



AMERICAN INCOME LIFE
insurance company

Daryl Barnett
Canadian Director of Labour Relations

www.ailife.com
Protecting Working Families

**Submission to the Ontario Government
The Changing Workplace Review**

September 18, 2015

Members of the committee, thank you for providing American Income Life Insurance Company with the opportunity to comment on "The Changing Workplace Review". My name is Daryl Barnett; I am the Director of Canadian Labour Relations for American Income Life Insurance Company.

Between American Income Life Insurance Company (AIL in Canada), and National Income Life Insurance Company (NILICO), we are licensed in the United States of America, Canada and registered to carry on business in New Zealand. We currently have more than 7,000 representatives and employees internationally, which includes our representatives in Canada. American Income Life, along with its New York subsidiary National Income Life services nearly 15 million families and has more than 46.6 billion of life insurance in force. Our Canadian headquarters for the company is located in Winnipeg, Manitoba, with regional Public Relations and Provincial General Agent offices throughout Canada. AIL contributes to the Canadian economy and the community through the payment of taxes. We are a community-minded organization, and are involved in many national, provincial and local activities. As a company, we are able to provide career opportunities to local residents of Ontario. It is our view, that we need to protect workers as well as the long-term economic interest of Canadian business, and this is accomplished by businesses supporting policies which creates a robust middle class, spurs economic growth, and creates shared prosperity.

American Income Life Insurance Company better known as AIL in Canada welcomes the opportunity to provide a written and oral submission to the committee on a range of issues related to the Ontario workplace review.

AIL in Canada is on record as supporting the minimum wage being increased to a living wage of \$ 15.00 per hour.

In our view, raising the minimum wage is good for Canadian families; in particular raising the minimum wage would benefit women and youth as they are amongst the lowest paid. More than one million Canadians work for minimum wages across Canada. In Canada and in Ontario we have witnessed an increase in low wage earners, with a doubling in the last four years. The Globe and Mail reported that minimum wages was 25% higher in the mid seventies than it is today in real terms. This was quoted in the Globe and Mail by Rafael Gomez, who is a labour economist and professor at the University of Toronto. We submit that raising the minimum wage is a family friendly policy. We also submit, an increase to minimum wage to a living wage would enable families the ability to make choices.

Raising minimum wage is good for the Provincial and Canadian economy and increases employee's disposable income, which will be used to purchase goods and invest in local products.

Working families would be able to participate more readily in community activities, they no longer would have to work three and four jobs in order to have sufficient income for a family. As a result of payroll increases income tax revenues would rise and this in turn would have an effect of driving down government deficits.

Some employers may argue that raising the minimum wage is bad for business; we disagree. At AIL, our perspective and experience lead us to a different reaction. When workers make a decent wage, they become a better consumer. When we have a larger base of consumer who can afford our insurance, we prosper and grow. When we prosper and grow, we contract more agents to sell more products, and increase our staff to service our policyholders. When we have more agents, more employees, and more customers sharing in a piece of the economic pie, we have stronger communities.

A fairer process of income distribution is in our view created with adequate minimum wages. Low wages is a major cause of poverty and social inequity. It is simple: employers should be capable of providing their employees with a fair day's wages, in our view it would require \$15.00 an hour for a family of four to tiptoe beyond poverty. The current reality is depressed wages, depress the overall community; putting more money into more people's pockets benefits both business and workers.

The answer to this question: "What is a fair wage? " will most likely always differ, based on whether you are paying or receiving the wage. We submit a common sense approach to the increase minimum wage is a first step in resolving what is best for the whole community. This increase to fifteen dollars an hour moves us in the right direction to creating a sustainable economy. This type of proposed legislative amendment would be good for workers, and ultimately, that would be good for our economy. I leave you with this comment published in the Globe and Mail made by a 62 year old "I am dipping into my savings and I can not replace it, a job should keep you out of poverty not keep you in."

American Income Life supports a card-based certification process and the right for workers to be able to be represented by a union and have collective bargaining rights.

American Income Life is a unionized company, and has been for decades. We thrive as a responsible employer. We continue to expand, and the growth of the organization continues, with continued growth we create more career opportunities throughout Canada and the countries we work within. As an organization we have maximized productivity, negotiated increased wages for our staff and have expanded benefits, we continue to remain profitable for our stakeholders as a result of our unionized staff. AIL and its sister company have combined assets of more than 3 billion with more than \$ 46.6 billion of life insurance in force for working families. This has been accomplished while working with the bargaining agents, (unions) who represent our employees and sales force.

The President and CEO of American Income Life Insurance Company and National Income Life Insurance Company, Mr. Roger Smith believes in the right of workers to be able to organize into unions and the right of workers to negotiate collective agreements. He believes that these rights are integral to a fair economic system and is good public policy. Mr. Smith also contends what is good for workers are good for business.

American Income Life Insurance Company recognized the importance of unions by holding a majority sign-up, and our results speak volumes about the positive relationship that we have with our employees and representatives.

It is our view; unions are an essential part of a strong democracy and play a crucial roll in Canada's public and community life. Not only do they give workers a voice on the job and help negotiate fair benefits and wages for their members, but they also use their resources to raise the floor for everyone who works for living. Unions by standing for higher standards for workers, businesses, families, the environment and public safety, have helped to build the middle class and make sure the economy works for everyone.

We believe in changes to provisions to ensure a card-based certification process and the strengthening of successor rights will protect workers. In our view it is an injustice where workers do not have the right to free collective bargaining, such as migrant workers.

It is our view and is supported historically, that fair collective bargaining agreements have resulted in building a dynamic productive workforce with shared prosperity. We believe in these tough economic times, employers and employees should be sitting at the table together, crafting solutions, which support the long-term growth and sustainability for both business and workers.

Today more than ever we need to protect workers as well as the long-term economic interest of business. It is only logical for businesses to support policies that create a robust middle class, spur economic growth, and create shared prosperity. These types of legislative amendments are good for workers, and ultimately, that is good for our economy.

Thank you

A handwritten signature in black ink, appearing to read 'Daryl Barnett', with a stylized flourish extending to the right.

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