



## Regarding: A Consultation Paper on Ontario's Minimum Wage

The Ontario Society of Nutrition Professionals in Public Health (OSNPPH) is the independent and official voice of Registered Dietitians working in public health in Ontario. We commend the Provincial government for continuing to address adequate incomes in Ontario. An adequate minimum wage that is supportive of sufficient income to afford real living costs is a benefit to the overall health of Ontarians and the overall economy. Identifying a grounded, transparent and fair process for establishing and adjusting minimum wage is an important step in helping to break the cycle of poverty.

Significant research exists identifying the connection between poverty and poor health outcomes. Those living in poverty are more likely to have a lower life expectancy and higher infant mortality rates, as well as an increased risk of heart disease, stroke, diseases of the digestive tract, kidney and lung, tuberculosis, HIV and suicide.<sup>1,2</sup> Eating a nutritious diet can reduce the risk of developing certain chronic diseases.<sup>3</sup> Those who are unable to afford nutritious food and are food insecure are more vulnerable to nutritional inadequacies,<sup>4</sup> are at an increased risk of developing chronic diseases and face more challenges in managing these diseases.<sup>5</sup> In addition, treating and managing these conditions costs more than preventing them through food security.<sup>6</sup>

### Factors to be considered when reviewing the minimum wage

In addition to the many factors the Ontario government currently uses to analyze the minimum wage, we recommend the following additional factors be considered:

- **Low Income Measure:** The Low Income Measure (LIM) is used in Ontario's Poverty Reduction Strategy as a benchmark to measure poverty. The LIM should be used as a benchmark measure to determine an adequate minimum wage.

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<sup>1</sup> Marmot, M. (2004). *Status Syndrome: How your social standing directly affects your health and life expectancy*. London: Bloomsbury.

<sup>2</sup> World Health Organization. (2008). *Closing the gap in a generation: Health equity through action on the social determinants of health*. Geneva: WHO.

<sup>3</sup> Health Canada. (2007). *Eating Well with Canada's Food Guide*.

<sup>4</sup> Vogt, J. & Tarasuk, V. (2007). Analysis of Ontario sample in Cycle 2.2 of the Canadian Community Health Survey 2004 (Executive Summary). Department of Nutritional Sciences, Faculty of Medicine, University of Toronto. Retrieved from [http://www.phred-redsp.on.ca/Docs/Reports/CCHSReport/CCHS%20Cycle%202%202%20Ontario%20Nutrition%20Data%20Analysis%20Project\\_Executive%20Summary.pdf](http://www.phred-redsp.on.ca/Docs/Reports/CCHSReport/CCHS%20Cycle%202%202%20Ontario%20Nutrition%20Data%20Analysis%20Project_Executive%20Summary.pdf)

<sup>5</sup> Mikkonen, J. & Raphael, D. (2010). *Social Determinants of Health: The Canadian Facts*. Toronto, ON: York University School of Health Policy and Management.

<sup>6</sup> Ontario Society of Nutrition Professionals in Public Health and Ontario Public Health Association Food Security Workgroup. (2011). *A Call to Action on Food Security: Key Messages and Background*. Retrieved from: [http://www.osnpph.on.ca/communications/Food\\_security\\_key\\_messages\\_background.pdf](http://www.osnpph.on.ca/communications/Food_security_key_messages_background.pdf)



- **Canadian Price Index:** The Canadian Price Index (CPI) has increased 5.48% from 2010 to 2013.<sup>7</sup> Within these years, there have been no increases to minimum wage. Increases to the CPI need to be considered when reviewing the minimum wage.
- **Housing:** Affordable housing is defined as housing costs that are less than 30% of before-tax household income.<sup>8</sup> Low income families receiving social assistance or working minimum wage jobs often spend more than 30% of their gross income on housing. In reviewing minimum wage, the cost of housing and rental market changes should be taken into consideration.
- **Food:** After housing is paid for, many families struggle to afford food. In 2012 in Canada, 12% of families receiving food through food banks were working.<sup>9</sup> Therefore, those who are employed are not protected against food insecurity, which is not having enough or adequate food due to financial limitations.<sup>10</sup>
- **Nutritious Food Basket:** Both the amount and nutritional quality of food is important. The Nutritious Food Basket (NFB) is a tool that measures the current cost of healthy eating based on Eating Well with Canada's Food Guide. The NFB is measured annually in all Ontario public health units. The 2012 Ontario average for the weekly cost of nutritious food for a family of four (a mother aged 31-50, father aged 31-50, son aged 14-18 and a daughter aged 4-8) was \$183.10.<sup>11</sup> Per month, the cost of healthy food would be \$792.82 for this reference family of four. There are limitations to the use of the NFB in defining real food costs. The NFB assumes that individuals and families have the skills and cooking equipment to prepare healthy meals from scratch. It does not include the cost of personal and household care items. It is also important to consider the amount of time invested into preparing healthy meals from scratch.<sup>12</sup> For these reasons, the annual assessment of the NFB should be considered as a starting factor in defining minimum wage increases.
- **Poverty measures and indicators:** Tracking poverty among workers provides an indicator of the combined adequacy of minimum wage, tax transfers and credits in ensuring that workers are able to achieve a minimum standard of living.
- **Quality of life:** Individuals and families living in poverty have a greater risk of poor health outcomes, including lower life expectancy.<sup>13</sup> Many of these families are working

<sup>7</sup> Bank of Canada. *Inflation calculator*. Retrieved from <http://www.bankofcanada.ca/rates/related/inflation-calculator/>

<sup>8</sup> Canadian Mortgage and Housing Corporation. (2013). *About affordable housing in Canada*. Retrieved from [http://www.cmhc-schl.gc.ca/en/inpr/afhoce/afhoce\\_021.cfm](http://www.cmhc-schl.gc.ca/en/inpr/afhoce/afhoce_021.cfm)

<sup>9</sup> Food Banks Canada. (2012). *Hunger count 2012*. Retrieved from <http://foodbankscanada.ca/getmedia/3b946e67-fbe2-490e-90dc-4a313dfb97e5/HungerCount2012.pdf.aspx>

<sup>10</sup> Tarasuk, V., Mitchell, A., & Dauchner, N. Research to identify policy options to reduce food insecurity (PROOF). (2013). *Household food insecurity in Canada 2011*. Retrieved from <http://nutritionalsciences.lamp.utoronto.ca/wp-content/uploads/2013/07/Household-Food-Insecurity-in-Canada-2011.pdf>

<sup>11</sup> This figure was calculated by the Ministry of Health and Long Term Care from data submitted by each Ontario Health Unit.

<sup>12</sup> Smith, L. P., Ng, S. W., & Popkin, B. M. (2013). *Trends in US home food preparation and consumption: analysis of national nutrition surveys and time use studies from 1965–1966 to 2007–2008*. *Nutrition Journal*. 12:45.

<sup>13</sup> World Health Organization. (2008). *Closing the gap in a generation: Health equity through action on the social determinants of health*. Geneva: WHO.



full time but earning minimum wages. These individuals struggle to afford prescription medications and other health services often taken for granted, such as dental care.

## **Economic indicators**

The LIM is used in Ontario's Poverty Reduction Strategy as a benchmark to measure poverty. The LIM should be used as a benchmark measure to determine an adequate minimum wage.

The CPI has increased 5.48% from 2010 to 2013.<sup>14</sup> Within these years, there have been no increases to minimum wage. Increases to the CPI need to be considered when reviewing the minimum wage.

Average weekly earnings help to determine poverty relative to the overall standard of living in Ontario. Therefore, average weekly earnings should also be considered when reviewing the minimum wage.

In order to ensure minimum wage rates support health, it is recommended that minimum wage rates are tied to a combination of the LIM, CPI and average weekly earnings.

## **Review process**

An independent advisory committee should support mandatory reviews and provide recommendations to the presiding Provincial government.<sup>15</sup> This allows for evidence-based and autonomous reviews. The advisory panel should include a range of key stakeholders, including economists and labourers, employer and employee representatives. In order to outline the impact of changes to minimum wage and health, it is recommended that the advisory panel also include representatives from public health. These committee members should represent those most impacted by minimum wage changes.

To improve the accountability of the review process, the recommendations from the advisory committee should be made public. Any increases to minimum wage should be based on the results of the scheduled reviews.

## **Period of review**

While the mandatory review by an independent advisory panel is important, the potential cost of a thorough review previous must be noted. For this reason, reviews by an independent

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<sup>14</sup> Bank of Canada. *Inflation calculator*. Retrieved from <http://www.bankofcanada.ca/rates/related/inflation-calculator/>

<sup>15</sup> Child & Youth Network London. (2013). *Submission to Ontario's minimum wage advisory panel*.



advisory committee occurring every two to three years may be more suitable.<sup>15</sup> Any increases to minimum wage should be based on the results of the scheduled reviews.

Although minimum wage reviews are recommended to occur every two to three years, increases to the minimum wage should be scheduled and occur on an annual basis to ensure rates are reflective of current living costs, including inflation, nutritious food and housing costs.

In order for businesses to prepare for changes to the minimum wage, reviews should be announced at least one year in advance.<sup>15</sup>

### **Adjustments to the minimum wage**

Future adjustments to the minimum wage should be tied to changes in cost of living and poverty lines. Individuals working full-time, year round in a minimum wage job should have an adequate income to ensure a minimum standard of living and be able to provide for their families.

Minimum wage should be indexed to other economic indicators, including the cost of housing/rental market fluctuations and the cost of healthy eating as estimated from the Nutritious Food Basket costs.

As Registered Dietitians working in public health, we strongly support the provision of adequate incomes to enable Ontarians to afford basic needs, including nutritious food. We hope that our submission will assist you in considering the impact of minimum wage on the health of Ontario.

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