



**Transcript of Plain language Podcast:
A study of living wage effects on employees' performance-related attitudes and behaviour**

[Sound up Construction sounds]

It's hard to make a living. Especially when minimum wage does not guarantee a decent quality of life.

In the words of Zhaocheng Zeng, a PhD candidate at McMaster's DeGroote School of Business, "People have both physical needs, like food. And social needs, like participating in the community. Poverty reduction is not just about providing enough food, but also about providing people with the chance to engage in social activities. Unlike the minimum wage, a living wage can serve this purpose."

Unfortunately, there is often a significant gap between the minimum and living wage. For example, Ontario's current minimum wage is \$11.25, while the average living wage in Hamilton is \$14.95. This figure fluctuates from region to region, and is calculated by how much it would cost the average family to live in the region, and maintain a decent quality of life.

Living wages are not yet mandated by law – so it falls on the employers to choose a living wage for its employees. While at first it may seem like just an additional cost to the employer, living wages may present a win-win situation for both the employer and the employee.

It is this potential that Zeng explores in her paper titled: **A study of living wage effects on employees' performance-related attitudes and behaviour.**

For full disclosure, this study was funded by CFICE's Poverty Reduction Hub as part of its partnership with the Tamarack Institute for Community Engagement – and, by extension, the Hamilton Roundtable for Poverty Reduction. Along with Zeng, the paper was co-authored by McMaster's Benson Honig.

For this study, data was collected from 131 employees using surveys that explored their experiences working minimum and living wage jobs. Quantitative analysis of the data demonstrates that living wage employees have a lower turnover rate, and are more engaged in the overall culture of their organizations – which is a benefit for many employers.

While the study does address the obstacles that come with implementing a living wage, it dispels the notion that a living wage can only be an additional cost to the employer. Instead, it highlights the importance of continuing to work toward a living wage for a higher quality of living for our families, and our communities.

[Sounds of children playing]

This plain language podcast is brought to you by the Community First: Impacts of Community Engagement project, a 7 year action-research project that investigates how to improve community-campus partnerships. For more information, please visit our website at Carleton.ca/communityfirst/

[End of podcast]