



Advancing Social Determinants of Health

RNAO Vision backgrounder

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Social Determinants of Health

It’s hard to imagine that a low-income neighbourhood in Ontario has something in common with Nepal. And yet both share an unsettling statistic. In a part of Hamilton, the average age at death is 65.5 years, tied with Nepal. Perhaps even more surprising is that a few kilometers away in a more affluent neighbourhood within that same Ontario community, the average life expectancy is 86.3 years, which is five years higher than Canada’s average life expectancy. This 21-year difference in life expectancy is not due to random chance, but because of the growing gulf between rich and poor. This avoidable and early loss of life is not imaginary, but the day-to-day reality of members of our society living in parts of Hamilton.¹

Minimum Wage Rates

Ontarians who live in poverty because of precarious low-wage employment and those who struggle because of dangerously low social assistance rates are the very Ontarians who are dying years and decades too soon. The evidence is conclusive: people who live in poverty and are socially excluded experience a greater burden of disease and die earlier than those with better access to economic, social, and political resources.² Poverty is not restricted to certain areas of particular cities, but is pervasive across the province: one in 10 Ontarians (1.3 million) are living in poverty every day. Good quality jobs are often a pathway out of poverty, yet the provincial minimum wage has not been increased since March 2010,³ meaning the purchasing power of the minimum wage has fallen by over 6 per cent. The current minimum wage of \$10.25 per hour still leaves workers 10 per cent below the poverty line.⁴

Things were even worse. The minimum wage was frozen at \$6.85 per hour from 1995 to 2004, corresponding to a 17 per cent cut in purchasing power. After that, important increases brought it to \$10.25. The table below shows the recent progression in minimum wage rates in Ontario.

Ontario Minimum Wage	
Date of Change	Rate
01-Jan-95	\$6.85
01-Feb-04	\$7.15
01-Feb-05	\$7.45
01-Feb-06	\$7.75
01-Feb-07	\$8.00
31-Mar-08	\$8.75
31-Mar-09	\$9.50
31-Mar-10	\$10.25

Alarmingly, the improvements to minimum wage froze in 2010. It is not reasonable to expect people to live below the poverty line while working. Despite the provincial government’s promise to increase the

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minimum wage to \$11.00/hour in June 2014, RNAO believes, along with other health and poverty groups, that the minimum wage must be increased even more if the government wants to help lift the working poor out of poverty. Advocates for low-income workers, RNAO included, have taken up the call to set the minimum wage 10 per cent above the Low Income Measure, or \$14/hour, and to raise the minimum wage annually after that at the rate of inflation.^{5 6}

Taking Action on Poverty

We know public policy can make a difference in people's day-to-day lives and improve health outcomes. Ontario has taken some steps with its first *Poverty Reduction Strategy* released in December 2008. Early investments in increasing the Ontario Child Benefit helped reduce the child poverty rate from 15.2 per cent to 13.8 per cent in 2011 despite the global economic recession.^{7 8 9} However, we have a long way to go just to get back to the 9.9 per cent child poverty rate of 1989.¹⁰

In May 2009, all three parties voted unanimously to pass Ontario's *Poverty Reduction Act*, which commits successive governments to remain focused on the fight against poverty.¹¹ It is crucial that we all work together to eliminate poverty so that all Ontarians can live in health and dignity. And any policy that raises incomes of poor people benefits the local economy because that increase will translate into decreased illness rates and related health-care spending, as well as increases in consumer spending.

References

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³ Ministry of Labour. (2012). Minimum Wage. Toronto: Author. Retrieved January 15, 2014 at:

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⁴ Workers' Action Centre. (2013). *Why Ontario needs a minimum wage workers can live on*. Toronto: Author. Retrieved January 15, 2014 at:

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⁵ Health Providers Against Poverty. (2014). Campaign to Raise Minimum Wage. Retrieved January 15, 2014 at <http://www.healthprovidersagainstpoverty.ca/>.

⁶ This campaign is being coordinated by ACORN, Freedom 90, Mennonite New Life Centre, OCAP, Ontario Campaign 2000, Parkdale Community Legal Services, Put Food in the Budget, Social Planning Toronto, Toronto and York Region Labour Council and the Workers' Action Centre. Workers' Action Centre. (2014). *Minimum Wage*. Retrieved January 15, 2014 at <http://www.workersactioncentre.org/issues/minimum-wage/>.

⁷ Campaign 2000 Ontario. (2013). *Beyond Austerity: Investing in Ontario's Future: 2013 Report Card on Child and Family Poverty in Ontario*. Retrieved January 15, 2014 at <http://www.campaign2000.ca/Ontario/reportcards/2013Nov26OntC2000RepCard.pdf>.

⁸ 25 in 5 Network for Poverty Reduction. (2012). *Meeting the Poverty Reduction Target: Strong Leadership and Good Policy Required*. Toronto: Author, 3. Retrieved January 15, 2015 at: <http://25in5.ca/wp-content/uploads/2012/12/Meeting-the-Poverty-Reduction-Target-Dec-4-2012.pdf>

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¹¹ Ministry of Children and Youth Services. (2008). News Release: Ontario Passes Historic Poverty Reduction Act. Toronto: Author. May 6, 2009. Retrieved January 15, 2014 at: <http://news.ontario.ca/mcys/en/2009/05/ontario-passes-historic-poverty-reduction-act.html>