

## **Some Facts on the Need for \$15/hr Minimum Wage**

There have been some 7 decades of economic impact studies on the effects of raising the minimum wage in a variety of jurisdictions, including in cities the same size as Owen Sound. The research tells us that there is little effect on unemployment. (<http://www.nelp.org/publication/raise-wages-kill-jobs-no-correlation-minimum-wage-increases-employment-levels/>)

A recent study, out of the University of Washington, that finds negative consequences in the Seattle minimum wage hike to \$15/hr is the outlier among these studies. It has yet to be peer-reviewed and there are concerns with the data the study leaves out. (<https://www.thenation.com/article/no-seattles-15-minimum-wage-is-not-hurting-workers/>)

A ‘back-of-the-envelope’ calculation reveals that the cost to businesses in Owen Sound might be as high as \$500,000, but \$15/hr will put some \$5.5 million into the pockets of employees, most of which will be spent in Owen Sound. When the living wage for Owen Sound was a little less than \$15/hr, it was estimated that big box store employees would have brought \$22 million into the economy of Bruce Grey. (<http://owensoundhub.org/opinion/1176-minimum-wage-not-necessarily-a-living.html>)

Companies are finding that if they pay their workers more they get better employees ([Aetna in the US for example](#)). A letter to the Premier from 15 Ontario companies puts it this way: “As fifteen local business owners in Ontario, we believe paying employees a living wage is good for the bottom line of our business and good for society. Higher wages mean less absenteeism, less sick time, a reduction in turnover and greater productivity. When employees earn more, that's money spent locally on goods and services in the community which helps drive the economy and create jobs.” ([http://www.ontariolivingwage.ca/fifteen\\_employers\\_for\\_15\\_minimum\\_wage](http://www.ontariolivingwage.ca/fifteen_employers_for_15_minimum_wage))

There's research that backs up these claims.

Low wage work (part-time, sporadic shifts or contract) has increased in Ontario by 95% in the past 20 years. (<https://www.thestar.com/news/gta/2015/06/15/ontarios-eye-popping-shift-to-low-wage-work.html>)

Over half of employees in the GTA are in precarious jobs. (McMaster U study reported in [https://www.thestar.com/news/gta/2013/02/23/half\\_of\\_gta\\_and\\_hamilton\\_workers\\_in\\_precarious\\_jobs.html](https://www.thestar.com/news/gta/2013/02/23/half_of_gta_and_hamilton_workers_in_precarious_jobs.html)). It's likely higher in Bruce-Grey-Owen Sound.

The current high rates of precarious employment are especially hard on lone-parent families. In Owen Sound and Georgian Bluffs 41% of lone-parent families make a median income of only \$15,590—half what the United Way of Bruce Grey says is needed to live on (\$31,463) and half of Stats Can's Low Income Cut-Off for a family of four. (Stats Can 2014)

New rules for time off for personal emergencies, holidays, sick leave and for paying benefits – all part of the Work Place Reforms – are needed now. Some employers deliberately keep employee hours low so they don't have to pay into OHIP and other benefits.

No one wants to see local businesses fail for any reason. But a business plan that depends on its employees' poverty is not a very good plan. Besides, the best economic development plan is one that has figured out to attract new and vibrant businesses into Bruce-Grey-Owen Sound. The Ontario Chamber of Commerce's lobby for more study of an issue that has been studied to death will delay reforms that are needed now.

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