



Ontario needs \$20/hr!

Get the facts on why raising the minimum wage is good for workers, communities and the economy!

There is a lot of misinformation that gets circulated about the impacts of raising the minimum wage. Unsurprisingly, a lot of that information comes from the big business lobby and politicians. Here are some helpful responses to some frequently asked questions. We'll continue to update this resource with more research and information.

MYTH:

Raising the minimum wage will cost low-wage workers their jobs?

REALITY:

Although the big business lobby and politicians often make this argument, there is overwhelming evidence that this is not the case.

In countless cities and states in the United States that have raised their minimum wage to \$15 an hour the job losses predicted by the big business lobby didn't happen. Instead, more jobs were created in the local economy.

In Ontario, the provincial government raised the minimum wage from \$11.65 to \$14 an hour in 2018. That was a 21% increase in the minimum wage in a single year. Some economists and businesses predicted that over a hundred thousand jobs would be lost because employers couldn't afford to pay workers a higher wage.

The reality was that the Ontario economy added 130,000 full-time jobs and saw record low unemployment in 2018.

MYTH:

Won't raising the minimum wage just mean prices will go up?

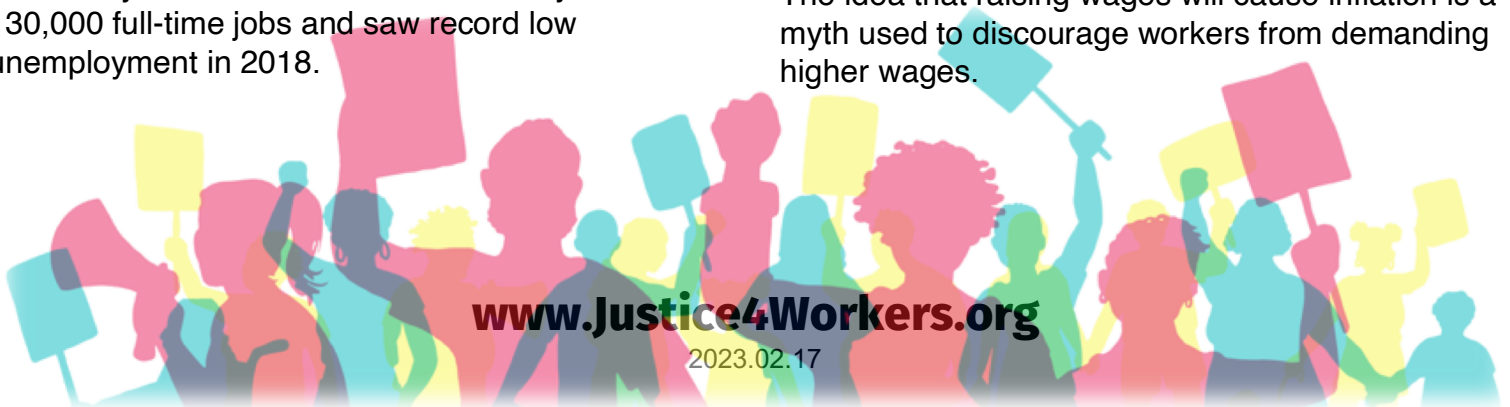
REALITY:

The price of food and rent goes up every year, regardless if workers see an increase in pay. Raising wages does not cause inflation, it allows workers to keep up.

With the current cost of living crisis, this is especially important. Workers are struggling to pay their bills and put food on the table. It's time for a real wage increase for everyone.

When the minimum wage was increased by 21% in 2018 there was no spike in consumer prices. The consumer price index, which measures prices of common goods and services, showed only a 2.4% increase in prices in 2018 in Ontario, in line with the national average.

The idea that raising wages will cause inflation is a myth used to discourage workers from demanding higher wages.



MYTH:

Won't raising the minimum wage just mean companies will replace workers with self-serve checkouts and robots?

REALITY:

The argument that if workers are paid more they will simply be replaced by machines has been told to workers for hundreds of years.

Most low-wage jobs are concentrated in the service sector and these jobs are hard to replace with machines. Robots are not very good at cleaning, cooking, stocking shelves or caring for children.

When bosses do introduce machines like self-service checkouts this has not replaced workers but has simply allowed bosses to increase the pace of work.

For instance, when self-service machines at McDonald's were introduced the company had to hire more line-cooks to keep up with the increase in orders.

MYTH:

Won't raising the minimum wage hurt small businesses?

REALITY:

When the bosses and the rich have money in their bank accounts they tend to put it into the invest it in the stock market or purchase more luxury goods like yachts, cars and champagne.

They are not spending money in the local economy, they are taking money out of the local economy.

Raising wages means pumping billions of dollars into the local economy. When workers have extra money in their bank accounts they tend to spend it in the local economy and help create demand for more jobs.

In the service sector big corporate chains, like McDonald's, Tim Hortons, Starbucks are able to undercut small businesses because they rely on a low-wage worker model to out-compete small businesses.

Raising wages levels the playing field for small businesses, while also giving the local economy a boost! In cities that have raised their minimum wage, like Seattle which raised the wage from \$9 to \$15, local restaurants saw increased business. This led to job growth in the restaurant sector.

MYTH:

Employers can't afford a higher minimum wage

REALITY:

The pandemic has deepened the divide between the rich and the rest of us. Canada's billionaires saw their wealth jump by 51% since the start of the pandemic. About 50 Canadian billionaires own about \$249 billion, more than the bottom 40% of Canadians who own \$248 billion.

Governments have gifted corporations hundreds of billions of dollars of free money since the start the pandemic. Meanwhile, millions of workers are falling further behind as the price of food, rent and consumer goods have all increased.

Raising the minimum wage is an effective measure to address the cost of living crisis, reduce inequality and put our economy back on track.

