

## **Examiner Column from Dr. Rosana Salvaterra, Medical Officer of Health Peterborough Public Health**

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### **A Higher Minimum Wage Improves Public Health and the Economy**

After months of consulting, the provincial government has introduced a bill to amend existing employment and labour laws that address several issues like pay equity for part-time and temporary workers, scheduling rules and better enforcement of the laws. Also included in these changes is an increase to the minimum wage to \$15.00 per hour by January 2019. This has some small business owners concerned about their potential viability, given the increase in employee compensation. That's understandable, and fortunately, the province has built in a reasonable timeline for a phased implementation that will give everyone plenty of opportunity to plan for the change. Although we are witnessing some opposition locally, for Peterborough, an increase in the minimum wage could mean a stronger economy and better health outcomes for more of its residents. There is a public health side of this conversation that is important to consider.

Peterborough is a wonderful place to live and to raise a family. We have strong agricultural roots and a beautiful natural environment. At the same time, we also struggle with high rates of precarious employment, low incomes, and housing costs that result in rates of food insecurity that are considered to be among the highest in the province. From our best calculations, about 16.5% of households in Peterborough City and County are food insecure. That's because households aren't earning enough to cover their basic expenses and there is not enough money left over to put a healthy meal on the table.

Research done here shows that raising the minimum wage so that it is closer to a "living" wage is probably one of the more powerful ways to improve the health and wellbeing of our communities. Full-time work (40 hours per week) at the current minimum wage earns a single person less than \$24,000 a year before taxes. Peterborough's "Living" wage in 2016 was calculated to be \$17.65 per hour. This is what it would take for two working adults with two dependent children to live in Peterborough with an acceptable quality of life. Increasing the minimum wage won't move everyone to an adequate level, but it will benefit nearly 1.5 million people in Ontario.

And why is eliminating poverty good for the health of individuals and our communities? Almost every health outcome, including life expectancy, improves as income increases. In addition, where income inequality is decreased, everyone does better, rich or poor. We all gain, economically too! Economist Armine Yalnizyan says that 57% of Canada's Gross Domestic Product comes from household purchases. She also says that low-income earners spend their money locally. They buy more milk and fresh produce and support local businesses as customers. They don't vacation in Europe or abroad – they spend those minimum wage dollars close to home, in our local stores and at community events. They may even have



enough income to purchase much-needed health related services like eye exams, glasses, dental care and prescription drugs. By putting more money into the pockets of low-income earners, Ontario will be getting a \$5 billion economic stimulus which will itself generate more economic activity and jobs as it cascades through the system, from the bottom up.

When it comes to income, the evidence is both clear and strong. Reducing poverty is the best medicine money can buy. I have to thank former Toronto Medical Officer of Health, Dr. David McKeown for that turn of phrase. And I will thank journalist André Picard for another: “The most powerful drug we have is money...If you have a decent income, it opens the door to living a good life; conversely, poverty is a debilitating condition that robs you of quality of life, and shaves years off your life expectancy”.

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For more information about Dr. Salvaterra, her bio is available on this webpage:

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