



## **TOWARDS A LIVING WAGE**

### **Submission to the Ontario Minimum Wage Advisory Panel**

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**Canadian Union of Public Employees (CUPE) Ontario**

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## Canadian Union of Public Employees Ontario Division

The Canadian Union of Public Employees (CUPE) Ontario is the largest union in the province with almost 240,000 members in virtually every community and every riding in Ontario. CUPE members provide services that help make Ontario a great place to live. CUPE members are employed in five basic sectors of our economy to deliver public services: health care, including hospitals, long-term care and home care; municipalities; school boards in both the separate and public systems; social services; and post-secondary education. CUPE members are your neighbours. They provide care at your hospital and long-term care home. They deliver home care for your elderly parents. They collect your recyclables and garbage from the curb. They plough your streets and cut the grass in your parks and playgrounds. They produce and transmit your electricity, and when the storm hits in the middle of the night, they restore your power. CUPE members teach at your university and keep your schools safe and clean. They take care of your youngest children in the child care centre and make life better for developmentally challenged adults. They protect at-risk children as well as those struggling with emotional and mental health concerns.

Our members do this work every day, and as a collective experience it equips us to make a positive and informed contribution to the discussions around work and minimum wage. **As a public sector union, CUPE cares about the minimum wage because improving the conditions of the lowest wage earners will significantly impact many of the people our members serve, along with our own members.** We support the development of vibrant, healthy communities and strong local economies, and part of this can be realized through immediate improvements to the provincial minimum wage.

### Introduction

The establishment of the Minimum Wage Advisory Panel is an indication of the government's willingness to take action on this important issue. With the recommendations from CUPE Ontario and community members from across the province, the government has a considerable opportunity to make lasting changes to the minimum wage that would improve the living conditions of hundreds of thousands of Ontarians and strengthen the economy.

### The Ontario context

Ontario accounted for more than half of Canadians earning the minimum wage in 2012, with 534,000 Ontarians earning \$10.25 per hour.<sup>1</sup> The proportion of employees in the province working for the minimum wage has also increased dramatically over the last decade. Almost one in ten employed Ontarians (9.3 per cent) worked for the minimum wage in 2012, compared to 3.5 per cent a decade earlier.<sup>2</sup> A significant part of the increase has come from working people aged 35 or over – the proportion of minimum wage earners from this age group increased by 60 per cent over the last decade.<sup>3</sup> Between 2009 and 2012, Ontario had the highest average share of employees working for the minimum wage in the country – 45 per cent higher than the Canadian average.<sup>4</sup>

During the recession, other provincial jurisdictions have implemented increases to the minimum wage (see Table 1), a recognition that doing so would help the lowest income earners and boost the local economy. Most notably, Manitoba, Nova Scotia and Yukon Territory have raised the minimum wage every year between 2009 and 2013.<sup>5</sup> Quebec has raised the minimum wage in every year between 2010-2013, while New Brunswick and Prince Edward raised the minimum wage every year between 2009 and 2012.<sup>6</sup> Alberta increased the minimum wage in 2009, 2011, 2012 and 2013.<sup>7</sup> Ontario last increased the minimum wage in 2010, leaving the province behind the country-wide trend and low wage earners with less purchasing power during the recession due to inflation.

Table 1. Minimum wage increases in Canada since 2009.

Jurisdiction	2009	2010	2011	2012	2013
British Columbia			✓	✓	
Alberta	✓		✓	✓	✓
Saskatchewan	✓		✓	✓	
Manitoba	✓	✓	✓	✓	✓
<b>Ontario</b>	✓	✓			
Quebec		✓	✓	✓	✓
Nova Scotia	✓	✓	✓	✓	✓
New Brunswick	✓	✓	✓	✓	
Prince Edward Island	✓	✓	✓	✓	
Newfoundland & Labrador	✓	✓			
Yukon Territory	✓	✓	✓	✓	✓
Northwest Territories		✓	✓		
Nunavut			✓		

Source: Minimum Wage Database. "Hourly Minimum Wages in Canada for Adult Workers." Government of Canada, 2013.

## Developments from Other Jurisdictions

There is no doubt that the minimum wage is a pressing issue, as indicated by the broad community calls for action in Ontario, but also with recent developments in other jurisdictions. The government of Newfoundland and Labrador appointed a Minimum Wage Advisory Committee in 2012, which conducted consultations and received feedback from the public. After extensive consultation, the committee recommended that the province increase the minimum wage immediately to reflect the loss of purchasing power in the minimum wage since 2010, along with adjusting the minimum wage annually to the previous year's all-items Consumer Price Index for the province.<sup>8</sup>

In the United States, President Obama called on Congress in his February 2013 State of the Union address to raise the federal minimum wage. In particular, Obama recommended raising the federal minimum wage by 24 percent (from \$7.25 to \$9.00) and indexing it to inflation.<sup>9</sup> The White House claims that increasing the minimum wage by this amount would offset between 10 to 20 per cent of the increase in income inequality in the country since 1980.<sup>10</sup> In September 2013, the U.S. government extended minimum wage and overtime protections to home care workers, a change that impacts almost two million workers.<sup>11</sup> The administration made the move recognizing that this was an issue of fairness and equity, citing that 40 per cent of home care aides receive government benefits like food stamps, 92 per cent are female and 42 per cent are Black or Hispanic.<sup>12</sup>

In the United Kingdom, the government accepts recommendations from the independent Low Pay Commission, which was established in 1998 to study and establish rates for the national minimum wage.<sup>13</sup> Since the Commission's creation, the UK has implemented steady increases to the national minimum wage annually. In Australia, the Fair Work Commission – which includes a Minimum Wage Panel – has been required to conduct an annual wage review in each financial year since 2009.<sup>14</sup> The Commission makes a national minimum wage order each year following the review, in addition to changing modern award minimum wages (awards apply to employees in a particular occupation or industry and are used as benchmarks for labour agreements).<sup>15</sup>

## Losing Ground: Ontario's Minimum Wage Gap

The increases to Ontario's minimum wage from 2004 to 2010 were a good step in recovering some of the ground lost from the freeze between 1995 to 2003. However, while most provinces have introduced steady increases to the minimum wage since 2010, minimum wage earners in Ontario have been falling behind. Inflation has reduced minimum wage earners' spending power by seven per cent since the last time the minimum wage was increased in Ontario (March 31, 2010).<sup>16</sup>

When looking at the current rate of \$10.25 per hour, a minimum wage earner who works full-time is living in poverty. Based on a 35-hour work week, the annual earnings of a minimum wage worker is 21 per cent below the poverty line (based on the 2011 Low-Income Measure and subsequent two per cent inflationary adjustments).<sup>17</sup> When using another measure such as the Market Basket Measure (MBM), which was created to represent a "standard of living that is a compromise between subsistence and social inclusion that reflects differences in living costs across the country," the conclusions are similar.<sup>18</sup> As seen in Table 2, minimum wage earners living in Toronto do not fare well, especially when compared to their counterparts in major cities and towns across the country.<sup>19</sup>

*Table 2. Minimum wage earnings compared to Market Basket Measure in major Canadian cities.*

City	Market Basket Measure (2013 estimate)	Minimum wage	Annual wage	Difference
Toronto	\$ 19,930.42	\$ 10.25	\$ 18,655.00	- \$ 1,275.42
Calgary	\$ 19,322.83	\$ 9.95	\$ 18,109.00	- \$ 1,213.83
Fredericton	\$ 19,182.38	\$ 10.00	\$ 18,200.00	- \$ 982.38
Vancouver	\$ 19,592.29	\$ 10.25	\$ 18,655.00	- \$ 937.29
St. John's	\$ 18,550.33	\$ 10.00	\$ 18,200.00	- \$ 350.33
Halifax	\$ 18,868.69	\$ 10.30	\$ 18,746.00	- \$ 122.69
Charlottetown	\$ 18,314.16	\$ 10.00	\$ 18,200.00	- \$ 114.16
Regina	\$ 17,513.57	\$ 10.00	\$ 18,200.00	+ \$ 686.43
Montreal	\$ 17,242.55	\$ 10.15	\$ 18,473.00	+ \$ 1,230.45
Winnipeg	\$ 17,486.00	\$ 10.45	\$ 19,019.00	+ \$ 1,533.00

Sources: Minimum Wage Database. "Hourly Minimum Wages in Canada for Adult Workers." Government of Canada, 2013; Statistics Canada. "Low Incomes Lines, 2011-2012." Government of Canada, 2013.

The lowest income earners in Ontario continue to not only have greater difficulty compared to minimum wage earners in other provinces, but continue to fall further behind other income earners in the province. Since the last increase, the minimum wage as a share of the average wage in Ontario has dropped by five per cent.<sup>20</sup> The province has also seen a period of growth during this period. While Ontario has grown wealthier as a province – GDP per capita has increased 7.5 per cent since the last change to minimum wage – the lowest income earners have experienced diminished purchasing power and have gotten relatively poorer.<sup>21</sup>

On an international scale, Ontario's lowest income workers have fallen far behind. Canada's national average minimum wage amounts to 45 per cent of the wages of full-year, full-time workers – which places the country in the lowest third amongst 27 OECD countries.<sup>22</sup> Ontario's minimum wage comprises only 42 per cent of the wages of full-time workers in the province, ahead of only the Czech Republic, United States, Japan, Estonia, Korea and Luxembourg in this regard.<sup>23</sup>

Table 3. Economic changes since the last increase to the Ontario minimum wage (March 31, 2010).

Ontario	Change
Average wage	+ 4.7%
GDP per capita	+ 7.5 %
Inflation	+ 7.0 %
Minimum Wage	0%

Sources: Statistics Canada. Table 282-0073 – Labour force survey estimates (LFS), wages of employees by job permanence, union coverage, sex and age group, unadjusted for seasonality, CANSIM (database). Government of Canada, 2013; Minimum Wage Database. “Hourly Minimum Wages in Canada for Adult Workers.” Government of Canada, 2013; Ontario Economic Accounts. “Analytical Tables and Charts 2008:I-2013:I.” Government of Ontario, 2013; Statistics Canada. Table 051-0005, Estimates of population, CANSIM (database); Statistics Canada. Table 326-0020, Consumer Price Index, CANSIM (database). Government of Canada, 2013.

## Addressing Inequity: The Impact on Marginalized Groups

### Part-Time and Precarious Employment

It is important to note that many minimum wage earners do not work full-time. While less than 20 per cent of all employees work part-time, almost 60 per cent of minimum wage workers in Canada work on a part-time basis.<sup>24</sup> Among part-time minimum wage workers 25 and over, four in ten cite the lack of full-time jobs or their current economic situation as the reason they work part-time.<sup>25</sup> The reality for part-time minimum wage workers is harsh, considering that they would still be living in poverty even if they were working full-time.

In addition to being more likely to work part-time, minimum wage earners tend to work in short-term and precarious employment. While only one-fifth of all employees in Canada have held their jobs for less than one year, almost one-half (47 per cent) of minimum wage workers are in this position.<sup>26</sup> Minimum wage workers make up 15 per cent of workers who have held jobs for three months or less, which is a higher proportion than any other job length.<sup>27</sup> With a tough economy, the lack of adequate support measures for low-income people and low income earnings, the precarious nature of minimum wage work compounds the difficulties that the lowest-income earners in Ontario face.

### Marginalized Groups

Low-wage jobs in Ontario and the rest of the country are disproportionately occupied by individuals from marginalized communities. Thus, provincial policy and changes to (or lack thereof) the minimum wage have a larger impact on these communities. Increasing the minimum wage would not only directly impact those earning the minimum wage, but those earning a wage below the potential increase to the minimum wage. There is also the potential “spillover effect” of a higher minimum wage indirectly bumping up wages for those continuing to earn slightly above the minimum wage, which continue to be represented disproportionately by individuals from marginalized communities.<sup>28</sup> Government policy should acknowledge existing structural inequity and address the challenges that marginalized groups face, especially those who are low income earners.

In Canada, women make up the same proportion of the workforce as men, but earn 36.5 per cent less in employment income compared to men.<sup>29</sup> This inequitable trend is reflected in the lowest income range, as women have consistently made up around 60 per cent of minimum wage workers over the last decade.<sup>30</sup> Minimum wage workers are less likely to receive benefits such as extended health coverage or pension benefits since only one in ten minimum wage workers belong to a union or are covered by a collective agreement, compared to almost one in three for all employees.<sup>31</sup> Women earning the minimum wage are further disadvantaged because they are less likely to qualify for Employment Insurance (EI), including maternity benefits. The precarious and part-time nature of minimum wage work makes it more difficult for workers to meet the strict eligibility criteria around employment hours for EI.<sup>32</sup>

People from racialized communities are also more likely to work in low and minimum wage jobs. Racialized employees make up 34.9 per cent of minimum wage earners, despite only representing 23.9 per cent of all wage earners.<sup>33</sup> On a broader level, racialized individuals earn 28.8 per cent less in employment income compared to non-racialized individuals.<sup>34</sup> Recent immigrants, who are overwhelmingly from racialized communities, represent 15.0 per cent of minimum wage earners, despite only representing 7.1 per cent of all wage earners.<sup>35</sup> Recent immigrants earn 40.6 per cent less in employment income compared to the non-immigrant population.<sup>36</sup> Aboriginal individuals earn 35.3 per cent less in employment income compared to the non-Aboriginal population.<sup>37</sup> Like women who are employed at the minimum wage, individuals from racialized, immigrant or Aboriginal communities are less likely to be unionized, be covered by a collective agreement, receive employment benefits or qualify for supports like EI benefits.

People with disabilities who are employed are more likely to earn lower incomes, in addition to other barriers faced in the workplace. People with disabilities earn 33.6 per cent less in employment income compared to those without disabilities, while women with disabilities earn 42.5 per cent less.<sup>38</sup> Studies reveal that people with disabilities have a weaker attachment to the labour force, which results in the higher likelihood of persistent low income, along with more precarious and part-time employment.<sup>39</sup> Almost three in ten employed people with disabilities work in sales and services occupations – more than any other sector – which are more likely to be paid at the minimum or near minimum wage.<sup>40</sup> People with disabilities continue to face systemic barriers that result in their overrepresentation in low wage, part-time and precarious employment, while confronted with the lack of social and institutional supports.

*Table 4. A demographic comparison of employment income in Canada.*

	<b>Percentage income</b>	<b>Compared to</b>
<b>Men</b>	+ 25.8%	Total population
<b>Women</b>	- 36.5%	Men
<b>Racialized individuals</b>	- 28.8%	Non-racialized individuals
<b>Recent immigrants</b>	- 40.6%	Non-immigrant individuals
<b>Aboriginal individuals</b>	- 35.3%	Non-Aboriginal individuals
<b>People with disabilities<sup>41</sup></b>	- 33.6%	People without disabilities

Source: Statistics Canada. 2006 Census, Catalogue Number 97-563-XCB2006006, 97-563-XCB2006007 & 97-563-XCB2006008. Government of Canada, 2013. NOTE: Results from the 2011 National Household Survey (NHS) are consistent with an existing disparity in incomes of marginalized groups. However, there is widespread concern about the reliability of NHS data within the research community, which informed the decision to use demographic data from the last Census.

## **Youth and Students**

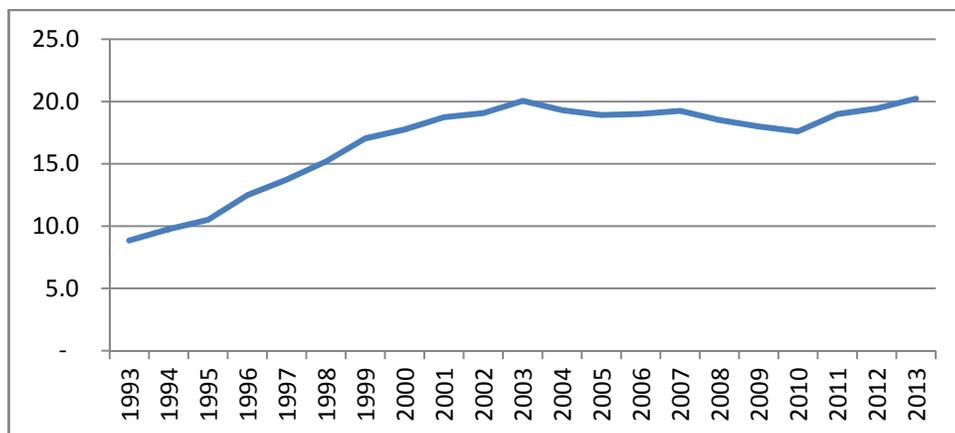
Youth are another group of people that are over-represented in low-income jobs. Youth under the age of 25 comprise 17 per cent of all employees, yet they account for almost 60 per cent of all minimum wage workers.<sup>42</sup> Young workers (under 25) are seven times more likely to be earning a minimum wage compared to workers 25 and over.<sup>43</sup>

With at least 70 per cent jobs in the new economy requiring some form of post-secondary education, young people are doing what they can to pursue a college or university education.<sup>44</sup> With the high cost of tuition fees and other education expenses, the majority of college and university students must work during the school year and throughout the summers in between the academic years. Of the minimum wage workers aged 15 to 19, 85 per cent attend school on a full-time or part-time basis, while 44 per cent of minimum wage workers aged 20 to 24 attend an educational institution.<sup>45</sup>

Since a significant portion of students earn the minimum wage, the rising cost of post-secondary education – without commensurate increases to the minimum wage in recent years – has placed

additional financial pressure on those attending college or university. Twenty years ago, an undergraduate student in Ontario was able to pay the full cost of tuition fees by working full-time in a minimum wage job during the summer (35 hours a week for 9 weeks).<sup>46</sup> Now, an undergraduate student would have to work full-time for 20 weeks just to cover tuition fees.<sup>47</sup> A law student would have to work 40 weeks, while a medical student would have to work 60 weeks at minimum wage just to cover their tuition fees.<sup>48</sup> Ontario students continue to fall behind those in other provinces with respect to education affordability. It takes longer to pay for tuition fees while working in a full-time minimum wage job in Ontario than in any other province – those in Quebec and Newfoundland and Labrador can work for 7.5 weeks at the minimum wage to cover the cost of tuition fees.<sup>49</sup>

Figure 1. The number of weeks working full-time at the minimum wage required to pay for undergraduate tuition fees in Ontario (1993 to 2013).



Source: Statistics Canada. “University tuition fees.” Government of Canada, 2013; Minimum Wage Database. “Hourly Minimum Wages in Canada for Adult Workers.” Government of Canada, 2013.

Table 5. The number of weeks working full-time at the minimum wage required to pay for undergraduate tuition fees across Canada.

Jurisdiction	# weeks
Quebec	7.5
Newfoundland & Labrador	7.6
Manitoba	10.3
British Columbia	14.0
Prince Edward Island	16.3
Alberta	16.3
Nova Scotia	17.2
New Brunswick	17.5
Saskatchewan	18.3
<b>Ontario</b>	<b>20.2</b>

Source: Statistics Canada. “University tuition fees.” Government of Canada, 2013; Minimum Wage Database. “Hourly Minimum Wages in Canada for Adult Workers.” Government of Canada, 2013.

# Increasing the Minimum Wage Would Strengthen the Economy

## Higher Wages and Consumer Spending

Establishing a strong minimum wage is an effective strategy for strengthening Ontario's economy and local communities. By increasing the purchasing power of the more than half a million Ontario workers earning a minimum wage, and the potential spillover effects on workers earning just above the current minimum wage, local economies would be boosted through an upswing in consumer spending.

Consumer spending drives the domestic economy. On a broad scale, household spending accounts for 54 per cent of Canada's gross domestic product.<sup>50</sup> With more purchasing power, working families are able to spend more on household necessities and leisure, while supporting local businesses. For low-income families in particular, higher wages reduce debt loads and increase spending capacity. By encouraging consumer spending and putting more money into the local economy, higher wages lead to increased demand and healthy local businesses. In the United States, it is estimated that an increase of the federal minimum wage from \$7.25 to \$9.80 would increase the earnings of low-wage workers by \$40 billion by July 2014, which would boost the GDP and employment.<sup>51</sup>

## Impact on Jobs and Businesses

It is commonly argued by certain stakeholders that increasing the minimum wage would hurt businesses and lead to job loss. However, many studies have illustrated that there is no real evidence to support this claim.<sup>52</sup> One landmark study of the fast food industry in New Jersey and Pennsylvania found that regardless of whether they compared stores that were affected by new minimum wage legislation or those that were not, the increase in the minimum wage increased employment.<sup>53</sup> Several subsequent American studies using varying methodologies have yielded similar results.<sup>54</sup>

An analysis of the impact of the national minimum wage in the UK also strongly counters the idea that increasing the minimum wage leads to job losses. The UK Low Pay Commission concluded in its 2013 National Minimum Wage report that since 2007, total employment has continued to grow despite a 12 per cent overall increase to the national minimum wage during that period.<sup>55</sup> Low-paying sectors have also grown more compared to the UK economy as a whole since 2007.<sup>56</sup> The report concludes that the national minimum wage increases have resulted in higher pay rises for the lowest income earners than their peers and that there has not been any evidence of a significant adverse effect of the minimum wage on employment in the UK.<sup>57</sup>

Numbers in Ontario also suggest that increasing the minimum wage does not have a discernible effect on employment. Ontario raised the minimum wage each year from 2004 to 2010. Yet, between 2006 and 2012, an additional 148,000 jobs in the sales and services sector were created.<sup>58</sup> During this period, retail companies with 300 or more employees actually created more than 40,000 jobs.<sup>59</sup> It is worth noting that large businesses have increasingly occupied the share of minimum wage earners. Businesses with 500 or more employees currently hire 45 per cent of all minimum wage employees in Canada, compared to 30 per cent of all employees 15 years ago.<sup>60</sup> In Ontario, such businesses hire roughly half of all minimum wage employees.<sup>61</sup> With these large companies continuing to record healthy profits, enjoy low corporate tax rates and sit on unused funds, they can easily help boost the economy through better working wages.

Some also suggest that the impact of the minimum wage on businesses is influenced by business models and practices. Increasing wages can make businesses run more efficiently through reduced employee turnover and higher individual productivity.<sup>62</sup> After President Obama announced his desire to raise the federal minimum wage to \$9 per hour, Costco CEO Craig Jelinek was vocal about raising the minimum wage even higher at \$10.10 per hour and annually adjusting it by inflation.<sup>63</sup> With the typical Costco worker earning \$45,000 per year (double that of Wal-Mart employees), Jelinek said in his statement that "an important reason for the success of Costco's business model is the attraction and retention of great employees."<sup>64</sup>

Generally, increasing the minimum wage does not drive jobs away – any claim to the contrary ignores the basic reality that job creation reflects the growth of the economy. In addition to a comprehensive provincial job growth strategy, increasing the capacity for low-wage earners to spend will strengthen the economy. Most provincial jurisdictions in Canada raised the minimum wage during the recession with no evidence suggesting that such policy changes negatively impacted employment rates.

## **Recommendations for Change: Toward a Living Minimum Wage**

### **Increase the Minimum Wage Immediately to \$14 per hour**

CUPE Ontario is calling on the government to immediately raise the minimum wage to \$14 per hour in order to ensure that the lowest income earners in Ontario can earn a living wage. Using the Low-Income Measure, the annual earnings of a full-time, 35-hour per week, minimum wage worker is 21 per cent below the poverty line. Adjusting the minimum wage immediately to \$14 per hour would compensate for the loss of purchasing power resulting from the three-year freeze and would better reflect the day-to-day realities of minimum wage earners.

The government also needs to consider the fact that most minimum wage earners do not work full-time throughout the entire year. Given that the majority of minimum wage workers are engaged in precarious, short-term and part-time work, trying to live above the poverty line remains a larger challenge for such workers. For families that rely on one or two minimum-wage income earners, the financial challenges are even greater.

### **Index the Minimum Wage to Reflect the Cost of Living**

In addition to an immediate increase, the minimum wage should be indexed annually to reflect the real cost of living in the province, to prevent the erosion of the purchasing power of Ontario's lowest income earners. Indexation would also ensure some form of wage predictability for employers and employees.

Alberta, Nova Scotia and the Yukon Territory are the current Canadian jurisdictions that adjust the minimum wage annually to the cost of living. Alberta and the Yukon Territory index the rate based on the Consumer Price Index in Alberta and Whitehorse, respectively, while Nova Scotia indexes the rate based on the Canada Consumer Price Index.<sup>65</sup> In the U.S., ten states currently index the minimum wage to the cost of living and the Obama administration is pushing for an indexation to the federal minimum wage.<sup>66</sup> The UK has been indexing the minimum wage to a cost of living measure since 1998 and Australia has been doing the same since 2009.

It is important to consider what measure is being used to adjust or index the minimum wage. Many jurisdictions use some form of the Consumer Price Index as a reference, but this value can vary depending on regional (e.g.: provincial CPI, Canada CPI, etc.) or time (CPI for previous calendar year, projected CPI, etc.) specifications.

Furthermore, making wage adjustments based on CPI (all-items) is not necessarily a true reflection of the increase in costs for low-wage earners. Low-wage earners tend to spend their money disproportionately on essential and non-discretionary purchases that tend to be more volatile and increase at a higher rate. For example, low-wage earners spend a higher proportion of their income on food, shelter, transportation and energy compared to higher income earners. Yet, over the last decade, these essential items far outpaced CPI (see Table 6).<sup>67</sup>

Other jurisdictions like the UK have recognized the disparate inflation of essential items like food, water, power, housing and transportation. Tullett Prebon has even created a UK Essentials Index, which demonstrates how non-discretionary purchases have continued to out-grow broader inflation indices.<sup>68</sup>

Table 6. Measure of the increase in cost of essential items compared to CPI over the last decade.

Item	Outpaced All-Items CPI (Ontario)
Food	58.5 %
Shelter	15.6 %
Transportation	17.6 %
Gasoline	263.7 %
Energy	123.2 %

Source: Statistics Canada. Table 326-0020, Consumer Price Index, CANSIM (database). Government of Canada, 2013.

### **Create a Commission that Focuses on Poverty and Low-Income Earners**

The immediate increase and indexation of the minimum wage should be accompanied by an independent Commission that focuses on poverty and low-income earners in Ontario. The creation of such a commission would provide a forum to evaluate how the province is addressing poverty, including how workers are faring under the minimum wage. The UK Low Pay Commission, for example, conducts annual reviews on the status of low-income earners, along with determining increases to the minimum wage that reflect the cost of living.

It is necessary to ensure that government policy around the minimum wage is placed within the larger context of poverty. Discussions around social assistance rates (Ontario Works, Ontario Disability Support Program), housing, social services, labour law and employment must be entwined with those around the minimum wage and income. A new Commission, with representation from the people affected by poverty, should be tasked with conducting an annual review that evaluates the challenges that low-income earners face, which would form the basis for new governmental policies to address poverty.

## Notes

- <sup>1</sup> Yalnizyan, A. "Boost the Minimum Wage, Boost the Economy, from the bottom up." Canadian Centre for Policy Alternatives, February 2013.
- <sup>2</sup> Ibid.
- <sup>3</sup> Ibid.
- <sup>4</sup> Ibid.
- <sup>5</sup> Minimum Wage Database. "Hourly Minimum Wages in Canada for Adult Workers." Government of Canada, 2013.
- <sup>6</sup> Ibid.
- <sup>7</sup> Ibid.
- <sup>8</sup> "Observations and Findings 2012." Newfoundland and Labrador Minimum Wage Advisory Committee, 2012.
- <sup>9</sup> Lowry, A. "Raising Minimum Wage Would Ease Income Gap but Carries Political Risks." New York Times, February 13, 2013.
- <sup>10</sup> Ibid.
- <sup>11</sup> Greenhouse, Steven. "U.S. to Include Home Care Aides in Wage and Overtime Law." New York Times, September 17, 2013.
- <sup>12</sup> Ibid.
- <sup>13</sup> "Welcome to the Low Pay Commission." Low Pay Commission. Web. September 2013.
- <sup>14</sup> Fair Work Commission. "National Minimum Wage Orders." Government of Australia, 2013.
- <sup>15</sup> Ibid.
- <sup>16</sup> Statistics Canada. Table 326-0020, Consumer Price Index, CANSIM (database). Government of Canada, 2013.
- <sup>17</sup> Statistics Canada. "Low Incomes Lines, 2011-2012." Government of Canada, 2013.
- <sup>18</sup> Ibid.
- <sup>19</sup> Statistics Canada. "Low Incomes Lines, 2011-2012." Government of Canada, 2013; Minimum Wage Database. "Hourly Minimum Wages in Canada for Adult Workers." Government of Canada, 2013.
- <sup>20</sup> Statistics Canada. Table 282-0073 – Labour force survey estimates (LFS), wages of employees by job permanence, union coverage, sex and age group, unadjusted for seasonality, CANSIM (database). Government of Canada, 2013; Minimum Wage Database. "Hourly Minimum Wages in Canada for Adult Workers." Government of Canada, 2013.
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