

How the minimum wage hike affects workers, employers

By **TIM FORAN**
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Angela Douridas, a 55-year-old Halton waitress, is not jumping for joy about the 65 cents per hour extra she'll be getting as of yesterday (March 31), when the Province raised the minimum wage. But she's also not looking a gift horse in the mouth.

"They're getting better," she said of her hourly wages, which will now rise to \$8.90. "A few years ago it was only \$6.75."

For the seventh year in a row, the Province announced it was raising minimum wages for Ontarians. Employees like Douridas working in an establishment serving liquor, where tips are expected, will get \$8.90 per hour, while the wage for students under 18 will rise 70 cents to \$9.60 per hour.

The general minimum wage will rise 75 cents to \$10.25 per hour, an item that will affect many of Halton's retail and fast food restaurant workers, along with both local and foreign workers on farms in the region. The provincial increase will push the annual salary for full-time minimum wage workers over the \$20,000 mark for the first time, based on a 40-hour paid work week.

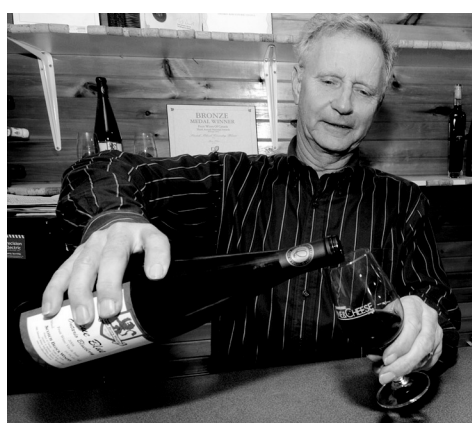
The increase will provide a slight cushion on top of the Low Income Cut-off (LICO) threshold compiled by Statistics Canada, sometimes referred to as a pov-

erty line, which was \$18,946 in 2008. But it won't mean such workers will be ineligible for support in Halton, one of Canada's wealthiest and more expensive jurisdictions.

Theoretically, minimum wage workers would still be eligible for public housing through Halton Region, according to Joanne Kaczmarek, manager of housing programs for the Region. That's because they would still have to pay more than 30 per cent of their gross income on rent in Halton, where the average monthly rent in 2009 was \$731 for a bachelor apartment and \$906 for a one-bedroom.

In practice, the point is moot. The waiting list for public housing in Halton for single people or larger families, who are not seniors or disabled last years, and the vast majority give up or take themselves off the list before their name is ever called, the Region has stated numerous times.

"I have to make at least a couple hundred dollars in tips to survive," said Douridas, a mother of four grown children



Bert Andrews, of Andrews Scenic Acres and the Scotch Block Winery, says the minimum wage hike 'is not huge money' but adds business owners get caught in the 'cost versus price squeeze'.

and grandmother of four more kids.

Her employer, Moe Thiyagarajah, owner of Mo's Family Restaurant in Oakville, estimates the increase in the minimum wage will set him back more than \$500 a month.

"Business-wise, I feel bad," he said. "Lifestyle-wise, they (the employees) deserve the money."

Thiyagarajah said the costs will simply have to be passed on to consumers, meaning his \$3.49 breakfast special might have to become \$3.99.

The Province states minimum wage workers are generally found in the wholesale and retail trade, accommodation and food services, and agricultural sectors. Those industries accounted for 23 per cent of Halton's 38,350 businesses in 2008, according to statistics kept by the Region's economic development division.

However, those same statistics show more than 60 per cent of businesses in Halton— such as home-based consultancies or family-run stores— have no employees. However, it isn't only Ontarians who will get the minimum wage hike.

Seasonal agricultural workers from Mexico and the Caribbean who come to rural parts of Halton to work on farms and in nurseries will also benefit, as they get the general minimum wage.

"I have no qualms that people need that kind of money, \$10.25 is not real huge money," said Bert Andrews, owner of Andrews Scenic Acres, a Halton Hills farm that employs about 75 people at the height of the growing season. "But where we get caught is in the cost versus price squeeze."

Andrews, who sells most of his produce and fruit wine through farmer's markets and at his farm, said he is in a better position as a retailer than a wholesale farmer because he can raise his prices slightly to recoup extra costs. Wholesale farmers have to try to keep prices down because they are competing with importers, said Andrews.

"Minimum wages in China, Mexico and Chile are a heck of a lot less," he said.

But it isn't just competition in developing countries the Province has to worry about, said Wellington-Halton Hills Conservative MPP Ted Arnott.

"It's important to keep the minimum wage at a competitive level to our neighbouring jurisdictions," said Arnott, suggesting too high minimum wages could drive jobs to other provinces or nearby U.S. states where the minimum wages are lower.



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