



# Post-Secondary Student-Workers and a Living Wage

JAMES WATSON

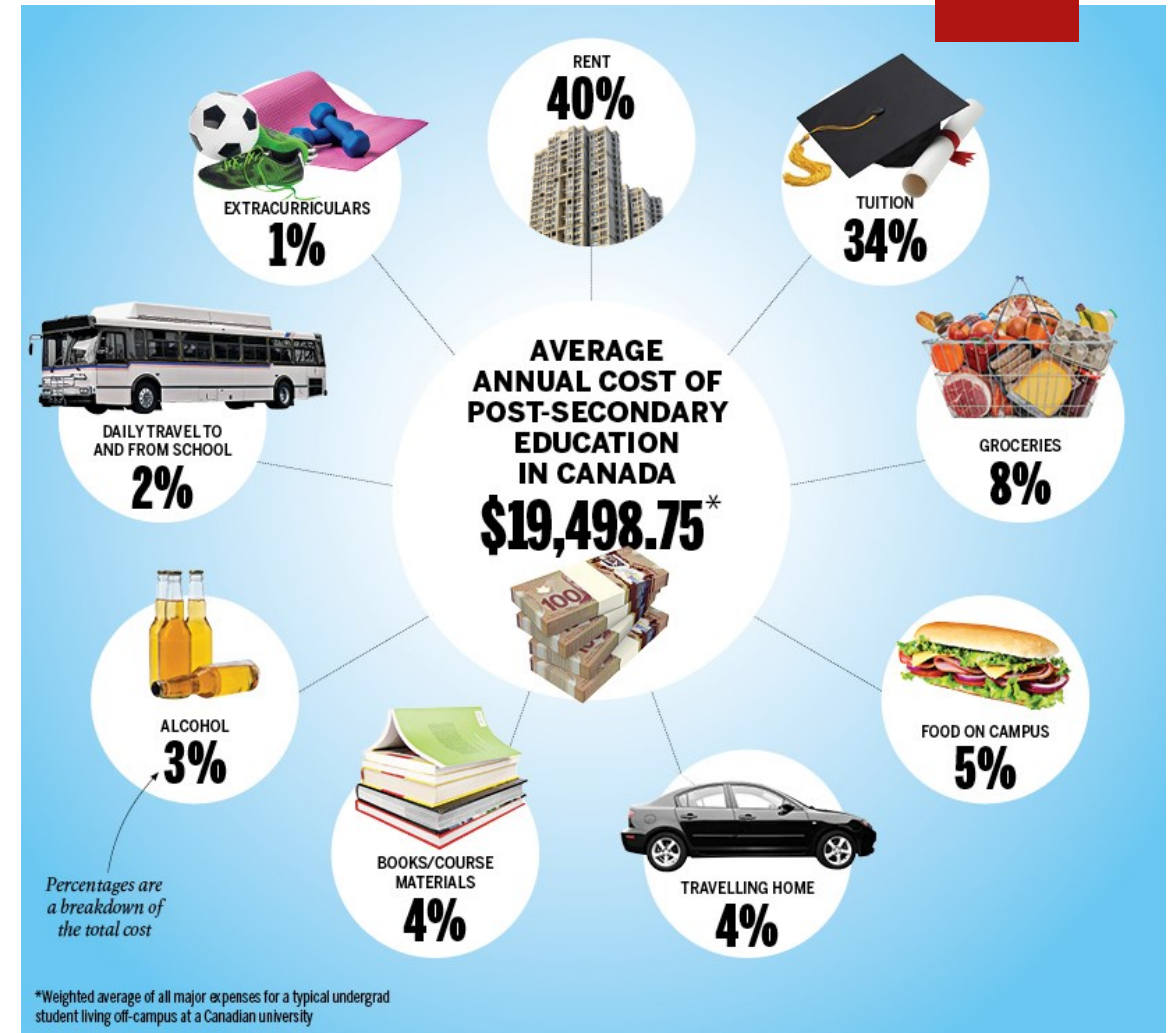
PHD CANDIDATE, DEPARTMENT OF SOCIOLOGY, MCMASTER UNIVERSITY

# Demographics

- ▶ Between McMaster University and Mohawk College there are over 60,000 students in postsecondary education
- ▶ In Ontario in 2019 *during the school months*:
  - ▶ 32.5% of full-time students aged 15 to 19 have a job
  - ▶ 42.1% of full-time students aged 20 to 24 have a job
  - ▶ 44.6% of full-time student aged 25 to 29 have a job
- ▶ Students, aged 15 to 24 are the most likely demographic to be minimum wage workers (32.6%)

# Student Expenditures

- ▶ Source: Mclean's: The cost of a Canadian university education in six charts
- ▶ Rent @ 40% of \$19,500 = \$7800/year
- ▶ \$650/month
- ▶ Hrs. to earn \$650 @ \$14/hr = approx. 46hrs/month (before deductions)
  - ▶ Avg. 11.5 hrs/week





# Student Incomes

- ▶ Target: \$19,500 a year
- ▶ Summer earnings:
  - ▶ May, June, July, August (4 months) @ \$14.00 X 40 hrs a week
  - ▶ (16 weeks) x (\$14 x 40 hrs)
  - ▶ = \$8,960 (*before taxes and deductions*)
- ▶ School Year earnings:
  - ▶ 8 months part-time work @ \$14.00 x 10hrs a week
  - ▶ = \$4,480 (*before taxes and deductions*)
- ▶ Total = \$13,440 (a \$6,060 shortfall)



# Student Debt

# Youth employment and a living wage

- ▶ Research results are inconclusive as to whether raising the minimum wage has a labour displacing effect
- ▶ Experiences of other living wage cities (ex. Seattle, Vancouver) have yielded net benefits for low-wage earners and have not led to the job losses that were predicted
- ▶ Research indicates that significant wage raises could lead to decreases in the growth rate for youth employment over the short-term though also acknowledges that the minimum wage is one factor of many in determining labour market outcomes.

Quebec	2016	2017	2018	2019	Growth 2016-19
Wage (Month, Year)	\$10.75 (May 2016)	\$11.25 (May 2017)	\$11.75 (May 2018)	\$12.10 (May 2019)	14.0%
Total, all industries	550.2	547.7	550.1	572.2	3.84%
Retail trade	161.4	161.2	160.5	177.4	9.02%
Accommodation and food services	114.1	112.1	109.6	107.8	-5.84%
Unemployment Rate (15-24 years)	12.7	10.3	9.5	8.6	-47.67%
Ontario	2016	2017	2018	2019	Growth 2016-19
Wage (Month, Year)	\$11.40 (October 2016)	\$11.60 (October 2017)	\$14.00 (January 2018)	\$14.00 (January 2019)	18.6%
Total, all industries	925.9	950	955.7	985.3	6.03%
Retail trade	233.4	243.9	228.6	259.7	10.13%
Accommodation and food services	191.5	178.5	190.3	187.2	-2.30%
Unemployment Rate (15-24 years)	14	12.3	11.9	12.1	-15.70%
Alberta	2016	2017	2018	2019	Growth 2016-19
Wage (Month, Year)	\$12.20 (October 2016)	\$13.60 (October 2017)	\$15.00 (October 2018)	No announced change	18.7%
Total, all industries	303.2	293.8	285.8	285.7	-6.13%
Retail trade	77.3	74.9	69.4	69.1	-11.87%
Accommodation and food services	58.6	59.3	57.4	56.9	-2.99%
Unemployment Rate (15-24 years)	13.1	13.2	12.2	12.7	-3.15%



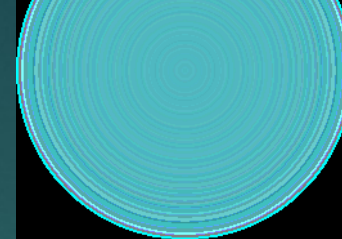
# Conclusions

- ▶ The rising costs of living and studying for post-secondary students requires student-workers to be paid a living wage
- ▶ Failure to implement a living wage across the board is likely to lead to a host of adverse consequences including increased working poverty and a growing debt bubble
- ▶ The implementation of a living wage in other places has not demonstrably led to adverse labour market outcomes and may actually have a net benefit by stimulating local demand
- ▶ The need for comprehensive labour market initiatives such as a local Youth Jobs Strategy





# Appendixes



# A1: Precariousness and Mental Health

- ▶ 26.3% of post-secondary students reported having been diagnosed or treated by a professional for one or more mental health conditions in the last 12 months (with anxiety and depression being the most frequent). (University of Ottawa)
- ▶ “Canadians in the lowest income group are 3 to 4 times more likely than those in the highest income group to report poor to fair mental health.” (Canadian Institute of Health Research)
- ▶ “Young people aged 15 to 24 are more likely to experience mental illness and/or substance use disorders than any other age group.” (Canadian Institute of Health Research)
- ▶ “The economic burden of mental illness in Canada is estimated at \$51 billion per year. This includes health care costs, lost productivity, and reductions in health-related quality of life.” (Canadian Institute of Health Research)

Year	Revenues	Expenses	Surplus
2010	\$ 1,684,411,244	\$ 1,438,493,703	\$ <b>245,917,541</b>
2011	\$ 1,710,011,878	\$ 1,451,621,362	\$ <b>258,390,516</b>
2012	\$ 1,597,223,622	\$ 1,466,383,699	\$ <b>130,839,923</b>
2013	\$ 1,593,687,923	\$ 1,482,316,758	\$ <b>111,371,165</b>
2014	\$ 1,727,819,191	\$ 1,541,621,111	\$ <b>186,198,080</b>
2015	\$ 1,763,787,450	\$ 1,627,189,779	\$ <b>136,597,671</b>
2016	\$ 1,838,208,219	\$ 1,657,033,962	\$ <b>181,174,257</b>
2017	\$ 1,958,073,490	\$ 1,691,027,772	\$ <b>267,045,718</b>
2018	\$ 2,010,385,319	\$ 1,763,857,471	\$ <b>246,527,848</b>

# A2: Hamilton Fiscal Data

Source: Ministry of Municipal  
Affairs and Housing

C3		FIR2018: Hamilton C												
	A	B	C	D	E	F	G	H	I	J	K	L	M	
80		1880	Municipal Land Transfer Tax (City of Toronto Act, 2006) . . . . .											
82		1885	Transient Accommodation Tax . . . . .											
84		1905	Increase/Decrease in Government Business Enterprise equity . . . . .									24,285,000		
86		9910	TOTAL Revenues									2,010,385,319		
89	Continuity of Accumulated Surplus/(Deficit)										1			
90											\$			
91	2010	PLUS: Total Revenues (SLC 10 9910 01) . . . . .									2,010,385,319			
92	2020	LESS: Total Expenses (SLC 40 9910 11) . . . . .									1,763,857,471			
93	2030	PLUS: . . . . .												
94	2040	PLUS: . . . . .												
95	2045	PLUS: PSAB Adjustments . . . . .												
96	2099	Annual Surplus/(Deficit) . . . . .									246,527,848			
98	2060	Accumulated surplus/(deficit) at the beginning of year . . . . .									5,699,300,639			
99	2061	Prior period adjustments . . . . .												
100	2062	Restated accumulated surplus/(deficit) at the beginning of year . . . . .									5,699,300,639			
101	9950	Accumulated surplus/(deficit) at the end of year (SLC 10 2099 01 + SLC 10 2062 01). . . . .									5,945,828,487			



# A3: Student debt when entering the job market

	Ontario <a href="#">(map)</a>				
		Graduates who owed money for their education to any source (government or non-government)			
Level of study	Statistics <a href="#">5</a> <a href="#">6</a>	2000	2005	2010	2015
		Dollars			
College <a href="#">7</a>	Average debt remaining at time of interview for those who still owed	12,000	13,400	13,700	14,600 <sup>B</sup>
Bachelor's <a href="#">8</a>	Average debt remaining at time of interview for those who still owed	18,300	21,900	19,000	26,000 <sup>B</sup>
Master's <a href="#">2</a>	Average debt remaining at time of interview for those who still owed	21,000	23,400	26,100	27,000 <sup>B</sup>
Doctorate	Average debt remaining at time of interview for those who still owed	21,200	26,500	31,400 <sup>E</sup>	34,000 <sup>A</sup>

## Total Labour Market Data

Quebec	2016	2017	2018	2019	Growth 2016-19
Wage (Month, Year)	\$10.75 (May 2016)	\$11.25 (May 2017)	\$11.75 (May 2018)	\$12.50 (May 2019)	14.0%
Total, all industries	4,133.10	4,223.30	4,262.20	4,339.90	4.77%
Retail trade	501.8	505.2	503.4	525.6	4.53%
Accommodation and food services	284	272.4	270.5	257.4	-10.33%
Unemployment Rate	6.2	5.4	4.9	4.5	-37.78%

Ontario	2016	2017	2018	2019	Growth 2016-19
Wage (Month, Year)	\$11.40 (October 2016)	\$11.60 (October 2017)	\$14.00 (January 2018)	\$14.00 (January 2019)	18.6%
Total, all industries	6,999.60	7,128.00	7,242.40	7,452.60	6.08%
Retail trade	754.2	806.1	814.2	844.2	10.66%
Accommodation and food services	456.8	454.3	468.2	457.8	0.22%
Unemployment Rate	5.3	4.9	4.6	4.5	-17.78%

Alberta	2016	2017	2018	2019	Growth 2016-19
Wage (Month, Year)	\$12.20 (October 2016)	\$13.60 (October 2017)	\$15.00 (October 2018)	No announced change	18.7%
Total, all industries	2,263.80	2,286.90	2,330.70	2,343.00	3.38%
Retail trade	246.4	241.6	247.1	249.6	1.28%
Accommodation and food services	144.4	148.1	147.5	146.1	1.16%
Unemployment Rate	7.3	7	5.7	6	-21.67%