



Achieving Fairness in Student Employment

Fact Sheet | October 2017

Facts about the \$15 minimum wage

- 1 In 2016, nearly 30% on Ontario workers earned less than \$15 an hour
- 2 64% of people in Ontario support a \$15 or higher minimum wage
- 3 When lower income individuals see a rise in income, they are more likely to spend their money in the local economy.
- 4 Workers who will be impacted by a \$15 minimum wage are three and a half times more likely to work for a big company than for a small business.
- 5 Research shows that increasing the minimum wage does not have any substantive impact on price increases relative to the normal rate of inflation.

Raise Wages, Not Tuition Fees

The Canadian Federation of Students Ontario is part of the *Fight for \$15 & Fairness* campaign. *Fight for \$15 & Fairness* is made up of a broad and diverse group calling for fair wages and decent work for everyone in Ontario. In order to combat low-wage, part-time, and temporary jobs the *Fight for \$15 & Fairness* campaign calls for a \$15 minimum wage and legislative changes to deliver fairness to workers in the form of fair scheduling, decent hours, easier paths to unionization, paid sick days and much more.

In June 2017 the Ontario government put forward Bill 148, Fair Workplaces, Better Jobs Act, which proposes raising the minimum wage to \$15 an hour by January 2019 and a package of positive changes to labour law. If adopted, this would represent a huge victory for all workers and students, who are most often also workers. However, with this victory, there is still much more work to be done in order to win decent work for all.

Students working minimum wage today need to work more than twice as many hours as previous generations to pay for a semester of school.



Who gets a raise?

Source: "Ontario needs a Raise." Canadian Centre for Policy Alternatives





Why raising the minimum wage is good for the economy

One of the common myths about the implementation of a \$15 minimum wage is that it will negatively impact the economy and small businesses. *In fact, big corporations with healthy profit margins will be the ones bearing the brunt of the minimum wage increase, not small businesses.* According to the Canadian Centre for Policy Alternative, if the minimum wage goes up to \$15, 59% of workers who will receive a raise work in workplaces of more than 500 employees while only 17% of workers who will see their wage increase work in workplaces of less than 20 employees. When workers make more money, they spend that money in their local communities; this spending drives economic growth. By contrast, a low-wage economy suffocates small businesses that can't afford to compete with larger companies (e.g. Wal-Mart) and leaves workers living in poverty. A higher minimum wage will produce a more vibrant economy. Cities such as Seattle – the first city to reach a \$15 minimum wage – has one of the lowest unemployment rates in the US, with major job growth in the very sectors that right-wing think tanks said would lose jobs.

Students support:

Scheduling

For far too long students have faced precarious work situations due to longstanding gaps in the ESA that fail to ensure fair scheduling. Currently there are no provisions that require schedules be provided in advance. Employers often expect casual and part-time workers to be available at all times, yet only schedule them for two or three shifts at a time. This is why students will continue to work with the Fight for \$15 & Fairness to advocate for at least two weeks advanced posting of work schedules. Many workers, including students, receive their schedules at the last minute, at different times every week. They can also be scheduled as “on-call” with the expectation that they will be ready to work at a moment’s notice. Many students are punished by employers for not being available during midterms and exam periods, and have very little input in the timing of their shifts.

Bill 148 includes:

- ✓ 3 hours pay for on-call employees who aren’t called in.
- ✓ 3 hours pay for any employee whose shift is cancelled with less than 2 days notice.
- ✓ Workers can refuse shifts scheduled with fewer than 4 days notice.
- Exemptions from these fair scheduling rules need to be removed to ensure employers cannot get around their obligations.

Equal Pay for Equal Work

The Employment Standards Act (ESA) sets out minimum standards to protect workers and ensure employers do not abuse their power. Currently workers who are part-time, seasonal, casual, contract, or working for a temporary agency are allowed to be paid less under the law. It is important to recognize that workers who are doing similar work as full-time employees should receive the same rate of pay regardless of their classification or employment status. The implementation of strong language to protect equal pay for equal work would reduce discrimination against the most vulnerable groups, who are most likely to work in part-time, seasonal, temporary and casual positions.

- ✓ Bill 148 includes equal pay for equal work between full-time and part-time, contract and temporary workers – including those who work for temporary help agencies.
- The equal pay language needs to be stronger to ensure that it will be effective for all part-time, contract and temporary workers.

Fair Wages

Ontario workers need a raise. Workers who benefit the most from a \$15 minimum wage are employed in retail, food, accommodation, and service jobs such as cleaning and security work. Many of these jobs are held by students who work throughout the school year and during the summer. Increasing the minimum wage to \$15 an hour acknowledges that workers need to earn above the poverty line. This increase will reduce inequality, increase spending power and boost the economy.

- ✓ Bill 148 proposes that the general adult minimum wage be increased to \$14/hour by January 2018 and to \$15/hour by January 2019. Thereafter, the minimum wage will be adjusted each year in accordance with price increases. This adjustment will help ensure the minimum wage holds its true value.

Elimination of Subminimum Wage

Unfortunately, not everyone will benefit from the increase to a \$15 minimum wage. Due to exemptions, approximately 11% of Ontario employees will not receive the increase to \$15 an hour by 2019. This includes servers and students under 18 years of age. The subminimum wage for servers ignores the fact that work in the service industry is precarious (e.g. often no guaranteed shifts, sick days or vacation), tips are very erratic, and busy or slow seasons factors into how much servers make. Currently, Ontario is the only province with a subminimum wage for students. Exempting students means that work done by those under the age of 18 is not valued equally, even when they are doing the same work as an older worker. We cannot assume that young workers have fewer expenses than their 19 year old counterparts. Young workers contribute to household income and are often primary breadwinners in their own right. Some need financial independence to escape unhealthy family situations, or others are saving for college and university. This devaluation of young workers’ labour creates more generalized downward pressure on wages for younger workers and new entrants to the labour market. Students deserve equal pay for all, regardless of age, gender, perceived abilities, or sector of employment.

- Bill 148 does not eliminate the subminimum wages for students and liquor servers.

Macdonald, David. “Ontario Needs a Raise.” Canadian Centre for Policy Alternatives, 13 July 2017, www.policyalternatives.ca/on-needs-raise.

Workers’ Action Centre, \$15 & Fairness, Parkdale Community Legal Services. “Fair Workplaces, Better Jobs Act, 2017: Submission to the Standing Committee on Finance and Economic Affairs.” 15 And Fairness, 4 July 2017, 15andfairness.org/wp-content/uploads/2017/07/WAC_PCLS_15_Fairness_submission_Bill_148.pdf.

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