

SUBMISSION TO THE MINIMUM WAGE REVIEW COMMITTEE

MARCH 2022

ABOUT END HOMELESSNESS ST. JOHN'S

End Homelessness St. John's exists to prevent and end homelessness in St. John's. Working collaboratively with community and public systems stakeholders, EHSJ leads the coordination and integration of system-wide planning to ensure St. John's can become the next community in Canada to end homelessness.

At End Homelessness St. John's, we recognize that homelessness itself is not the issue – it is the culmination of social system breakdowns. These systemic breakdowns – whether related to health, the economy, intergenerational poverty, colonialism, exploitation, gender-based violence, trauma, and more – serve as pathways into homelessness. We also recognize that the answer to homelessness isn't building more shelters; it's creating housing stability – making sure everyone has the resources, skills, and confidence to maintain one's housing.

Equitable and fair access to the labour market that pays a living wage is critical to the barriers to safe and affordable housing faced by thousands of residents across Newfoundland and Labrador. It also ensures all stakeholders, including the business community, are part of the solution towards reducing poverty in our province.

CONTEXT

During any given night in St. John's, there may be 135 to 150 of our neighbours experiencing homelessness. In 2020, more than 850 individuals relied on an emergency shelter across Newfoundland and Labrador. More alarming is that we don't know how many families – more specifically women with children who are experiencing or at risk of homelessness, are resorting to couch surfing or staying in unsafe living conditions to keep their families together.

According to the Canada Mortgage Housing Corporation's Rental Market Survey (2022), the supply of private rental units in St. John's went from 7.5% in October 2020 to 3.1% in October 2021. The added costs to the dwindling supply of the rental market saw rental rates increase by over 5%.

According to the Canadian Centre for Policy Alternatives (2019), someone working 35 hours per week in St. John's would need to earn \$18.85 per hour to meet their basic necessities. If individuals and families are going to meet their basic needs, working towards a living wage – not just simply indexing the minimum wage to inflation, is the clearest way to ensure financial sustainability.

The Government of Newfoundland and Labrador recently acknowledged the challenges facing more than 162,000 residents – or one-third of the population by providing one-time income supplements to help low-income Newfoundlanders and Labradorians with the high cost of living. The recognition that low-income residents in our provinces are suffering is essential. One-time income supplements, however, simply put, are not enough to reduce the pressures faced by thousands of families struggling to make ends meet.

Raising the minimum wage towards that of a living wage will ensure tens of thousands of low-wage earners across the province, many of whom have to rely on emergency or charitable services such as food banks, income supports, or social housing, have the means to support their families. The cost of relying on emergency services and supports is far greater and is a cost all of us – including the business community incurs.

RECOMMENDATIONS

For many low-income residents, there is a patchwork of supports – rental and heating subsidies, tax credits and benefits, and others that are available to help cope with the high cost of living. Increasing the minimum wage may reduce the reliance on such supports and requires a whole of government approach to implement several recommendations that will have a cascading impact for low-income earners and those most in need across our province.

End Homelessness St. John's offers to the Minimum Wage Review Committee and the Government of Newfoundland and Labrador the following five recommendations:

1. Index minimum wage towards that of a living wage with annual adjustments
2. Annual increases to the Income Support program
3. Implementation of paid sick leave for all employees
4. Further investments into affordable and deeply affordable housing
5. Apply a gender-based analysis to all provincial public policies

Several provinces have dramatically increased their minimum wage over the past decade and did not suffer any adverse effects on their labour markets. That is because raising the minimum wage is not a zero-sum game. Low-income wage earners spend every added dollar they have in their community, leading to increases in consumption, contributing towards labour market attachment, and stimulating local economic development.

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