

**Letter to the editor
Globe and Mail
January 5, 2010**

To whom it concerns,

I feel that your editorial of Dec. 28th on the Living Wage misrepresents the approach of living wage campaigns by asserting that they are merely lobbying to get ineffectual municipal by-laws passed. The main thrust of many living wage campaigns is trying persuade large *private* and public employers that paying all their staff a living wage, especially their contracted staff who are usually on very low wages, is not only an effective anti- poverty approach but is also good for business.

This approach has been hugely successful in London, UK, with numerous private businesses signed up as living wage employers. The London 2012 Olympics will be the first living wage Olympics. Study after study shows that paying a living wage reduces staff turnover, increase productivity and improves customer service. The newly elected Conservative Mayor of London Boris Johnson has remarked-

"Paying the London Living Wage is not only morally right, but makes good business sense too. What may appear to a company to be an unaffordable cost in a highly competitive market should more often be viewed as a sound investment decision.'

Ensuring that people are paid enough to live on is a basic pillar of any functioning economic system, as Adam Smith pointed out: 'a man must always live by his work, and his wages must at least be sufficient to maintain him.' Moreover as a recent Goldman Sachs report '**Are the rich all that matters for spending?**' confirms- increasing the income of those on lower wages has a proportionately larger stimulating effect on the economy than increasing the income of those earning more.

The equation is quite simple- if people don't have enough income to support themselves they either take on unsustainable debt, work more hours than is healthy for them or their family or become dependant on social assistance programs. All employers have a responsibility to bridge this gap. Saying that we can't afford to pay a living wage is missing the point- we already pay for it but in the wrong ways.

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