



LONDON FOR ALL

A ROADMAP TO END POVERTY



Income & Employment

2.9 Evaluate provincial minimum wage levels in the context of the Low Income Measure and use as a tool to address poverty where appropriate

In 2018, the province announced the government will develop a made-in-Ontario Market Basket Measure that could serve to inform future decisions about rate increases and reforms to the income security system.

According to the Ontario Living Wage Network, a minimum wage should place you 10% above the Provincial poverty line – which is the low-income measure (Ontario Living Wage Network, 2018). As of January 1, 2018, the minimum wage for Ontario is \$14 per hour.

In 2017, Premier Kathleen Wynne's government planned a \$15 minimum wage to take effect in 2019 bringing minimum wage closer to a living wage. This was overturned by the rollback of the Ford Government.

A Living Wage is different from minimum wage. A Living Wage reflects what earners need to make in order that their household can meet its basic needs. It ensures families are not under severe financial stress, promotes social inclusion, and helps families achieve a basic level of economic security.

In 2016, researchers determined that the Living Wage for London, Ontario is \$15.53 per hour; however, where the employer provides an employee medical insurance plan, the Living Wage drops to \$14.57 per hour.

In 2019, the London Poverty Research Centre at King's University College calculated the city's living wage as \$16.20 per hour, a 4.3 per cent increase over the 2016 living wage, when the calculation was last made. The London Poverty Research Centre (LRCP), lead agency for Living Wage Ontario in London, made the announcement as part of Living Wage Week November 4 – 10, 2019.

It's also more than \$2 higher than the province's minimum wage, which currently sits at \$14/hour.

The LPRC created the following table comparing the LIM AT Cut offs with different income scenarios for Minimum Wage and Living Wage workers.

	LIM-AT Threshold (2018)	Full-time Min Wage Earnings (Single Parent Household)	Full-time Min Wage Earnings (2 adults working)	Living Wage (Single Parent with Children)	Living Wage (2 Adults working)
1 Person	\$24,183	\$21,167		\$24,148	
2 Persons	\$34,200	\$27,167	\$42,334	\$30,148	\$48,296
3 Persons	\$41,886	\$33,167	\$48,334	\$36,148	\$54,296
4 Persons	\$48,366	\$39,167	\$54,334	\$42,148	\$60,296
5 Persons	\$54,075	\$45,167	\$60,334	\$48,148	\$66,296
		Indicates that the amount of income received is lower than the Low-income Cut off for the family's composition			
		**35 hour work week and After tax - using tax calculator at this link https://neuvoo.ca/tax-calculator/?iam=&uet_calculate=calculate&salary=25480&from=year&region=Ontario			
		**Also added \$6000 per child in each scenario as Government Transfer through tax benefits			