

Broad support in poll for \$15 federal minimum wage

By Hina Alam

October 19, 2016 – *The Toronto Star*

A new public opinion survey shows a healthy majority of Canadians support an increase in minimum wage.

The Forum Research poll conducted last week showed that 63 per cent of Canadian voters approve increasing the national wage to \$15 an hour. Thirty-one per cent disapproved; six per cent didn't know.

Include Morley Gunderson, economics professor emeritus and CIBC chair in youth employment at the University of Toronto, among the 31 per cent opposed. Such a large increase would very likely reduce the employment prospects of youths who are already having problems getting jobs, he said.

The most striking thing about the poll, to Forum president Lorne Bozinoff, is that “the wealthiest — who don't need (an increased minimum wage) — object the most.”

“Youth are more likely to object, presumably, because they think their job prospects are those most threatened by a higher minimum wage,” Bozinoff added.

Indeed, several recent Canadian studies have shown that a 10 per cent increase in minimum wage have resulted in a three to six per cent decrease in employment in young people, said Gunderson.

There is no easy solution to this, he said: It's a trade-off that politicians and the general public make, recognizing that some people will have a higher wage and others will not have a job.

While this effect in unemployment is not seen overnight, he said, it happens over a period of time, he pointed out, noting large retailers are moving away from cash registers to self-checkouts, restaurants are shifting from servers to buffets, etc.

However, Gunderson cautioned that the evidence in the U.S. is more divided, with many studies finding that an increase in the minimum wage has little or no effect on employment.

“The general public also tends to support (an increase) because they perceive only the increase in wages for low-wage persons and not any adverse employment effect which generally falls on youths,” Gunderson said.

Forum found that 76 per cent of individuals who earned less than \$20,000 a year were in favour of the minimum wage hike. Voters who support the federal New Democrats were firmly in favour, 84 per cent to 11; Tory supporters were against, but less strenuously so (36 per cent in favour, 59 per cent against).

The minimum wage increase had more supporters than detractors in every region of the country; the most enthusiastic was Atlantic Canada, where 73 per cent were in favour, and the least supportive was Alberta (49 per cent in favour, 45 per cent against).

Thirty-five per cent of the youngest voters (ages 18 to 34) disapproved of the increase — the highest disapproval rate of any age group. Also disapproving of the increase were 36 per cent of those who earned between \$100,000 and \$250,000 a year. In every age and income bracket, however, the idea has majority support.

Setting minimum wages is by and large a provincial responsibility; only federally regulated industries such as banks or broadcasting would be directly affected by a move from Ottawa. However, according to a Library of Parliament Research Publication, “even though only an extremely small population of federally regulated workers could directly benefit from such a proposal, its potential adverse impact on employment

among minimum wage workers nationally could be far-reaching if provinces and territories are pressured into similar minimum-wage-setting action.”

“I believe that (minimum wage) has more political value than economic value,” Gunderson said. “It looks good for politicians to say they are raising the minimum wage to alleviate poverty even though the link between the minimum wage and poverty is at best very weak and at worst may be harmful.”

The current minimum wages set by the provinces and territories range from \$10.50 in Newfoundland to \$13 in Nunavut.

Forum surveyed 1,437 randomly selected Canadians who are 18 years or older using an interactive voice response telephone survey on Oct. 11-12. The results are considered accurate to within three percentage points, 19 times out of 20.