



Registered Nurses' Association of Ontario
L'Association des infirmières et infirmiers
autorisés de l'Ontario

February 26, 2014

Honourable Kathleen Wynne
Premier of Ontario
Room #281
Main Legislative Building
Toronto, ON M7A 1A1

Dear Premier Wynne,

Thank you very much for your response to our request from January 27th, to raise the minimum wage rate in the next provincial budget to \$14 per hour.

We acknowledge that your announced increase of the general minimum wage to \$11 per hour effective on June 1, 2014 is a helpful first step. The increase was calculated to restore the minimum wage to the real level it had when it was last raised on March 31, 2010, based on changes in the Consumer Price Index (CPI). RNAO also appreciates your commitment to introducing legislation that would tie further minimum wage increases to annual changes in the inflation rate to ensure that the minimum wage keeps up with the cost of living. We ask you to ensure the relevant price index be used to make minimum wage adjustments; as Carol Goar pointed out in a February 4 column in the *Toronto Star*, prices of necessities have been rising at a higher rate than the overall constituents of the CPI. We urge that the government develop a consumer price index for minimum wage workers, and use that for any automatic adjustments in the minimum wage rate. That index should be applied to the June 1 adjustment as well.

We also support your intention to act on the Minimum Wage Advisory Panel's recommendation to undertake a review of the minimum wage be taken every five years.

While these signs of progress are welcome, a 75 cent per hour increase after a four-year freeze will not retroactively restore the purchasing power cumulatively lost over the last four years.

Restoring the minimum wage to its real March 31, 2010 level, and then periodically restoring it to that level with annual inflationary adjustment, still leaves too many Ontarians working full-time for wages that are grossly inadequate to sustain health and dignity. As women, racialized people, and new immigrants are disproportionately more likely to be working for minimum wage, low-waged and precarious employment is another mechanism causing the feminization and racialization of poverty.

The Minimum Wage Advisory Panel found it to be outside of their scope to address the critical question of what an adequate minimum wage level should be. RNAO is among the many civil society groups and health-care organizations that believe a minimum wage should be a pathway out of poverty. The Association of Ontario Health Centres, Association of Ontario Midwives, Canadian Association of Community Health Centres, Health Providers Against Poverty, Ontario Association of Public Health Dentistry, and RNAO support the call for a \$14/hour minimum wage which is 10 percent above the Low Income Measure (LIM). Raising the minimum wage to \$11/hour helps, but it still leaves recipients about

14 percent below the LIM. We believe that it is not acceptable for people to work full-time and still fall below the LIM.

If the minimum wage is only to rise to \$11 on June 1, 2014, then it will have effectively been restored to the value it held four years earlier, assuming that the CPI reflects costs experience by minimum wage workers. An actual living wage has been estimated to be \$16.51 per hour for Kingston and \$17.87 per hour for Toronto in 2012. David Olive of the *Toronto Star* recently pointed out that higher wages are needed both to boost an economic recovery and to lessen the costs of financing social safety nets caused by “sweatshop pay.” Olive points out that Denmark has been cited by the World Bank as Europe’s “easiest place to do business for three years running” and Denmark’s minimum wage is about \$20 per hour.

RNAO continues to support the broad-based community movement to increase the minimum wage 10 percent above the LIM in the next provincial budget. Failing that, March 31, 2015 is a date to mark five years since the last minimum wage raise and could be celebrated with a minimum wage 10 percent above the LIM, which is then indexed annually to inflation. Doing so is integral to fulfilling the promise of Ontario’s Poverty Reduction Strategy, improving the health and lives of those who are marginalized, and bolstering Ontario’s economic recovery through increased consumer spending.

Warm regards,



Doris Grinspun, RN, MSN, PhD, LLD(hon), O.ONT.
Chief Executive Officer, RNAO



Rhonda Seidman-Carlson, RN, MN
President, RNAO

cc. Hon. Charles Sousa, Minister of Finance
Hon. Deb Matthews, Minister of Health & Long-Term Care
Hon. Ted McMeekin, Minister of Community & Social Services
Tim Hudak, Leader of the Progressive Conservative Party
Andrea Horwath, Leader of the New Democratic Party

References

- Goar, C. (Feb. 4, 2014). Ontario’s minimum wage plan locks many into poverty: Goar. *Toronto Star*. Retrieved from http://www.thestar.com/opinion/commentary/2014/02/04/ontarios_minimum_wage_plan_locks_many_into_poverty_goar.html
- Olive, D. (Feb. 21, 2014). Ontario minimum wage still not enough: Olive. *Toronto Star*. Retrieved from http://www.thestar.com/business/2014/02/21/ontario_minimum_wage_still_not_enough_olive.html