



# NEWS RELEASE

## Ontario's \$15 minimum wage threatens jobs for young people and low-skilled workers province-wide, especially outside Toronto

September 19, 2017  
For immediate release

**TORONTO**—Raising Ontario's minimum wage to \$15 an hour—a staggering 32 per cent increase over the current minimum wage—will lead to job losses across the province for Ontario's young and low-skilled workers, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“Economic conditions are not the same across Ontario, so the negative effects of a \$15 minimum wage—namely job losses for young and low-skilled workers—will be more severe in some areas of the province,” explained Ben Eisen, director of the Fraser Institute's Ontario Prosperity Initiative and co-author of *Ontario Enters Uncharted Waters with a \$15 Minimum Wage*.

In analysing previous research, the study finds when the minimum wage is low relative to the average wage, there is a small, even negligible effect on job loss. That's because when the ratio of the minimum wage to the average wage is low, any changes to it will affect very few workers.

But as the minimum wage increases relative to the average wage, it affects more and more workers. Research shows that when the minimum wage passes 45 per cent of the average wage, the negative economic effects—mainly job loss for young and low-skilled workers—grow more severe.

Throughout the province of Ontario, a \$15 an hour minimum wage will be well above the 45 per cent threshold.

Crucially, the average wage differs by region, which means the ratio—and the severity of the job losses—will vary.

In Toronto, a \$15 minimum wage will be 47 per cent of the city's average wage, but elsewhere in the province, the ratio will be much higher due to lower average wages.

For example, a \$15 minimum wage in Hamilton, London and the Windsor-Sarnia regions will be 56 per cent of the average hourly wage there—again, well above the 45 per cent threshold beyond which negative economic effects grow more severe.

And a \$15 minimum wage will be 53 per cent of the average hourly wage in Thunder Bay and Sault Ste. Marie; and 51 per cent in North Bay and Sudbury.

“Young people and low-skilled workers will suffer job losses across Ontario, but the costs could be especially high in regions of the province where the average wage is lower than in Toronto,” said Charles Lammam, director of fiscal studies at the Fraser Institute and study co-author.

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