



**Canadian Union of
Public Employees**

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Units
- Service Units

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- Full-Time
- Long-Term Care Homes
& Services Part-Time
- Recreation Workers
Part-Time
- Unit B Part-Time

*Toronto Community
Housing Corporation*

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ED8.14.1

November 24, 2015

Councillor Michael Thompson, Chair
And Members of the Economic Development Committee
10th Floor, West Tower, City Hall
100 Queen Street West
Toronto, ON M5H 2N2

Dear Councillor Thompson and Committee Members,

ED8.14 Economic Dashboard

With incremental increases predicted for Canada's growth in the next few years and a slowed Toronto economy, municipal efforts to increase prosperity are becoming increasingly important. This past year, the City of Toronto took important steps to address factors that impact economic growth – such as income inequality – through the adoption of the Toronto Poverty Reduction Strategy.

The Poverty Reduction Strategy emphasizes that “a good job is the best path out of poverty” as it provides the “income and stability required to meet current needs and build a prosperous future”. A growing body of research however, tells us that access to full-time, permanent, stable jobs is decreasing while precarious employment conditions are increasing.

According to the 2015 Toronto Vital Signs Report nearly half (43%) of all workers in the GTA are precariously employed. The latest report from the Poverty and Employment Precarity in Southern Ontario (PEPSO), *The Precarity Penalty*, indicates the challenge for jobseekers in Toronto is growing. Current labour market trends show that while insecure employment is found in all GTA regions, temporary and contract employment is most prevalent in the City of Toronto, and anxiety about employment is interfering with family life.

PEPSO's 2013 report titled, *It's More than Poverty: Employment Precarity and Household Well-being*, showed that a lack of employment stability significantly impacts social and economic participation, from deciding when to start a family and where to live, to childcare and recreation options.

The City can address factors that influence the economic health of our City by responding to the issues of income inequality and precarious employment.

The City needs to act as a model employer.

Beyond its mandate as a provider of City services and programs, the City of Toronto is a major employer with a workforce of over 50,000 strong. The City can leverage its economic power by filling vacant staff positions to the approved complement. The City currently has 2,578.9 unfilled staff positions. The addition of new workers in these positions would greatly improve the income and employment outcomes for a significant number of people.

The City can join in global leadership efforts to support “inclusive growth” that are part of the *Europe 2020 – A strategy for smart, sustainable and inclusive growth*, and as outlined in the staff report. The City needs to implement recommendations in its Poverty Reduction Strategy such as the protection and increase of effective services and infrastructure for vulnerable persons, the creation of a job quality assessment tool, and procurement policies to “fight poverty and modernize labour markets”, which the *Europe 2020* strategy highlights.

The City needs to take action to counter ‘employment relationships that are being re-negotiated in ways that do not favour workers’.

In 2015 the Wellesley Institute reported on the effects that contracting out jobs at the City had on workers’ health. In 2012, custodial workers employed by the City of Toronto experienced a change in their job status from full-time to part-time status as a result of outsourcing. The report concluded that while contracting out was introduced to reduce staffing costs and create efficiencies, workers experienced increased insecurity and negative health impacts, and that these effects continued 2 years after the policy was introduced.

Similarly, scheduling concerns in City run shelters have been raised by Local 79. Shelter Management has demanded that staff be available on a 24 hour schedule. At the same time staff are not guaranteed any particular number of work hours. Such employment relationships contribute to experiences of income inequality and precarious employment when workers’ pay changes week to week. Scheduling demands make it nearly impossible to find supplementary work when many part-time employees must rely on second jobs.

Any approach to workers without recognition of the human, social and economic costs to families and communities is completely unacceptable. These practices are also contrary to City strategies such as the Poverty Reduction Strategy 2015 and the Workforce Development Strategy 2014 which highlight the employment challenges faced by many Toronto residents.

The City needs to set better job standards. Employment strategies that include filling vacant staff positions, improving working conditions by creating a job quality assessment tool and new procurement policies, and implementing a poverty lens to inform day-to-day operations and decision making will improve employment relationships and advance poverty reduction efforts.

The City needs to align budget decisions with its commitment to social and economic development efforts.

In the past, the City has at times demonstrated poor decision making at a cost to workers who deliver services to some of our most vulnerable. The City needs to promote solutions to the increasing levels of poverty and inequity in our city by becoming a leader in building good jobs and promoting inclusive growth.

The 2016 Work Plan for the Poverty Reduction Strategy indicates that over half of next years' targeted initiatives will be delivered within existing City resources. This is very troubling giving the City is already operating below the staff complement. Each year, a staff complement is approved to meet the needs of communities and to ensure the provision of essential City services. Torontonians deserve to get the services they need. The many dedicated City of Toronto service providers need the resources they require to continue taking care of Toronto.

As municipalities such as Toronto explore their role within the global economic context, inequity and employment need to be top-of-mind when making budget, staffing and service decisions. As the Organization for Economic Co-operation and Development (OECD) recently reported, "the long-term rise in inequality of disposable incomes observed in most OECD countries has indeed put a significant brake on long-term growth".

During this year's budget process I encourage City Management and Council to rise to the challenge and make budget decisions that support both the social and economic health of Torontonians, and to not approve the further cuts being proposed across the board.

Sincerely,

A handwritten signature in black ink, appearing to read "T. Maguire". The signature is fluid and cursive, with a large initial "T" and a long, sweeping underline.

Tim Maguire
President