

# Low-Wage Workers and Vulnerable Families

**Global Strategies: Improving the Labour  
Conditions of the Working Poor**

**McGill Institute for Health and Social Policy**

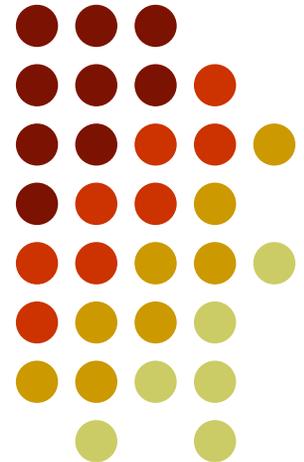
**May 1, 2008**

*Donna S. Lero, Ph.D.*

*Jarislowsky Chair in Families and Work*

*Centre for Families, Work and Well-Being*

*University of Guelph*



# The Current Context



- Despite strong economic growth and increasing human capital, poverty rates remain high; there is increasing income inequality.
- In international comparisons, Canada does not fare well in terms of the proportion of low-wage workers \*
- Low wages and more precarious work are sources of concern – especially among the young
- There is strong public concern about poverty and income inequality and calls for comprehensive poverty reduction strategies
- Recent economic events – a recession; loss of manufacturing jobs, high food and fuel costs

# Agenda



- Caveats about the statistics on low paid workers
  - *What criterion to use?*
  - *Who is in, who is out?*
  - *Who / what remains invisible?*
- So... how many low wage workers are there... and is this a problem?
- Characteristics of low wage workers
- Conditions of low wage work, access to benefits and social protection
- Low wage workers and low-income
- Policy options

# Concerns, Caveats



- Where to set the bar.....Arbitrary decisions affect our perspective
- Include... or exclude .....

  - Part-time workers?
  - < 25 years?
  - Full-time students?
  - Self-employed?
  - Precariously employed?
  - Those not covered under most employment standards

Minimum wage or less?
\$ 10.00 / hr
Below after-tax LICO
< 2/3 of median wage

# The Incidence of Low Paid Work



- **547,000** people (4% of the paid workforce) worked for minimum wage or less in 2003 <sup>1</sup>
- In 2001, **653,000** L-I workers (not FT students, min 910 hours, income < after tax LICO)<sup>2</sup>
- **16% of workers age 25-64** were paid < \$10 per hr in 2004 <sup>3</sup>
- **Almost 1 in 4 of all workers, 1 in 6 adult workers** earn less than a poverty-line wage (2005, < \$11/hr)<sup>4</sup>

1. Sussman & Tabi, 2004
2. Fleury & Fortin, 2004
3. Morissette & Picot, 2005
4. Jackson, 2006

“Overall the proportion of low paid jobs has been stable over the last 2 decades..... and average hourly wages in low-paid jobs grew little from 1981-2004”

# Who Are Low-Wage Workers?



- **Young people** – students, young people in entry-level positions
- Disproportionately **women** – why?
- Individuals with less education (less than high school, or only a high school education)\*
- Recent immigrants, particularly visible minorities\*
- Individuals with health problems, work limitations
- Less consistent work experience, job skills
- Some 55 and older

# Low Wage Workers and Low-Income Families



- 24 - 30% of low wage workers live in low-income families
- Low income workers most likely to be poor if
  - Main earner in the family
  - Single mothers
  - Live alone
- Increasing risk of being low income if a recent immigrant\*
- Increasing risk if less educated

**Is Low Wage Work Temporary?**

# Low Wage Work, Working Conditions



- More part-time, temporary, contracted out
- May have shorter job tenure, unstable work patterns
- Unpredictable hours, Nonstandard work hours \*
- More often
  - in private sector,
  - in small businesses
  - non-unionized
- More often in low-wage sectors of the economy, occupations that are underpaid

# Disadvantaged at Work

1



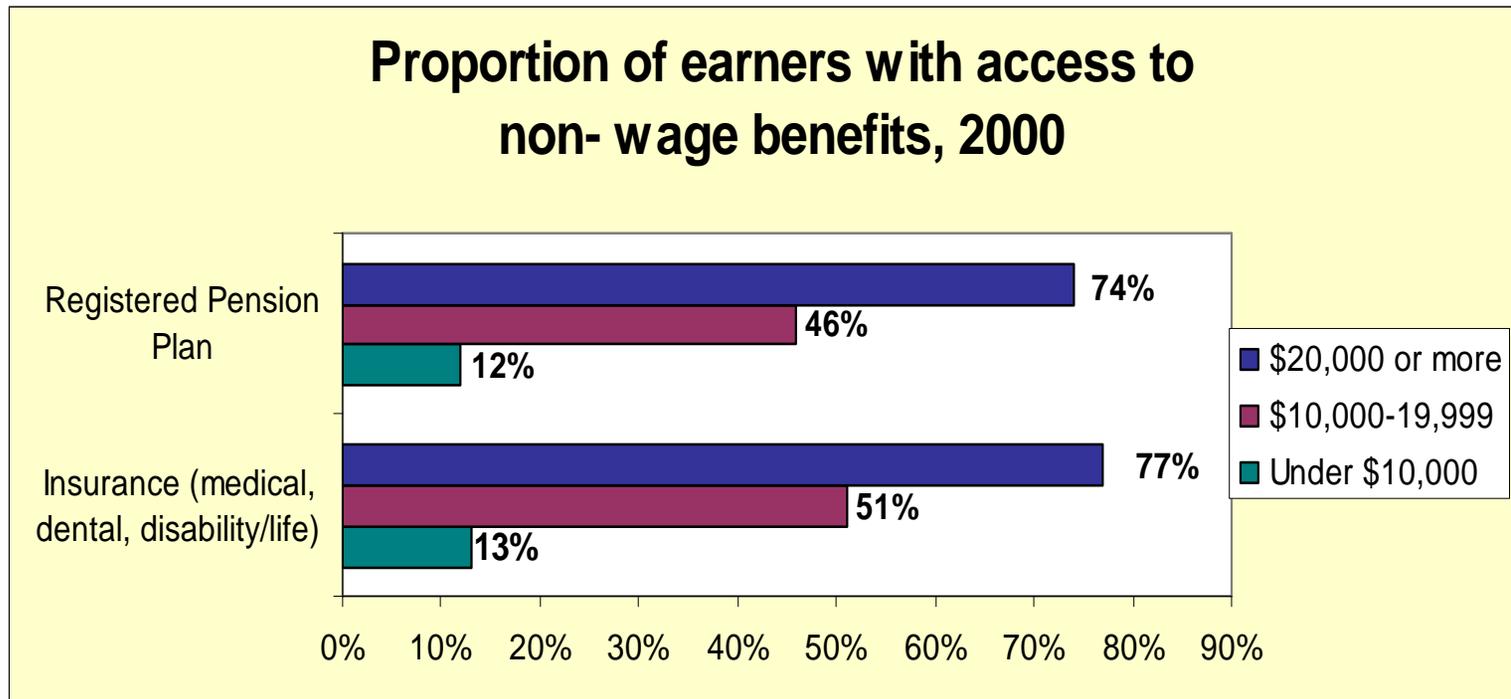
- May not qualify for public protections for workers
  - EI in the event of job loss
  - Job-protected maternity or parental leave
  - Compassionate care leave
  - Insurance in the event of disability, illness, injury \*
  - Family responsibility leave
- May not be eligible for, or entitled to *paid* leave benefits, paid sick leave, vacation \*
- Unpaid leave is problematic and costly

# Disadvantaged at Work

2



- Less likely to have access to non-wage benefits



**Source: Marshall, 2003**

# Job Quality and Supports for Work-Family Integration



- Control over work hours, work schedule
- Flexibility in scheduling
- Opportunities for training, skill development
- Health and safety concerns, physically demanding work
- Child Care – costs, access, quality
- Work-related expenses, transportation, logistical issues

# Public Policies, Employment Improvements



- Complimentary approaches
- Issues do not relate solely to wages, benefits, pensions and job security
- The role of unions
- Lack of institutional mechanisms; private concerns



# Conclusions

- Comprehensive poverty reduction strategies must be multidimensional, sensitive to subpopulations among the working poor
- Improvements in income, benefits, working conditions a legitimate concern re: job performance and retention, but also health, parenting, inclusion
- Improvements at work should be accompanied by a focus on development of human capital (education and skills training), recognition of credentials, equality
- Other public policy issues must be addressed – housing, transportation, child care, affordable and accessible PSE and adult training

# For More Information and References:



Donna S. Lero

Jarislowsky Chair in Families and Work  
Centre for Families, Work and Well-Being  
University of Guelph

*[dlero@uoguelph.ca](mailto:dlero@uoguelph.ca)*

*[www.worklifecanada.ca](http://www.worklifecanada.ca)*



Centre for  
Families, Work  
& Well-Being