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Minimum Wage

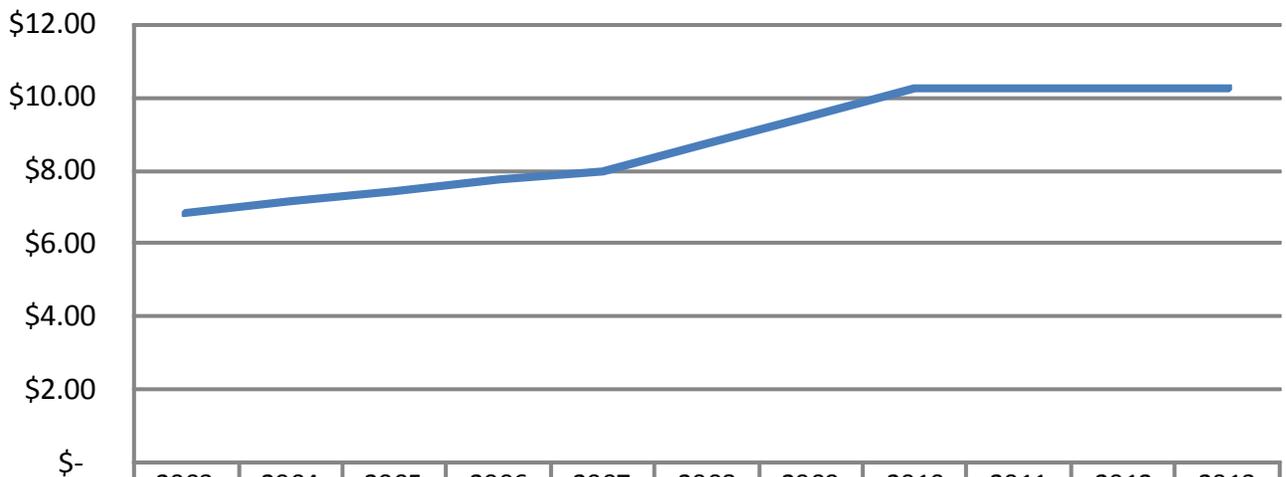
Minimum Wage in Ontario

Across Ontario communities are joining together to call on the provincial government to raise the minimum wage. The government has launched a panel to study the issue and its report is expected shortly. The goal of this Info Note is to provide relevant and accessible information to members of our community who wish to participate in the province's ongoing discussions on the minimum wage.

What is the minimum wage?

Ontario's minimum wage rate is regulated under the *Employment Standards Act* and is intended to create a wage floor for the labour market to ensure a minimum standard of living for workers within the province. The current minimum wage is \$10.25⁴ per hour and was last raised over 3 years ago in March 2010. The minimum wage applies to most workers in Ontario regardless of whether the worker is full-time, part-time, casual or temporary and whether they are paid on an hourly basis, commission, flat rate or salary. Students' under 18 and liquor services are part of a separate categories of workers that have a lower minimum wage, currently \$9.60 and \$8.90 per hour respectively. The minimum wage does not apply to some agricultural workers, domestic workers, caregivers and superintendents.

Minimum Wage Rates 2003-2013⁴



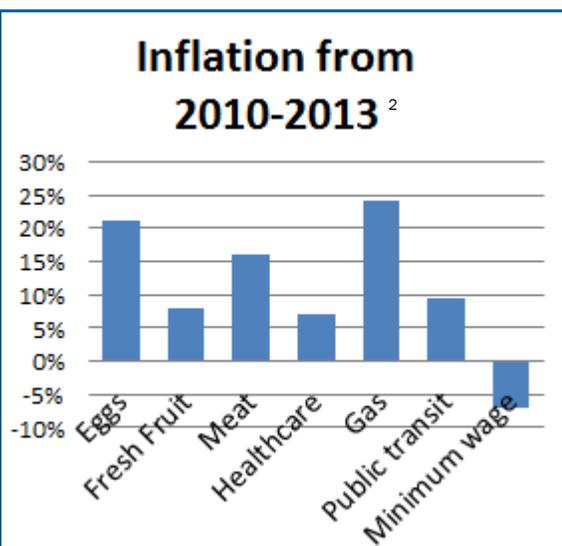
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|-------------|--------|--------|--------|--------|--------|--------|--------|---------|---------|---------|---------|
| Hourly Rate | \$6.85 | \$7.15 | \$7.45 | \$7.75 | \$8.00 | \$8.75 | \$9.50 | \$10.25 | \$10.25 | \$10.25 | \$10.25 |

Who is working for the minimum wage?

There are many different kinds of workers who are earning minimum wage in Ontario, for example bank tellers, security guards, childcare workers, teaching assistants, and personal home support workers. The Wellesly Institute¹ recently released an analysis of the 2011 Survey of Labour and Income Dynamics that found that minimum wage work is not distributed equally across society; women, racialized workers and new Canadians are far more likely to be working for minimum wage. The survey also found that workers over the age of 25 are making up an increasingly larger share of minimum wage earners.

Working poverty and the minimum wage

In Ontario, minimum wage workers are living close to 25% below Statistics Canada's Low Income Measure³. Despite working full-time, year-round, minimum wage workers and their families have to struggle with monthly cycles of hunger and hardship. They have not seen a raise in more than three years and coupled with the increases in the cost of living, minimum wage workers have seen the real value of their earnings decrease by almost 7% over that time. This has resulted in increasing numbers of working people accessing emergency social services like the food bank, community housing, and homeless shelters.



We know that income is the most critical social determinant of health. Low wage workers have increased rates of chronic illnesses including diabetes and heart disease. The stress of surviving on low wages has been linked to increases in anxiety, depression and other mental health issues².

Almost half of all children living in poverty in Ontario have at least one parent who works fulltime, often struggling in a minimum wage job⁶. By increasing those parents' working income to above the poverty line, their children stand a much greater chance of completing high school, furthering their education and contributing positively to our province.

Increasing the minimum wage above the Low Income Measure would eradicate poverty for hundreds of thousands of Ontarians and their families. This single policy change would have little to no impact on government spending and would involve employers in the fight against poverty in Ontario.

Quick Facts

- 1 in 10 Ontario workers is earning minimum wage (534,000 workers)²
- 19.1% of new immigrants are working for minimum wage¹
- Close to 40% of minimum wage workers are 25 years old or older³
- 45% of minimum wage workers work for large corporations with over 500 workers¹

Growing our local economy

Consumer spending is the engine that powers our local economy. Household spending drives 54% of our gross domestic product². Low wage earners and their families often re-invest their entire paycheque back into the local economy on their rent, groceries and other household necessities.

People living on low incomes have a higher propensity to consume locally...which means that increasing the share of wages going to lower income people could boost consumer demand, lower indebtedness, dampen income inequality and generate business investment in order to meet that demand and make profit.

—Canadian Centre for Policy Alternatives³

Even the Ontario Chamber of Commerce⁵ acknowledges the important contribution minimum wage earners make to the provincial economy and have called for cost of living increases to the minimum wage to protect the purchasing power of workers. Recent history in Ontario demonstrates that increasing minimum wage does not result in job losses, in fact the last time the minimum wage was raised Ontario gained 150,000 jobs in the sales and service sector². Raising the minimum wage allows workers and their families to become self-sufficient and contribute to Ontario's economic growth

It's time for a raise!

- Raise the minimum wage to 10% above the poverty line so that workers and their families can become self-sufficient, live in dignity, and contribute to Ontario's economic growth.
- Adjust the minimum wage on a yearly basis with the cost of living so that minimum wage workers don't fall further behind.

References

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[3] Hennessy, T., Tiessen, K., Yalnizyan. (2013) *A, Making every job a good job*. Published by the Canadian Centre for Policy Alternatives, Ontario. Toronto, ON

[4] Labour Program, Government of Canada. (2013). *Minimum Wage Database*. Retrieved from: www.labour.gc.ca

[5] McGuinty, L., Schwenger, A. (2013). *The business perspective on how to set Ontario's minimum wage, predictable transparent fair*. Published by the Ontario Chamber of Commerce. Toronto, ON.

[6] Campaign 2000 Ontario. (2013). *Beyond Austerity: Investing in Ontario's Future. 2013 Report Card on Child and Family Poverty in Ontario*.

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