



2020 Statutory Review of the 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 council is directed by an appointed volunteer membership that includes both organizations and individual women. The work is 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.¹ 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 2019, women accounted for 56% of the 20 300 minimum wage earners in the province.² 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.³

The minimum wage rate directly affects the economic security of those women earning it. At \$11.70 an hour, New Brunswick's current minimum wage is not what is known as a living wage. The Canadian Center for Policy Alternatives (CCPA) defines a living wage as "the rate of remuneration a worker would require in order to afford a minimally decent quality of life."⁴ 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

¹ Includes both adults and adolescents.

² <https://www.nbjobs.ca/sites/default/files/2020-06-03-lmi-mw-report-en.pdf>

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

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

ensure that most minimum wage earners in New Brunswick will have an income that rises above the market basket measure (MBM), Canada's official poverty line.⁵

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 in 2018 and are based on data collected from over 1 300 New Brunswick women between 2017 and 2018.⁶ 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."

A \$15 an hour minimum wage

A minimum wage of \$15 an hour has been widely advocated for by civil society groups across the country. Alberta recently raised their minimum wage to \$15 and British Columbia has committed to increasing their minimum wage to \$15.20 by next year.

In their report [Living Wages in Nova Scotia and New Brunswick 2020](#), the Saint John Human Development Council (SJHDC) and the CCPA also recommend a \$15 minimum wage for New Brunswick. It is important to note that \$15 an hour is not a living wage – it is the minimum wage rate they are proposing based on a model where government and employers work together to make sure people's needs are met through the combination of an adequate minimum wage, employment standards, and social programs. The SJHDC and the CCPA calculated a living wage based on a modest budget for Saint John⁷ to be \$19.55 an hour.⁸

The federal government's COVID-19 Emergency Response Benefit (CERB) also supports the case for a \$15 an hour minimum wage. CERB provides individuals with \$2 000 a month, taxable; it is reasonable to infer

⁵ https://www12.statcan.gc.ca/census-recensement/2016/ref/dict/tab/t4_5-eng.cfm

⁶ <https://resonatenbresonances.ca/women>

⁷ The 2020 living wage is an update to the 2018 living wage calculations which was based on "a family of four (with two working adults and two young children) to meet their basic needs while living modestly in Saint John. The wage comfortably covers the necessities but will not provide for a lavish lifestyle." 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.

⁸ <https://www.policyalternatives.ca/publications/reports/living-wages-nova-scotia-and-new-brunswick-2020>

that this is what the federal government believes individuals require to meet their basic needs. Individuals working 37.5 hours a week would need to earn \$15 an hour to take home a comparable amount monthly pre-tax but after EI and CPP deductions.

COVID-19

With the ongoing COVID-19 pandemic, the case for ensuring people's basic needs are met is stronger and more urgent than ever. The pandemic has shown us how deeply we rely on each other to keep healthy and safe—and this means that we are only as secure as our most vulnerable.

It is in the best interest of our province that all workers earn enough to have a minimum amount of economic security. Requirements to self-isolate or reduce movements in the community can be difficult to comply with in situations of economic insecurity due to crowded accommodations or an inability to stock up on supplies (including food, personal protective equipment, cleaning supplies, hand sanitizer, etc.). Economic insecurity can also make it challenging for workers to take time away from the workplace for reasons related to COVID-19 if they do not have access to paid leaves (and as women continue to shoulder more child care responsibilities than men and are more likely than men to lead lone parent households, such situations will disproportionately impact them).

It is also worth noting that a number of jobs that have been classified as essential during the pandemic (including grocery store staff, cleaning staff, and various care workers⁹) often pay less than \$15 an hour. Some workers in these roles received temporary “pandemic pay” top-ups.¹⁰ The need for such a top-up demonstrates that their work is normally underpaid.

Lastly, the Government of New Brunswick acknowledges in its [COVID-19 Fall Pandemic Response and Preparedness Plan 2020](#) that “Women are overrepresented in lower paid occupations – many of which have seen slower recovery rates.” The plan also notes that “Over half of the job losses through April in New Brunswick were in industries with below-average wages.”¹¹ For these low-wage earners, it is more important than ever that the minimum wage be raised substantially to support their economic security as they return to the workforce.

Recommendation

The Women's Council recommends the minimum wage be moved to \$15 at the time of the next scheduled increase on April 1, 2021. The minimum wage should subsequently be adjusted annually to reflect increases in the cost of living. As this rate is not a true living wage, it must be accompanied by investments in strengthening employment standards and social programs

COVID-19 digital library

The New Brunswick Women's Council has created a library of online content on the COVID-19 pandemic that considers marginalized populations, the not-for profit sector, or uses a social justice lens. Visit the library at bibliothequecovidllibrary.ca

⁹ <https://nationalpost.com/news/canada/are-you-an-essential-worker-in-canada-it-depends-on-where-you-live>

¹⁰ https://www2.gnb.ca/content/dam/gnb/Departments/petl-epft/PDF/FAQ_wage_top-up-e.pdf

¹¹ <http://leg-horizon.gnb.ca/e-repository/monographs/31000000051591/31000000051591.pdf>

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