



# 2021 Living Wage \$19.80 Peel Region

A **living wage** is the hourly wage a worker needs to earn to cover their basic expenses and participate in their community. It is recalculated on an annual or biannual basis to ensure it accurately reflects changing living expenses.

Living wage rates consider the cost of rent, food, transportation etc. and applicable government taxes and transfers for households. It is a practical tool to reduce poverty through paid work because it provides a realistic wage benchmark that lets employers know they are paying employees enough to make ends meet.

A living wage is not the same as the minimum wage, which is the legal minimum all employers must pay. It is also different from basic income, which is a government payment to replace social assistance. While minimum wage is the same across the province, a living wage is a voluntary commitment of employers to go beyond the minimum standard and pay enough for employees to cover their expenses and participate in their community.

## Benefits of a Living Wage

A living wage is beneficial to every member of your organization, individually and as a team. A win-win! Some benefits include:

### Human Resource Recruitment and Retention

- Employees who earn a living wage experience better mental and physical health and economic well-being
- Employers paying a living wage experience a decrease in employee turnover, absenteeism, increased retention and productivity, and savings on hiring and retraining
- Employers can use a living wage as a tool within their recruitment strategy for lower paying occupations



## Strengthening and Exemplifying Corporate Values

- Living wage employers receive public recognition for demonstrating a commitment to socially responsible practices, making them more attractive to potential employees, customers, and shareholders
- Paying a living wage is an act of Corporate Social Responsibility, promoting fair wages, and aligns with the Environment, Social and Governance (ESG) ethical movement

## Is a Living Wage Necessary in Peel?

It is crucial for organizations in Peel to pay a living wage because:

- **12.8% of Peel's population live in poverty** and more than 50% of Peel neighbourhoods are considered low income<sup>1</sup>. People who live in poverty have higher rates of chronic illness and reduced levels of emotional and mental development, which can affect productivity and employment stability.
- **Employee turnover and sick leave cost organizations 30%** or more of the employee's annual salary to replace them<sup>2</sup>. Paying a living wage is linked to a decrease in employee turnover and absenteeism, which can save costs on hiring and retraining.
- **48% of those employed in Peel work part-time or part of the year**<sup>1</sup>. For years, the minimum wage has been too low to lift someone working full-time, year-round, above the poverty line; it is even more insufficient for part-time workers.
- **51.5% of Peel's population consists of immigrants**, and working poverty is more concentrated among immigrants and visible minorities<sup>3</sup>. Working poverty can be more easily remedied with effective policy and practice changes, such as adopting a living wage policy.

### How to Become a Living Wage Employer

- **Expression of Interest.** Complete the initial [contact form](#) on the OLWN [website](#) or contact the Peel Poverty Reduction Committee at [poverty@peelregion.ca](mailto:poverty@peelregion.ca) and review OLWN's [employer guide](#).
- **Application Review and License Agreement.** Prepare and submit a draft implementation plan. You will sign the license agreement and pay the employer certification fee once approved.
- **Certificate Presentation.** You will be connected with the Peel Poverty Reduction Committee to arrange for presentation of your Living Wage Employer Certificate.
- **Recognition.** Your organization will be publicly recognized through social media, events and publications, and listed in OLWN's [employer directory and map](#) and on the Peel Poverty Reduction Committee's [website](#).
- **Periodic Review.** Each year on the anniversary of your certification, you will be sent a renewal survey and invoice for the annual employer certification fee. When the living wage calculation is updated, you will be contacted and informed of the new rate.
- **Congratulations!**

Be sure to enjoy the benefits of being a certified living wage employer and share how well it's working for your organization.

<sup>1</sup> [Poverty in Peel Facts at a Glance 2019](#)

<sup>2</sup> Canadian Business, 2016. The True Cost of Staff Turnover (and One Smart Way to Reduce It)

<sup>3</sup> [2016 Census Bulletin](#)