



LIVING WAGE FACT SHEET 1

Studies on effects and impacts of living wage by-laws in other jurisdictions

1. Background on Living Wage By-laws/Ordinances

More than 130 municipal living wage bylaws have been passed in the US since 1994, including in many big cities such as New York, Chicago, Boston, Detroit, Cleveland, Los Angeles, San Francisco, Oakland, San Jose and Miami. In fact, close to one half of the US urban population now live in cities covered by some kind of municipal living wage ordinance. The basic concept of a living wage is that wages should provide a sufficient income to meet basic needs.

These *living* wage initiatives differ in a number of ways from calls to increase the statutory *minimum* wage. The minimum wage is based on *individual* earnings and is the legislated limit below which the hourly wages of an individual cannot fall. It begins by asking the question: in a given community, what wage level is sufficient for working families to pay for basic necessities, support the healthy development of their children, and participate in their communities, without experiencing undue financial stress?

It is also different from municipal “fair wage” ordinances have sometimes been set for specific occupations and trades to stop union wages and those of municipal workers from being under-cut by low wage, low quality contractors. For example, the City of Vancouver has developed the Ethical Purchasing Policy which incorporates a section on wages and benefits. It asks employers to “meet industry standard benchmarks for prevailing wages and benefits where such benchmarks are readily available” and “make every effort to ensure that workers receive wages that meet basic needs by local standards” (City of Vancouver, 2005).

Living wage ordinances usually apply not only to directly-employed staff but also to companies and non-commercial enterprises working on service contracts with the city and city agencies in areas such as security, building services, food services, and some social services such as home care. They usually apply to contracts of more than \$25,000 and exempt very small suppliers. Some apply to the municipal employees only. Others cover employees working on municipal contracts; still other ordinances cover employees of businesses receiving significant public investment. Some Living Wage ordinances pertain to the non-profit sector exclusively where others exempt the not-for-profit sector.

Living wage ordinances also often apply to companies receiving financial support from a city, including not just grants but also tax abatements and write-downs and incentives to real estate developers. Using this tool, living wage ordinances have sometimes been extended to large commercial developments actively supported by a city government.

Some cities have extended ordinances to companies based on city-owned land. San Francisco boosted the wages of many security and other workers by applying its living wage ordinance to all workers at the city-owned airport. Some cities have covered attendants at parking lots on city-owned land.

While they have been passed by many US cities, ordinances generally apply to a small but not insignificant portion of low-wage workers in a city, in the range of 3-5%. However, they also set a local benchmark which other employers can follow. Some universities and hospitals, for example, have resolved to respect municipal wage ordinances.

The Greater London Authority in Britain has also begun to support a major living wage campaign. The Council now calculates an appropriate living wage for London - which has very high housing and transportation costs - and ensures that all of its direct employees are paid above living wage rates. The living wage rates are now also being required in some contracts, and some London employers have also agreed to respect the new London living wage. (For example, this now applies to some hospital cleaning contracts).

2. Research into the Impact of Living Wage Ordinances/Bylaws

General Studies

1. The study finds that the 15 cities effectively implementing business assistance living wage laws—Ann Arbor, Berkeley, Cambridge, Cleveland, Duluth, Hartford, Los Angeles, Minneapolis, Oakland, Philadelphia, Richmond, San Antonio, San Francisco, San Jose, and Santa Fe—had the same levels of employment growth overall as a comparable group of control cities. The study also finds that these laws do not harm low-wage workers.

The study is the most methodologically sound, quantitative study conducted to date on business assistance wage standards. Business assistance laws serve to prevent localities from subsidizing low-wage jobs, but don't represent a drastic reshaping of existing local labor practices and thus do not have a significant effect on employment.

From T. William Lester and Ken Jacob s(2010) Creating Good Jobs in Our Communities How Higher Wage Standards Affect Economic Development and Employment, Centre for American Progress http://www.americanprogressaction.org/issues/2010/11/pdf/living_wage.pdf

2. The authors give an overview of living wage and minimum wage implementation in Louisiana, New Mexico, Arizona, California, Massachusetts, and Connecticut to show how these policies play out in the paychecks of workers, in the halls of legislature, and in business ledgers. Based on a decade of research, this volume concludes that living wage laws and minimum wage increases have been effective policy interventions capable of bringing significant, if modest, benefits to the people they were intended to help.

From Pollin, Robert, Brenner, Mark D, Wicks-Lim, Jeannette, Luce, Stephanie, (2008) A Measure of Fairness: The Economics of Living Wages and Minimum Wages in the United States, Cornell university Press.

3. In a review of research on living wage by-laws in the US to 2006 the authors came to the following conclusions:

Living wage laws have small to moderate effects on municipal budgets.

- Two separate studies of the Baltimore living wage found that city contract costs increased less than the rate of inflation.
- A study of the Los Angeles ordinance found no measurable effect on the city's fiscal health.
- A study of living wage ordinances in three New England cities found that contract costs only rose in one city.
- Multiple studies have shown that the bidding for municipal contracts remained competitive or even improved as a result of living wage ordinances.

Living wage laws benefit working families with few or no negative effects.

- Recent studies using original surveys in both Los Angeles and Boston have shown that the workers affected were mostly adults and mostly working full time.
- Both the Boston and Los Angeles studies also showed that most living wage workers were in households struggling to meet a basic-needs budget.
- In Baltimore and Boston, empirical studies have found no evidence of diminished employment.
- In Los Angeles, surveys of workers and firms show that job losses affected just 1% of workers getting a raise.
- Two studies of San Francisco living wage policies found employment increased among airport workers and home health care workers.

Critique of research indicating that LW Bylaws cause job displacement.

- An exception to the general conclusion of research on living wages is a series of studies by David Neumark and Scott Adams (5 papers) that estimate relatively large wage gains and employment losses.
 - They compare the experience of the lowest-paid workers in cities with living wage laws to those in cities without such laws. In each of their studies, Neumark and Adams report that the workers in living wage cities have experienced positive wage effects, but negative effects on employment relative to workers in non-living wage cities.
 - The data source used in the Neumark and Adams studies is the Current Population Survey (CPS), a national survey used by the Bureau of Labor Statistics to measure unemployment, wages, and other labor market outcomes. While an excellent data source for many purposes, it is inappropriate for the task of analyzing the impact of living wage laws. Given that in some communities the living wage law only impacts a few hundred workers, it is unlikely that any affected workers are surveyed by the CPS at all in some communities. Even in Los Angeles, with one of the broadest of living wage ordinances, Brenner, Wicks-Lim, and Pollin estimate that one year of CPS data would likely include about eight affected workers.
 - In order to rule out the possibility that their findings were spurious, Neumark and Adams calculated the wage and employment effects for two groups of workers they call “covered” and “non-covered” workers. Since living wage beneficiaries cannot be identified directly in the CPS, they used a classification scheme that ends up including unreasonably large portions of the workforce—over 85% of the lowest-paid one-fourth of workers in cities with living wage ordinances are classified as “covered”. Referring to the Los Angeles example, Fairris estimates that fewer than 10,000 workers benefited from the living wage ordinance, but Neumark’s and Adams’ classification scheme proceeds as if approximately 450,000 workers received a raise under the ordinance! Because of these factors, it is unlikely that the differences in wages, employment, and poverty between the two groups of cities (living wage and non-living wage) are due to living wage ordinances. As Richard Freeman notes, “any of a host of uncontrolled factors that change the economy in an area exclusive of a living wage ordinance could explain the empirical patterns [observed by Neumark and Adams]”

Living wages laws have raised productivity and decreased turnover among affected firms.

- Multiple studies of Baltimore, Boston, Los Angeles, and San Francisco have shown that firms enjoy lower turnover among employees as a result of the living wage ordinance.
- A study of home-care workers in San Francisco found that turnover fell by 57% following implementation of a living wage policy.
- A study of the Los Angeles ordinance found that absenteeism declined, and the decrease in turnover offset 16% of the total cost of the living wage ordinance.
- A study of the San Francisco airport found that annual turnover among security screeners fell from 95% to 19%, as their hourly wage rose from \$6.45 to \$10.00 an hour.
- The LAANE employer survey found that 11% of firms consider it easier to compete for city contracts following the living wage policy (Fairris et al. 2005, 111). These firms felt that the new policy had made it possible for “scrupulous” companies paying decent wages to compete against firms whose main strategy is to drive down wages.

Living wage law oversight

- In their study of the Los Angeles living wage ordinance, Sander and Lokey found that enforcement, compliance, and discipline were all problems. Firms did not submit required paperwork, site visits were not performed, and no action was taken against contractors violating the policy. In their 18-month review of the ordinance, Sander and Lokey considered the discipline process to be “toothless,” and one of several implementation problems limiting the effect of the ordinance (Sander and Lokey 1998, 4). Sander and Lokey did indicate, however, that by late 1998 most implementation issues were improving. More recent work by LAANE indicates that, as of 2001-02, virtually all firms surveyed were in compliance with the wage requirements, but there may be problems with compliance with other provisions.
- Stephanie Luce considers more than half of all living wage ordinances to have been only “narrowly” implemented (Luce 2005, 45). ‘In some places, implementation seems to simply fall through the cracks: there is no single person in charge and no one who knows much about the ordinance. There are other cities in which the staff is incompetent, ineffective, or personally opposed to the ordinances. There are also cities where the administration is outwardly opposed to the ordinance and works to stall implementation, water down, or repeal the laws. Finally, some city councilors and/or administrators continue to publicly support

living wage ordinances but make it easy for employers to receive waivers or exemptions from coverage. (Luce 2005, 46)

From Jeff Thompson and Jeff Chapman, THE ECONOMIC IMPACT OF LOCAL LIVING WAGES, Economic Policy Institute, February 2006. http://epi.3cdn.net/ddadfe0790d5d44e68_oqm6bx0l7.pdf

4. Through a detailed survey of 20 U.S. cities, Andrew Elmore (2003) found that the economic impact of living wage policies was grossly overestimated by city administrators. He found that in most municipalities “contract costs increased by less than 0.1 percent of the overall local budget in the years after a Living Wage law was adopted” (p.2).

From Elmore, A.J. (2003). Living wage laws and communities: Smarter economic development, lower than expected costs. New York, N.Y.: Brennan Centre for Justice, New York University School of Law.

5. In a document exploring questions of competitiveness engendered by recent living wage ordinances in the US, Bernstein (2000) concentrated on whether and to what extent the introduction of a living wage ordinance in a locality would be expected to either reduce the competitiveness of the contracting process or introduce economic distortions into the local economy. Both the theory and the evidence point to the following conclusions:

- Any regulation that affects all firms puts no one firm at a competitive disadvantage.
- For most firms, the increase in labor costs is expected to be less than 2% of total production costs.
- The most likely explanations for these results are 1) like living wage ordinances, existing wage policies tend to affect a small share of the workforce, and 2) firms tend to absorb the higher costs through efficiency gains.
- Such efficiency gains are realized through lower turnover, vacancy, and accident rates, and improvement in the quality of the low-wage workforce, all of which lead to higher quality provision of goods and services.

Higher Wages Lead to More Efficient Service Provision – 2000. The impact of living wage ordinances on the public contracting process (Jared Bernstein, Economic Policy Institute)

Baltimore

- The real cost of city contracts actually decreased since the ordinance went into effect.
- Business investment in the city increased substantially in the year following the ordinance.
- Companies interviewed that held contracts before and after passage of the ordinance did not report reducing staff levels in response to the higher wage requirement. Some contractors praised the ordinance for "leveling the playing field" by relieving pressure on employers to squeeze labor costs in order to win low-bid contracts.
- The cost to taxpayers of compliance with the ordinance has been minimal, with the City allocating about 17 cents per person annually for this purpose.

From Baltimore's Living Wage Law: An Analysis of the Fiscal and Economic Costs of Baltimore City Ordinance 442 -- October, 1996 (Preamble Center for Public Policy), Available at <http://www.epi.org/publications/entry/bp170/>

- For contracts that could be directly compared before and after the law went into effect, the real aggregate cost to the city for these contracts actually declined slightly, when adjusted for inflation, despite the increase in wage rates.
- Cost changes varied considerably by contract type, with the largest percentage increase in the labor-intensive janitorial sector. However, other contracts with concentrations of low wage workers (i.e. bus aides) did not produce proportional contract cost increases.
- The number of workers directly affected by the ordinance is estimated to be around 1,500. Since some part time workers "share" living wage jobs, the number could be substantially higher.
- Payroll evidence suggests that higher wages and hours improve the stability of the work-force.
- While praising the ordinance highly, the majority of living wage workers interviewed work only part time and report a need for full time work to raise themselves above poverty. Workers indicate

a greatly enhanced sense of recognition for work, which may in turn be linked to increased job commitment, reduced turnover, and increased productivity.

From The Effects of the Living Wage in Baltimore - February, 1999 (Economic Policy Institute), Available at http://www.epi.org/publications/entry/epi_virlib_workpapers_1999_effectsof/

San Jose

- Five living wage contracts were awarded totaling \$437,018
- 55 people are working on those five contracts
- 15% received health benefits
- 28% received wage increases
- No small businesses have been adversely affected by the policy's requirements
- There is no evidence that contractors are unwilling to make bids as a result of the policy

From Living Wage Six-Month Evaluation Report -- May 6, 1999 (Office of Equality Assurance, City of San Jose).

Detroit

- A non-profit's experience under the living wage is not correlated to its budget size, type of work, or employment levels
- Non-profit compliance is above 80%
- 71% of non-profit staff either actively support or are neutral toward the living wage
- 1,739 workers are covered, with wage gains from 10-74%
- Three out of four non-profits had little difficulty in implementing the law. For those that did, the financial difficulty was not large relative to the funds received through the city. However, the restrictions on money allocation unique to some nonprofits prevented them from easily shifting funds for wages. The city could provide the funds necessary to cover the wage increase for these firms for an amount that is less than one percent of the total funds currently allocated to the affected nonprofit firms.

From Impact of Detroit's Living Wage Law on Non-Profit Organizations -- June 2, 2000 (David Reynolds, Wayne State University, Labor Studies Center) Available at: <http://www.laborstudies.wayne.edu/research/2000report.pdf>

Chicago

- Since its passage, workers that were directly covered, and many other indirectly affected low-wage workers, received substantial pay increases as a result of the ordinance.
- There is no evidence that the city had to raise property taxes, or otherwise raise revenue, to pay for the current ordinance.
- There is no evidence that any jobs were lost as a result of the existing ordinance.
- Their study also suggests that a more expansive living wage ordinance that included firms receiving subsidies from the city would provide substantially more economic welfare benefit for working poor families, without causing significant job loss, and at a similar modest cost to the city.

From A Step in the Right Direction An Analysis of Forecasted Costs and Benefits of the Chicago Living Wage Ordinance – July 2002. A Forecast Assessment Performed for the Chicago Jobs and Living Wage Campaign (Ron Baiman, Joseph Persky, Nicholas Brunick - Center for Urban Economic Development)

Los Angeles

A study of L.A.'s 1997 living-wage law, funded by the Ford Foundation and undertaken by Los Angeles Alliance for a New Economy (LAANE) in conjunction with the University of California, discovered that the ordinance had increased pay for an estimated 10,000 jobs. Employment reductions amounted to 1%, or

an estimated loss of 112 jobs. Most firms gained from reduced employee turnover, which can be costly and disruptive

3. Impact Studies by Municipalities Exploring Passing a Living Wage Ordinance/Bylaws

Los Angeles

- The study found that the proposed Los Angeles ordinance would not cause a net increase in the City budget, employment loss or loss of city services to the residents of Los Angeles.
- The ordinance would bring a 50.4% reduction in the amount of government subsidies received by affected workers and their families, as well as growth in spending, home ownership, and small business markets for areas of the city where affected workers are concentrated.
- The ordinance has the potential to encourage "high road" competition among businesses, characterized by decent wages, increased productivity, reduced turnover, and increased efficiency;
- The living wage would not increase unemployment among less-skilled workers
- The living wage ordinance does not place small business at any disadvantage;
- The ordinance will not discourage businesses from either locating in Los Angeles or doing business with the city itself.

From Economic Analysis of the Los Angeles Living Wage Ordinance -- October 1996 (Robert Pollin and Stephanie Luce) Available in book -- The Living Wage: Building a Fair Economy (New Press: 1998)

Miami-Dade County

- Costs to the county would total approximately \$5 million over a three year period -- 0.1-0.2% of the county operating budget for the first year and .01-.02% of the budget for the second and third year of implementation;
- Costs to Miami-Dade citizens and taxpayers are extremely small because they already pay a substantial "hidden subsidy" to maintain the lives of low wage workers and their families through federal and state measures.

The Impact of a Living Wage Ordinance on Miami-Dade County -- October 22, 1998 (Bruce Nissen: Center for Labor Research and Studies, Florida International University)

San Francisco

- It is clear that for a modest investment of the city's budget the proposed ordinance would meet its goals of raising living standards for the designated beneficiaries while improving the quality of city services for all. It would do so without harm and with probable benefit to the city's economy.
- The proposed ordinance would result in additional income for the city's economy of about \$20.8m per year (and therefore additional sales tax revenue).
- A Living Wage Ordinance would help combat the declining affordability of living and raising a family in the City.
- The ordinance would generate a modest transfer from the City Budget, city firms, and external sources, to the intended beneficiaries of the ordinance without posing harm to the overall economy or the city's finances. Indeed, considerable net benefit to the city economy is likely.
- They conclude that the proposed ordinance would achieve its stated objectives of lifting the targeted workers to self-sufficiency and improving the quality of city services.
- The aggregate benefits outweigh the aggregate costs, even in the short-run. The long-run net benefit would be greater, as the productivity and quality effects emerge.

From Living Wages and the San Francisco Economy: The Benefits and the Costs -- June 1999. (Michael Reich, Peter Hall, Fiona Hsu, Center on Pay and Inequality Institute of Industrial Relations University of California). Available at: http://www.irl.berkeley.edu/research/livingwage/sf_jun99.pdf

Port of San Francisco and Airport

- If every passenger flying out of Oakland airport paid just 59 cents more per ticket, and every visitor to the port paid \$1.40, all workers at the airport and 4,400 workers at the port could be assured of receiving a "living wage" and health insurance;
- The living wage will decrease turnover, increase productivity, and enhance security at the airport;
- The increased costs amount to \$59 million -- 2.7% of current business costs

From Living Wages at the Airport and Port of San Francisco- The Benefits and the Costs -- October 6, 1999. (Michael Reich et al, UC Berkeley) Available at:

http://www.irl.berkeley.edu/research/livingwage/sf_oct99.pdf

Detroit

- The maximum possible cost to city contractors would be \$6.9 million dollars in the aggregate -- 2.5% of the overall funds allocated for contracts;
- Even in a worst case scenario (where the ordinance only raises costs) the costs to the city would represent less than 0.3% of the city's annual budget;
- For all employers covered under the ordinance, costs of compliance would represent less than 10% of the total value of the contract. Over half of the covered contractors would experience cost increases that represented 1% or less of the value of the contract;
- The average costs to for-profit employers would be less than 1% of the firm's operating budget;
- If the city decided to cover the costs to the non-profits, the total costs represent less than 0.2% of the \$2.5 billion spent annually by the city.

From The Impact of the Detroit Living Wage Ordinance -- September 21, 1999 (David Reynolds, Wayne State University, Labor Studies Center) Available at:

<http://www.laborstudies.wayne.edu/research/1999report.pdf>

Port Of Oakland

- The ordinance would directly benefit about 2,600 low-paid workers at the Port of Oakland and another 500 would benefit indirectly from a "wage push" effect;
- The ordinance would likely lower turnover costs and raise productivity among workers;
- The ordinance would result in savings in county health expenditures for the uninsured and increased revenues from income and payroll taxes;
- For the airport, this cost amounts to \$0.59 per passenger;
- The costs of the proposed ordinance are about \$13 million and comprise only about 1 percent of revenues from the Port leaseholders' business.

From Living Wages at the Port of Oakland -- December, 1999 (Carol Zabin et al, UC Berkeley) Available at: <http://www.irl.berkeley.edu/research/livingwage/portoak.pdf>

New Orleans

Costs:

- For the city's 12,682 firms, the costs of these raises would amount to an average of less than 1% of their operating budget (.9%). Many firms already pay a living wage and would not experience any direct cost increases as a result of this law.
- Industries accounting for 86% of production and 79% of employment in New Orleans would face cost increases of less than one percent due to the minimum wage increase.
- Because the increased costs per firm are low, the overwhelming majority of firms will not lay off workers or relocate outside of New Orleans.

Benefits:

- The policy will bring significant, if modest, gains to low-wage working people and their families.

- Low-wage workers will benefit through the dignity of earning a higher share of their livelihood and thus becoming less dependent on government subsidies.
- Reliance on Food Stamps and Earned Income Tax Credit will fall as actual earned income of low-wage workers and their families rises. These gains will be on the order of \$15-20 million dollars to the federal government -- roughly what it spends annually on the Head Start program in Orleans Parish.
- Even these modest gains are important to the City of New Orleans, given that as much as 40% of its population is poor (earning less than 150% of the poverty line).
- It is estimated that 47,000 workers would receive the mandated wage increase. The average yearly increase among these workers would be \$1,003. An additional 27,000 could receive raises through a so-called "ripple effect" among workers who are in roughly the same pay range as minimum wage workers.
- The policy will benefit the retail stores operating in the city's low-income neighborhoods, as residents of these neighborhoods, with higher incomes, will increase local spending that should amount to roughly a 2.7% increase in an average low-income neighborhood.

From Economic Analysis of the New Orleans Minimum Wage Proposal - July, 1999 (Robert Pollin, Stephanie Luce, Mark Brenner, Univeristy of Massachusetts - Amherst)

- The study suggests that the New Orleans firms should be able to absorb most, if not all, the increased costs of the proposed living wage ordinance through some combination of price and productivity increases or redistribution within the firm.
- Living wage cost increases will amount to about 0.9 percent of operating budgets for average firms in New Orleans, and no more than 2.2 percent of operating budgets for the city's restaurant industry, which is the industry with the highest average cost increase.
- The incentive for covered firms to lay off low-wage employees or relocate outside the New Orleans city limits should be correspondingly weak. It is likely, however, that some displacement of the least well-credentialed workers will occur as a result of the ordinance, though again, this effect should also be relatively modest.
- A relatively small number of New Orleans firms will likely relocate, generating a loss of municipal tax revenues on the order of 0.5 percent of the City's budget.
- The process through which New Orleans firms adjust to the living wage ordinance is likely to be relatively mild, as the overall \$71 million burden in increased wages and payroll taxes will be broadly diffused among the city's 12,700 firms as well as the city government.

From Intended vs. Unintended Consequences: Evaluating the New Orleans Living Wage Proposal – January, 2001. (Robert Pollin, Mark Brenner, Stephanie Luce - Political Economy Research Institute)
Available at: <http://ideas.repec.org/p/uma/periwp/wp9.html>

New York

- The other major provision of the bill (covering businesses receiving large economic development subsidies from the city) involves no direct cost to the city at all.
- Because the proposed bill is carefully targeted, it will result in very little cost for the employers covered by it. This means that there is no reason to expect job losses or business flight from the city.
- For the majority of jobs affected by the living wage law, the cost to employers is zero.
- For a much smaller number of workers, employers will indeed be paying the higher wage and benefits out of their own pockets. Based on a close analysis of such firms, the study estimates that complying with the living wage law will cost no more than 0.3% of annual revenue for a typical firm.
- Only in a very small number of cases – roughly 730 or 1.2% of the 62,000 workers covered by the law – is there a potential risk that the higher wages might have a net negative impact on family income because of reduced eligibility for benefits previously received.

From The New York City Living Wage Law – September 2002 (Brennan Center for Justice Fiscal Policy Institute). Available at: http://www.brennancenter.org/content/resource/new_york_city_living_wage_law/

Vancouver and BC- comparative Property Taxes

On May 12, 2010, well known global advisory firm KPMG released their annual guide to international business costs as well as a special report on taxes. That report compared major cities around the world, each with populations of more than 2 million people. Their finding? Vancouver has the lowest business tax costs of 41 international cities! That means businesses in Vancouver have lower tax costs than businesses in New York, London, Houston, Tokyo, Los Angeles, Berlin and many more. So if business taxes in Vancouver are that low, how come the City of Vancouver is continuing the big multi-year tax shift begun by the NPA, steadily increasing residential property taxes and cutting programs, while at the same time freezing commercial and industrial tax levels? Beats me.

The other interesting finding of the KPMG study is that Canada has the second lowest business tax costs out of ten countries they studied. Only Mexico has lower business tax costs. Countries as varied as the U.S., the U.K., Japan and Australia all have higher tax costs for business than Canada. There has been no independent study that shows property taxes are actually damaging business.

What about municipal spending and taxes in the rest of B.C.?

The other important study prepared last May was by Dr. Harry Kitchen of Trent University, a widely respected expert on Canadian municipal tax issues. He was asked by Metro Vancouver to study principles and best practices for financing municipal services in the Metro Vancouver region.

The report is full of important data. Amongst other things, Dr. Kitchen found:

- municipal spending per capita in British Columbia is the lowest of all provinces
- per capita municipal property taxes in B.C. are well below the tax levels in the other big provinces of Alberta, Quebec and Ontario and are lower than the Canadian average
- overall municipal revenues in B.C. are lower per capita than the other big provinces of Alberta, Quebec and Ontario
- over the decade from 1998 to 2008, municipal revenue in B.C. rose only marginally ie. by only .1% of GDP

So it isn't only business property taxes which are low. We're all getting a great deal at the municipal level. B.C. local governments use those comparatively low property taxes to provide many of the core services citizens expect – everything from fire and police services, to clean water, healthy sanitation, garbage and recycling collection, transit, urban planning and much more.

And we need to look at what other provinces are doing to diversify municipal revenue so communities are not so dependent on property taxes. In Saskatchewan, municipalities receive one percentage point of the provincial sales tax. In Ontario, municipalities have options like a personal vehicle levy, municipal land transfer taxes and the authority to charge sales tax on alcohol.

From Big municipal tax shift a great deal for business- CCPA Policy Note November 7th, 2010 · Blair Redlin · <http://www.policynote.ca/the-big-municipal-tax-shift-a-great-deal-for-business/>