



How Much is Enough?

The Impact of Low Incomes
on Households and Communities
in Perth and Huron Counties

Acknowledgements

Advisory Committee

Shaun Jolliffe, Committee Chair; *Executive Director*, Huron-Perth Children's Aid Society
Erica Clark, *Epidemiologist*, Huron County Health Unit
Pam Hanington, *Community Developer*, Huron County Health Unit
Kathy Vassilakos, *Councillor*, City of Stratford
Ryan Erb, *Executive Director*, United Way Perth-Huron
Susanna Reid, *Director*, Social Research and Planning Council
Joëlle Lamport-Lewis, *Acting Manager*, Social Research and Planning Council
Amanda Langis, *Administrative Associate*, Social Research & Planning Council and United Way Perth-Huron

Social Research and Planning Council

Erica Clark, <i>Co-chair</i>	Kerrylou Dickson	Amanda Langis
Kathy Vassilakos, <i>Co-chair</i>	Ryan Erb	Geoff Love
Mike Ash, <i>UWPH Board President</i>	Eden Grodzinski	Kim McElroy
Wayne Smith, <i>Past UWPH Board President</i>	Jamie Hildebrand	Cheryl Patience
	Rebecca Hill	Michael Pullen
Beth Blowes	Shannon Kammerer	Susanna Reid
Ann Cook	Joëlle Lamport-Lewis	Terri Sparling

Photovoice Project Advisory Subcommittee

Geoff Love, *Consultant*, Love Environment Inc.
Terry Manzo, *Photographer*
Rick Sickinger, *Cultural Development Officer*, Huron County Cultural Services
Tanya Markvart, *Community, Health, Environment, Communications Initiative Director of Research and Programming*, University of Waterloo
Kathy Vassilakos, *Councillor*, City of Stratford
Ryan Erb, *Executive Director*, United Way Perth-Huron
Susanna Reid, *Director*, Social Research and Planning Council
Joëlle Lamport-Lewis, *Acting Manager*, Social Research and Planning Council
Amanda Langis, *Administrative Associate*, Social Research and Planning Council and United Way Perth-Huron

Photovoice Co-researchers

Jean Alles	Sherry Hallworth	Charlotte Munro
Magic Angel	Virginia Joyes	Kimberly Rapley
Joyce Evans	Linda Knight	Candice Sheridan
Abraham Ghassemi	Warren Langhorn	Brianna Williamson
Helen Glaab	Kassie Leger	Darryl Wisser
Jesse Glew	Don Leibold	
Christy Haehnel	Bonnie Lindsay	

Community Researchers

Signum Insights—Joel Armstrong,
Kelly Barnes, & Laura Rosen

Editing

Chad Alberico

Creative Direction and Layout

Sonya Heyen

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EXECUTIVE SUMMARY

This report builds upon previous research conducted in 2015 regarding the Living Wage in Perth-Huron. Focus groups were conducted in order to better understand the experiences of both individuals earning below a Living Wage and employers that may want to pay, or do pay, a Living Wage but face challenges in doing so. Data collected in the focus groups was combined with the results of conversations with local service providers to generate a community strategy.

The Living Wage is the hourly wage a worker needs to earn in order to cover their family's basic needs. The calculation is based on a family of four with two adults working full-time at 35 hours per week. As of 2018, the Living Wage in Perth-Huron was calculated to be \$17.44 per hour.¹

To understand the effects of a Living Wage on families in Perth-Huron, participatory research was conducted with individuals who have lived experience of earning below a Living Wage and local employers over a series of eight focus groups.

Key Findings from Individuals with Lived Experience of Earning Below a Living Wage

- Money stress is nearly ubiquitous among those earning below a Living Wage. Participants face persistent worry and uncertainty over their future.
- Housing is the number one concern followed by bill payment.
- Almost everyone can access food but the quality of that food is often poor.
- Many people report health issues either caused or worsened by poor nutrition.
- Transportation is a challenge in this community. When earning below a Living Wage, people most often walk or ask friends and family for rides.
- Many people experience isolation as a result of being unable to afford transportation or recreation. However, many find comfort and friendship with others experiencing similar struggles.
- Despite living through numerous challenges, many participants are able to cope with stress and maintain positivity by fostering relationships and taking life one day at a time.

Key Findings from Employers in Perth-Huron

- Employers largely set wages based on education and experience but soft skills are also considered.
- Employers in Perth-Huron struggle to fill positions. Many report a lack of skilled labour in the region and that many job applicants lack soft skills.
- Many of the employers consulted recognize the challenges faced by employees and try to provide informal benefits and accommodations whenever possible.
- Employers have a largely favourable opinion of the Living Wage. Those who pay a Living Wage have benefited from decreased absenteeism, increased productivity, and the stability employees gain when they can afford their basic needs.

- There are employers who want to pay a Living Wage but are limited in their ability to do so. For example, small retailers could only do so by raising prices and would no longer be competitive with online retailers.
- Many employers want to bridge the gap between the minimum wage and the local Living Wage but large jumps in wages are difficult to implement. Slow and steady raises over several years are the most feasible way for employers to provide higher wages.

Recommendation

The Social Research and Planning Council (SRPC) and United Way Perth-Huron (UWPH) should seek to engage with local municipalities, health units, Poverty to Prosperity (P2P) in Huron, Perth County Food Security Coalition, and other stakeholders through a collective impact approach to create a dual county strategy that reduces the impact of poverty inclusive of individuals and families who earn less than a Living Wage. A strategy, therefore, must be inclusive of approximately half of households in the region. Based on the findings of this report, the development of a Poverty Reduction Strategy needs to consider food security, transportation, income insecurity, housing, physical and mental health, social services, and challenges faced by employers including hiring, staff retention, and the business regulatory environment.

Conclusions

There is significant reason for optimism following discussions with those with lived experience of earning less than a Living Wage and employers. Both groups demonstrated significant empathy regarding the difficulties and constraints the other is dealing with and a desire to improve their shared situation. Those who earned less than a Living Wage reported significant motivation to learn, grow, and provide employers with the types of employees they seek. Likewise, employers demonstrated a deep and nuanced understanding of the benefits of providing employees with the stability and predictability that comes with a higher wage.

It should be emphasized that many earning below a Living Wage struggle. The daily human cost of the associated stresses and trade-offs is substantial and demands attention and resources. By working to steadily implement the recommendation provided while continuing to encourage a community-wide conversation about the Living Wage, UWPH can grow and strengthen the relationship between employees and employers to provide a higher quality of life for the community and its citizens.

1. INTRODUCTION

Purpose of Study

In 2015, the SRPC of UWPH calculated the Living Wage for Perth-Huron and found that many households earn below a Living Wage.² The most recent calculation in 2018 found that the Living Wage in Perth-Huron had risen by almost a dollar since 2015 to \$17.44 per hour.

The purpose of this study is to continue the discussion initiated by the 2015 Living Wage Report using a participatory research approach. This study aims to understand the experiences of local individuals earning below a Living Wage and to give voice to their daily struggles as well as understanding the experiences of employers who may want to provide a Living Wage but face challenges in doing so. The goal of this report is to understand “How Much Is Enough?” and how not earning enough to make ends meet affects individuals, families, and the broader community in Perth-Huron.

Methodology

The trends and factors that describe the economic conditions in Perth-Huron are important and informative but only paint part of the picture in understanding the need for, and impact of, a Living Wage initiative. To truly understand the experiences of those in the community, it is critical to consult these individuals directly. To accomplish this goal, eight focus groups were conducted in the community in order to:

- Learn the perspective of people with lived experience of earning less than a Living Wage.
- Provide opportunities for people with lived experience to have their voices heard.
- Learn the perspective of employers and provide opportunities for employers to share their experiences.

Phase One: Lived Experience Pilot Panels

Two panels of Perth-Huron residents were convened to serve as advisors to this research in the summer of 2018. Members were recruited through local organizations and contacts based on their lived experiences of having earned below a Living Wage or worked as an employer in Perth-Huron. Together, 12 individuals with lived experience of earning below a Living Wage and 12 employers were contacted.

After developing focus group questions, panel members were asked for their perspective on whether the questions accurately captured the most relevant experiences of both individuals that have earned below a Living Wage and employers who have worked, successfully or not, to provide a Living Wage for their employees.

Phase Two: Focus Groups

Working with service providers and local community members, participants were recruited for a series of focus groups from fall 2018 to early winter 2019. One set of focus groups was composed of individuals with experience earning less than a Living Wage and a second set was composed of local employers. Using the questions from Phase One, these focus groups provided a detailed and personal understanding of the perspectives and experiences of both groups.

Participant Characteristics

- 28 people across Perth-Huron that earn below the Living Wage of \$17.44 per hour shared their experiences.
- 16 participants were from Perth County, 12 were from Huron County.
- 13 were working, 15 were unemployed and on social assistance (ODSP or OW).
- Participants who were employed worked an average of 30 hours per week.
- Of those working, the average income was \$16.02 per hour. Many of these individuals were the sole income earners in their households.
- Of those working, the majority worked one job. Roughly half were working full-time, whereas the others worked part-time, on-call, or on contract.
- 16 were female, 12 were male.
- The average age was 42 with a range of 20 - 66.
- 17 participants reported being single with no dependents, 8 were single and had dependents, 2 had partners and dependents but were living on one income, and one participant reported living in a common law relationship with no children.
- Participants were asked what they thought would be an appropriate wage to live on in Perth-Huron. The average suggested wage, assuming a 35-hour work week, was \$17.37 per hour.

Phase Three: Analysis of Focus Group Data

A thematic analysis was conducted on the focus group data. This method is widely accepted and broadly used for analyzing qualitative data.³ This flexible approach involves transcribing qualitative data, applying labels to individual sections of interest to the central research question, and grouping these labels into themes and subthemes. Statements from both the lived experience and employer focus groups were analyzed independently by two researchers then compared, combined, and grouped into overarching themes.

Phase Four: Development of Recommendation

Throughout the research process, a specific recommendation was identified that, if implemented, would likely make a significant impact on the lives of those in Perth-Huron who earn less than a Living Wage and the broader community. In addition, local service providers and agency representatives provided input through their participation in themed breakout sessions at the 2018 Rural Talks to Rural (R2R) Conference. Local stakeholders provided insight into the development of the recommendation.

Lived Experience in Photos

The *Photovoice Project* is photography taken by the community co-researchers of this report to demonstrate in a unique and impactful way what earning below the Living Wage can look like in Perth and Huron Counties.

The SRPC collaborated with local photographer, Terry Manzo, to offer photography workshops and mentorship to community co-researchers. Participants were then tasked with photographing their daily lives; showing how living on a low income affects their lives and giving participants a platform to share and express their experiences. Their photography is featured in the report with a quote authored by the co-researchers.

The sponsors for this project are the *Huron Arts and Heritage Network*, *Huron County Health Unit*, *Huron-Perth Children's Aid Society*, and the *Huron Collective Impact Summit*.



38% of my income.

Kassie

2. CONTEXT

Working but Struggling

It is a common misconception that if a person works they are not poor. Many assume anyone working full-time, even at the minimum wage, is not living in poverty. This is not the case. A recent study found one in six Canadians define themselves as “struggling” or “on the edge” of serious financial difficulty.⁴ The average income of those who self-identified as struggling financially across Canada is \$41,000 which is higher than the Statistics Canada after-tax low income measure, the Ontario minimum wage, and the Perth-Huron 2018 Living Wage calculation. An individual earning the \$14 per hour minimum wage, working 35 hours per week, will earn under \$25,000 annually, only slightly above the \$22,657 considered to be low income for individuals in Canada.⁵ The Perth-Huron Living Wage, which is specific to Perth-Huron and only covers basic needs, works out to be \$31,741 per year before taxes for one adult working 35 hours per week.

Many Ontarians earn below a Living Wage as a result of precarious work. Precarious work includes working with minimal, or no, benefits, working multiple low-paying jobs, or working on a part-time, temporary, or contract basis. It is estimated that 30-32% of Ontario workers are vulnerable, earning low wages.⁶

How Low Income Affects Individuals and Families

The costs of low income go well beyond an inability to pay bills on time. Past research using various poverty measures found an adverse and lifelong impact on cognitive function, largely from malnutrition.⁷ The risk of having a psychiatric disorder, independent of other factors such as gender, age, or race doubled.⁸ A recent study found almost half of people living in debt also experience a mental health problem.⁹

The harmful effects of low incomes, referred to as poverty in older research, can be particularly serious for children. In the short-term, families with children are more likely to experience conflict between parents and children.¹⁰ Those who experience low income while in preschool are less likely to finish their formal education than those who experience low income later in their development.¹¹ Low income, hunger, and poor health in children can result in poor school performance and difficulty finding work later in life.¹² Low income is also harmful long-term. One study followed women living with low income over a 30-year period and found they had worse mental and physical health than those who were never poor and those who were no longer poor.¹³ Low income is also related to less physical, social, and mental wellbeing in the elderly.¹⁴

Offering a Living Wage can help alleviate these effects and improve quality of life. By ensuring people can meet their basic needs, they will see improvements in their mental, physical, and emotional

wellbeing.^{15,16,17} Earning a Living Wage can have direct benefits in the workplace. Individuals who receive a Living Wage have a more positive attitude and increased morale at work.¹⁸ Workers are more likely to be satisfied in their jobs and less likely to leave in search of higher paying positions.¹⁵

What is the Living Wage and Why is it Important?

A Living Wage is the hourly wage a worker needs to earn to cover basic everyday expenses for their family. This includes food, housing, transportation, and childcare but does not include home ownership, savings for retirement or children's education, or debt repayment. The Living Wage calculation includes government transfers such as income tax and the Universal Child Care Benefit.¹⁹

A Living Wage is the hourly wage a worker needs to earn to cover basic everyday expenses for their family.

The Canadian Centre for Policy Alternatives (CCPA) and the Ontario Living Wage Network (OLWN) base local Living Wage calculations on living expenses for a family of four, with two adults working full-time at 35 hours per week. The Living Wage calculation differs by community. In 2015, the SRPC, in collaboration with the CCPA, calculated Perth-Huron's Living Wage at \$16.47 per hour. In November 2018, in collaboration with the OLWN, this calculation was updated to \$17.44 per hour. The methodology has been standardized across Ontario through the work of the OLWN.

The Living Wage discussion matters. People are increasingly working for low wages and when they do not earn enough, they must make hard choices and forgo basic needs just to survive. Without enough money to make ends meet, individuals and families face deepening debt, increased stress and anxiety, and poor health outcomes.

Common Misconceptions about the Living Wage

The Living Wage differs from the minimum wage. The minimum wage is the lowest rate an employer can legally pay workers and is regulated provincially. As of 2018, Ontario's minimum wage is \$14 per hour. The Living Wage is not luxurious but it allows for basic dignity, choice, and participation in the community. It accounts for the fact that employees have roles outside the workplace as parents, caregivers, and community members.

The Living Wage is voluntary but encouraged. The goal of the Living Wage initiative is to spark a conversation about raising the bar for those struggling to get by on a minimum income that does not meet their basic needs while understanding that paying a Living Wage can be difficult for some employers.

A Living Wage Alleviates Precarious Work

The impact of precarious work on households and wellbeing is profound. While there is no legal definition, precarious work includes temporary and casual jobs. A 2018 study of income precarity in

the Niagara region found that the precariously employed earn less, experience more income variability week-to-week, and rarely receive benefits from their employers.²⁰ Being unable to depend on stable work arrangements causes workers to struggle to meet their responsibilities both at work and in their personal lives.

Those who earn low incomes and have insecure working conditions are more likely to have anxiety that interferes with their family life, are less likely to have a work schedule that allows them to participate in activities with friends and family, and are less likely to make large spending decisions.²⁰ A Living Wage job provides a predictable financial situation allowing for financial and logistical planning.

How the Living Wage Affects Employers

For employers, spending more on wages may seem like it could erode revenue, increase the price of goods and services, and result in a reduction of business. However, studies of the impact of increasing minimum wages to a Living Wage show far more benefits than costs.

In general, Living Wage employers experience lower turnover rates and absenteeism and subsequently save on administrative and training costs. Improved employee morale and commitment also result in higher productivity and service quality. Employers also benefit from a more positive public image when certified as a Living Wage employer.^{15,16}

Studies of the effects of paying a Living Wage have consistently shown real-world advantages. In 2017, researchers conducted a study of the effects of a Living Wage in Hamilton. They found that individuals paid a Living Wage felt more committed to their employers and were less likely to leave their jobs. Living Wage employers also reported more positive workplace attitudes.²¹

In the early 2000s, San Francisco Airport implemented a Living Wage policy for their workers. This investment initially cost the employer 0.7% of revenue but was offset by several dynamic changes. The airport saw a dramatic decline in employee turnover rates of nearly 80%, resulting in reduced hiring and training costs. Absenteeism dropped while employee morale and effort improved, leading to increased productivity. Altogether, the pay increase provided benefits to workers without adverse impacts on business operations.¹⁸

Studies from the United Kingdom also found that paying a Living Wage increased employee productivity, effort, motivation, and reduced turnover and absenteeism. Over 80% of surveyed employers felt their companies' work quality had increased since implementing a Living Wage and 75% of employees agreed. Employers' public images also benefited because they were viewed by the public as being more socially responsible.¹⁷

Having stable and engaged full-time employees resulted in increased efficiencies and cost savings from reorganization of workflows. Paired with reduced employee turnover and associated training costs, this allowed employers to pay for increased wages without a loss in income.¹⁷

How the Living Wage Affects Communities and Economies

Job Growth

A major concern surrounding a minimum wage increase is that it will slow job growth. The Canadian Federation of Independent Businesses released a report in September 2017 showing the impact of a Canada-wide \$15 minimum wage. The report predicted that a national minimum wage of \$15 per hour would result in an estimated loss of 184,800 jobs for workers aged 15 - 24.²² However, historical data does not support the idea that wage increases result in job loss. The January 2018 minimum wage increase from \$11.60 to \$14.00 per hour in Ontario did not slow job growth. In July 2018, only six months after this significant minimum wage increase, Ontario's unemployment rate was 5.4%, the lowest since 2000.^{23,24} Some industries even faced labour shortages.²⁵

Another study analyzing over 30 years of minimum wage data found no clear relationship between minimum wage increases and employment rates.¹⁶ Employment rates can either rise or fall after a wage increase and seem to be affected more by broader economic trends such as recessions or economic growth than by a change in wages.

Calgary saw a loss of almost 26,000 service sector jobs between July 2017 and 2018 following a minimum wage increase from \$13.60 to \$15 per hour in October 2017.²⁶ Economists believe that the 2014 oil crash likely played an even more significant role in these job losses. The layoff of downtown office workers led to a decline in restaurant patrons and, as a result, a need for fewer service staff.²⁶ During the same period, service sector employment in Edmonton saw significant increases, further suggesting that one provincial policy was not responsible for job losses in a single sector.

It is becoming increasingly clear that labour market models typically overestimate the effect of wage increases on labour demand particularly because it is difficult to predict how employers change their practices in response to increased wages.²⁷

Spending in the Community

It is generally accepted that when low-income families see wage increases they spend more,²⁸ which stimulates the local economy.^{29,30} One study found that for every dollar a wage is increased, household spending increases by \$2,080. The study also found that after minimum wage increases, households with minimum wage workers are more likely to buy a vehicle.²⁹ In a rural community with transportation challenges, particularly for low-income earners, paying more workers a Living Wage would increase mobility and help decrease both social and economic isolation. If the Living Wage dividend is invested directly into infrastructure, such as affordable housing, it has further potential to stimulate economic growth.³¹



I shop at the Dollar Store a lot because it is within my budget.

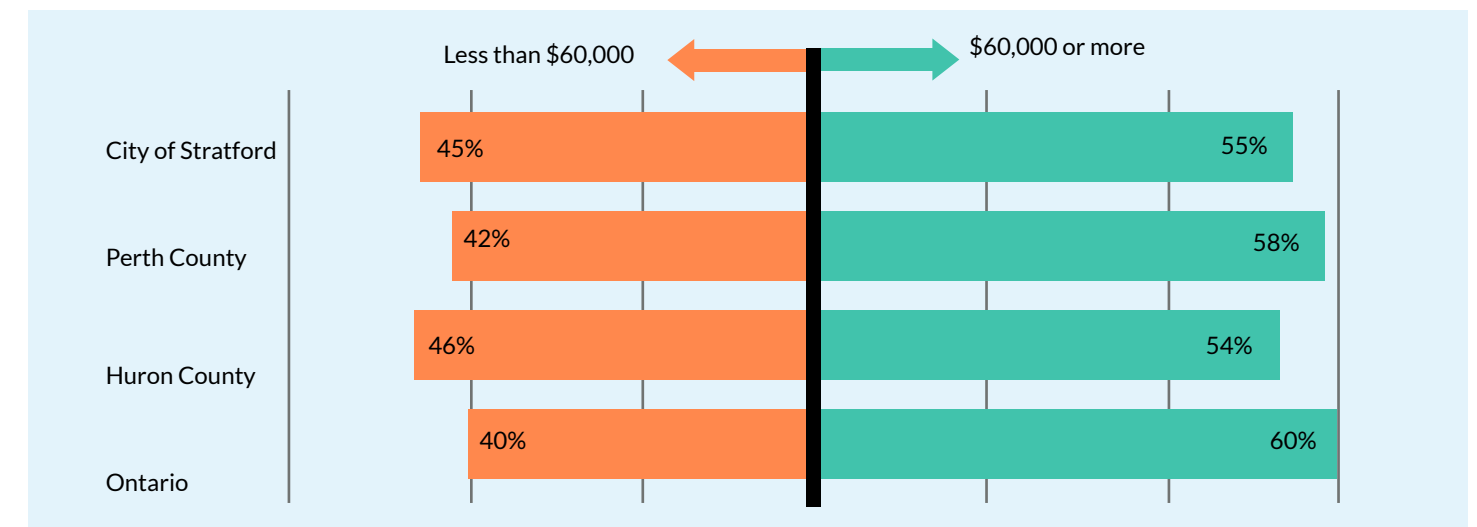
Brianna

3. ECONOMIC TRENDS IN PERTH-HURON

Who Earns a Living Wage in Perth-Huron?

As in the 2015 Perth-Huron Living Wage Report,² it is possible to estimate how many households in Perth-Huron make less than a household with two adults earning a Living Wage. A family of four earning the 2018 Living Wage would have a before tax household income of \$63,482 (\$17.44 per hour x 35 hours per week x 52 weeks x 2 adults).³² Using the 2016 Census profiles, the graph below shows that roughly half of households in Perth-Huron have a 2015 before tax income lower than \$60,000.

Figure 1 - Percentage of Households by Income Level, 2015



Source: Statistics Canada, 2016 Census Profiles.³³

Figure 1 provides a rough estimate of how well households in Perth-Huron are doing but it does not look at different types of households. More precise estimates for two parent households with two children and no other relatives, single parent households with one child and no other relatives, and adults not living with any family, can be made based on the Living Wage calculation, available census data, and custom data purchased from Statistics Canada. Amongst households with two parents and two children, about a sixth earn less than a Living Wage. About a third of single parent households with one child earn less than a Living Wage in both counties. For adults living alone, approximately half do not earn a Living Wage in both Perth and Huron Counties.³³

Table 1 – Estimated Percentage of Households Earning Less than a Living Wage by Type of Household

Household Type and Annual Income (before tax) for Living Wage	Estimated Percentage Earning Below the 2018 Living Wage	
	Perth	Huron
Two parents & two children \$17.44/hour x 35 hours/week x 52 weeks x 2 adults = \$63,482	13%	15%
One parent & one child \$17.44/hour x 35 hours/week x 52 weeks x 1 adult = \$31,741	30 %	36%
Adult 15 years and older not living with a family \$17.44/hour x 35 hours/week x 52 weeks x 1 adult = \$31,741	50%	50%

Source: Statistics Canada, 2016 Census profile for Huron County and Perth Census division (includes Stratford and St. Marys) and Statistics Canada, 2015 Taxfiler data tables 5a and 5b.^{34,35}

Note: If the 2016 Living Wage was used, 31% of Perth single parent one child families would be below the Living Wage. All other percentages in the table would be unchanged.

It is important to note that while the Living Wage reference groups provide a better estimate of how well families are doing in Perth-Huron, it still does not describe all families. The Perth-Huron Living Wage is likely lower than what the following family types require to cover their basic needs:

- Any family that includes one or more members with a chronic health condition or special dietary requirements such as a food allergy.
- A two parent household with three or more children.
- A single parent household with two or more children.
- A two parent or single parent household with one or more adult dependents.
- A single adult living with one or more adult dependents.

The differences between how well the three household types in Table 1 are doing has implications for future work to improve quality of life in Perth-Huron.

Community Profiles

Perth-Huron is a predominantly rural region which presents unique strengths and challenges. Although employment opportunities and health and social services may be available in larger centres like Stratford or Goderich, many are inaccessible to people who live outside those centres because of a lack of transportation.³

Quick Facts about Perth, Huron, and Ontario

	Perth	Huron	Ontario
Population	76,796	59,297	13,448,494
Population 15-64 yrs of age	48,675	35,855	8,988,865
Median age	42.4	46.3	41.3
Households	30,715	24,195	5,169,175
Farms	2,231	2,500	49,600
Median± total income of families	\$86,818	\$82,027	\$91,089
Median± total income of couple families with children	\$109,589	\$105,847	\$115,381
Median± total income of single parent families with children	\$53,788	\$50,534	\$54,363
Average family size	3	2.9	2.9
Median± total income for adults 15 yrs and older not in a family	\$34,004	\$31,924	\$32,097
Percent of workforce employed part-time or part-year*	31.6%	30.6%	31.7%
Unemployment rate	4.0%	5.3%	7.4%

Source: 2016 Census profiles for Perth census division (includes Stratford and St. Marys) and Huron County, 2016 OMAFRA county profiles for Perth and Huron.^{34,37}

±Note: Median income is the middle value in a list of income numbers. Half of the incomes are above that number and half are below.

*Note: Part-year refers to seasonal employees such as those working in agriculture, construction, tourism, and education.

Top 5 Industries by Employment: Perth County

Industry	Percentage of Workforce
Manufacturing	23.5%
Retail trade	11.0%
Health care and social assistance	10.9%
Agriculture, forestry, fishing, and hunting	9.5%
Transportation equipment manufacturing	7.5%

Source: 2016 OMAFRA county profiles for Perth and Huron.³⁷

Top 5 Industries by Employment: Huron County

Industry	Percentage of Workforce
Agriculture, forestry, fishing, and hunting	17.8%
Health care and social assistance	11.9%
Retail trade	11.6%
Manufacturing	10.2%
Accommodation and food services	6.8%

Source: 2016 OMAFRA county profiles for Perth and Huron.³⁷

Expenditures

According to the 2015 Statistics Canada Survey of Household Spending in Rural Households, Perth County residents spend approximately 80% of their annual income. Households spend 11% on food and just under 30% on shelter and household operations.³⁵ Spending in Huron County is similar to Perth but a lower average household income means spending proportionally more of their household income. Huron County residents spend approximately 85% of their annual income with nearly 12% spent on food and just over 30% on shelter and household operations.³⁶

Snapshot of the Workforce in Perth-Huron

The Employee Experience in Perth-Huron

In 2018, the Four County Labour Market Planning Board (FCLMPB) conducted a survey to understand the experiences and challenges of individuals working or looking for work in Huron, Perth, Grey, and Bruce Counties.³⁷ The survey found:

- 66% of respondents in part-time jobs indicated they would prefer a full-time job. Reasons for not seeking full-time work included caregiver responsibilities or pursuing educational opportunities. The most important factors for respondents looking for either full- or part-time employment were their pay and hours of work.
- A common theme, mentioned in over 1 in 5 comments, was wages. Respondents felt they were not paid enough to cover their living expenses or felt they should earn more based on their education or experience. Commonly reported financial stressors were housing, transportation, and childcare. These stressors were reported to be barriers to employment.
- There was an expressed lack of professional opportunity in the region. Small companies were reported to offer limited advancement opportunity and immigrants to the region noted difficulties networking with other highly skilled or educated peers. Respondents noted difficulty entering smaller industries that only have a few local employers.

- The top reasons for turnover within the last year were finding a higher paying job, lack of hours, and an unpredictable work schedule.

In sum, this report showed that most workers in the Four County region seek full-time work with consistent and predictable hours. They want to make enough to cover their cost of living and have the opportunity to use their skills and grow their careers.

It is important to note overall trends affecting the workforce in Perth-Huron. First, young people are leaving the region. According to a high school survey conducted by the FCLMPB, over 55% of students in the Four County region intend to leave their communities to pursue a career.³⁸ Furthermore, a large proportion of workers is nearing retirement age. According to an employee survey conducted by the FCLMPB in 2014, 26.3% of survey respondents believe they will be retired in five years.³⁸ This is consistent with the fact that Perth-Huron has a lower unemployment rate than the Ontario average of 5.7%. Taken together, this information strongly suggests a need for growth in the labour supply to meet employers' needs.³⁹

The Employer Experience

In January 2019, the FCLMPB conducted their annual employer survey in the Four County region. This survey offered insight into the challenges and successes faced by local employers and provided valuable information about the state of labour in the region. FCLMPB heard from 436 businesses and found:⁴⁰

- 83% of employers reported the availability of qualified workers in the Four County area was “fair” or “poor”, 6% higher than the year before.
- 72% of employers had difficulty filling at least one position in 2019 (vs. 59% in 2018). Their top reported reasons for not finding employees were not enough applications, lack of education/credentials, lack of motivation, attitude, or interpersonal abilities, lack of work experience, and lack of technical skills.
- The top three hard-to-fill positions were labourers, drivers, and sales representatives.
- The top three competencies employers sought for hard-to-fill positions were (1) Work ethic, dedication, dependability, (2) Self-motivation, ability to work with little supervision, and (3) Teamwork/interpersonal abilities.
- Almost two thirds of surveyed employers relied on word-of-mouth as their primary method for finding workers followed by online job postings.
- 31% of employers expanded their search for employees to elsewhere in Ontario, an increase of 4% over the previous year.
- 80% of employers reported they were able to provide training. However, employers still reported barriers to doing so including cost, relevant training not offered locally, and lost productivity during training.

Though the Four County region has one of the lowest unemployment rates in the province, this is partially driven by a local labour shortage. With almost 9 out of 10 local positions going unfilled after 90 days or more of searching, some employers face closing their business or retiring earlier than planned because they are unable to find enough labour to keep up with demand.

The 2018 EmployerOne survey also broke down employers' perception of availability of qualified workers by sector. The results are outlined below:

Employer Industries with the Highest Reported Percentage of Fair or Poor Worker Availability in Perth, Huron, Bruce, and Grey Counties

Industry	Percent reporting availability of qualified workers is fair or poor
Construction	97%
Transportation and warehousing	92%
Accommodations and food services	86%
Agriculture, forestry, fishing, and hunting	85%
Manufacturing	84%

Source: 2018 EmployerOne Survey Observations, Four County Labour Market Planning Board³⁸

4. RESULTS: WHAT WAS HEARD FROM PEOPLE WITH LIVED EXPERIENCE

Experiences of People Living Below the Living Wage

Living on Less is Stressful

The primary theme that emerged from the lived experience focus groups was the impact of earning a low wage on mental wellbeing. Almost without exception, the answer to the question “how do you feel about your financial situation?” was “stressed.” This stress was mainly due to the precarity of focus group members’ financial situations and the difficult choices they had to make about allocating limited resources. Stress manifests differently for everyone but the effects are pronounced and pervasive. In the focus groups, stress typically manifested itself through negative feelings towards self and mental health problems.

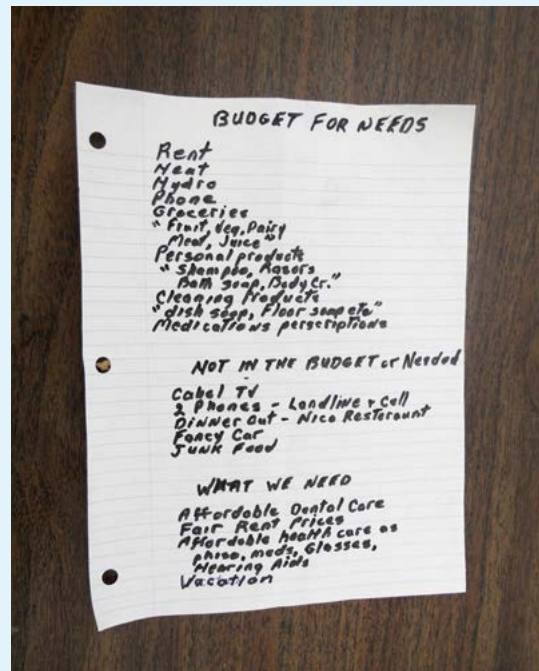
“I find the lack of financial stability really stressful. And then it just triggers and other things start going off, and then I’m in a rage or I’m depressed because I can’t keep my s*** together because of an outer source.”

Precarity

“Every time you think you can get ahead, something else breaks.”

A common theme in discussions with people living on less than a Living Wage was a sense of precarity. Many participants couldn’t predict or plan for their futures. Unstable work and uncertain income are only sustainable as long as unexpected expenses do not arise. Those who earn less must hope a car repair or medical bill does not come up in order to make it to the next pay cheque. Being unable to save creates a situation where a single unexpected setback can mean falling behind on rent or bills. This uncertainty around events outside of their control creates a significant mental strain. Participants had varying levels of debt, often from exactly these sorts of unexpected events. For many, the first financial decision they would make if they had more money would be to pay off their debt. At least four participants have used payday loans in the past and the long-term financial burden of using this service was often regretted.

“You can’t get ahead. You can’t save money. You take home \$1,000 and it’d be nice to put \$500 away, but you can’t. You know you have to spend it. It’d just be nice to put that away and use it for down the road.”



Joyce



This is a pair of shoes that have walked many miles.

Warren

Difficult Choices

When money is tight, people must make choices about how they spend and these choices can be tremendously stressful. All focus group members agreed the highest priority was to make sure they had a roof over their head. Next, they paid bills whenever possible. Food ended up lower down the list of priorities for many people as they tended to keep canned goods in the house or use food banks. Healthy food was often prioritized for children while parents relied on dried or canned goods. When there was not enough money to cover all bills, people picked which ones to pay. For example, if the phone bill couldn't be paid one month, it would be paid the next and the internet bill would be pushed until the next pay cycle. Certain bills such as debt repayment fell further down the list and continued to compound the problem.

“My money doesn't come out of my account unless it's for bills, and that's it. I don't buy food. My rent first, and then my loan payment, which is about half of what I get right now... rent and bills, nothing else.”

When earning below a Living Wage, individuals and families must make difficult choices about what their most urgent financial need is and what they can survive without for a bit longer. One participant struggled between jobs while also looking after her parents. Under pressure, she cashed out her RRSPs and ended up with no savings left for retirement.

Shame, Guilt, and Self-Esteem

Facing precarity and having to make difficult decisions on a regular basis profoundly affects individuals' self-image and mental wellbeing. To get by, many participants had to borrow money from friends or family which made them feel weak and guilty. Relying on others in this way damaged their sense of independence and self-worth. Being unable to stay on top of bills also led to feelings of guilt and damaged self-esteem as individuals labelled themselves “slackers.” At one time or another, many participants reached out to local agencies in times of financial need but suffered significant embarrassment accessing services such as food banks.

“Nobody likes asking for money. It's humiliating.”

For those with children, feelings of guilt stemmed from being unable to provide beyond the bare minimum. Parents expressed frustration and disappointment when their children were embarrassed by having non-name brand clothing or needed clothes they could not afford.



Asking for rides is my mode of transportation.

Kassie

“You just go for what's most important — it just all depends on what you can afford and what you can fit in to make that money expand.”

“When they get to a certain age, they want name brands. And I couldn't do it, and I was frustrated. That's when I found some Goodwill stuff, and I didn't tell her where I got it from. People would say my daughter looked so good, but they wouldn't believe where it came from.”

Mental Health

All this stress frequently leads to significant challenges with mental health. Most participants struggled with depression and/or anxiety at some point, compounding their problems because mental health significantly limited their ability to seek or maintain employment.

Struggles with mental health impact the family. One participant, a single mother, talked about how her history of mental illness was unfair to her children. At one point, her depression was so debilitating she effectively spent an entire summer in bed and felt tremendously guilty for leaving her 13-year-old son to cook his own meals. Another mother worried her emotional state hurt her daughter, who did not have her mom to help with problems, school, or anything else she might need.

“When you don't have money, you go through a lot more things than you think. You think it's just physically you'll go through it, but mentally you're not too fit after you go through that.”

The stress of being unable to make ends meet can lead to unhealthy habits. Despite knowing the adverse health effects, many focus group participants smoked to alleviate chronic stress. Some drank occasionally to cope at the end of a long workday.

“I was working two jobs. Mentally and physically it destroyed me. It changed me completely. There were times when I wouldn't feel anything. It's like I was living in an empty body.”

The most common phrase heard from participants was “I just take it one day at a time.” For many, thinking about their future only added stress and the best way to cope was focusing on the present. Despite the challenges, many believed there were better days ahead.



Living with depression and anxiety.

Kassie

Food and Health

Struggles with food were common. With the support of friends, family, churches, and food banks most people living on a low income can access enough food. The problem is the food available is often unhealthy. Everyone wants to eat healthier but cannot afford to do so. When stretching money to cover groceries, prepackaged, processed, and canned foods are more affordable. Participants were aware they were consuming more preservatives and salt than is healthy. Along with paying down debt, when asked what they would do with more money, almost everyone expressed they would like to eat healthier. Specifically, they wanted to eat more fruits, vegetables, and quality meats. Those with children put them first and when healthy food was limited, parents went without or ate cheaper, less healthy food. Those worst off would frequently skip meals, particularly in more remote parts of Huron County where transportation is most difficult and access to food banks is near impossible.

“There were times when the only things in the fridge were margarine, onions, and half a loaf of bread. How am I going to eat that for a week?”

“If food quality is low, your body pays the price. Same as a car. If you don't put proper gas in it, you don't go anywhere.”

Physical Health

Participants knew that a lack of healthy food options, combined with chronic stress, led to poor health outcomes. Many people reported their health issues were either caused or worsened by an unhealthy diet including weight issues, joint pain, diabetes, heart disease, and lower digestive tract issues. A handful of participants who reported having diabetes and/or heart conditions expressed frustration with their inability to follow doctors' orders to eat healthy, balanced meals. Unfortunately, these foods are prohibitively expensive and participants remained concerned about how they could properly care for their bodies.

The cost of medication was a common concern for those living on less than a Living Wage. Several people had to look to friends, family, or their doctors to help access the medications they needed. One participant said she resorted to home remedies for infections. While the Trillium Drug Program can cover a lot of medications, those living on a low income may struggle to even meet the deductible. For those prescribed medications for non-life-threatening issues, prescriptions were labelled as just another expense that would have to wait. Vision and dental care were also commonly unaffordable and because these needs were not pressing, they went unaddressed.

“You're hungry, you eat what's in front of you.”



How I live on less. 99 cents or less rack. You can eat healthy and make healthy choices for less.

Joyce

Transportation

Transportation is a major issue for those living on a low income in Perth-Huron, particularly outside of Stratford which is the only centre with local public transportation. Amongst those participants who could not afford a car, walking was the primary mode of transportation. However, given the distance between locations in Perth-Huron, walking was often impossible. In the winter, it was particularly difficult to get around especially when goods such as groceries had to be transported. In these cases, people relied on friends and family, sometimes providing services such as dog walking or babysitting in exchange for rides. Those without options struggled and often became increasingly isolated.

For those who owned a vehicle, keeping it running was another hurdle. The cost of regular maintenance, oil changes, gas, and insurance is often prohibitively expensive. When unexpected and expensive repairs were needed, people had to spend cash reserves or let the problem worsen and pay even more down the road. Some people were fortunate enough to have a friend or family member who was a mechanic and they relied heavily on these individuals to offer repairs at a substantial discount.

A lack of transportation for those on a low income compounds their existing challenges. Getting to the grocery store, medical appointments, and work is a constant challenge which further impacts health and employment outcomes and increases social isolation.

“If I didn't have a mechanic in my family, my car would still be sitting in the driveway.”

Jobs and Employment

About half the participants were employed at the time of the focus groups, working predominantly in manufacturing, construction, food production, customer service, and hospitality.

Regarding wages, participants generally wished they made more but did not tend to blame employers for their financial situation. They understood it is especially difficult for small businesses to pay more but most hoped for future wages that cover their basic living expenses. Participants appreciated bonuses and accommodations from employers. Providing special footwear or even an occasional free lunch made a positive difference to those who received them.

Low income often hinders finding employment. One participant, unable to afford his driver's license, could not be hired for several positions despite being able to drive. Another woman had to quit her job because she could not afford childcare. Others could not take courses to develop the skills needed to get hired.

Some participants noted most work in the region was not suited to their abilities. One woman explained she had difficulty finding work because she did not have any experience in manufacturing or agriculture.



Warren

Relationships

Living on a low income dramatically impacts people's relationships. Whether friends, family, children, or romantic partners, every type of relationship is more difficult because of the stresses and limitations of living on less.

“You're pissed off at yourself that you have to ask someone for \$20. Then nobody wants to be around you because you're miserable.”

Social Lives

When participants were asked about their social lives, they commonly responded with “what social life?” Many participants expressed that, as a result of having to say “no” repeatedly, their friends did not invite them to go out because they already knew the answer. Going out for dinner, to the movies, or to the mall falls outside the budget for those earning below a Living Wage. For many, the cost of transportation is also limiting. For those with a car, paying for parking can be a limiting expense. Even for those in Stratford who had access to public transportation, the cost of a non-essential bus ride was considered money better spent elsewhere. Many participants talked about how isolating it could be to not afford to go out. As one participant put it, “every time you leave the house, it costs money.”

“I can't just go out and enjoy myself. If I go out, then my kids don't get their shoes.”

Many still found ways to socialize. One participant attended free church dinners and took her kids along so they could get out and talk with other people. Participants living in low income housing also talked about socializing by taking turns hosting and sharing a bag of popcorn once a month. They spoke about how a shared understanding of their financial situation created a sense of community.

Family

Participants reported significant strain on their family relationships as a result of living on less. Much of this strain was related to the stresses described above but several specific factors contributed to a strained family dynamic.

Younger adults without children often found their relationships with family members tense as a result of asking to borrow money, adding to already existing feelings of guilt and worthlessness. Additionally, family members were not always understanding of difficult circumstances and could be harsh or judgemental.

For individuals with adult children living outside of Perth-Huron, travel to visit children and grandchildren was prohibitively expensive. Often this meant they rarely saw their grandchildren. Sometimes their children would try to visit but in other cases, they judged their parents for being unable to afford travel and took it as an excuse to avoid them.

Some participants also experienced generational poverty. These individuals grew up in poverty and faced many of the same struggles as their parents. Participants expressed a strong desire to see their children grow up without the burden of money stress but some had adult children living in poverty as well.

“They're always short. They're short on car insurance, or on gas. It's just one thing after another. If they don't have the money, it comes out of our bank account... it's just a big circle.”

Romantic Relationships

One participant talked about how hard it is to be single and not earn enough money. He found it humiliating not being able to afford dates. For those in committed relationships, the situation was not necessarily better. Some participants depended on their partners and some fully supported their partners. When one person in a romantic relationship cannot afford their basic needs, the dynamic becomes imbalanced. Those who need to ask for money face constant feelings of guilt and worthlessness. Those who play the supportive role feel the burden of responsibility to provide everything they can, even when there is not enough money to go around. Both situations create a stressful environment in which to build and maintain a relationship.

Living on a Low Income Means Living with Less

On a low income, many expenses must get cut. Gym memberships are typically considered a luxury item. Cabs are too expensive for those who do not own a car. Clothing is hard to replace and it is not unusual for people to go five–eight years wearing the same items. Replacing shoes was particularly difficult for many participants and they felt the effects. Many people complained of sore feet and backs from having to wear worn out shoes.

“When I was working two jobs and just getting by, the small things that you need — toothpaste and soap — add up.”

Where Do You Live with Low Income?

Because the Living Wage calculation does not include saving for a down payment, a significant portion of families rely on the availability of safe, clean, and affordable rental units. Most of our lived experience participants, and many of our employer focus group participants, reported that two- and three-bedroom apartments, which would be the most appropriate for families described by the Living Wage calculation, are extremely hard to come by in Perth-Huron. Furthermore, this scarcity has caused the price of rental units to rise significantly in the past several years, making affordable housing a challenge for those who cannot afford to buy a home. Nearly three quarters of participants had experienced unstable housing, whether they couch surfed with friends or strangers, lived in their car, or stayed at a homeless shelter. Although many are much better off now, housing is still a struggle and a major source of stress.

Many participants reported spending almost half of their income on housing. However, many still did not feel like their situation was ideal. Many who lived in subsidized housing reported repairs that were unaddressed for years at a time such as broken floor tiles or black mold. Residents of low-income housing also reported that the infrastructure of their building was substandard.

Safety was reported as a concern for some participants. Drug use is a common occurrence in low income housing. One mother was concerned when a man in her neighbourhood offered drugs to her children while they were walking through the neighbourhood. Others have seen children sleeping in apartment stairwells during the winter to keep warm and they expressed concern for their safety. Many participants said that with more money, they would find a better living situation.

Where else do People Turn for Help?

A large proportion of the people consulted have accessed formal supports. Approximately half of the focus group participants had at one time received support from OW and/ or ODSP. For those relying on these supports, gaps still exist. Medication and dental costs are not fully covered. Phone and internet access are not covered. Given that financial support is scaled back in proportion to income, some participants had to break the rules of their social support and try to work under the table to make ends meet.

“You can’t afford housing, and if you do, it’s a dump. Once you pay rent and hydro, then you’re broke.”

“There were a few times where we had to use the food bank. It’s a wonderful thing, but at the time, I was embarrassed. They explained to me that all kinds of people use it.”

Nearly three quarters of participants have used a availability of a healthy food varies by food bank but this service is essential to keeping individuals in Perth-Huron from going hungry.

Other local supports benefit those on low income. The Huron County Health Unit, Choices for Change, It Takes a Village, The Local Community Food Centre, family health teams, and local shelters have been accessed by focus group participants. Connect2Skills, Partners in Employment, LEADS Services, and The Centre for Employment and Learning all came up as essential supports that helped participants develop their skills, find employment, and get back on their feet when they needed help most.



Soup and More - Community Meal

Bonnie

Planning for the Future

When living day-to-day, making long-term plans is nearly impossible. Given that the Living Wage calculation explicitly does not include saving or paying down debt, it is not a surprise that for those living on less, putting away money for bigger purchases is out of the question. For example, several people expressed interest in buying a home but they all agreed they would never get approved for a mortgage and could not imagine being able to save enough for a down payment.

“The education system never explained about pensions, or finances, or how to put savings away. You don’t learn about how credit cards actually work. I used to think they were free until I saw the interest payment.”

Education

There were several instances where a lack of money significantly impacted the ability to pursue education or self-improvement. One participant dreamed of being a police officer but the cost of courses was prohibitive. He then explored being a security guard instead but that required money up front. One participant lacked one credit to graduate high school but could not afford a textbook required for her to complete her high school equivalency.

“I wanted to become a cop, but it cost more than I thought. They wanted \$500 for training. Even to be a security guard it cost \$200. How am I supposed to get that if I’m not even working? So I just gave up on that.”

Another participant knew precisely the job she wanted but could not afford to take the courses she needed to be considered for the position. In one case, a participant was prohibited from returning to school because she could not pay off her student loans from an earlier attempt at post-secondary education. Without the ability to invest in themselves, those who earn below a Living Wage have far fewer opportunities to grow.

Without the ability to invest in themselves, those who earn below a Living Wage have far fewer opportunities to grow.

Overall, participants felt the public school system served their children well, but they were impacted by an inability to pay for field trips and extracurricular activities. This meant children missed out on opportunities available to others, and caused a great deal of embarrassment. Some parents expressed frustration that school work so often required the use of the internet. One mother explained that during particularly difficult months, if they could not pay for home internet and needed unaffordable car repairs, she could not even get her daughter to the library to access the internet.

Retirement

The inability to save, combined with the need to focus on the present, makes retirement a distant and abstract problem for many but one they know will be difficult. Many of the same problems are apparent amongst retired individuals struggling to make ends meet including problems with mental health, health care, food, housing, and transportation. But there are problems unique to those who are retired. There was a common perception that with the rise in minimum wage, food prices had increased quite rapidly as well. As one participant pointed out, a rising minimum wage does not mean similar increases in CPP and, as a result, the cost of living increase perceived as being caused by minimum wage increases has a disproportionate impact on retired individuals. Several participants expressed a desire for the education system to place more focus on financial literacy to better prepare people in the future. They felt the financial pressures of adulthood had been a rude awakening and they were unprepared to make educated decisions about finances.

“The old age pension isn’t much. I wouldn’t have enough to afford to live in an old age home if I needed to.”

Interconnectedness of Problems

Although it can seem easier to discuss isolated effects of low income one at a time, the reality is that the impacts of low wages on people’s lives are complex and interconnected.

Each issue is related to, and a partial cause of, other problems. For example, not being able to afford childcare can mean people cannot take the courses or training they need to find more adequate employment. Not having reliable transportation can mean missed doctor’s appointments, being regularly late for work, and severe social isolation. Not being able to afford enough nutritious food can exacerbate health issues which can further impact employability and increase costs of medication.

Without enough money, many of the participants cannot lift themselves out of their situation. When bills need to be juggled on a monthly basis, there is not enough to make any investment that could change their future for the better.

These individual effects cascade to the community level as well. When citizens are preoccupied with getting through each day, they cannot fully participate in their community. They cannot spend their money in local shops. They cannot volunteer. They cannot bring their children to local festivals and contribute to the culture of the community. Some may not even be able to find time to vote.

While this can make the problems seem daunting, it can also be seen as encouraging because efforts to address any of these issues benefits all of them and a concentrated effort to get more members of the Perth-Huron community a Living Wage will help alleviate all these problems and help the community to thrive.

Charity and Helping Others

The most inspiring part of the conversations with people earning below a Living Wage were the instances of charity and generosity. In every focus group, at least one expressed need was immediately met with an offer of help, whether in the form of goods or information. One woman discussed how hard it is to find shoes big enough for her son and another participant immediately offered her a pair. One man talked about his struggles with shift work and another participant said he would try to find him full-time hours at his work. Several participants expressed a need to find more stable or higher paying employment and other people would jump in to suggest organizations or individuals who had helped them find employment. In a room of strangers, there were many examples of cooperation, support, and caring.

In a room of strangers, there were many examples of cooperation, support, and caring.

Many participants provided examples of how they shared whatever they had with others who had even less. Multiple focus group participants have offered their homes to people living on the streets or escaping abuse. One participant, a semi-retired woman who worked part-time at a grocery store, would use her free time to drive older retirees without transportation to play Euchre and Bingo. Another participant, a single mother living in a two-bedroom apartment with her daughter, had on multiple occasions taken in teenagers, both a friend of her daughter’s and an extended relative, and offered them her own bedroom so they could escape an abusive situation. Yet another participant said his priority if he had more money would be to get people off the streets.

Spotlight on Chris

Chris spent most of his adult life working at a car dealership. He was happy there except for a new policy that every worker had to drive the make of car the dealership sold. Shortly after buying a car he did not particularly want, the dealership was sold and when new ownership took over, they let go many of the people who worked there including Chris. His job ended but his car payments continued.

Chris had savings but they went quickly. After a few months of unemployment, his savings ran out but his bills kept coming. He had to live on credit for much of the remainder of that year.

After finding employment again, he was looking forward to paying down his debt. However, shortly afterward his cat became sick and had to be put down. The only money available to cover vet bills was his rent money. As a working middle-aged adult, he needed to ask his parents to help cover his rent for the month so he had enough money to keep a roof over his head and pay the vet bill.

Experiences of Employers

Sixteen employers across the two counties shared their experiences: seven from Perth, and nine from Huron. Three employers were non-profit organizations. The average size of the businesses represented was 46 employees, with a range of two to 140. Employers have been in Perth-Huron for anywhere from two to over 50 years. Half of the employers paid a Living Wage to their employees. One employer reported they did not earn a Living Wage themselves. Employers came from industries including agriculture, construction, transportation, financial services, retail, arts, entertainment, and recreation.

Transportation

Employers recognized that transportation within Perth-Huron is a challenge. They understood that limited transportation options contributed to the issues many employers face in filling positions. They also recognized the large areas covered by Perth-Huron contributed to longer commute times which can have a significant impact on the amount families spend on transportation. They emphasized the need for innovative thinking and non-traditional options to best serve both employees and employers in a rural community.



Easy and frugal transportation.

Jean

Housing

Employers recognized that it would be difficult for many people, particularly families, to find adequate housing based on the amount allocated in the Living Wage calculation. There is a high demand for housing in Perth-Huron, particularly Stratford, and many families likely need to pay significantly more than the \$1,198 outlined in the Living Wage calculation to cover utilities and live in a home in reasonable condition.

Employers also recognized a need for more “starter” homes in the region. They told us that many developers prefer to build bigger and more expensive homes. Many of the costs associated with building new homes are the same regardless of home size so it makes more sense for developers to focus on higher margin homes.

These shortages increase the worker shortage in the area as well. Employers noted that many youth who leave Perth-Huron for their education cannot return due to a lack of affordable housing. Seasonal businesses also struggle to find adequate short-term accommodations for employees especially in the agriculture and tourism sectors.

The Challenges of Doing Business in Perth-Huron

Employers face several challenges when conducting business, many of which directly or indirectly affect their ability to pay employees higher wages or offer additional benefits.

One major concern for employers, particularly small to medium sized employers, was the burden of business regulations in Ontario. At over 380,000, Ontario has by far the most regulations of any province in the country. British Columbia is the next closest, with 180,000 regulations. Employers were not opposed to regulations in principle but expressed frustration with regulations they saw as arbitrary, poorly conceived, or illogically applied. For example, a shoe store manager reported that her employees must renew their WHMIS certification annually because the store contains a bottle of household glass cleaner.

To keep up with regulations, many business owners, particularly medium-sized business owners, must employ a full-time worker to process regulations which ultimately takes away from the opportunity to increase the wages of other workers. For smaller businesses, the owner of the business often focuses much of their time on keeping up with changing regulations which reduces the amount of time they can spend on developing and expanding their business. For example, employers in the financial sector expressed time lost to regulatory paperwork means a reduction in face-to-face time with their clients.

How Do Employers Set Wages?

Although only half of the employers consulted pay a Living Wage, many used the Living Wage calculation as a benchmark. Many employers also look to the market in order to pay their employees a competitive rate, maximize employee retention, and reduce absenteeism.

Employers commonly consider education and experience alongside the job description and major tasks performed in the role. However, soft skills like problem solving, communication, and motivation impact wages.

Employers struggle to offer higher wages because of the need to account for sector-specific challenges. For example in the agriculture sector, paying a Living Wage may be achievable during a good season but a bad growing season can be financially devastating to farmers and their families. The prevalence of the vomitoxin fungus in recent years resulted in corn that could not be sold to pig farmers. This impacted not only corn farmers but pig farmers as well through rising feed prices. Given agriculture’s prominence in the Perth-Huron community, repercussions are felt across the community.

Similarly, the steady and widespread decline in the journalism industry presents a challenge to employers in that sector. Uncertainty about future revenue means that these employers struggle just to keep the employees they have let alone pay them more. Though they may be motivated to raise employee wages, this can be difficult considering more immediate challenges.

Employer/ Employee Mismatch

Employers reported significant problems filling positions. Employers commonly have job postings listed for months without finding a suitable candidate. One employer told a story of a local restaurant that had to remain closed during certain days of the peak summer season due to a lack of available staffing. Limited transportation, a lack of affordable housing, and the migration of youth out of the region were all cited as potential reasons for worker shortages.

Some employers believe plenty of work is available but there is a mismatch between the work available and the kind of work people seek, both in terms of hours and the nature of the work. In many cases, workers seek regular full-time hours rather than part-time or shift work. Sectors like retail may not be appealing to young educated workers looking to start a career. Additionally, much of the work available, such as agriculture or manufacturing, is physically intensive labour which discourages many of the people looking for work from applying, particularly older and female job hunters.

Employers also face challenges finding people qualified for open positions which has caused them to hire people from outside of their industry. Although this requires more upfront training, they have been able to successfully bridge the experience gap and their employees have thrived in their new positions while also providing new skills and a fresh perspective.

Beyond formal qualifications, other employers have expressed concern that many employees lack necessary soft skills. They report increasing difficulty in finding consistency, reliability, and problem-solving skills amongst prospective employees. Some employers reported that a small minority of workers abuse sick day policies, leaving small business owners to step in and cover shifts. Absenteeism is higher on Mondays, Fridays, and during the summer months suggesting employees are not always invested in their jobs. Employers understand that childcare, transportation, mental health, and addictions all play a role in these issues, linking employer problems to the problems described above.

Employers Do What They Can for Employees

For every expectation that employers expressed regarding their employees, they acknowledged a corresponding responsibility of their own. Each employer participant believed they have responsibilities to their employees beyond payment for hours worked. They care about the health and wellbeing of their employees but also expect that, in return, employees show up when scheduled, work hard, and treat colleagues with respect.

To promote self-improvement, one employer offered a wage increase to employees who enrolled in any personal or professional development course, whether directly related to their work or not. This included finishing high school, getting a driver's license, or attending industry-relevant learning events.

Employers recognize the importance of their relationship with employees and know treating their workers well is the right thing to do for both the employee and the business. Many of the employers make considerable efforts to offer non-traditional benefits including health care spending accounts, clothing allowances, and subsidized housing. For some employers who did not technically pay a Living

Wage in terms of hourly rates, the inclusion of the value of these bonuses in wage calculations would be comparable to a Living Wage.

Some employers demonstrate appreciation for employees by directly involving them in goal setting for the business. For example, they may keep them abreast of the business' financial standing and explicitly invite ideas from employees for growth of the business. By keeping an open and dynamic relationship between staff and management everyone feels responsible for, and takes ownership of, the success of the business.

“They need to feel that they're an important part of the business. You wouldn't be there without them.”

Many employers demonstrate their commitment to employee wellbeing by being flexible, understanding, and collaborative when it comes to their employees' needs. In the context of shift work, this could mean publishing schedules as soon as possible and considering everyone's preferences. In

the transportation industry, one employer accounted for drivers' preferred destinations. In another case, an employer was asked directly for a raise they could not afford. By engaging in the conversation, she learned the employee needed the raise to cover the cost of childcare. In lieu of increased pay, the employer allowed the employee to work from home one day a week and bring his child into work when needed to offset the cost of childcare. Other employers have changed the rules surrounding sick days. By changing the label of sick days to personal days, employees could use those days for any personal needs that arose without feeling guilty.



Resting Place

Don

An employee of one of the employer participants enjoyed her work but was constantly stressed during the winter due to driving conditions. The stress affected her work and quality of life. The employer agreed to lay the employee off while maintaining her benefits during the winter months and re-hire her each spring. This way, the employer could retain a hard-working employee and the employee could manage her stress and maintain her quality of life. Such understanding and compromise can accommodate employees' needs without added cost to the employer.

Employers' Perceived Benefits of Paying a Living Wage

Many employers shared their experiences with the advantages of paying their employees a Living Wage if they could, or of increasing wages, even if not to the level of the Living Wage. The benefits to employers typically included decreased absences and the ability to attract more qualified staff. There were also several more specific benefits. One employer shared that after giving a raise to a part-time employee, the employee could quit her second part-time job. As a result, she had more energy to focus, enjoy her work more, and be more productive.

“Wage is something we have to start looking at more as an investment than a cost.”

Other employers believe offering competitive wages is essential to drawing people to the region to fill vacant positions. Employers generally agreed that the upfront cost to the company results in a huge benefit in the long run. Employers also demonstrated an understanding of the benefits of higher wages on the surrounding community. They knew that by increasing families' spending power, that money was more likely to remain in the community and contribute to its economic growth.

Costs and Challenges of Increasing Wages

Although employers agreed about the benefits of paying employees a Living Wage and almost universally expressed a desire to do so, many faced substantial challenges. For many, small profit margins meant they could not afford to pay workers more without hurting the business. This was particularly true for small employers, one of whom did not even make a Living Wage himself, and for publicly funded employers who have no control over wages or funding levels.

For smaller retailers, an increase in wages would translate directly to an increase in prices. One employer noted this would mean her business would no longer be competitive and they would lose out long-term to online vendors or bigger centres because people would look outside the region for better deals. For services such as libraries and community centres, increasing wages or providing more hours to employees is unsustainable without additional financial support and would lead to a reduction of services.

Employers also shared their attitudes regarding recent minimum wage increases. Employers expressed concerns about such a significant pay increase over such a short period but not with the wage increases themselves. Many employers struggled to meet the minimum wage increase from \$11.60 to \$14.00 per hour in January 2018. They said that a smaller but steadier wage increase over a longer period would not only be more feasible but would allow them to pay a higher overall wage. Relatedly, no focus group participants expressed pleasure at the new Ontario government's rollback of Bill 148 and its proposed minimum wage increase to \$15 per hour. Rather, they expressed frustration that all their efforts to accommodate both the wage increase and the number of hours dedicated to understanding changing regulations had been effectively doubled by immediately bringing in new regulations, even if many of the changes were nominally for their benefit.

5. SUMMARY OF FOCUS GROUP FINDINGS

Overall, there is reason for optimism following discussions with these groups. Both those with lived experience of earning less than a Living Wage and employers demonstrated empathy for each other regarding the difficulties and constraints that limit their ability to provide what the other might need. Both demonstrated a willingness to work together to improve the situation for all involved. Those who earned less than a Living Wage reported motivation to learn, grow, and participate in ways that enable them to work with employers to achieve mutually beneficial goals. Likewise, employers demonstrated a deep and nuanced understanding of the benefits of providing employees with stability and predictability, benefits for the company, and the broader community. This is encouraging as UWPH continues to facilitate a community-wide discussion to develop a broad understanding of the benefits and challenges of increasing the number of people earning a Living Wage.

However, there are significant impediments on both sides that limit the abilities of each to move forward towards these mutual goals. Amongst those who earn less than a Living Wage, the unpredictability, stress, and trade-offs inherent to an unstable financial situation make it difficult for them to pursue training, maintain reliable transportation, and facilitate childcare in a way that makes them suitably trained, available, and reliable in the ways that employers require. At the same time, the constraints of a limited labour force, heavy regulatory environment, and the unpredictability of some employees as they seek increased stability makes it difficult for employers to invest in employees by offering higher wages.

It should be emphasized that many earning below a Living Wage struggle. The daily human cost of the stresses and trade-offs associated with these struggles demands attention and resources, for the long-term health of Perth-Huron's citizens and the broader community.



What to make for dinner?

Candice



Keeps me busy and a donation to the hospital.

Bonnie

6. RECOMMENDATION FOR STRATEGY AND CONCLUSION

The Social Research and Planning Council (SRPC) and United Way Perth-Huron (UWPH) should seek to engage with local municipalities, health units, Poverty to Prosperity (P2P) in Huron, Perth County Food Security Coalition, and other stakeholders through a collective impact approach to create a dual county strategy that reduces the impact of poverty inclusive of individuals and families who earn less than a Living Wage. A strategy, therefore, must be inclusive of approximately half of households in the region. Based on the findings of this report, the development of a Poverty Reduction Strategy needs to consider food security, transportation, income insecurity, housing, physical and mental health, social services, and challenges faced by employers including hiring, staff retention, and the business regulatory environment.

Conclusion

The discussions with community members made it clear there are many problems to be addressed and many people struggling with these problems. Though the interconnected nature of these problems can be frustrating and discouraging, it is also cause for optimism because small improvements to any of these issues results in improvements that trickle out to all parts of the system. By working to steadily implement the recommendation in this report while continuing to encourage a community-wide conversation about the Living Wage, the UWPH, and the community at large, can continue to grow and strengthen the relationship between employees and employers, and provide a higher quality of life for the community and its citizens.



Moon and Sun - Good Luck

Jesse



Eye Candy

Warren

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United Centre • 32 Erie Street, Stratford, ON, Canada N5A 2M4
Tel: 519 271-7730 | 1-877-818-8867 • srpc@perthhuron.unitedway.ca