

BERMUDA INDUSTRIAL UNION

Presentation to the Public Forum

“A LIVING WAGE”

Hosted by the Parliamentary Joint Select Committee

Held on Thursday April 20th 2017

At St. Paul's Centennial Church Hall

This presentation was prepared by

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BIU LIVING WAGE PRESENTATION TO THE PUBLIC FORUM
HOSTED BY THE PARLIAMENTARY JOINT SELECT COMMITTEE
HELD THURSDAY APRIL 20TH 2017
AT ST. PAUL'S CENTENNIAL CHURCH HALL

The Bermuda Industrial Union is delighted to make a presentation to this Public Forum hosted by the Parliamentary Joint Select Committee on a Living Wage for Bermuda. The average Bermudian today is not able to afford a reasonable quality of life based on their earned income that has been declining for several years, that has impacted their disposal income and their purchasing power. The inequality in wage earnings appears to be a problem in most developing Countries, because several of them are also having a conversation about a Living Wage.

SO WHAT IS A LIVING WAGE?

A Living Wage is considered a Human Right by the International Community of Nations.

A Living Wage should be sufficient to support a basic standard of living that is considered decent for a specific time and place. Several descriptions for developing countries mentioned basic needs. The acceptable basic standard, however, increases with economic development.

A Living standard supported by a Living Wage should provide for more than just the necessities of life (food, shelter and clothing). Some descriptions, for example, refer to health care, education, transportation and recreation; other refers to the need for savings or some discretionary income.

A Living Wage is a family concept. A worker should be able to support a family on a Living Wage.

Research has showed that there are many countries around the world that are exploring ALL aspects of a Living Wage (Livable Wage). Some of the *“Living Wage Campaigns have already delivered tangible improvements for thousands of low –paid workers. Yet the organizations that have made the voluntary decision to implement a living wage remain few in number and are confined to a relatively narrow range sectors. Recent reductions in tax credits mean that wage growth will be more crucial than ever in maintaining the living standards of low-to-middle income households. In this context it is right that, where possible, employers pay their low-paid staff a living wage”.* (taken from a report produced by Institute for Public Policy Research IPPR)

Popes agree that a Living Wage should be sufficient for a single earner in the family to be able to support his family. Pope John Paul 11 says “ *a family wage – that is a single salary given to head of the family for his work, sufficient for needs of the family without the other spouse having to take up gainful employment outside the home*”. The Catholic Church supports what it considers appropriate gender roles, where husbands go out to work to earn income and wives stay home to take care of the home and children.

“A living wage is not transfer of wealth from the rich to the poor, it’s an investment every community needs to empower dignity and the poor will benefit — it will raise their opportunity and raise their potential.” **(Lord Hastings RG article May 20, 2016)**

“We have to change the paradigm. We also have to change the view that the money isn’t available. The one per cent now control more wealth than the 99 per cent put together.” **(Lord Hastings RG article May 20, 2016)**

Franklin Roosevelt the 37th President of the United States of America (USA) said “*No business which depends for existence on paying less than living wages to its workers has any right to continue in this country. By Living wages I mean more than a bare subsistence level – I mean the wages of decent living*”.

It should be very obvious that the quality of life in Bermuda for the middle class and low class has been held at a complete disadvantage when it comes to the wages/salaries that they earned when compared to that of some whites and others. Therefore the disparity in wages between Blacks and White & others needs to be addressed.

Now that we are having the discussion concerning a Living Wage for Bermuda I certainly hope that ALL stakeholders will participate in the process. Therefore I look forward to making sure that Bermuda as a country will address the imbalance in the wage earnings between Blacks, Whites and Others.

The Household Expenditure Survey Reports - 1974, 1982, 1993, 2004 & 2013

	1974		1982		1993		2004		2013	
Food & non-alcoholic beverages	51.54	23.93%	92.06	17.14%	141.83	14.58%	210.61	13.69%	229.33	12.69%
Alcoholic drink & tobacco	5.77	2.68%	12.95	2.41%	21.48	2.21%	29.19	1.90%	39.37	2.18%
Clothing & footwear	13.24	6.15%	31.29	5.83%	47.40	4.87%	56.13	3.65%	49.98	2.77%
Housing	44.35	20.59%	121.39	22.61%	269.23	27.67%	511.86	33.28%	519.57	28.75%
Fuel & power	9.64	4.48%	23.34	4.35%	32.54	3.34%	45.16	2.94%	75.21	4.16%
Household goods & services	28.11	13.05%	81.4	15.16%	161.94	16.64%	212.84	13.84%	195.40	10.81%
Transportation	16.54	7.68%	50.24	9.36%	71.27	7.32%	123.75	8.05%	116.82	6.46%
Education	5.40	2.51%	16.56	3.08%	37.46	3.85%	64.14	4.17%	85.63	4.74%
Foreign travel	12.72	5.91%	37.25	6.94%	58.11	5.97%	83.58	5.43%	97.82	5.41%
Medical, health & personal care	12.92	6.00%	33.94	6.32%	73.59	7.56%	133.06	8.65%	197.87	10.95%
Entertainment & recreation & Misc.	15.12	7.02%	36.56	6.81%	58.25	5.99%	67.61	4.40%	200.05	11.07%
Total Consumption	215.35	100.00%	536.98	100.00%	973.10	100.00%	1,537.93	100.00%	1,807.05	100.00%
Increase in Consumption Cost			321.63		436.12		564.83		269.12	
Average increase per week for each period			35.74		39.65		51.35		29.90	

Summary of Household expenditure and the overall % increase from 1974 to 2013

	1974		2013		% Increase
Food & non-alcoholic Bev.	\$ 51.54	23.93%	\$ 229.33	12.69%	345%
Alcoholic drink & tobacco	\$ 5.77	2.68%	\$ 39.37	2.18%	580%
Clothing & footwear	\$ 13.24	6.15%	\$ 49.98	2.77%	275%
Housing	\$ 44.35	20.59%	\$ 519.57	28.75%	1070%
Fuel & power	\$ 9.64	4.48%	\$ 75.21	4.16%	675%
Household goods & services	\$ 28.11	13.05%	\$ 195.40	10.81%	595%
Transportation	\$ 16.54	7.68%	\$ 116.82	6.46%	605%
Education	\$ 5.40	2.51%	\$ 85.63	4.74%	1485%
Foreign travel	\$ 12.72	5.91%	\$ 97.82	5.41%	670%
Medical, health & personal care	\$ 12.92	6.00%	\$ 197.87	10.95%	1430%
Entertainment & recreation & Misc.	\$ 15.12	7.02%	\$ 200.05	11.07%	1225%
Total Consumption	\$ 215.35	100.00%	\$ 1,807.05	100.00%	
			\$ 1,591.70		740%

THERE ARE 4 HOUSEHOLD EXPENDITURE ITEMS THAT HAVE INCREASED BY MORE THAN 1000% BETWEEN 1974 TO 2013

1. Housing in 1974 was \$44.35 and in 2013 it was \$519.57 an increase of \$475.22 or **1,070%**
2. Education in 1974 was \$5.40 and in 2013 it was \$85.63 an increase of \$80.23 or **1,485%**
3. Medical, Health & Personal Care in 1974 was \$12.92 and in 2013 it was \$197.87 an increase of \$184.95 or **1,430%**
4. Entertainment & Recreational & Misc. in 1974 was \$15.12 and in 2013 it was \$200.05 an increase of \$184.95 or **1,225%**

The Household Expenditure Survey Reports - 1974, 1982, 1993, 2004 & 2013

	YEAR				
Public Works (W & E) Division	1974	1982	1993	2004	2013
Total Consumption	\$ 215.35	\$ 536.98	\$ 973.10	\$ 1,537.93	\$ 1,807.05
Increase in consumption over the years		\$ 321.63	\$ 436.12	\$ 564.83	\$ 269.12
Employee 1	\$ 226.00	\$ 298.00	\$ 700.00	\$ 1,015.00	\$ 1,275.00
Increase in wages		\$ 72.00	\$ 402.00	\$ 315.00	\$ 260.00
Difference in consumption increases		\$ (249.63)	\$ (34.12)	\$ (249.83)	\$ (9.12)
Difference in Disposal income per week	\$ 10.65	\$ (238.98)	\$ (273.10)	\$ (522.93)	\$ (532.05)
Difference in Disposal income per month	\$ 46.15	\$ (1,035.58)	\$ (1,183.43)	\$ (2,266.03)	\$ (2,305.55)
Employee 2	\$ 190.00	\$ 254.00	\$ 658.00	\$ 923.00	\$ 1,165.00
Increase in wages		\$ 64.00	\$ 404.00	\$ 265.00	\$ 242.00
Difference in consumption increases		\$ (257.63)	\$ (32.12)	\$ (299.83)	\$ (27.12)
Difference in Disposal income per week	\$ (25.35)	\$ (282.98)	\$ (315.10)	\$ (614.93)	\$ (642.05)
Difference in Disposal income per month	\$ (109.85)	\$ (1,226.25)	\$ (1,365.43)	\$ (2,664.70)	\$ (2,782.22)
Employee 3	\$ 180.00	\$ 222.00	\$ 620.00	\$ 880.00	\$ 1,115.00
Increase in wages		\$ 42.00	\$ 398.00	\$ 260.00	\$ 235.00
Difference in consumption increases		\$ (279.63)	\$ (38.12)	\$ (304.83)	\$ (34.12)
Difference in Disposal income per week	\$ (35.35)	\$ (314.98)	\$ (353.10)	\$ (657.93)	\$ (692.05)
Difference in Disposal income per month	\$ (153.18)	\$ (1,364.91)	\$ (1,530.10)	\$ (2,851.03)	\$ (2,998.88)

HOUSEHOLD EXPENDITURE INCREASES FROM 1974 TO 2013

	Employee 1 [Public Works Division]	1974	2013	\$ Increase	% Increase	Employee Increase	Difference
1	Food & non-alcoholic Bev.	\$ 51.54	\$ 229.33	\$ 177.79	345%	464%	119%
2	Alcoholic drink & tobacco	\$ 5.77	\$ 39.37	\$ 33.60	580%	464%	-116%
3	Clothing & footwear	\$ 13.24	\$ 49.98	\$ 36.74	275%	464%	189%
4	Housing	\$ 44.35	\$ 519.57	\$ 475.22	1070%	464%	-606%
5	Fuel & power	\$ 9.64	\$ 75.21	\$ 65.57	675%	464%	-211%
6	Household goods & services	\$ 28.11	\$ 195.40	\$ 167.29	595%	464%	-131%
7	Transportation	\$ 16.54	\$ 116.82	\$ 100.28	605%	464%	-141%
8	Education	\$ 5.40	\$ 85.63	\$ 80.23	1485%	464%	-1021%
9	Foreign travel	\$ 12.72	\$ 97.82	\$ 85.10	670%	464%	-206%
10	Medical, health & personal care	\$ 12.92	\$ 197.87	\$ 184.95	1430%	464%	-966%
11	Entertainment & recreation & Misc.	\$ 15.12	\$ 200.05	\$ 184.93	1230%	464%	-766%
Total Consumption Increases		\$ 215.35	\$ 1,807.05	\$ 1,591.70	740%		
Employee Wage Increases		\$ 226.00	\$ 1,275.00	\$ 1,049.00	464%		
Difference		\$ 10.65	\$ (532.05)	\$ (542.70)	-276%		

	1974		1982		1993		2004		2013	
PUBLIC WORKS/ W&E EMPLOYEE 1	\$ 226.00		\$ 298.00		\$ 700.00		\$ 1,015.00		\$ 1,275.00	
1 Food & non-alcoholic beverages	51.54	23%	92.06	31%	141.83	20%	210.61	21%	229.33	18%
2 Alcoholic drink & tobacco	5.77	3%	12.95	4%	21.48	3%	29.19	3%	39.37	3%
3 Clothing & footwear	13.24	6%	31.29	11%	47.40	7%	56.13	6%	49.98	4%
4 Housing	44.35	20%	121.39	41%	269.23	38%	511.86	50%	519.57	41%
5 Fuel & power	9.64	4%	23.34	8%	32.54	5%	45.16	4%	75.21	6%
6 Household goods & services	28.11	12%	81.4	27%	161.94	23%	212.84	21%	195.40	15%
7 Transportation	16.54	7%	50.24	17%	71.27	10%	123.75	12%	116.82	9%
8 Education	5.40	2%	16.56	6%	37.46	5%	64.14	6%	85.63	7%
9 Foreign travel	12.72	6%	37.25	13%	58.11	8%	83.58	8%	97.82	8%
10 Medical, health & personal care	12.92	6%	33.94	11%	73.59	11%	133.06	13%	197.87	16%
11 Entertainment & recreation & Misc.	15.12	7%	36.56	12%	58.25	8%	67.61	7%	200.05	16%
Total Consumption	\$ 215.35	95%	\$ 536.98	180%	\$ 973.10	139%	\$ 1,537.93	152%	\$ 1,807.05	142%
Difference in wage, compared to househ/Exp.	\$ 10.65	5%	\$ (238.98)	-80%	\$ (273.10)	-39%	\$ (522.93)	-52%	\$ (532.05)	-42%
Disposal income % after expenditure of (2 persons)	\$ 170.00	105%	\$ 260.00	20%	\$ 640.00	61%	\$ 940.00	48%	\$ 1,100.00	58%

The Household Expenditure Survey Reports - 1974, 1982, 1993, 2004 & 2013

	1974		1982		1993		2004		2013	
Food & non-alcoholic beverages	51.54	23.93%	92.06	17.14%	141.83	14.58%	210.61	13.69%	229.33	12.69%
Alcoholic drink & tobacco	5.77	2.68%	12.95	2.41%	21.48	2.21%	29.19	1.90%	39.37	2.18%
Clothing & footwear	13.24	6.15%	31.29	5.83%	47.40	4.87%	56.13	3.65%	49.98	2.77%
Housing	44.35	20.59%	121.39	22.61%	269.23	27.67%	511.86	33.28%	519.57	28.75%
Fuel & power	9.64	4.48%	23.34	4.35%	32.54	3.34%	45.16	2.94%	75.21	4.16%
Household goods & services	28.11	13.05%	81.4	15.16%	161.94	16.64%	212.84	13.84%	195.40	10.81%
Transportation	16.54	7.68%	50.24	9.36%	71.27	7.32%	123.75	8.05%	116.82	6.46%
Education	5.40	2.51%	16.56	3.08%	37.46	3.85%	64.14	4.17%	85.63	4.74%
Foreign travel	12.72	5.91%	37.25	6.94%	58.11	5.97%	83.58	5.43%	97.82	5.41%
Medical, health & personal care	12.92	6.00%	33.94	6.32%	73.59	7.56%	133.06	8.65%	197.87	10.95%
Entertainment & recreation & Misc.	15.12	7.02%	36.56	6.81%	58.25	5.99%	67.61	4.40%	200.05	11.07%
Total Consumption	215.35	100.00%	536.98	100.00%	973.10	100.00%	1,537.93	100.00%	1,807.05	100.00%
Increase in Consumption Cost			321.63		436.12		564.83		269.12	
Average increase per week for each period			35.74		39.65		51.35		29.90	

Employee 1 [Public Works or W&E]	226.00		298.00		700.00		1015.00		1275.00	
Percentage of Wage that goes towards rent	19.6%		40.7%		38.5%		50.4%		40.8%	21.1%
Employee 2	190.00		254.00		658.00		923.00		1165.00	
Percentage of Wage that goes towards rent	23.3%		47.8%		40.9%		55.5%		44.6%	21.3%
Employee 3	180.00		222.00		620.00		880.00		1115.00	
Percentage of Wage that goes towards rent	24.6%		54.7%		43.4%		58.2%		46.6%	22.0%

A Wage Freeze over the last 5 years has Impacted the Real Value of this Employees Wage

YEAR	2011	2012	2013	2014	2015	2016	Total
CPI Increases		2.44%	1.75%	2.01%	1.45%	1.44%	9.09%

Had the Employee received annual wage increases over this period inline with the rate of inflation [CPI]							
Per Year	\$ 66,300.00	\$ 67,917.72	\$ 69,106.28	\$ 70,495.32	\$ 71,517.50	\$ 72,547.35	\$ 6,247.35
Total increase per year		\$ 1,617.72	\$ 1,188.56	\$ 1,389.04	\$ 1,022.18	\$ 1,029.85	\$ 6,247.35
Per Week	\$ 1,275.00	\$ 1,306.11	\$ 1,328.97	\$ 1,355.68	\$ 1,375.34	\$ 1,395.14	\$ 120.14
Increase per week		\$ 31.11	\$ 22.86	\$ 26.71	\$ 19.66	\$ 19.80	\$ 120.14

The Real Value of the Employees wage has gone down due to the wage freeze							
Per Year	\$ 66,300.00	\$ 64,682.28	\$ 63,550.24	\$ 62,273.12	\$ 61,370.40	\$ 60,486.92	\$ (5,813.08)
Total increase per year		\$ (1,617.72)	\$ (1,132.04)	\$ (1,277.12)	\$ (902.72)	\$ (883.48)	\$ (5,813.08)
Per Week	\$ 1,275.00	\$ 1,243.89	\$ 1,222.12	\$ 1,197.56	\$ 1,180.20	\$ 1,163.21	\$ (111.79)
wage freeze per week		\$ (31.11)	\$ (21.77)	\$ (24.56)	\$ (17.36)	\$ (16.99)	\$ (111.79)

**Table 8 Household Type By Average Weekly Income and Consumption,
and Consumption As A Percentage Of Income, 2013 (Page 19 of the 2013 Report)**

	Average weekly Income	Annual Income	Average weekly Consumption	Annual Consumption	Consumption as a Percentage of Income
Total Disposal Income and %	\$ 2,766.96	\$ 143,881.92 \$ 49,917.92	\$ 1,807.00	\$ 93,964.00	65.3% 34.7%
One Person	\$ 1,578.50	\$ 82,082.00 \$ 25,225.72	\$ 1,093.39	\$ 56,856.28	69.3% 30.7%
One Parent	\$ 2,025.91	\$ 105,347.32 \$ 24,479.52	\$ 1,555.15	\$ 80,867.80	76.8% 23.2%
Two Parents	\$ 4,330.85	\$ 225,204.20 \$ 63,428.04	\$ 3,111.08	\$ 161,776.16	71.8% 28.2%
Adult Couple	\$ 3,518.88	\$ 182,981.76 \$ 84,359.60	\$ 1,896.58	\$ 98,622.16	53.9% 46.1%
Extended Family	\$ 2,727.16	\$ 141,812.32 \$ 52,007.80	\$ 1,727.01	\$ 89,804.52	63.3% 36.7%
Unrelated Persons	\$ 2,501.52	\$ 130,079.04 \$ 14,978.60	\$ 2,213.47	\$ 115,100.44	88.5% 11.5%

Table A.5 Summary of Weekly Income and Total Weekly Expenditure by Race and Sex
(Page 27 of the 2013 Report)

	Average weekly Income	Annual Income	Average weekly Consumption	Annual Consumption	Consumption as a Percentage of Income
Total	\$ 2,766.96	\$ 143,881.92	\$ 1,807.00	\$ 93,964.00	65.3%
Disposal Income and %		\$ 49,917.92			34.7%
Both Sexes Black	\$ 2,120.00	\$ 110,240.00	\$ 1,601.00	\$ 83,252.00	75.5%
		\$ 26,988.00			30.7%
Both Sexes White & Other	\$ 3,596.00	\$ 186,992.00	\$ 2,559.00	\$ 133,068.00	71.2%
		\$ 53,924.00			23.2%

Weekly Household Income 1993

Total Households in sample	746	72	129	276	126	74	69
This information can be found on page 39 of the 1993 Household Expenditure Report		Under	\$ 350	\$ 600	\$ 1,300	\$ 1,800	\$ 2,400
		\$ 350	\$ 599	\$ 1,200	\$ 1,799	\$ 2,399	over
Low		\$ -	\$ 18,200	\$ 31,200	\$ 67,600	\$ 93,600	\$ 124,800
High		\$ 18,200	\$ 31,148	\$ 62,400	\$ 93,548	\$ 124,748	

Weekly Household Income 2004

Total Households in sample	762	74	129	257	152	93	67
This information can be found on page 45 of the 2004 Household Expenditure Report		Under	\$ 550	\$ 1,000	\$ 2,000	\$ 3,000	\$ 4,000
		\$ 550	\$ 999	\$ 1,999	\$ 2,999	\$ 3,999	Over
Low		\$ -	\$ 28,600	\$ 52,000	\$ 104,000	\$ 156,000	\$ 208,000
High		\$ 28,600	\$ 51,948	\$ 103,948	\$ 155,948	\$ 207,948	

Weekly Household Income 2013

Total Households in sample	673	141	130	133	131	138	
This information can be found on page 24 of the 2013 Household Expenditure Report		Under	\$ 1,093	\$ 1,658	\$ 2,378	\$ 3,612	
		\$ 1,092	\$ 1,657	\$ 2,377	\$ 3,611	\$ -	
Low		\$ -	\$ 56,836	\$ 86,216	\$ 123,656	\$ 187,824	
High		\$ 56,784	\$ 86,164	\$ 123,604	\$ 187,772	\$ -	

Average weekly household income All Races, Black, White & Other

This information can be found on page 36 of the 1993 Household Expenditure Report	ALL RACES 1993	BLACK 1993	WHITE & OTHER 1993
Average weekly household income	\$ 1,263.18	\$ 990.81	\$ 1,599.15
Total expenditure	\$ 1,060.58	\$ 838.08	\$ 1,313.73
Difference in income and expenditure	\$ 202.60	\$ 152.73	\$ 285.42

This information can be found on page 43 of the 2004 Household Expenditure Report	ALL RACES 2004	BLACK 2004	WHITE & OTHER 2004
Average weekly household income	\$ 2,042.95	\$ 1,675.71	\$ 2,489.18
increase in household income from 1993	\$ 779.77	\$ 684.90	\$ 890.03
Total expenditure	\$ 1,681.17	\$ 1,325.57	\$ 2,109.02
increase in total expenditure from 1993	\$ 620.59	\$ 487.49	\$ 795.29
Difference in income and expenditure	\$ 361.78	\$ 350.14	\$ 380.16
Difference in income and expenditure from 1993	\$ 159.18	\$ 197.41	\$ 94.74

This information can be found on page 27 of the 2013 Household Expenditure Report	ALL RACES 2013	BLACK 2013	WHITE & OTHER 2013
Average weekly household income	\$ 2,776.96	\$ 2,120.42	\$ 3,596.75
increase in household income from 2004	\$ 734.01	\$ 444.71	\$ 1,107.57
Total expenditure	\$ 2,023.38	\$ 1,601.16	\$ 2,559.75
increase in total expenditure from 2004	\$ 342.21	\$ 275.59	\$ 450.73
Difference in income and expenditure	\$ 753.58	\$ 519.26	\$ 1,037.00
Difference in income and expenditure from 2004	\$ 391.80	\$ 169.12	\$ 656.84