

Minimum Wage (or Mentorship Wage) Rant

We are all hearing about the risk of job losses associated with the dramatic short-term increase in Ontario's, and other jurisdictions, minimum wage.

Many of these minimum wage jobs are going the way of the Dodo bird anyway. Automation and Artificial Intelligence are becoming mainstream, and are ruthlessly and rightfully moving our economy forward. These economic forces are replacing minimum wage jobs. It is only a matter of time.

However, there is also a much bigger issue at stake, insufficient employment entry opportunities for young Canadians, which if not corrected, will provide an environment that supports an increase in income inequality.

Millennials at 32 years old today, are now just experiencing what Boomers experienced when they were 22. Millennials have difficulty getting permanent jobs with benefits, which delays family formation, home buying, and their retirement saving.

Hey Boomers, will today's millennials be productive enough to become the taxpayers required to bear the costs of Canada's aging population?

An economist Herbert Stein famously said, "If something cannot go on forever, it will stop."

In the context of automation, artificial intelligence, rising income inequality, and millennials having a tough time launching, a rise in minimum wage is understandable, even though it contradicts economic theory. However, it will only benefit those lucky enough to keep their existing minimum wage job.

We need to change our approach to minimum wage jobs.

We need to stop clinging to OLD style minimum wage jobs and begin to create NEW minimum wage jobs. This effort will require vision, strategy and investment. It will require the thought and support of Canada's business leadership. Corporate Social Responsibility requires Board oversight, and CEO level support to motivate direct reports to think about how to create the NEW minimum wage jobs of the future.

Where do the opportunities lie?

If your company is "databasing" anything in excel, or delivering to your clients in a Word document, you are wasting company resources and missing out on opportunities.

A company's proprietary data needs to have well documented and communicated standards and definitions. Old data needs to be cleaned and properly structured so that it can be searched, aggregated, analyzed, and repurposed. Depending on your industry, this clean and structured data can be used to; a) leverage your current employees into more robust consultants, b) re-purposed to create new products and services, c) analyzed to increase the efficiency of manufacturing and distribution, or d) help to better manage underwriting risk and reduce fraud.

There are many very bright grade 12 students, as well as college and university students that can be put to work to clean, structure, and analyze data.

The spending on minimum wage employees that starts as an expense on the income statement, can potentially become a driver of top line revenue, be used to reduce other costs, or eventually become an asset on the balance sheet.

In addition, better paid workers tend to experience less turnover. As a result, it may now make more sense to invest in skills training of minimum wage workers so that they can learn more about your organization and become more productive.

Hiring new minimum wage workers can also be strategic.

A company that selectively contacts key current or prospective customers and offers their customers kids summer employment can go a long way to building customer loyalty. Similarly, hiring your own employees best and brightest kids in a fair and transparent process that enables them to save for a trade school or university goes a long way towards enhancing employee morale and building a pipeline of future full-time employees. In addition, all the new hires gain valuable workplace experience, and equally as important, a first job for their resume.

Leadership in identifying and providing the NEW minimum wage jobs for our changing economy is needed.

This responsibility falls squarely onto Corporate Canada. To move the needle on the issue, Board of Directors should ask CEOs what their plans are to create NEW minimum wage jobs, and the CEO should demand specific actionable initiatives from their direct reports.

Canadian business leaders also need to re label and re frame the issue from the negative connotation of “**Minimum Wage**”, to the positive connotation of say, “**Mentorship Wage**”. These NEW jobs are not to be dead end and menial, they are to be the first step in a new mentorship based, value-added, productivity enhancement, career process.

Due to automation and Artificial intelligence, the OLD minimum wage jobs are going the way of the Dodo, and the new dramatically higher minimum wage will only speed this process along.

To create the NEW **Mentorship Wage** jobs of the future, Canada’s business elite needs to step up and own this issue, and provide the vision, strategy, investment, and reputational support required for change. Successfully launching young Canadians into work careers will also help to slow or reverse income inequality.

For those young Canadians that can keep, or get one of the new **Mentorship Wage** jobs, it could be a LIFE CHANGING event for them:

<https://www.theansweris.ca/Q19.php>