

THE CONSEQUENCES OF HIGHER COSTS FOR LOW WAGE WORKERS

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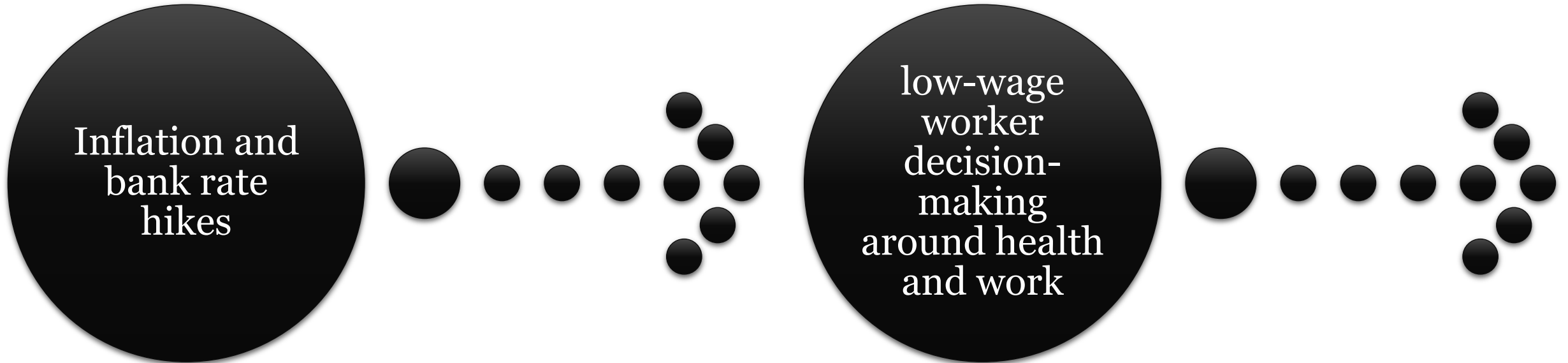


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My focus



Overview

1. Low wage context in Canada and Ontario
2. My studies of low-wage worker decision-making around health and work
 - Situations of low wage workers who worked during COVID lockdowns
 - Taking on gig platform delivery work & related health challenges
3. What could protect the health of low wage workers



1. LOW WAGE CONTEXT

Living wage in Waterloo Dufferin
Guelph Wellington is \$20.90/hr



Minimum wage in Ontario is
\$16.55/hr (was \$15.50/hr in 2022)



Working poor

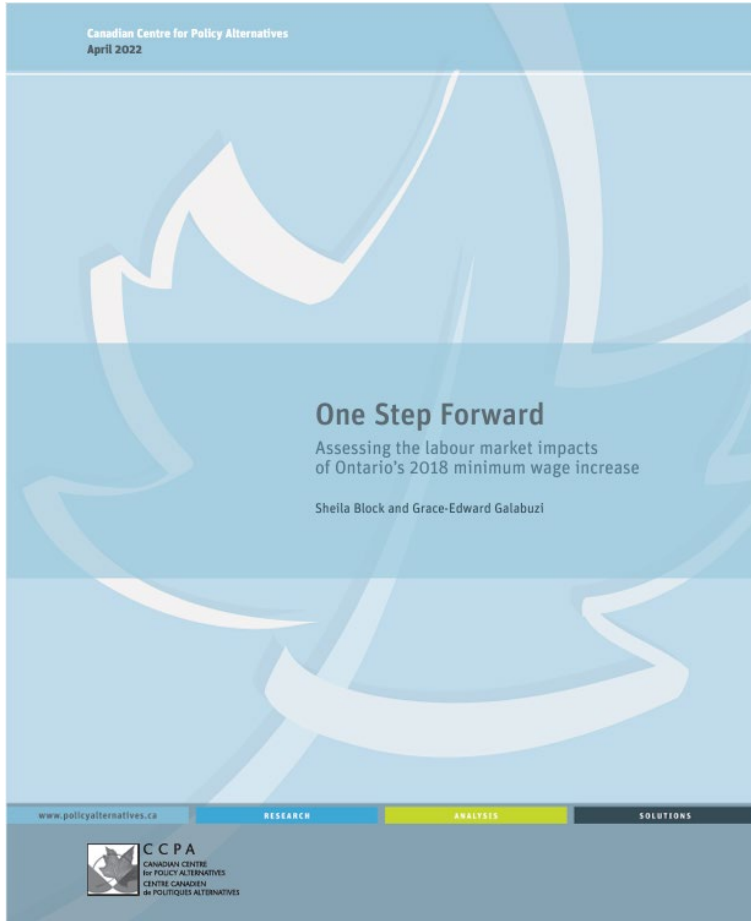
Food banks used by working poor people

PRIMARY SOURCE OF INCOME	
Disability related benefits	28.3%
Social assistance (Ontario Works)	25.5%
Employment income	17.1%
Other	14.7%
Old age pension	9.0%
Employment insurance income	2.4%
Student loan/scholarships	2.0%
CSB/CRSBB/CRCB	0.6%
Canada child benefits	0.4%

Feed Ontario. (2023). Hunger Report 2023: Why Ontarians Can't Get Ahead. Retrieved from <https://feedontario.ca/research/hunger-report-2023/>

- The Ontario Food Banks report 2023:
 - 1 in 6 food bank visitors had jobs, but still not enough money for food
 - 37% increase in employed people using the food banks since last year
 - 82% increase in employed people since 2016-17

Minimum wage growth in Ontario



- The share of Ontario workers earning the minimum wage jumped from 2.4% in 1997 to 11.9% in 2014
- Loss of well-paid manufacturing jobs, declining unionization rates, increasingly precarious employment

Block, S., & Galabuzi, G. E. (2022). One Step Forward Assessing the labour market impacts of Ontario's 2018 minimum wage increase. Canadian Centre for Policy Alternatives

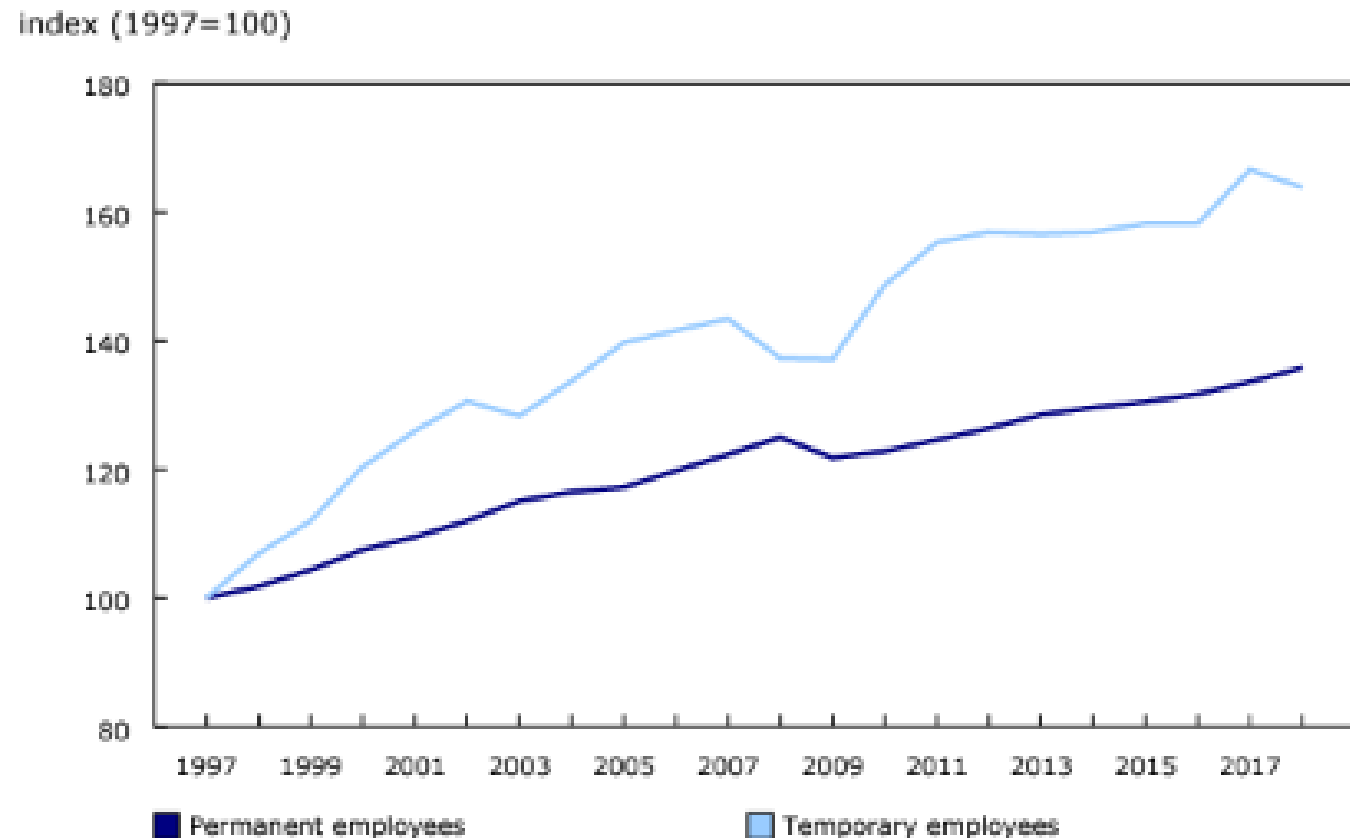
Precarious employment rising

Fastest growing sectors (retail, hospitality) have lowest quality jobs

- larger numbers of temporary and part-time positions

Statistics Canada. (2019). Temporary employment in Canada. Standing Committee on Human Resources Skills and Social Development and the Status of Persons with Disabilities. (2019). Precarious work: Understanding the Changing nature of Work in Canada.

Chart 1
Employment index by job permanency, 1997 to 2018



Source(s): Table 14-10-0072-01 (formerly CANSIM table 282-0080) and custom tabulation.

Most minimum wage workers are adults

Earning minimum wage: 70% adults

TABLE 3 Distribution of minimum-wage workers, Ontario (2015–19) (%)

	2015	2016	2017	2018	2019
15–19	39.6	38.8	38	27.9	29.6
20–24	22.5	22.4	21.3	22.4	22.5
25–54	28.3	28.7	29.5	36.0	34.4
55+	9.6	10.1	11.2	13.8	13.5
Total	100	100	100	100	100

Sources: Statistics Canada, Labour Force Survey, Public Use Microdata File (PUMF) and authors' calculations.

Block, S., & Galabuzi, G. E. (2022). One Step Forward Assessing the labour market impacts of Ontario's 2018 minimum wage increase. Canadian Centre for Policy Alternatives

Increasing numbers taking on gig platform work

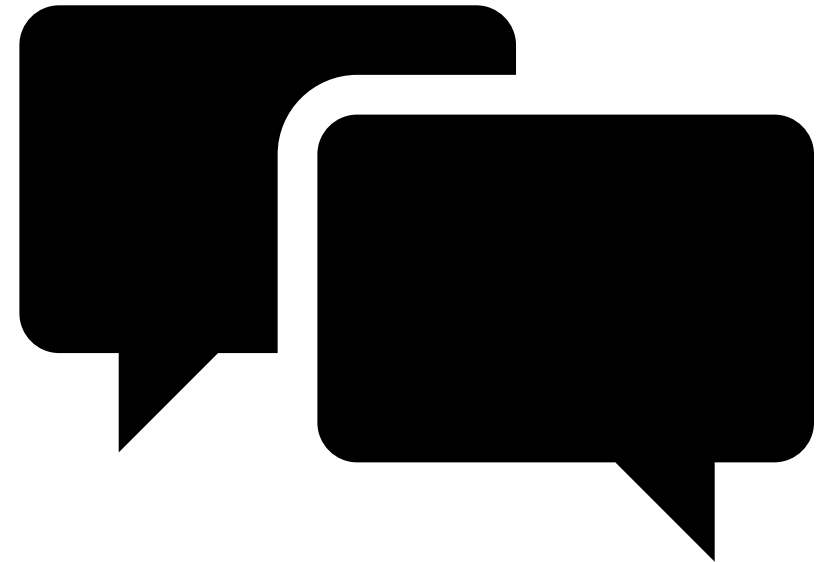
- In 2022, 28% of adult Canadians took on a gig job to boost their incomes. This is up from 13% in 2022.
- 63% who took on gig work cite concerns over rising inflation as a key motivator



H&R Block. (2023, March 2). Nearly half (44%) of Canadian gig workers are willing to risk not declaring income in the battle against cost-of-living increases; 51% say their primary employer is unaware of their side hustle. Cision.

2. MY STUDIES OF LOW-WAGE WORKER DECISION-MAKING AROUND HEALTH AND WORK

- Focused on worker experiences and contexts
- Qualitative: interviews, focus groups



MacEachen, E., Meyer, S. B., Majowicz, S., Hopwood, P., Crouch, M., Jahangir, Y. T., . . . Ilic, A. (2022). Perceived COVID-19 health and job risks faced by digital platform drivers and measures in place to protect them: A qualitative study. *American Journal of Industrial Medicine*, 65, 731-742.

Situations of low wage “essential workers” who worked during COVID lockdowns

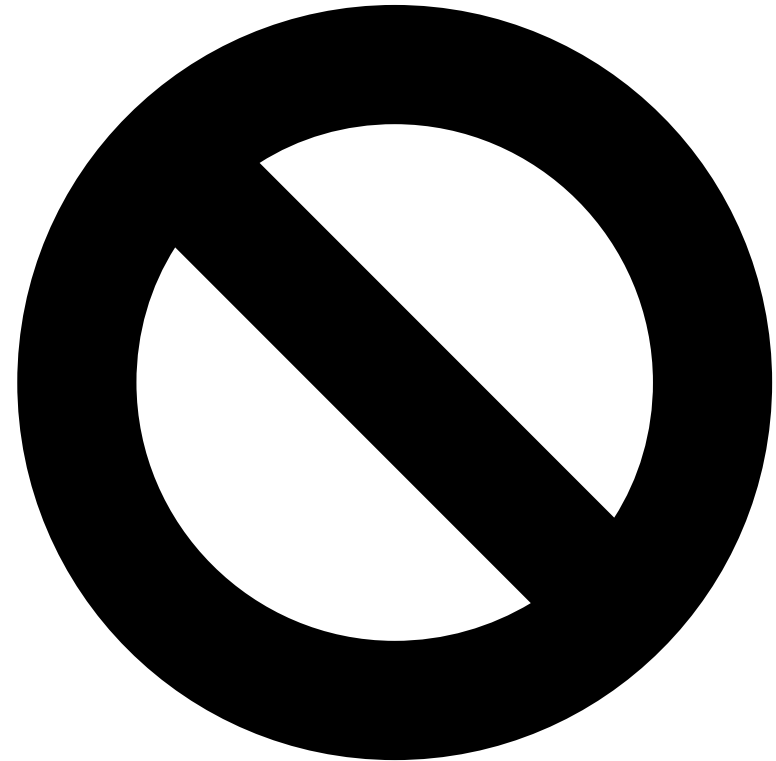


Rossland News

- Even if ill, low wage workers kept working (if they could hide symptoms)
 - Low wage jobs: usually no pension plan, no supplementary health, drug or dental benefits, no paid sick leave
 - With no paid sick days, couldn't afford to not work
 - CERB: Couldn't afford to wait to apply for & receive the benefit
- Worker poverty increased COVID health risk to customers, co-workers and workers themselves

People turn to gig platform work for extra income, but this is not without health risks

- Driving related work is risky, as per high WCB premium rates
- Gig workers are classified by platforms as “independent operators”, which excludes them from much social security coverage
 - Employment insurance
 - (Real) minimum wage
 - Workers’ compensation
- Any work-related health risk/problem?
You’re on your own



b) Driving/delivery work app pressures

Drivers are fired ('kicked off' apps) if they don't keep up with the algorithm, including high customer ratings



Heightened exposure risk (but no workers' compensation protection) during COVID lockdowns

Customers refusing to wear masks in ride hail drives

Delivering food via crowded elevators (time pressure)



Uber driver study demonstrated pressures to take risks

Customers pressing for a faster drive (speeding)

Customers insisting on more people than seatbelts

Algorithm pressure to accept risky rides

Working while ill

So, whenever I used to feel sick, I used to take a day or two off just to try to recover, and then I go back to work directly. But I really can't stop working. I know, if you're sick you have to stay home and don't work. But my landlord wouldn't understand this, and she wants to get to her rent at the end of the month (Derrick, Instacart, SkipTheDishes, Doordash)



3. WHAT COULD PROTECT THE HEALTH OF LOW WAGE WORKERS?

Paid sick days

- In 2022, the federal government extended paid sick days to 10 days, and to cover not just full-time and permanent employees, but also part-time, seasonal, temporary, casual and contract workers

A social security systems that offers real income security to all workers, not just employees

- Our system rests on employers providing sick day benefits, and on workers paying into EI
- With rising numbers of people are self-employed or on temporary employment contracts, people are increasingly not covered when they are sick or unemployed
- Policy makers are starting to take serious notice of guaranteed income schemes

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Low wage workers make up 12% of Ontarians

TABLE 6 Number of people earning between \$14.01 and \$16.60, Ontario (2017–19)

	Share of total employment (%)	Number of people	Increase by year	
			Number	%
2017	7.5	563,531	-	-
2018	10.1	717,758	154,227	27.4%
2019	11.9	871,524	153,767	21.4%

Sources Statistics Canada, Labour Force Survey, Public Use Microdata File (PUMF) and authors' calculations.

Block, S., & Galabuzi, G. E. (2022). One Step Forward Assessing the labour market impacts of Ontario's 2018 minimum wage increase. Canadian Centre for Policy Alternatives