



# 2018 Statutory Review of Minimum Wage

Submission to the Department of Post-Secondary Education, Training and Labour

## About the New Brunswick Women's Council

The New Brunswick Women's Council is an independent advisory body for study and consultation on matters of importance, interest, and concern to women and their substantive equality. Its objectives are:

- a) to be an independent body that provides advice to the Minister on matters of importance to women and their substantive equality;
- b) to bring to the attention of government and the public issues of interest and concern to women and their substantive equality;
- c) to include and engage women of diverse identities, experiences and communities, women's groups and society in general;
- d) to be strategic and provide advice on emerging and future issues; and
- e) to represent New Brunswick women.

In delivering on these objectives, the council may conduct or commission research and publish reports, studies and recommendations.

The work of the council is directed by an appointed volunteer membership that includes both organizations and individual women. The work is managed and executed by a small staff team.

## Minimum wage is a gendered issue

In New Brunswick, minimum wage is a gendered issue in two key ways. First, more than half of minimum wage earners in the province are women.<sup>1</sup> Second, it is primarily jobs that have traditionally been considered "women's work" (e.g. retail, customer service, office or sales support, hospitality, and food service) that are paid minimum wage. Jobs considered to be "women's work" are often underpaid when compared to jobs of equal value that are predominately performed by men.

In 2017, women accounted for 57% of the 22,500 minimum wage earners in the province.<sup>2</sup> Among women earning minimum wage, the age demographic that has experienced the most growth in recent decades is 45 and older. In the late 1990s, women over 45 made up just 14 per cent of the total number of women earning minimum wage; by 2011, this rate jumped to 32 per cent. The rate has since held around 30 per cent.<sup>3</sup>

The minimum wage rate directly affects the economic security of those women earning it. At \$11.25 an hour, New Brunswick's current minimum wage is not what is known as a living wage. The Canadian Center for Policy Alternatives defines a living wage as "the rate of remuneration a worker would require in order to afford a minimally decent quality of life."<sup>4</sup> Although the cost of meeting basic needs fluctuates based on the location of and number of people in a household, the current minimum wage does not ensure that most

<sup>1</sup> Includes both adult women and female adolescents.

<sup>2</sup> [https://www.nbjobs.ca/sites/default/files/pdf/2018\\_minimum\\_wage\\_report\\_v1\\_en.pdf](https://www.nbjobs.ca/sites/default/files/pdf/2018_minimum_wage_report_v1_en.pdf)

<sup>3</sup> <https://www2.gnb.ca/content/dam/gnb/Departments/eco-bce/WEB-EDF/pdf/en/Equality%20Profile%202016-PDF-E-.pdf>

<sup>4</sup> <https://www.policyalternatives.ca/sites/default/files/uploads/publications/Ontario%20Office/2012/10/Enhancing%20Democratic%20Citizenship.pdf>

minimum wage earners in New Brunswick working full-time will have an income that rises above the market basket measure (MBM), one of the tools used in Canada to establish poverty lines.

A minimum wage of \$15 an hour has been widely advocated for by civil society groups across the country. Both Alberta and British Columbia have recently committed to increasing their minimum wage to \$15 within the coming years. Ahead of the most recent provincial election, nine New Brunswick civil society organizations developed a progressive election platform that recommended that government increase the minimum wage by a dollar a year for four years; assuming this platform is working from the \$11.25 minimum wage in effect at the time of its publication, this would mean arriving at \$15.25 by 2022.<sup>5</sup>

The Saint John Human Development Council calculated a minimum living wage for Saint John in 2018 as \$18.18 an hour.<sup>6</sup> This is based on a modest budget that does not allow for any savings. While Saint John is not the most affordable place to live in New Brunswick, neither is it the most expensive (according to the MBM, Saint John has a lower MBM threshold than rural areas and small population centres in New Brunswick<sup>7</sup>).

It should also be noted that most minimum wage jobs do not provide pension or other benefits. This compounds the economic vulnerability of minimum wage earners, which in turn affects their health, personal security, and lifelong earnings.

Findings from the council's public engagement initiative, Resonate, speak to the impact of economic insecurity on women's lives. The findings were released this fall and are based on data collected from over 1 300 New Brunswick women between 2017 and 2018. In Resonate, women identified economic security and employment as an priority issue area that affects their lives and that needs to be addressed to improve things for women in our province as a

group.<sup>8</sup> Many women named pay equity, wages, poverty, and meeting basic needs as specific concerns. Here are a few stories women shared (quotes are unedited):

"Poverty is one of the most significant restrictions in a woman's life; it can negatively affect access to services, ability to change one's educational or employment situation, and hinder the choices available to women. I was stuck in the cycle of poverty for many years, unable to fully participate or contribute to my community because of various restrictions."

"Living rurally, without familial supports (economical or otherwise), and in a community without public transportation, a single mother working forty hours per week at minimum wage cannot pay rent, childcare, transportation, living expenses, and still buy food. Single moms don't rely on social assistance because they don't want to work. They do so because they can do math."

"Single mother escaping violent partner and father to her child, unable to obtain reasonable, reliable and affordable child care; unable to obtain safe affordable living condition; unable to obtain employment at fair living wage enough to pay for child care or with the employed hours that enable her to obtain child care. No child care services being available outside of an 8-4 or 9-5 hour M-F job. No means of medication or dental or optometrist coverage goes hand in hand with all of this."

<sup>5</sup> <http://frontnb.ca/userfiles/file/Electoral%20Platform-%202018.pdf>

<sup>6</sup> <https://www.policyalternatives.ca/publications/reports/saint-john-living-wage-2018>

<sup>7</sup> [https://www12.statcan.gc.ca/census-recensement/2016/ref/dict/tab/t4\\_5-eng.cfm](https://www12.statcan.gc.ca/census-recensement/2016/ref/dict/tab/t4_5-eng.cfm)

<sup>8</sup> <https://resonatenbresonances.ca/women>

## Recommendations

The Women's Council recommends the minimum wage be increased by \$1 per year for the next four years to arrive at \$15.25 by 2022. The minimum wage should subsequently be adjusted annually to reflect increases in the cost of living.

In addition to improving women's economic insecurity, increasing the minimum wage would contribute to addressing the systemic undervaluing of women's labour (and labour that is perceived to be women's labour) which, in turn, would contribute to broader work to address gender-based discrimination.

Additionally, raising New Brunswick's minimum wage to be above that of other Atlantic provinces would help ensure the province's labour market is competitive with that of other provinces and regions. In a recent survey, the Canadian Federation of Independent Businesses found that almost 50 per cent of Atlantic Canadian small business owners are experiencing labour shortage among low-wage workers and that "finding appropriate staff"<sup>9</sup> is the top challenge they expect to face in the next two years. Moving to a minimum wage just above \$15 an hour will give New Brunswick an edge in the competition with other provinces for a limited pool of workers. Remaining competitive for workers will be critical to New Brunswick's ability to address the province's aging and shrinking population by attracting and retaining new immigrants and families from outside of the province.

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<sup>9</sup> <https://www.cfib-fcei.ca/sites/default/files/2018-11/More%20with%20less.pdf>