

Premier Kathleen Wynne
Legislative Building, Queen's Park
Toronto ON M7A 1A1

January 28, 2014

Re: Health benefits of ensuring that minimum wage is always above poverty line

Together with hundreds of healthcare providers represented in the Health Providers against Poverty network, many Community Health Centres, and Ontario nurses across Ontario, we call on your leadership to create a *benchmark policy* on minimum wage to ensure that minimum wage workers in Ontario (working full-time, full year) never have to live under poverty line.

We welcome the recommendation from the Minimum Wage Advisory Panel to increase minimum wage annually indexed to inflation. For this indexation to be effective, we need your bold leadership to sufficiently increase the current minimum wage so it is benchmarked to above-poverty line, effective immediately. Marginal and delayed increase will fail to provide a permanent solution.

As a follow up to our press conference at Queen's Park on January 14th of this year, we are writing to draw your attention again to the tremendous health benefits in ensuring that all working people in Ontario are above the poverty line. There is now overwhelming Canadian evidence that poverty and low socio-economic status (SES) is the main cause of many health problems and deepening health inequity.

- Health analysts at Statistics Canada (*Cause Specific Mortality by Income Adequacy* report) looked at age-standard mortality rate and found that people in the lowest SES had the worst mortality outcomes in terms of COPD, diabetes, HIV/AIDS and suicide.
- CIHI researchers (*Reducing Gaps in Health* report) examined age-standardized hospitalization rates found that those in lowest SES had higher rates for 20 illnesses; the risk was highest for substance-related disorder, COPD, diabetes, mental health, and ambulatory care sensitive conditions (ACSC).
- Epidemiologists at Toronto Public Health (*The Unequal City* report) found "health gradient" linked to income level for 12 indicators, with those in the lowest SES at highest risk for premature death, low birth weight, self-rated health, lung cancer, gonorrhea, and access barrier to dental visits.

The list goes on. In all studies, the risk decreased step-wise with increase in SES. Recent reports by Canadian Medical Association (*What Makes us Sick?*) and Ontario Medical Association (*Why Poverty is a Medical Problem?*) confirm these findings.

In addition to poverty linked illnesses, working poor face additional health risks through other pathways:

- i) Below-poverty wage presses working poor to work excessive hours or juggle multiple jobs; research highlight damaging health impacts from this including heart diseases, ulcers and cancers.
- ii) Studies have shown that low wage contributes to "effort-reward imbalance," a known risk factor for acute stress, depression, and many heart related illnesses.
- iii) Working poor tend to have reduced access to healthcare services and healthcare benefits (prescription medicine, dental care, eye care etc)

Women, recent immigrants and racialized people are more likely to be working minimum wage jobs and thus bear the brunt of these adverse health impacts. Many of these health impacts are inter-generational. Poverty and low wage among parents has been shown to acutely impact children including hindering cognitive growth and other developmental milestones, setting children up for failure for school and for life.

Below-poverty wage is making hard working Ontarians very sick with preventable chronic illnesses, all of which are top priorities for Ontario's MOHLTC. As healthcare professionals, we see first-hand these damaging health impacts on working people. However, beyond addressing the symptoms, our hands are largely tied. We can't tell our clients to eat better, find better housing, take time to relax or exercise more, because how will they afford the healthy food, running shoes, and time this will require.

In addition to reducing poverty, there is very strong evidence that raising the minimum wage has other spill-over economic benefits including promoting more stable jobs, better retention rates, and more investment in employee training. See definitive summary of evidence by Canadian economists Pierre Brochu and David Green (<http://www.voxeu.org/article/minimum-wages-and-jobs-new-evidence>). Far from being a "blunt" instrument, raising the minimum wage is a benchmark policy solution for catalyzing a race to the top towards more stable, healthy jobs that is good for workers and for business. Negative employment effects (e.g. job loss/separation) are temporary and limited mostly to youth. This can be readily mitigated through corresponding job programs for youth and tax credits for small businesses.

The benefits to health of Ontarians and cost savings to the provincial healthcare system can hardly be understated. Economist Nathan Lurie estimated that raising the income of people in the lowest income quintile just to the second step up would save \$2.8 billion in healthcare costs for Ontario (see report *The Cost of Poverty*). Similarly, economists from the University of Toronto (see report *Bad Jobs are making us Sick*) showed that increasing income of the poorest twenty percent just by \$1,000 will lead to nearly 10,000 fewer chronic conditions, and 6,600 fewer disability days every two weeks. These are tangible health benefits and healthcare cost savings in support of creating a fair, above-poverty minimum wage rate.

Just as inadequate minimum wages force working Ontarians into legislated poverty, your governments can legislate low wage workers out of poverty, and into a situation in which they can protect their health, and their children's health. We thus join constituency groups from across Ontario to call on bold leadership from your government to introduce a progressive minimum wage rate policy in Ontario benchmarked to ensure that minimum wage workers are never below poverty line, effective immediately.

Sincerely,

Gary Bloch, Family Physician at St. Michael's Hospital and a member of Health Providers Against Poverty
Lorraine Telford, Registered Nurse, & Manager of Clinical Programs at LAMP Community Health Centre
Axelle Janczur, Executive Director of Access Alliance Multicultural Health and Community Services

Cc, Deb Mathews, Ontario Minister of Education
Yasir Naqvi, Ontario Minister of Labour