

NEWS RELEASE

93% of minimum-wage earners in Ontario don't live in low-income households

October 28, 2021

For immediate release

TORONTO—Despite misperceptions, the vast majority of minimum-wage earners in Ontario don't live in low-income households, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

Between 2009 and 2019, Ontario raised the minimum wage by 24 per cent to \$14 an hour, and some groups—including the province's official Opposition—continue to push for an even higher minimum wage.

“The fact is most minimum-wage earners are teenagers or young adults under the age of 25 and many live with their parents,” said Ben Eisen, senior fellow at the Fraser Institute and co-author of *Who Earns the Minimum Wage in Canada?*

The study finds that 92.8 per cent of Ontario's minimum-wage earners don't live in low-income families, as defined by Statistics Canada's Low Income Cut-off (a household with income below the cut-off will likely devote a larger share of its income on food, clothing and housing than the average family).

In fact, the majority of minimum-wage earners in the province (52.3 per cent) in 2019 (the latest year of available data) were teenagers or young adults aged 15 to 24, and among this group, 86.6 per cent lived with their parents or other relatives.

Only 1.9 per cent of all minimum-wage earners are single parents with young children.

“Raising the minimum wage is often presented as a strategy for helping the working poor, but these data raise questions about its efficacy in achieving this goal simply because most minimum wage earners aren't living in low-income families,” said Eisen.

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