

WAGED POOR

People who have paid work but are still below the poverty line are often described as the waged poor.

Of the 43,000 of people living below the Low Income Cut Off (LICO) in BC's Capital Region in 2000, 18,000 had worked at some point in the previous year.

- 4,040 had worked full time all year.
- 2,195 had worked part time all year.¹

Women make up 58% of people living in poverty overall in the region, but only 54% of working people living in poverty. What does this say about gender equity in pay in the workforce?

In BC's Capital Region the before-tax Low Income Cut Off (LICO) for a single parent with two children is \$26,396.²

- A single parent would have to earn \$12.70/hour to make \$26,396 / year.
- Minimum wage in B.C. is \$8/hour.
- At a minimum wage job, a single parent would have to work 63 hours a week to be above LICO.

Characteristics of the waged poor Canadian

- More likely to work more than one job during the year.
- Twice as likely to work in the sales and services industry as the waged non-poor.
- Unattached waged poor individuals were three times more likely to be young.
- Heads of waged poor families were almost three times as likely to be new Canadians or Aboriginals living off reserve.³

Across Canada less than one-half of Canadian workers who had a low-paying job in 1996 had managed to move up the income ladder by 2001.⁴

Hidden Costs of Work

In addition to low wages and the challenge of finding full time work, waged poor also face hidden costs of work.

\$60	Transportation (bus pass)
\$15	Appearance (hair cut)
\$50	Clothing
\$80	Safety Equipment (work boots)
\$395	Childcare after subsidy (costs/month for two yr. old)

\$595 TOTAL COSTS OF WORK⁵

In the first month of a minimum wage full time job, a single parent would take home \$1,619. The costs of work in the first month could be as much as 37% of their take home income. There are many other potential initial costs, such as dental care, which can be substantial barriers to work.

A local success story

With roughly 60% of their labour force in entry-level positions, new workers at Scott Plastics Ltd. charge the purchase of work boots to the company account at Mark's Work Warehouse and the amount is deducted over their next two pay periods. All other safety equipment and two Scotty t-shirts are provided free to new employees.

Sources:

- 1 Statistics Canada, 2001 Census, custom tabulation
- 2 National Council of Welfare, Poverty Lines 2003
- 3 Fortin, Myriam & Fleury, Dominique. A profile of the working poor in Canada, DRAFT, June 2004
- 4 Statistics Canada study, *Low paid employment and 'moving up'*.
- 5 Costs of Work based on conservative local estimates of costs. The cost of childcare is based on an estimate from the National Council of Welfare *Income for Living?* 2004



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Bringing people together
 to create solutions in the areas of homes,
 paid work and community connections
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