

Working poor – prevalence of temp jobs linked to poverty increase

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Cambridge Times | 5 hours ago

CAMBRIDGE - Living on the edge of poverty remains a full-time job for one-in-10 people in Ontario who can't earn enough – even working full-time hours – to build a good life.

Once identified on the radar by social activists as a disturbing trend to watch for, this segment of society is now a rapidly emerging fixture in the labour market.

Dubbed the working poor, this 10 per cent works full-time hours or juggles several part-time jobs and sacrifices quality of life and time with family, all to live paycheque-to-paycheque.

“Working is no longer a guarantee to a decent living or moving out of poverty,” maintains Linda Terry, executive director of the Social Planning Council of Cambridge and North Dumfries.

Those who live out this perilous scenario work minimum-wage jobs, or are caught in temporary or permanent part-time jobs that often barely keep a family from the brink of bankruptcy.

The local social planning council identified the plight of the working poor as the focus of its 10th annual poverty symposium, held at the end of May. It's hoped local conversations will spur change, as the group plans to engage the community's support during a forum on July 23 at Calvary Pentecostal Assembly.

Deena Ladd, head of the Toronto-based Worker's Action Centre and one of the driving forces fighting to improve life for the working poor, told an audience at the conference it's possible to set a new course for fairness.

Step one is to understand the root causes that contribute to the paradox that envelopes the employed poor.

A fiery advocate for fair wages and equal treatment for all workers, Ladd is at least encouraged Ontario is now conducting a provincewide workplace review, that will, for the first time, consider changes to both the Ontario Labour Relations Act and the Employment Standards Act together.

This tandem effort will help align the rights and responsibilities of employers and employees, she hopes, and allow companies to prosper, but not at the expense of workers.

“It's an important conversation,” she asserted. “If you're going to deal with poverty, you have to look at what's happening with people's jobs. The two are absolutely linked.”

Much to the ire of some employers, Ladd's prime targets are the temp-agency industry and employers who use labour law exemptions to save on wages, sick days and health benefits.

Since the 2008 recession, part-time and temporary jobs have far out-paced full-time employment growth, yet pay lower wages and don't offer benefits or paid sick time.

The Workers' Action Centre has found 33 per cent of workers are now earning low wages, compared to 22 per cent a decade earlier.

This is the breeding ground for a low-wage economy, charges Ladd, one which further exacerbates levels of poverty.

“There's a massive increase in precarious work,” said Ladd. “People cannot make ends meet ... they're working in part-time work, they're working through temp agencies.”

Current government legislation and enforcement leave the door wide open for employers to hold all the cards, she maintains, sometimes paying employees hired part-time or via temp agencies lower wages than full-time employees.

“The statistics are staggering,” contends Ladd. “If you're working through an agency, it means you're probably getting 40 per cent lower than your permanent counterpart. It means no health and dental benefits. It means instability of hours.”

Thanks to low wages earned, those who work full-time hours still have no guarantee out of poverty.



Deena Ladd

“Even if you are lucky enough to be one of those people to get a full-time job, and you’re making 11 bucks an hour, you’re still going to be 17 per cent below the poverty line.”

The rapid expansion of the temp-agency industry is capitalizing on employers’ desire to keep wages low, argues Ladd, who has little sympathy for employers who utilize temp workers.

“If anyone’s a bit worried about the temp industry, it’s doing very well,” she said. “Its revenues have gone from \$8.3 billion in 2009 to \$11.5 billion in 2012.”

It’s not just temp-agencies that are on Ladd’s hit list, however.

She extends blame to the exploding growth of the service industry – jobs in retail, cleaning, health care and food services – for driving up the numbers of the working poor.

For example, she said retail workers can often be expected to be on-call and available five days a week, yet have no real guarantee of hours. That expectation to be able to work at a moment’s notice makes it difficult to get a second job to make up for minimum-wage pay, the advocate explained.

“Workers say they don’t own their time and can’t get another job,” she added.

Employees in this sector don’t get paid sick time or health benefits, emphasized Ladd, so they come to work sick or they lose income.

This harsh picture painted by Ladd and other advocate groups provides an unfair characterization of employers and temp-agencies, argues Mary McIninch, executive director at the Association of Canadian Search, Employment and Staffing Services.

McIninch doesn’t deny there are incidents in which employees haven’t been treated fairly by employers, but insists those are the exceptions.

“I respect the opinion of the Workers’ Action Centre and others, but there’s a tendency to focus on that one per cent of those practices,” she told the Times. “And it’s a shame because there’s so many tremendous benefits that this industry has to offer.”

ACSESS, which represents 80 per cent of overall temp-agency, permanent placement and executive search revenues from throughout Canada, is battling negative press, said McIninch, which she argues is largely undeserved.

Companies represented by the organization must abide by all labour laws, as well as a code of ethics set by the association, assured McIninch.

That ultimately means protection for employees, she insists.

“Every employee that works via the interim of a staffing firm of our member firms in the province has a direct recourse in the event that there’s any violation to basic rights and obligations as laid out in the Employment Standards Act.”

Consequences are levied to enforce those standards, she said, for issues such as an employee who issues a complaint about non-receipt of statutory holiday or vacation pay.

“We quickly step in and resolve issues when and if required, in the event that their rights are not respected at all times,” said McIninch.

The association has also been working to quash a “myth” that temporary workers earn lower wages than full-time employees, said McIninch. The organization’s employers set wages based on criteria such as experience and qualifications, she explained, which may not be necessarily equal to the employees they replace or work alongside.

McIninch went a step further to take on her industry’s critics, suggesting they are too quick to brush off the benefits offered by companies that use temporary staff.

Employers may welcome flexibility in hours, but so do many employees, she noted.

“There’s tremendous flexibility, they choose temporary employment for that flexibility,” she said.

Temp positions also provide a foot in the door to get young employees and new Canadians job experience and training, she suggested.

The bottom line, argues McIninch, is employers and employees benefit from opportunities to be had in the part-time employment industry.

“Like it or not, this industry continues to grow,” she said. “And I think it’s for a reason.”

For employee advocates, however, the industry’s continued growth pattern will also translate into an increase in poverty rates.

Ladd is encouraged that the “systemic issues that have given rise to precarious work” will be part of the provincial government’s focus during upcoming consultations.

She hopes recommendations, expected to be released next summer, will be the turning point needed to ensure fairness.

“At this particular moment, the government’s at a point where they could really choose to make a huge difference by making substantial changes to our legislation to tackle this problem, because it’s an epidemic,” said Ladd.

“Or they could continue to let things slide. That’s the choice they have before them.”