

Public backs overdue minimum wage hike

By Erika Shaker

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Despite business sector fearmongering and misreporting by the mainstream media, Ontario's move to raise the minimum wage to \$15 an hour has broad public support, according to a recent survey by Forum Research. "[W]hat is surprising," said the polling firm, "is that support for the move is spread across all income groups. A lot of people are in favour, even though they themselves aren't affected" (emphasis added).

It's an odd and divisive assertion—that only low-wage workers are positively impacted by a higher minimum wage—when we know that society as a whole benefits economically and socially from a reduction in income inequality. But let's set that aside for a moment.

How often are low-income workers expected to hear it's not a higher minimum wage they need; rather, society must create "incentives," in the words of Philip Cross at the Macdonald-Laurier Institute, to "pursue actions that will lift them out of low income, such as working hard, demonstrating initiative and enterprise, and obtaining a good education"? In this view of the world, it's all about doing one's homework, making sacrifices and planning ahead, as we can read in any number of articles on financial literacy.

Consider how the increase is framed in so much of the media coverage, and by business associations like Restaurants Canada that have come to depend on low-wage employment. They call the minimum wage bump "reckless" or "sudden" or "too much too fast." What's

Truly surprising (reckless even) is that so many businesses didn't see it coming, even after a two-year \$15 minimum wage campaign in Ontario, a series of global precedents and provincial legislation in the works for years.

Similar minimum wage increases have been studied, debated and implemented in several U.S. states, in Britain and Australia, and here in Canada in Alberta. All this strikes me as something businesses might have considered "market research" or simply "planning ahead" to minimize any sudden shocks to their bottom lines.

Not only that, but the province's Changing Workplaces Review was initiated back in February 2015, "to consider issues brought about in part by the growth of precarious employment."

Ontario businesses had seven months' notice of the bump to \$14 an hour on January 1 — part of legislation, the Fair Workplaces, Better Jobs Act, aimed at improving the working lives of contract and part-time workers — and they have another year before \$15 an hour kicks in.

To be fair, some businesses did prepare. "You make choices. I don't have a Sea-Doo. I'd rather give my cooks a raise," one Ottawa-based restaurant owner told the Ottawa Citizen. The "recovery shouldn't be on the backs of workers. It should be a shared responsibility," explained another in the Toronto Star. "We're not changing economics here, we're just catching up."

And that's the main point here. The increase to the minimum wage shouldn't be seen as a shock, but rather a long-fought-for correction. Those companies and industry associations arguing loudest against it might just be the ones who'd become a little too comfortable in an outdated business model where profit margins depend on low-wage employees. Like the "rogue" (head office's term) Tim Hortons franchises that decided to dock worker benefits and take away their tips as a buffer against increases to their payrolls.

Now, back to those broader community benefits from the pay raise. One in four workers in Ontario earn at or below the minimum wage and 82% of them are 20 or older. A little extra money can help relieve stress in low-income households and modestly increase their spending power, which will eventually be felt in business revenues. Automation—one of the fear factors in the Ontario debate—has been progressing independent of wage increases, and in the fast-food industry was introduced to increase orders and consumer spending, not reduce staff.

There's no question the changes businesses will have to make for the \$14 and then \$15 an hour minimum wage, as well to adjust to new workplace standards, will require some adjustment on the part of owners. But hey, workers living in poverty are constantly told to

rejjig their household expenses — with far fewer resources at their disposal.

Of course, for those businesses that have been paying their workers well all along, and reading the political tea leaves, the change will be much less abrupt. Progress is shocking only when you resist or postpone it.

Rather than retreating to last-minute obstructionism, businesses would do better to simply prepare now for next January's additional \$1 raise to \$15 an hour, which is what polls suggest the public want them to be doing. In the spirit of financial planning, good asset management and projected returns on investment — if not economic justice — let's get to work.

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