

The business case for More-than-minimum wages



Secure tangible returns in your business

Paying more-than-minimum wages create direct & indirect benefits for business owners:

- retaining experienced high-performing workers
- cultivating repeat customers who recognize and trust all staff
- boosting mid-term sales by boosting local economic growth
- attracting talented & aligned staff

Benefit 1: Reduce turnover costs

Higher wages are appealing to staff, so they stay loyal to an employer for longer than industry norms. This reduces turnover and associated costs. Turnover costs can easily reach a few thousand dollars for each staff member who quits. These costs don't add value to your bottom line. The same amount of money spent on raising wages for your lowest-paid staff would help retain and upskill workers - building leaders you can count on when you're away.



Each retained staff person saves >\$1000

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Paying fair wages creates returns

Benefit 2: Boosting mid-term sales by boosting local economic growth

Higher wages do not lead to jobs being lost in the local economy (1). **Ontario's economy grew after a \$2.40/hour minimum wage hike in 2018** (2). A similar upward trend happened in California following minimum wage hikes in 2014 & 2016 because of more shopping traffic and greater customer spending (3).



Benefit 3: Cultivating repeat customers who recognize & trust your staff

Research studies and BWA members attest that **retaining employees creates a customer base that recognizes and trusts their staff, which builds customer loyalty** (4). High staff morale and long staff tenure boosts word-of-mouth referrals and creates repeat clients.

Benefit 4: Attract aligned & talented staff

Between 50%–60% of workers today would refuse to work at an organization that clashes with their ethics or is focused only on financial success (5). Paying workers fairly sends a signal that you're willing to walk the talk when it comes to valuing your workers. Sending this signal of respect earns you respect back, too – often in the form of showing up on time, doing their best, and taking on greater responsibility.

(1) Manning, A. (2021) The elusive employment effect of the minimum wage. *Journal of Economic Perspectives*, 35(1), 3–36.

(2) Kwiecinski, J. (2018, October 13). KWIECINSKI: Buyer Beware of Bill 148. <https://bit.ly/3DpJ5j0>

(3) Harnett, S., (2017, February 17). Wetzel's Pretzels' CEO says minimum wage increase boosts business. <https://bit.ly/3U9mQEX>

(4) Knowledge at Wharton. Out of Stock? It Might Be Your Employee Payroll – Not Your Supply Chain – That's to Blame. Wharton School of the University of Pennsylvania. <https://wharton.com/3gXaRvI>

(5) Deloitte. The 2016 Deloitte Millennial Survey Winning over the next generation of leaders. <https://bit.ly/3TQkrPR>

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