intended beneficiaries.

In the United States, exemptions are typically provided for small businesses and / or certain types of employees (e.g. part-time, casual or trainees). With respect to Calgary's proposed Living Wage policy, exemptions for both firms and employees were considered.

Recommendations

- That exemptions for smaller firms based on the number of employees be considered if the policy is to be extended to City of Calgary suppliers.
- That the exclusion of employees based on work status not be considered as a policy exemption, but be determined through a discussion of policy scope and the consideration of a range of policy options with varying scope.

Rationale

3.41 Exemptions for firms

With respect to firms, it is recognized that the application of the policy to very small employers may have a disproportionate negative impact on these employers relative to larger employers. Consequently, it is recommended that exemptions for such employers should be considered. Exemptions for smaller employers could be based either on the number of employees or gross sales or revenues. Basing exemptions on gross firm revenues is not advisable due to the fact that revenues can easily be manipulated to show 0 revenues or loss. Consequently, it is recommended that any firm exemptions be based on the size of firm as determined by the number of employees (regular or contract) employed by the firm.

3.42 Exemptions for employees

With respect to employees, it is recognized that the intent of the Living Wage policy is to ensure that workers earn enough income from employment to at least meet the low-income cut-off (LICO). It is also recognized that many of the employees who may be covered by the policy are not the primary income-earners of their households, and therefore may not themselves be in low-income households. Consequently, the policy may poorly target the intended beneficiaries. Based on this rationale, exemptions for part-time staff were considered. It was also recommended that exemptions be considered

based on age, exempting workers under the age of 18 and over the age of 65 in recognition of the fact that these groups of employees would likely have other sources of income and would not necessarily be relying on the covered employment for basic living expenses.

Based on careful analysis and stakeholder consultation, employee exemptions are not recommended. With respect to age-based exemptions, regardless of the validity of the assumptions that would support such an exemption, basing employee exemptions on employee age is not understood to be allowable as it would be in violation of the Canadian Charter of Rights and Freedoms and the Alberta Individual Rights Protection Act. With respect to exemptions for employees based on employment status, it is recommended that this be best addressed through the definition of policy scope and will be discussed at length in an analysis of the various policy options.

4.0 Policy Options

Based on internal and external consultations and detailed analysis, the following three policy options have been developed for consideration:

- City of Calgary – Regular Employees
- City of Calgary – All Employees
- City of Calgary – All Employees and Service Contract Workers

This section details and analyses the impacts of these three options.

4.1 - Option 1: City of Calgary - Regular Employees

4.11 Description

The scope of this policy will be limited to City of Calgary regular employees employed in Union or Management Exempt positions in full or part-time limited term or established positions. The policy will require The City to pay its employees an hourly wage sufficient for the employee to earn an income equal to the Low-income Cutoff amount for a single individual based on full-time hours. The hourly rate will be based on the standard full-time hours as specified in the union contract. The Calgary Police Service and all Civic Partners are excluded from the proposed policy.

Union	Standard Hours
CUPE Local 37	38
CUPE Local 38	35
CUPE Local 709	38
CUPE Local 3421	42
IBEW Local 254	40
IAFF 255	40

4.12 Coverage

This policy will provide coverage to approximately 14,100 City of Calgary employees. Of these, 86% are governed by collective agreements, and 12% are Management Exempt (including Senior Management). The vast majority (91%) of these positions are full-time.

All of the positions covered by this policy are above the Living Wage rate. Wage rates range from a low of \$15.14 per hour to a high of over \$100.00 / hr. Approximately 14% of covered employees earn between \$15.14 and \$19.99. The median hourly wage for all employees is \$27.42.

Hourly Rate	Number	Percent
All Employees	14,101	100.0%
\$15.00 - 19.99 / Hour	1,843	13.1%
\$20.00 - \$24.99 / Hour	3,096	22.0%
\$25.00 - 29.99 / Hour	3,318	23.5%
\$30.00 - 34.99 / Hour	2,264	16.1%
\$35.00 - 39.99 / Hour	1,521	10.8%
\$40.00 - 44.99 / Hour	740	5.2%
\$45.00 - 49.99 / Hour	451	3.2%
\$50.00 +	860	6.1%

4.13 Social Impacts

As there are currently no covered employees earning less than the defined living wage rate, there will be no immediate social impacts from this policy for City of Calgary workers. There may be broader social impacts from this policy if other public or private sector organizations in Calgary or elsewhere would choose to follow The City's leadership and implement a similar policy. In the long-term, the policy will ensure that City wages do not fall below a Living Wage over time.

4.14 Economic Impacts

As no wage increases are expected from the implementation of this policy, there would be no immediate economic impact, either positive or negative.

4.15 Financial / Budget Impacts

As no wage increases are expected from the implementation of this policy, there would be no immediate financial or budget impact to The City of Calgary. As the Living Wage rate is tied to the Low-income Cutoff (LICO) which is adjusted annually for inflation, it is not expected that there would be any future budgetary impact of the policy, as contract negotiations would already typically build in inflationary adjustments.

4.16 Implementation

Implementation of this policy would require the annual provision of the updated Living Wage rate to Labour Relations.

4.17 Advantages

The advantage of this policy is that there is no budgetary impact to The City of Calgary, nor any potential economic or financial impact to Calgary businesses or taxpayers. Neither would the policy impact The City's procurement processes. The policy serves to affirm in policy what is the current practice of The City of Calgary. The policy also sets a floor guaranteeing that municipal employees will continue to be paid a wage at or above a Living Wage. The policy is simple to administer, and demonstrates leadership within Calgary and across Canada.

4.18 Disadvantages

The disadvantage of this policy is that it will provide no economic benefit to low-wage workers and will have virtually no impact on poverty in Calgary. As the policy will have little, if any, impact on the population that it is intended to benefit, there is little perceived value in pursuing such a policy, beyond the symbolic. Community stakeholders who have advocated strongly for the development of a Living Wage policy may not be supportive of this policy option.

4.2 - Option 2: City of Calgary - All Employees

4.21 Description

The scope of this policy will include all City of Calgary employees, including regular, on-call, temporary and casual workers employed in union, non-union or Management Exempt positions. The policy will require The City to pay its employees an hourly wage sufficient for the employee to earn an income equal to the Low-income Cutoff amount for a single individual based on full-time hours. The hourly rate will be based on a 35 hour work week. The Calgary Police Service and all Civic Partners are excluded from the proposed policy.

4.22 Coverage

This policy will provide coverage to 15,110 City of Calgary employees. Of these, 81% are governed by collective agreements, 11% are Management Exempt, and 6% are on-call or casual employees (including TESA). The vast majority (85%) of these positions are full-time. An analysis of the City of Calgary workforce revealed that while no regular employees earned wages below the defined Living Wage rate, a number of on-call, temporary or casual positions (Code 81 / 86) were below the Living Wage rate. These are non-union positions and workers in these positions do not receive benefits. Consequently

the relevant Living Wage rate used for analysis is the base rate of \$12.00 / hour plus \$1.25 premium in lieu of benefits, for a total hourly rate of \$13.25.

The vast majority of the positions falling below the Living Wage rate are located within the Recreation and the Community and Neighbourhood Services (CNS) Business Units. A small number of positions are also held within Parks while a few are also scattered among a number of other Business Units. A total of 504 positions were identified as falling below the Living Wage amount, accounting for 3.3% of the City workforce. The number of staff with wages below the current \$13.25 threshold varies during the course of the year. The number fluctuates depending on the season and the nature of the programs and services being delivered at any one point in time i.e. there are more staff in this category during the summer when many day camp programs for children are being run. For example, in January 2008 the number was 375; in August 2008 the number was 477.

	Total		Earning Less than \$12.00 / hour		Earning Less than \$13.25 / hour	
	Number	Percent	Number	Percent	Number	Percent
Total	504	100.0%	260	51.6%	244	48.4%
Total	504	100.0%	260	100.0%	244	100.0%
Recreation	252	50.0%	147	56.5%	105	43.0%
CNS	238	47.2%	113	43.5%	125	51.2%
Parks	14	2.8%	0	0.0%	14	5.7%

Recreation Program Leaders in the CNS and Recreation Business Units account for the largest share of low-wage positions. The types of positions falling below the recommended Living Wage amount and the number of workers in those positions are listed in the following table*.

Job Title	Earning Less than \$12.00 / hour		Earning Less than \$13.25 / hour	
	Number	Percent	Number	Percent
Recreation Program Leaders	110	42.3%	102	41.8%
City Links Workers	23	8.8%	64	26.2%
Junior Leader / Monitor	59	22.7%	0	0.0%
Special Events Crew	0	0.0%	40	16.4%
Babysitter	25	9.6%	6	2.5%
Skate Park Monitor	21	8.1%	7	2.9%
Concession Attendant	17	6.5%	1	0.4%
Weight Room Monitor	5	1.9%	13	5.3%
Preschool / Out of School Care Instructor	0	0.0%	9	3.7%
Cook	0	0.0%	2	0.8%
TOTAL	260	100.0%	244	100.0%

* Number of persons in low-wage positions as of August, 2008.

4.23 Social Impacts

Socio-economic conditions of low-wage workers

In order to gauge the impact of a Living Wage policy on this workforce, a survey of Code 81 / 86 employees was undertaken during August and September, 2008. A total of 427 surveys were distributed with a response rate of 23%. Of those responding, 78% reported earning less than the proposed Living Wage rate of \$13.25 / hour.

Just under half (41%) of respondents were female, and 40% were under the age of 18. At the same time, one-third of these employees were 25 years of age and over, and just under one-quarter (23%) were 35 years of age and over. Half of respondents had at least some post-secondary education, or had a completed post-secondary degree or diploma.

Roughly one-half (51%) of respondents were living at home with their parents. At the same time, one-quarter were supporting children either as a lone-parent or part of a couple household. Approximately 8% of respondents were living independently either alone or with roommates, and seventeen percent of respondents identified themselves as the principle income earner in their household.

Although the majority of low-wage workers are living at home with parents, this does not mean that their household financial situation is without stress. One-third of respondents were living in households that have a total household income of less than \$30,000. Based on reported total household income and total household size, of we estimate that approximately one-third (34%) are living in low-income households, whether or not they are the principal income earner in the household.

Survey respondents, regardless of their income status, reported lower than average household income. In 2005, average family income in Calgary was \$84,600, compared to a reported average from survey respondents of only \$52,300. Low-income survey respondents reported an average total household income of only \$21,800. This indicates that low-wage workers, regardless of their income status, are earning incomes below the Calgary average, with low-income workers earning substantially lower incomes.

Close to half (40%) of respondents indicated held other jobs besides their City position, with three-quarters of those holding two or more other jobs. When the hours worked by low-wage employees at all of their jobs are combined, over almost half (42%) were working a total of 30 hours or more.

When asked about the affordability of various expenditures, education was most frequently reported to be somewhat or very unaffordable, followed by leisure activities, pocket money, debts, transportation and basic household needs. Just under one-third of respondents (30%) reported difficulty in paying for basic household needs.

In terms of their current use for City of Calgary earnings, one-third reported that it is being used to pay for basic household needs, while another third reported that it is being used to save for education. One-quarter reported using it for pocket money, while 4% reported using it to reduce their debt. If a wage increase were to result from the adoption of a Living Wage policy, roughly over one-third (39%) indicated that they would use the additional earnings to save for their education, while over one-quarter (28%) indicated that they would use it for basic household needs and 14% reported that they would use it to reduce their debt loads. Only 17% indicated that their increased earnings would be used for “pocket money”.

Quality of life impacts of living wage increase

Based on the results of the Employee Survey, it is estimated that the introduction of a Living Wage policy would provide direct benefit to 229 low-income workers. Assuming an average household size of 3.5, the estimated total low-income population that would benefit from such a policy is 801. The policy is also expected to provide direct benefit to 126 workers who are supporting families with children.

Respondents indicated that a Living Wage increase would have a significant impact on their quality of life. Almost three-quarters (73%) indicated that a living wage increase would allow them to advance their education, while almost the same percentage (71%) indicated that it would reduce their personal and / or financial stress. Over one-half (61%) indicated that it would allow them to increase their leisure time, while almost half (48%) reported that it would allow them to improve their housing situation. Other reported benefits included allowing them to spend more time with their family (43%), improved access to health care coverage (39%) and allow them to reduce the hours that they work (27%).

When asked to comment on how a Living Wage increase would affect their quality of life, respondents provided the following statements.

“(it) would assist in paying debts, reduce stress. Having a degree, I feel underpaid and undervalued with what I’m doing and getting paid. Increase self confidence. Generally make me feel more valued as an employee. Would help in contributing to general household costs and assist with purchases for our children.”

“An increased wage will not make me happier but it will allow me to pay off debts faster which will reduce both personal and financial stress. It would also allow me to contribute more to my children’s education funds which will give me great personal satisfaction as well as allow them a greater range of education opportunities. Equally important would be a validation of the importance of quality and committed child care which I believe in deeply.”

“I would not have to worry about fitting in hours of work during the school year so I could focus better on my studies if I was making more per hour in the summer. I could also put more towards education savings and have less stress next year

when I go to university and have to provide housing and food costs and all that for myself.”

“A huge effect! I live in a home (as the youngest child of two) with my parents. It would either relieve a lot of pressure on my parents in terms of providing for us, or relieve them entirely – so that I can move out, which is next to impossible with the current cost of such in Calgary. I would also be a lot less concerned about continuing my education which is something else that I am planning to do ASAP. It’s so expensive to live in Calgary but I love the job!”

“As a university student, the most immediate benefit would be paying off my tuition. An increase in my wage would also allow me to save for the future, making the purchase of a home or a vehicle much more feasible. All in all, it would really kick-start my future.”

“It would increase our ability to continue to move forward in life. To increase enjoyment of our community and to travel to see family more often. It also reduces the challenges and stress of living pay cheque to pay cheque - perhaps having money to put into savings.”

“I would have extra income to provide for the needs of my children and increase their general well being, which ultimately will improve the quality of my life. I have worked for the City of Calgary for over 4 years with an excellent attendance record and on a permanent part-time basis. I make \$11/hr which is less than what my children make babysitting. I have no security, nor benefits at all.”

While the Living Wage policy is anticipated to have a positive social impact for covered workers, implementation of the policy may result in increased user fees for Recreation programs (See Sec. 4.25 below). Increasing user fees for Recreation programs may have a negative impact on lower-income households who are users of Recreation programs and may find it difficult to afford the increased program costs.

4.24 Economic Impacts

As the second largest employer in the Calgary region, any increase in compensation at The City of Calgary has the potential to impact the local labour market. The affected group of positions (Code 81/86), however, constitute only 0.14% of the total Calgary labour force. Consequently, it is not expected that an increase to wages in this labour pool would have any effect on the Calgary labour market in general.

If we look specifically at the occupational groups that are included in the Code 81/86 labour pool, once again, the affected group of positions accounts for a relatively small proportion of jobs, constituting only 3.7% of total jobs in the affected occupations. If we further look at the specific occupations covered, the percentage of the Calgary labour force comprised of Code 81/86 staff remains small (See Table ___). Further, City of Calgary average wages in these occupations tend to be lower than the Alberta average,

suggesting that an increase in wages will not significantly draw labour away from other employers and negatively impact the labour market. The economic impact of increased wages by The City of Calgary on other occupational groups is therefore expected to be negligible.

NOC Codes	Calgary (CMA)	City of Calgary	% of Sector
Childcare	8,350	71	0.9%
- E217 - ECE educators and assistants	4,620	40	
- G814 - Babysitters, nannies and helpers	3,730	31	
Facility Maintenance and Operations	1,020	92	9.0%
- G731 - Operators and attendants in recreation and sport	1,020	92	
Food Services	15,240	4	0.0%
- G513 - Food and beverage servers	8,050	2	
- G412 - Cooks	7,190	2	
Recreation and Sport	3,125	852	27.3%
- F153 - Sports officials and referees	165	13	
- F154 - Program leaders and instructors	2,960	839	
TOTAL	27,735	1,019	3.7%

There is particular concern, however, with respect to the Recreation and Sport labour force. There is a concern that increased wages for Recreation staff will impact the local recreation labour market, as this may attract employees from competing / partner organizations. It is feared that competitors and / or partners will be required to either match wage increases if they are able to or face losing additional staff to the City of Calgary. A very tight labour market for recreation staff will be further tightened.

According to the 2006 federal census, there were 3,125 persons employed in Recreation and Sport in the Calgary Census Metropolitan Area. The total number of such positions held within The City of Calgary in 2008 was 852. The City of Calgary therefore accounts for just over one-quarter (27%) of this occupational group in the Calgary region. Consequently, the impact of increased wages by The City of Calgary could have an impact on the labour market of this occupational group.

NOC Occupational Group	Avg. Wage (Alberta), 2007	Avg. Wage (City of Calgary)	Number of Code 81/86 Below Alberta Average	Percent of Code 81/86 Below Alberta Average
Childcare	\$14.50	\$12.73	54	76.1%
Facility Maintenance and Operations	\$13.10	\$12.90	58	63.0%
Food Services	\$12.74	\$13.50	0	0.0%
Recreation and Sport	\$21.08	\$19.17	498	58.5%
TOTAL			610	59.9%
<i>Sources: Statistics Canada, Labour Force Historical Review, 1980 – 2007; City of Calgary Human Resource Records.</i>				

The potential economic impact of raising wages will depend on the relative wage distribution of The City of Calgary compared with the rest of the labour market for this occupational group. Compared to Alberta, The City of Calgary has a disproportionately high percentage of its workforce of Art, Culture, Recreation and Sport workers employed at low-wages (below \$12.00 / hr.). Similarly, the average and median hourly wages for this occupational group also fall below the provincial average[†]. The fact that The City of Calgary has a higher than average percentage of workers in this occupational group employed in lower wage brackets suggests that an increase in wages may not have a significant impact on the local labour market.

While wage distributions for this occupational group are not available for Calgary specifically, an estimated wage distribution was developed by applying the provincial wage distribution to the Calgary labour force. Based on this analysis, it is estimated that close to half of the region's low-wage workforce in this occupational group currently work for The City of Calgary. Consequently, any increase in wages for this occupational group would have a significant impact on the remaining low-wage workforce. There is the potential that this could draw labour away from other recreation service providers.

While the potential to draw labour from other providers exists, it should also be noted, however, that The City could only draw additional labour from the labour force if it increased the total number of positions within The City. If the total number of positions remains the same, the effect of a wage increase would not be to draw labour away from other service providers, but to attract higher quality staff. This would have the positive impact of ensuring that The City attracted the highest quality staff and would ensure high quality service. It would have the corresponding negative impact of potentially reducing the quality of staff and service available to, and delivered by, community recreation providers. Total labour supply, however, should be unaffected.

Estimated Wage Distribution for Workers Employed in Recreation, Sport and Fitness Occupations, Calgary CMA (2007)			
Hourly Wage Distribution	Calgary (CMA) (Estimated)	The City of Calgary (Actual)	City of Calgary as % of wage category
< \$12.00	447	195	43.6%
\$12.00 - \$13.99	359	122	34.0%
\$14.00 - \$15.99	263	51	19.4%
\$16.00 - \$17.99	263	79	30.0%
\$18.00 - \$19.99	193	12	6.2%
\$20.00 - \$21.99	245	39	15.9%
\$22.00 - \$23.99	166	78	47.0%
\$24.00 - \$25.99	289	60	20.8%
\$26.00 and over	604	216	35.8%
<u>Sources:</u> Statistics Canada, Labour Force Historical Review, 1980 – 2007; City of Calgary Human Resource Records.			

[†] Provincial wages may be higher as the data is reported for all occupations in art, culture, recreation and sport.

4.25 Financial / Budget Impacts

Overall during 2007, there were 218,206 hours of wages paid to Code 86 staff, representing approximately 120 FTE's using 1820 hours as the basis for an FTE. Assuming those paid below the current Living Wage represent 35-40% of all Code 86 staff, the number of FTE's represented might range from 42-48. In 2007, an analysis was completed by Human Resources that identified the financial value of changes to the current market based compensation at \$428,941 plus overhead (11.94%). This represents wage changes to both staff currently below Living Wage (\$183,395) plus wage increases to staff above Living Wage (\$245,546) but whose Pay Grades would change because of upward pressures on Pay Bands above Living Wage. The proposed implementation plan (see below) however would serve to limit this upward pressure by restricting increases to those currently below the Living Wage rate. If this implementation approach is adopted, the budget impact would be limited to the cost of the initial increase of \$183,395.

Due to the fact that the majority of affected staff is employed within the Recreation Business Unit, it is anticipated that Recreation will experience the greatest financial impact as the result of the implementation of this policy. Recreation's current business model requires that increases in program costs be recouped in program fees. Consequently, if this business model is followed, there would be minimal impact to The City and the tax base as any increased costs would be recovered from the market.

Concern exists that increases to the Code 81/86 pay grid might affect the collective bargaining environment and impact future contract negotiations with City unions. While it is not possible to project the impact of the policy on the bargaining environment, there is little evidence to suggest that this would pose a significant risk. This impact has not been noted in studies evaluating the impact of Living Wage Ordinances in the United States. The Code 81/86 pay grid is also structured quite differently from union grids and adjusts periodically with no evidence of these adjustments having a bearing on City negotiations. The grid was most recently adjusted in 2007 without this concern being flagged. Union base rates are significantly higher than the proposed Living Wage rates, with the lowest union position currently sitting 22% above the Living Wage. Further, adjustments to the Living Wage will be based on inflationary adjustments to the LICO. It is expected that inflationary adjustments also factor significantly into contract negotiations, so it is unlikely that the Living Wage may creep up to the lowest union position. Further, the proposed implementation plan (see below) would serve to limit this upward pressure as described above.

There is a related risk that increases to City wage rates may prompt requests from Civic Partners for increased operating grants to cover wage increases for those that may voluntarily wish to adopt this policy. Although the policy is not proposed to extend to Civic Partners at this time, some Civic Partners may wish to voluntarily adopt such a policy for reasons of equity or labour market competitiveness with The City. Any such requests would be addressed on an individual basis through the normal budget process.

Impact to the Calgary Recreation Business Unit

Recreation's current non union wage budget for 2008 is \$3,119,845. Projected increases as a result of Living Wage increases represent a 13.8% expenditure increase. As a result, unless this programming model is adjusted, program fees must increase to recover these costs. To determine how the implementation of Living Wage would impact product and services pricing, Recreation staff took a cross section of 46 distinct programs from amongst all the different activity and sections of programming (Day camps, Sports, Leagues, Birthday parties, Arts, dance, preschool and Sailing programs) and substituted new wage rates based on the analysis completed by Human Resources (see Attachment 1). Fee increases would range from a low of 0% (no increase) to a high of 38%. Consistently those programs with staff at the lowest pay grades (currently below Living Wage) would foresee the greatest increases while those programs with staff in higher pay grades would see no or minimal increases.

Recreation has a Council approved mandate to provide introductory and skill development programming for Calgarians. It is positioned in the marketplace to provide affordable opportunities that may be priced at the lower end of the pricing continuum. Fee increases are managed on an annual basis so as to maintain this positioning. Recreation is currently positioned to be a provider of programs and services that are priced affordably. In comparison to other providers, pricing tends to be positioned at the lower end of the market. Attachment 1 indicates where new program fees fall with respect to the current recreation market providers, where such comparison is available.

The most significant impact of applying Living Wage increases to staff in positions currently paying <\$13.25 per hour is seen in the categories that are targeted at children / youth and introductory programming (day camps, children's sports and Swim and Fun programs). Little or no impact is evident for programs targeted at adults or where programs already have higher than Living Wage wages. Introductory programming to children and youth represents a significant portion of the more than 12,000 programs that Recreation offers to the public. Elevating wages to the level required to meet Living Wage guidelines would result in large price increases to these programs ranging from 13% to 28%. Consequently the greatest impact of Living Wage is on programs and populations who are most critical to Recreation's mandate.

A critical impact of the Living Wage policy, therefore, is increased program prices unless ongoing additional funds are allocated to offset increased labour costs. If prices are increased as projected, Recreation's current competitive advantage will be reduced or eliminated. Significant previous price increases have shown to be elastic with respect to participation, so it can be reasonably be assumed that participation will decrease. Concurrently, competitors and partners will benefit if customers migrate to these facilities.

4.26 Implementation

It is proposed that the Living Wage be implemented by providing a wage premium to workers with wages below the Living Wage rate. This is similar to the approach adopted

by The City with respect to Pay Equity. It is anticipated that such premiums would be phased out over time as wages gradually moved above the Living Wage threshold. The Living Wage would be updated annually based on changes in the Low Income Cut-offs. A budget strategy would be required to plan for the gradual increase of affected wage rates to move them above the Living Wage over time. Implementation of this policy would require the annual provision of the updated Living Wage rate to Labour Relations.

4.27 Advantages

The principle advantage of this policy is that it raises the wages of workers employed by The City of Calgary who are currently earning less than the proposed Living Wage rate. This will provide an immediate benefit to 504 workers, 45% of whom are estimated to be living in low-income households. This will have some poverty alleviation effect in Calgary which may have further economic benefits in reduced use of health and social services. The policy is also expected to provide real impacts to the quality of life of affected workers including increased ability to save for education and reduced personal and financial stress. Research has also demonstrated that increased wages result in higher productivity through reduced turnover, absenteeism and greater work effort. This policy also benefits from administrative simplicity as it applies broadly to all City of Calgary employees, regardless of employee class. Implementation of this policy would also enjoy greater support from community groups that have been advocating for a Living Wage policy, and would position The City of Calgary as a leader in Calgary.

Operationally, this policy may allow for better budget planning by providing a mechanism for planned wage increases that are adjusted annually. Such an approach effectively builds wage increases into budgets that rise incrementally rather than allowing wages to stagnate requiring significant one-time adjustments later. This can provide greater budget certainty for Business Units and Council.

4.28 Disadvantages

The primary disadvantage to this policy is the impact to the Recreation Business Unit. Adjusting wages to the Living Wage rate may result in an estimated increased Human Resource cost of up to \$420k. This cost will need to be recovered either through increased user fees, increased mill-rate support, or a combination of both. If mill-rate support is not forthcoming, increased user fees may restrict access to Recreation programs by lower-income users. This will have a social impact by limiting access to those most in need of Recreation's programs and services, as well as negatively impacting participation rates for Recreation programs which will have a financial impact of its own. A further disadvantage of this policy is the fact that it will require the Code 86 compensation structure to be revised which will incur administrative costs. A complete review and revision of the Code 86 compensation structure has just been completed, and implementation of the Living Wage policy would require this work to be redone. However, if the proposed implementation process is adopted, wage increases and the associated budget impact would be significantly reduced, and the need to revise the Code 81/86 compensation structure would be avoided.

4.3 - Option 3: City of Calgary – Employees and Service Contractors

4.11 Description

The scope of this policy will include all City of Calgary employees, including regular, on-call, temporary and casual workers employed in union, non-union or Management Exempt positions. The policy will also cover employees working on service contracts for The City of Calgary. The policy will require The City to pay its employees an hourly wage sufficient for the employee to earn an income equal to the Low-income Cutoff amount for a single individual based on full-time hours. Full-time hours are determined to be 35 hours per week. The Calgary Police Service and all Civic Partners are excluded from the proposed policy. Under this policy, contractors providing services to The City of Calgary will be required to pay all workers working on the City contract (including sub-contracted labour) the Living Wage rate.

4.32 Coverage

This policy will provide coverage to 15,100 City of Calgary employees as well as an estimated 1,400 local service contract workers for a total policy coverage of 16,500 workers.

4.13 Economic Impacts

As of October 2008, The City of Calgary held approximately 3,500 service contracts with 1,250 contractors. The total value of these service contracts was \$865m. Contracts ranged in value from as little as \$75 to a high of \$152m, with a median value of \$42k. Approximately 20% of contracts were under \$10,000, while just over half (53%) were under \$50,000. with a median contract value of \$20,000.

Of the total number of contractors with City of Calgary contracts, the vast majority (94%) were located in Canada and thus within the policy scope. Approximately two-thirds of contractors were located in Calgary and the surrounding region. Of contracts in scope, the largest share was for Professional, Scientific and Technical Services (42%) followed by Wholesale and Retail Trade (22%), and Construction (15%). In terms of the value of contracts, Construction contracts accounted for the largest share of expenditures (82%), followed by Professional, Scientific and Technical Services (25%), and Wholesale and Retail Trade (7%).

In Calgary, service contractors with City of Calgary contracts collectively employed a workforce of 37,000. Of this total, it is estimated that 1,400 workers were working directly on City of Calgary contracts. Based on provincial wage distributions by industry, it is estimated that of the 1,400 service contract workers, 170 are earning less than the recommended living wage (\$12.00 / hr). Of the total number of contract employees earning less than the living wage, it is estimated that 60 would be earning \$3.00 less than the living wage, while 110 would be earning \$1.00 less than the living wage. Assuming that these workers are working full-time at an average of 35 hours per week, the total

value of the wage increase accruing to the total low-wage workforce would be approximately \$420k annually, roughly \$600 per firm.

Wage increases provide additional economic benefits as wages are spent in the local economy, generating increased economic activity. As low-income households tend to spend a greater percentage of their earnings locally, the spinoff effect tends to be greater than that accruing to increases to higher income earners. Research on the effects of such increases in the United States has concluded that an appropriate economic multiplier for similar increases is 1.43. This means that every dollar invested generates \$1.43 in increased local economic activity. If this multiplier is applied to the value of the wage increase proposed, this would result in an estimated \$600k in increased economic activity.

There is concern that wage increases resulting from a Living Wage policy may impact other firms in their respective sectors as non-covered firms raise wages to compete with covered firms. In order for this impact to occur, firms covered by The City's Living Wage policy would need to account for a significant share of the total employment in the sector. Given the relatively small number of workers actually working on City contracts and therefore eligible for potential wage increases, it is highly unlikely that any resulting increases would have an appreciable effect on wages in the overall labour force in any particular sector.

4.14 Social Impacts

According to Statistics Canada, there were 62,800 workers in Calgary in 2008 who were earning less than the recommended living wage of \$12.00 / hr. While not all low-wage workers are low-income, there is a relationship between low-wage work and low-income. The 2006 federal census reported that there were 68,470 workers in Calgary in 2006 living in low-income households, accounting for approximately 11% of those who worked during that year, unchanged from 2001. Of those workers, 38% worked full-time. Over half (54%) were living in families of two-persons or more. Low-income workers tend to be among the most vulnerable populations in the city. According to the 2001 census, rates of working poverty were significantly higher for Aboriginal persons (20%), Visible Minority persons (16%) recent immigrants (28%), and persons with disabilities (14%).

Evaluations of the implementation of Living Wage Ordinances in the United States report the following benefits for workers:

- increased job skill and effort leading to improved attitudes toward work.
- Increased time spent with family, vacation time;
- Improved personal finances
- Improved housing situation and health status.

These impacts are consistent with those reported by City of Calgary low-wage workers in the employee survey referenced above.

Community stakeholders consulted for the preparation of the previous report to Council (FCS2008-10) stated that raising wages to a living wage rate may reduce the requirement for many low-income earners to maintain two jobs. This may increase the time available to spend with family and friends, and thereby increase the quality of life. Stakeholders also suggested that this may increase community participation among low-income earners and their households. The payment of a living wage, it was noted, also contributes to greater housing security and reduced vulnerability to homelessness.

4.15 Financial / Budget Impacts

As previously reported (FCS2008-10) a review of studies examining the impact of enacting Living Wage Ordinances in the United States indicates that cost increases have been minimal in those cities that have implemented such policies (Thompson and Chapman, 2002; Elmore, 2003). Contract cost increases tend to be minimal due to the fact that firms continue to be engaged in competitive bidding processes. Increased costs arising from the implementation of a living wage policy are offset in part by productivity gains arising from reduced absenteeism and turnover and increased work effort. A portion of the increased cost also tends to be absorbed through reduced profit margins by suppliers.

In the previous report to Council (FCS2008-10) it was reported that a limited survey of service contractors was conducted, which revealed that the vast majority of contractors (89%) were already paying staff at wage rates above the proposed Living Wage rate. Consequently, it was determined that the implementation of the policy would have minimal impact on contract costs. Supply Management has subsequently completed an analysis of specific contracts in sectors deemed to be at risk. This review has confirmed the findings of the survey that few contractors are paying wages below the proposed threshold, and that the impact on contract costs would therefore be expected to be minimal.

Concern has also been expressed about the potential impact on contract bidding. As reported in the previous report (FCS2008-10), a survey of City of Calgary service suppliers was conducted to understand the potential impact of the policy on City suppliers. According to this survey, the vast majority of suppliers indicated that the policy would have no impact on their decision to bid on City contracts. This finding is in accordance with evaluations from the United States where no supply impacts have been reported.

4.16 Implementation

This policy to the extent that it extends to City suppliers will be implemented through the Sustainable Ethical and Environmental Purchasing Policy (SEEPP). If adopted, the Living Wage requirements would be inserted into the existing Supplier Code of Conduct. Monitoring and enforcement of the policy would occur as part of the normal SEEPP monitoring process. It is proposed that the policy be implemented incrementally, similar to the implementation approach adopted for SEEPP. The policy would initially apply to a limited range of services. An evaluation of the impacts of this policy on the affected services would be undertaken eighteen months after implementation and a report on such

impacts brought to Council for review. Based on the results of the first phase of implementation, the policy would be extended to other service areas.

4.17 Advantages

The key advantage of this policy option is that it captures the original intent of the policy and has very little impact except on those firms paying less than a living wage. As previously reported, however, most contractors already comply. Implementation of this policy, however, would cover the largest number of workers and have the greatest potential poverty reduction effect. Adopting this policy would establish The City as a leader in Canada. The other key advantage of this policy is that it is universal, resulting in a level of policy simplicity. Finally, by establishing a wage floor, the playing field is leveled so that quality contractors are no longer under-bid by competitors who pay lower wages. In this situation, competition for City contracts shifts from price to quality ensuring a higher quality of service for The City and the public.

4.18 Disadvantages

The primary disadvantage of this policy is that, while it has a level of policy simplicity, it is administratively complex, particularly as applied to contractors outside of Calgary. Further, monitoring compliance is difficult. Concern among stakeholders was also raised about the potential impact on smaller contractors who may be less willing to bid on City contracts, as well as the potential to confer a competitive advantage to firms from outside of Calgary where labour costs would be lower. Some stakeholders also expressed concern about the potential dis-employment effects of the policy. Finally, the policy may complicate the bidding process and efforts need to be made to ensure that there is no confusion in the process for bidders.

Attachment 1: Estimated Price Impact of Living Wage Policy on Recreation Programs

Program Name	Current Fee	New Fee	% increase	Market Price
Day Camps				
General 1/2 Day	69.00	82.50	20%	No valid comparison
1 Day (day camp)	31.50	36.05	14%	\$28-\$50
Extreme	169.75	197.75	16%	No valid comparison
Full day General	133.00	166.25	25%	\$150-\$187
Full day Specialty	140.00	175.00	25%	\$180-\$210
Preschool General	72.00	86.25	20%	\$85-\$95
Swim n Fun	120.00	153.00	28%	
Sports				
Preschool Sports (10 hours)	78.00	90.00	15%	\$70-\$106.50
Child Sports (12 hours)	93.60	110.40	18%	\$87-\$150
Sports General Youth/Adult (8 hours)	62.40	74.00	19%	\$72-\$105
Kids Climbing (10 hours)	117.50	132.50	13%	\$110-\$133
Leagues				
Volleyball (21 weeks)	1,460.00	1848.00	27%	No valid comparison
Slo-pitch (16 games)	1,008.00	1394.00	38%	No valid comparison
Birthday Parties				
Amazing Challenge	131.45	145.00	10%	No valid comparison
Climbing Party	158.95	174.00	9%	No valid comparison
Babysitters Safety	42.00	44.00	5%	\$65-\$90
Arts				
Pre-school Art	66.15	66.15	0%	btwn \$8-10/hr no GST
Clay for Two	71.75	71.75	0%	
Arts Ventures	193.00	196.50	2%	\$11/hr no GST
Drawing and Painting	99.23	99.23	0%	\$8.44/hr plus GST
Potters Wheel Basics	180.73	182.45	1%	\$11.76/hour incl GST
Painting with Acrylics - Basics	159.47	160.99	1%	btwn \$10.13 - 11.20/hr incl GST
Clay Discovery	71.55	71.55	0%	
Clay Explorations	107.33	107.33	0%	
Drawing and Painting Adults	210.26	212.25	1%	btwn \$10.13-11.20/hr incl GST

Teen Art Studio	138.92	140.22	1%	\$10.79/hr
Discover Drama	94.50	94.50	0%	btwn \$7-10/hr no GST
Family Clay Projects	97.65	97.65	0%	

Dance

Belly Dance Basics (08038)	103.95	106.88	3%	btwn \$10-15/hr incl GST
Pre-school DancePre-ballet	70.20	72.00	3%	\$18.75/hr
Hip-Hop (Adult)	100.41	106.88	6%	btwn \$13.96-14.69/hr incl GST
Hip-Hop (Youth)	73.71	79.20	7%	same as above
Couples Dance-Latin Nightclub Basics	160.89	171.52	7%	btwn \$14.38-16.25/hr incl GST
Big and Little Steps	66.15	70.20	6%	\$18.75/hr

Pre-school

Pre-school Year round (2.5 hours x 3 days)	1,155.00	1344.00	16%	
Pre-school Seasonal (8 x 45 min)	44.40	54.60	23%	
Pre-school Low Ratio (Pre-school Pizzazz)	56.25	69.00	23%	
Skating Child and Youth (10 x 45 min)	90.00	97.50	8%	
Skating Adult (10 x 45)	99.23	106.47	7%	
Dance Pre-school (9 x 45 min)	52.65	56.03	6%	
Dance Children (9 x 60 min)	70.20	74.70	6%	
Dance Youth (10 x 60 min)	81.90	87.00	6%	

Sailing

Silver 6	405.00	492.89	22%	No market comparison
Young Sailer	255.00	301.32	18%	No market comparison
Adult	190.00	201.13	6%	No market comparison

Certification

First- aid Red Cross Standard	130.56	138.00	6%	130 (U of C)
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Note: Recreation staff are paid within 7 different pay grades in the current market based compensation system. These pay grades were increased as shown to produce new program pricing.

Grade 1 & 2 increased by \$4.00/hr
Grade 3 increased by \$3.00/hr
Grade 4 & 5 increased by \$2.00/hr
Grade 6 increased by \$1.00/hr
Grade 7 no change

ATTACHMENT 2: SUMMARY OF LIVING WAGE POLICY OPTIONS			
	Option 1: City of Calgary Regular Employees (Recommended)	Option 2: City of Calgary – All Employees	Option 3: City of Calgary – All Employees and Suppliers
Scope	City of Calgary regular full and part-time employees in established or limited-term positions.	All City of Calgary employees including on-call and casual workers.	All City of Calgary employees as well as employees of firms holding service contracts with The City of Calgary.
Total Workers Covered	14,000	Regular employees 14,000 On-call casual employees 1,000 Civic Partners unknown <hr/> Total Employees 15,000	Regular employees 14,000 On-call casual employees 1,000 Contractors 1,400 Civic Partners unknown <hr/> Total Employees 16,400
Low-wage Workers Covered	0	City of Calgary 500 Civic Partners unknown	City of Calgary 500 Contractors 170 Civic Partners unknown <hr/> Total Employees 670
Advantages	<ul style="list-style-type: none"> Affirms in policy what is the current practice of The City of Calgary. Establishes a wage floor that The City is committed to not falling below in the future. Sets Calgary as a leader in Canada. 	<ul style="list-style-type: none"> Provides immediate financial benefit to City of Calgary low-wage employees. 	<ul style="list-style-type: none"> More effectively targets the intended primary beneficiaries of the policy. Provides immediate financial benefit to low-wage workers.
Disadvantages	<ul style="list-style-type: none"> Does not provide immediate financial benefit to current low-wage workers in Calgary. 	<ul style="list-style-type: none"> Does not raise income sufficiently to move any low-wage workers out of poverty. Puts pressure on civic partners and community recreation providers who may have difficulty competing with The City for workers. May result in increased user fees for Recreation if additional mill-rate support is not provided. 	<ul style="list-style-type: none"> May impose a burden on smaller employers with less financial capacity. Possibility of increased contract costs or reduced bids.
Budget Impact	\$0	180k Initial Wage Increase 230k Supplement Increase <u>400k – 600k</u> Potential Grant Requests 810k – 1.0m Potential Total Cost	180k Initial Wage Increase 230k Supplement Increase <u>400k – 600k</u> Potential Grant Requests 810k – 1.0m Potential Total Cost excl any potential impact re suppliers