

Editorial: Ford's move to flatline minimum wage is bad for workers, and Ontario

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If the poor feel they are under attack by the Ford government, it is for good reason.

In August, the Ontario government cut a planned 3 per cent welfare increase in half and scrapped a basic income pilot project midway through.

Then this week, Labour Minister Laurie Scott, fulfilling an election promise, announced the minimum wage will remain at \$14 an hour rather than rising to \$15 in January.

Worse, she would not even say when it would eventually rise, though under labour reform legislation passed by the former Liberal government last year it was supposed to be tied to inflation.

And, there are concerns that more rollbacks to measures to protect low-income workers will come as the province further reviews that legislation. This isn't just morally wrong, it's economically unwise.

The Ford government is ignoring numerous studies that demonstrate that providing workers with a decent wage puts more money into the economy, which in the long term benefits everyone.

It also leads to higher morale among employees, lower turnover and higher productivity for employers.

Nor does increasing the minimum wage necessarily lead to job losses, as some business organizations suggest. Economists point to studies in New York, California and Washington, which have significantly increased the minimum wage in recent years and job losses there were “statistically indistinguishable from zero.”

And here, after the Liberal government raised the minimum wage to \$14 last January from \$11.40, the provinces jobless rate fell to 5.4 per cent, the lowest in 18 years.

What is even more galling, is that Scott tried to sweeten the wage-hike “pause” by saying the government was “helping the low-income people in Ontario with tax breaks.”

But economists have said the tax break she was referring to would only amount to \$7 a year in savings for Ontarians with incomes below \$49,000, compared to the \$2,000 more a hike would bring in to minimum wage earners who now only bring in \$28,000.

Premier Doug Ford should listen to the sensible advice of economists and reinstate the planned minimum wage hike. In the long run, businesses, never mind workers, will thank him.