

# COLLECTIVE BARGAINING INFORMATION SHEET



## Inflation

CUPE workers in New Brunswick are struggling with the impacts of record inflation on basic needs: groceries, housing, and transportation. They are fighting to address it at the bargaining table. If wages stay the same each year and inflation increases, wages will not buy as much as before.

## Real Wage Increase

To get real wage increases and protect workers from struggling to make ends meet, we need to negotiate above inflation for the whole contract duration, not for a year or two. Inflation never falls into negative rates to undo price damage. If that were the case, a dollar would be enough to buy a "bag of chips and a soda" like in the old days!

## Percentage Increases vs Flat Rates

Employers like to negotiate percentage increases instead of flat rate increases. Wage percentage increases widen the gaps between classifications. People with higher salaries get bigger raises compared to lower-paid workers. Over time, this adds up to create unfair wage gaps. Yet, the cost of bread is the same for everyone! Remember: for money coming in (such as wages) a flat rate is fairer. For money going out, a percentage is fairer (like taxes).

Flat rates give each worker the same dollars-and-cents-per-hour wage increase. Flat rate wage increases maintain the differences between classifications throughout the wage grid. All wages move up by the same amount, by the same flat rate. This stops the wage gap from widening between the lowest and highest paid. It also helps with recruitment and retention!

### Example Percentage Increase vs Flat Rate Increase

Hourly Rate	Flat Rate Increase	Percentage Increase	End Hourly Rate	Difference in Dollar Amount	What does this represent as a percentage?
\$ 22.00* (median CUPE worker rate)		1%	\$ 22.22	\$ 0.22	1%
\$ 96.15* (Deputy Minister rate)		1%	\$ 97.11	\$ 0.96**	1%
\$ 22.00*	\$ 1.00		\$ 23.00	\$ 1.00	4.55%
\$ 96.15*	\$ 1.00		\$ 97.15	\$ 1.00	1.04%

\*Based on 40 hours per week, not take-home amount (deductions still apply)

\*\*As an example, a flat rate increase of \$0.96 to the median CUPE worker rate represents 4.36%

## Government Surpluses and Ability to Pay

Our provincial finances are in a good shape. The population has increased, which led to increased income tax revenues. Federal government transfers increased. The provincial debt is shrinking. Yet this good news is jeopardized as investments in public services are seriously lagging. People might pack up and leave if this government keeps failing on healthcare, education, and jobs. With the last six consecutive budget surpluses (the last three being +\$488 million, +\$1 billion, +247 million), the government should finally bargain above cost-of-living wages with workers and invest in public services.

CUPE workers show up every day to provide essential services to New Brunswickers. They are dedicated and skilled workers. They deserve fair wages.