

Board of Health Briefing Note

To: Chair and Members of the Board of Health

Date: June 7, 2023

Topic: **Living Wage Employer Certification**

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RECOMMENDATIONS

It is recommended that the Timiskaming Health Unit (THU) Board of Health resolve to:

1. Endorse the principle of living wage employment and direct the Medical Officer of Health to pursue certification for THU to become a Living Wage Employer.
2. **AND FURTHER THAT**, the Board encourages all employers across our service area to recognize the serious health and societal costs of inadequate income.

Overview

- Income has a direct impact on overall living conditions, including food security, housing, and leisure activities, while influencing health-related behaviours such as quality of diet and levels of physical activity.¹
- Inadequate income perpetuates high levels of chronic physiological and psychological stress, which has been linked to cardiovascular disease,² immune system suppression,³ mental illness⁴, and type-2 diabetes mellitus.⁵
- In the THU area, 15% of the population lives in low-income,⁶ with 1 in 5 households experiencing food insecurity.⁷
- Living wage is defined as the amount per hour that an individual must earn to cover the actual costs of living in a particular region, considering the cost of shelter, food, transportation, etc. In 2022, the living wage in Northern Ontario was estimated to be \$19.70/hour.⁸
- Even with an anticipated increase in the provincial minimum wage to \$16.55/hour in October 2023,⁹ a substantial gap remains between the minimum wage and living wage.
- The Ontario Living Wage Network is a group of employers, employees, non-profits, and researchers who champion decent work standards for all Ontario workers.¹⁰
- Certified Living Wage Employers pay a nominal certification fee (e.g., \$200/year) used by the Ontario Living Wage Network to advance living wage research, certify, and recognize employers for their commitment, and promote the living wage movement.¹⁰

- Pursuing the Living Wage Employer Certification by THU is an important step in achieving a resilient and healthy workplace while demonstrating leadership in promoting the significance and benefits of a living wage to employers across the district.

Ontario Public Health Standards (2018) and Timiskaming Health Unit Strategic Plan 2019-2023 Links

This work directly contributes to meeting requirements and expected outcomes in the Ontario Public Health Standards (2018) by advancing healthy public policy and supports the THU 2019-2023 strategic directions #1-3:

We infuse our work with learning and passion

- We develop and engage all people in our organization to make effective use of our collective skills and experience
- We are a resilient, cohesive and responsive team of skilled professionals
- We support the wellbeing of our workforce
- We apply a health equity lens in all our work

We create, share and exchange knowledge

- We use the best available information, including local lived experience, to inform local programs and services
- We exchange information with communities and partners to broaden our understanding of local needs
- We create quality data to address gaps in knowledge and to identify changing local needs
- We share our knowledge with stakeholders to understand the causes and impacts of health inequities

We collaborate with partners to make a difference in our communities

- We nurture positive and effective relationships with community partners to improve public health
- We mobilize diverse and inclusive community resources in addressing the Social Determinants of Health and climate change to reduce health inequities
- We advocate for policy changes that make a difference in local communities

Background

Income is one of the most important social determinants of health.¹ It directly impacts overall living conditions, including food security, housing, and leisure activities, while influencing health-related behaviours such as diet quality and levels of physical activity.¹ Inadequate income perpetuates high levels of chronic physiological and psychological stress, which has been linked to cardiovascular disease,² immune system suppression,³ mental illness,⁴ and type-2 diabetes mellitus.⁵ Additionally, a large body of research demonstrates an association between income and health in Canada.¹¹

Based on the low-income measure after-tax (LIM-AT), the percentage of individuals living with low income in the THU area (15.1%) is higher than both Ontario (10.1%) and Canada (11.1%).⁶

Similarly, the median after-tax income in the THU area (\$34,800) is lower than both the provincial (\$37,200) and national (\$36,800) averages.⁶ Although shelter expenses may be lower in Northern Ontario compared to the rest of Ontario, the costs for other necessities (e.g., food, communications, transportation, childcare, etc.) are higher, making living in Northern Ontario more expensive overall.⁸ Due to lower incomes and higher expenses, low-income earners in the THU area spend a larger proportion of their income on necessities leaving very little, if any, disposable income.

A living wage is not the same as a minimum wage, which the provincial government sets as a minimum that employers must pay. The living wage is calculated using the annual cost of a predetermined basket of goods in a geographical region, including food, shelter, childcare, communications, education, transportation, clothing, medical, and other expenses (e.g., personal items). It reflects what people need to earn to cover the actual costs of living in the community in which they work and is calculated for three types of families: two parents with two children, a single parent with one child, and a single adult. The variability in the cost of living in regions across Ontario reflects the inadequacy of a provincial minimum wage and highlights the need for other income-based solutions, including an hourly wage that supports the actual cost of living. In 2022, the living wage for the THU area was estimated to be \$19.70 per hour.⁸ This is over \$4 more per hour than the current minimum wage, which is \$15.50. Even with an anticipated increase in the provincial minimum wage to \$16.55 per hour in October 2023,⁹ a substantial gap remains between the minimum wage and a living wage.

The Ontario Living Wage Network is a network of employers, employees, non-profits, and researchers who champion decent work standards for all Ontario workers.¹⁰ They promote and showcase the growing wave of living wage initiatives in Ontario, including offering "Certified Living Wage Employer" designations. A Living Wage Employer pays all employees the living wage rates for the regions in which they operate. After signing an agreement and paying an annual employer certification fee (e.g., \$200), certified employers are added to the Ontario Living Wage Network's employer directory and map and will receive a certificate, window decals, and logos for use within the organization.¹⁰

There are numerous benefits of becoming a Living Wage Employer, including increased mental health, physical health, and economic well-being among employees, decreased employee turnover and absenteeism, and increased retention and productivity. Recognition as a Living Wage Employer demonstrates a commitment to socially responsible practices while making the employer more attractive to potential employees and customers/service users.¹⁰ THU's certification as a Living Wage Employer is an important step in achieving a resilient and healthy workplace while demonstrating leadership in promoting the significance and benefits of a living wage to employers across the district.

Next Steps:

- THU will apply to become a Certified Living Wage Employer
- THU will encourage local businesses and organizations to become Certified Living Wage Employers using external communications (i.e., social media channels, community collaboratives)

Timiskaming BOH History Related to Living Wage:

- **April 2023:** MOTION #21R-2023 Household Food Insecurity: A Serious Issue in Timiskaming, Ontario, and Canada
- **March 2021:** MOTION # 16R-2021 Mandatory Paid Sick Leave for Ontario Workers During COVID-19 and Beyond
- **March 2021:** MOTION #18R-2021 2020 Position Statement and Recommendations on Responses to Food Insecurity
- **June 2020:** MOTION #26R-2020 Basic Income for Income Security During COVID-19 and Beyond
- **April 2020:** MOTION #18R-2020 Consultation for a New Ontario Poverty Reduction Strategy
- **March 2020:** MOTION #8R-2020 2019 Nutritious Food Basket Costing Results and Household Food Insecurity Action

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