

Backgrounder

IMPACT OF A GRID FREEZE

A grid freeze is often misinterpreted as a wage freeze. The impact of a grid freeze is more significant and much more inequitable. A 0% salary increase freezes the wages in a salary grid but allows for movement within the grid as employees gain experience and/or upgrade qualifications. **A full grid freeze prevents any such movement on the grid.**

All of the negotiated grids in education include movement to higher pay as employees become more experienced. Some grids, including teacher grids, also include the ability to upgrade education and qualifications in order to move to a higher paying category on the grid.

Salaries and wages have been negotiated with the understanding that the entry levels on the grid will be temporary and that, in most cases, each year an employee's salary would see a sizable increase as the worker gained experience and moved through the grid. These lower salaries were never bargained with the intent of being paid to an employee over a significant amount of time.

A sample calculation done for a new teacher frozen for 2 years at the starting salary shows a loss of approximately \$75,000 over the remaining years it would take to get to the maximum step.

A similar calculation done for a sample EA grid ranging from \$22.42/hr to 28.68/hr over an 8 step grid shows a loss of over \$19,000 by the time the EA reached the maximum step. These calculations do not consider the additional impact of a 0% increase to the grid.

A grid freeze has a much larger impact on newer, and often younger, employees than it does on those who have reached the maximum level of the grid. The economic loss to these employees is dramatically more than simply falling behind inflation. These are the employees who are most vulnerable. They are more likely to be dealing with young, growing families, student loans, recent mortgages and other financial commitments.

The government has proposed that upon the conclusion of the grid freeze, the grid would be reconstructed where experience and qualifications would not be the driving factors for grid movement. This creates further uncertainty regarding future financial stability for affected members.