



**New Brunswick  
Minimum Wage Report  
April 2023**



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## About This Document

The New Brunswick Minimum Wage Report provides basic information about changes to the provincial minimum wage, minimum wage earners, the cost of living and economic conditions in the province, as well as comparisons with other Canadian provinces and territories.

## Minimum Wage in New Brunswick

### Recent History of Minimum Wage in New Brunswick

Between 2019 and 2021, New Brunswick's minimum wage was increased on April 1<sup>st</sup> of each year based on Statistics Canada's Consumer Price Index (a commonly used measure of inflation) for New Brunswick. However, it was determined that a correction was necessary to boost the minimum wage to a more appropriate level. To achieve this correction, a pair of increases were announced: a one dollar increase on April 1, 2022 (from \$11.75 to \$12.75), and a second increase of one dollar on October 1, 2022 (from \$12.75 to \$13.75). As of April 1, 2023, New Brunswick's minimum wage will resume being tied to the Consumer Price Index. This will result in the minimum wage increasing to \$14.75.

### Recent Changes to Minimum Wage in New Brunswick

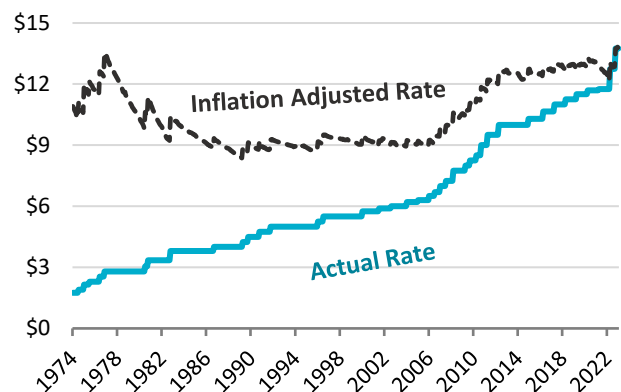
Date of Change	Minimum Wage
April 1, 2018	\$11.25
April 1, 2019	\$11.50
April 1, 2020	\$11.70
April 1, 2021	\$11.75
April 1, 2022	\$12.75
October 1, 2022	\$13.75
April 1, 2023	\$14.75

## The Actual Minimum Wage and the Inflation-Adjusted Minimum Wage<sup>1</sup>

Prior to the recent increases in minimum wage, the purchasing power<sup>2</sup> of New Brunswick's minimum wage had previously peaked in late 1976. Adjusted for inflation, the minimum wage at the time of \$2.80 per hour would be worth approximately \$13.55 per hour today<sup>3</sup>. After 1976, the purchasing power of minimum wage decreased sharply, with the inflation-adjusted rate falling to as low as \$8.36 in early-1989. Following this decline, it wasn't until the early-2010s that the purchasing power of the minimum wage rate began to approach the value seen in the 1970s, with the inflation-adjusted rate rising to \$12.70 by 2012. Between 2012 and 2021, increases generally kept pace with inflation, resulting in stable purchasing power for minimum wage earners.

Following the two increases to the minimum wage in 2022, the purchasing power of New Brunswick's minimum wage reached a new high in late 2022.

### Actual Minimum Wage Compared to the Inflation-Adjusted Minimum Wage – New Brunswick



<sup>1</sup> Source(s): Statistics Canada, Consumer Price Index (Table 18-10-0004).

<sup>2</sup> 'Purchasing power' refers to the value of money as determined by the quantity of goods and services that a person can afford to buy with it.

<sup>3</sup> Based on January 2023 Consumer Price Index data.

## The Minimum Wage as a Proportion of Provincial Median Wage<sup>4</sup>

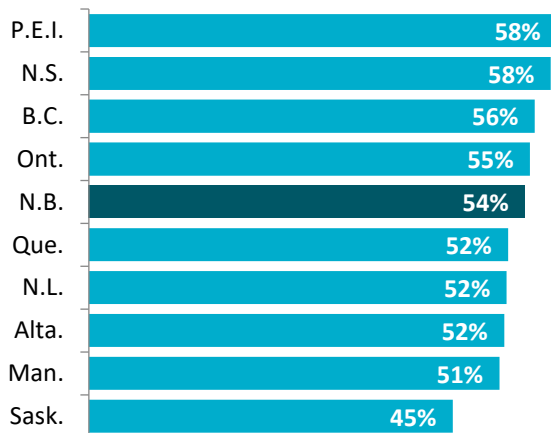
Median wage is the midpoint hourly wage, where half of employees earn more and half earn less. The minimum wage expressed as a proportion of median wage is a measure used to understand how the minimum wage relates to all wages in the economy.

This ratio serves as an indicator of how the minimum wage rate compares to typical wage levels, and when looked at over time, provides an idea of whether or not minimum wage increases have been “keeping up” with broader wage growth in the labour market.

Furthermore, this ratio may also serve as an indicator of a labour market’s ability (or inability) to absorb increases to the minimum wage, with a lower ratio often indicating a greater ability to absorb increases without risking economic damage.

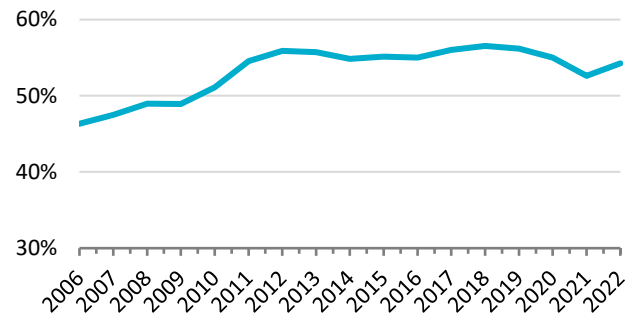
In 2022, New Brunswick’s minimum wage (\$11.75 for three months, \$12.75 for six months, and \$13.75 for three months) was equal to 54% of its median wage (\$23.40). This represented the fifth highest ratio among the ten provinces.

### Minimum Wage as a Proportion of Median Wage – 2022



Prior to 2022, the gap between the province’s minimum wage and median wage had been widening – a reflection of wage growth in the province far exceeding growth to the minimum wage. However, following the two increases to the province’s minimum wage rate seen in 2022, this ratio returned relatively close to its typical level.

### Minimum Wage as a Proportion of Median Wage – New Brunswick



In 2022, the minimum wage as a proportion of median wage was relatively high for the following three groups of New Brunswickers:

- Youth aged 15-24 (84%);
- Women (56%, compared to 53% for men); and
- Part-time employees (88%, compared to 51% for full-time employees).

The relatively high ratios among these groups was a reflection of the fact that many of these individuals were earning a wage that was close or equal to the minimum wage.

<sup>4</sup> Source(s): Statistics Canada, Labour Force Survey (Table 18-10-0340).



## Minimum Wage Earners in New Brunswick<sup>5</sup>

In 2022, there were 19,300 minimum wage earners in New Brunswick (5.7% of employees), up from 16,400 in 2021. This increase was likely primarily the result of the two significant increases to the minimum wage rate that occurred in 2022. These large increases to the minimum wage rate likely resulted in some employers who previously offered a wage rate that was slightly above the minimum seen at the start of the year, to now offer only the minimum.

The most represented groups among minimum wage earners in the province are teenagers, women, part-time employees, permanent employees, non-unionized employees and those who had a high school diploma or less. A significant portion of minimum wage earners live with their parents or other relatives.

### Prevalence of Earning Minimum Wage by Age and Sex – New Brunswick – 2022

	Proportion Earning Minimum Wage	Proportion of Minimum Wage Earners
<b>Sex</b>		
Male	5.2%	45.6%
Female	6.3%	54.4%
<b>Age Groups</b>		
Age 15 to 19	42.8%	43.0%
Age 20 to 24	10.3%	15.5%
Age 25 to 54	2.5%	28.0%
Age 55 to 64	2.3%	7.3%
Age 65+	8.5%	6.2%

While, as noted above, women remain more likely than men to be employed in minimum wage positions, this gap has narrowed significantly over time. Between 2012 and 2022, the proportion of minimum wage earners who were women decreased from 65.4% to 54.4%.

### Prevalence of Earning Minimum Wage by Various Characteristics – New Brunswick – 2022

	Proportion Earning Minimum Wage	Proportion of Minimum Wage Earners
<b>Employment Type</b>		
Full-time	2.3%	35.2%
Part-time	28.2%	64.8%
<b>Job Permanency</b>		
Permanent	4.8%	72.0%
Temporary	11.0%	28.0%
<b>Union Coverage<sup>6</sup></b>		
Union Coverage	0.5%	2.6%
No Union Coverage	8.1%	97.4%
<b>Job Tenure</b>		
Less than 1 Year	13.0%	45.1%
1 to 5 Years	7.2%	39.9%
Over 5 Years	1.8%	15.0%
<b>Highest Level of Education</b>		
Less than High School	23.2%	34.7%
High School Diploma	8.6%	39.4%
Post-Secondary Credential	2.3%	25.9%
<b>Occupation</b>		
Sales & Service Workers	18.5%	79.3%
All Other Occupations	1.6%	20.7%
<b>Industry</b>		
Retail Trade	20.9%	49.7%
Accommodation and Food Services	23.5%	22.8%
All Other Industries	1.9%	27.5%
<b>Living Arrangements</b>		
Living with Parents or Other Relatives	19.0%	56.5%
Living with Spouse/Partner	2.3%	23.3%
Living with Child/Children (No Partner Present)	2.9%	3.6%
Living with Non-Relatives	9.0%	9.3%
Living Alone	3.5%	6.2%

<sup>5</sup> Source(s): Statistics Canada, Labour Force Survey (Special Data Purchase).

<sup>6</sup> 'Union Coverage' refers to both a) those who are union members and b) those who are not union members but that are covered by a collective agreement.

## Canadian Comparisons

### Minimum Wage Rates in Canada

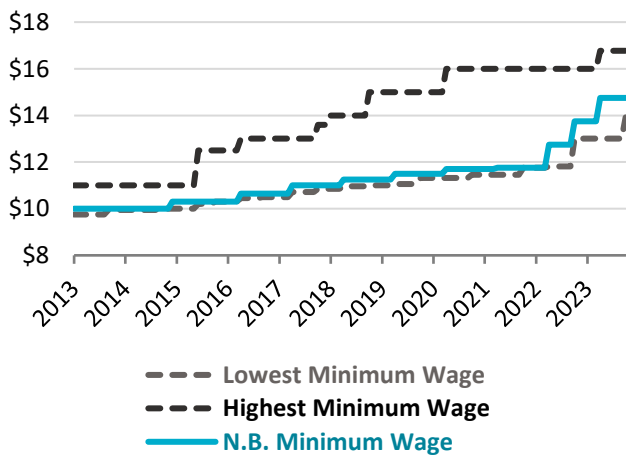
As of April 1, 2023, New Brunswick's minimum wage was the seventh highest (and seventh lowest) among Canadian provinces and territories. By October however, the province's minimum wage is expected to rank twelfth in the country (second lowest), ahead of only Saskatchewan.

#### Minimum Wage by Province/Territory – 2023

	As of Apr 1, 2023	As of Oct 1, 2023*
Y.T.	\$16.77	\$16.77
Nvt.	\$16.00	\$16.00
B.C.	\$15.65	\$16.75*
Ont.	\$15.50	\$16.55*
N.W.T.	\$15.20	\$15.81*
Alta.	\$15.00	\$15.00
<b>N.B.</b>	<b>\$14.75</b>	<b>\$14.75</b>
N.L.	\$14.50	\$15.00
P.E.I.	\$14.50	\$15.00
N.S.	\$14.50	\$15.00
Que.	\$14.25	\$15.25
Man.	\$14.15	\$15.30
Sask.	\$13.00	\$14.00

\* Expected

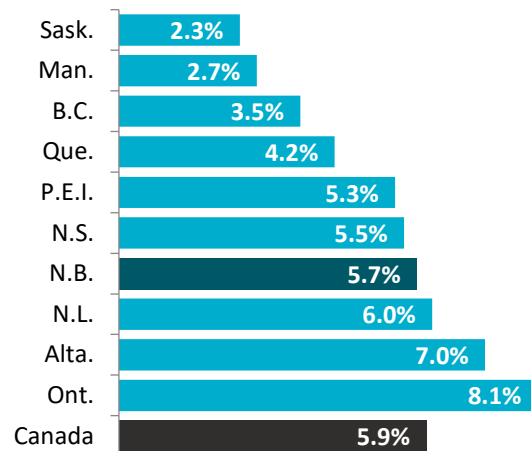
#### N.B. Minimum Wage Compared to Highest and Lowest Minimum Wages in Canada



### Percentage of Employees Earning Minimum Wage<sup>7</sup>

In 2022, New Brunswick had the fourth highest (seventh lowest) percentage of employees earning minimum wage (5.7%) among the provinces. This percentage was up 0.7 p.p. from 20201.

#### Percentage of Employees Earning Minimum Wage – 2022

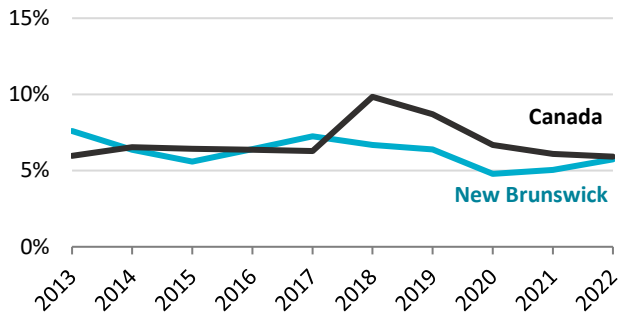


Differences in the percentage of employees earning minimum wage are primarily driven by two factors:

- What the actual minimum wage is: Having a higher minimum wage will typically result in a greater percentage of employees earning minimum wage.
- How quickly it has been raised: While small and gradual changes to the minimum wage will typically result in this percentage remaining relatively stable (or even decreasing), large and sudden increases to the minimum wage will typically result in large spikes to this percentage. For example, when Ontario increased its minimum wage rate from \$11.60 to \$14.00 between 2017 and 2018, the percentage of employees earning minimum wage more than doubled.

<sup>7</sup> Source(s): Statistics Canada, Labour Force Survey (Special Data Purchase).

## Percentage of Employees Earning Minimum Wage



## Cost of Living<sup>8</sup>

The Consumer Price Index (CPI) is a measure of inflation based on the perspective of a typical Canadian consumer. It is calculated by averaging the changes in the price of a fixed basket of consumer goods and services, each of which is weighted according to consumer spending patterns. Basket weights are updated every two years based on Statistics Canada’s Survey of Household Spending.

Between 2021 and 2022, New Brunswick’s CPI increased by 7.3%. This was the largest year-over-year increase to CPI in New Brunswick since 1982 (and well above the average annual increase of 1.7% seen between 2011 and 2021). At the national level, CPI increased by 6.8% year-over-year. Some of the areas that saw the largest price increases in the province included:

- Fuel oil and other household fuels: +64.1%
- Gasoline: +31.7%
- Food: + 9.2%
- Shelter costs: +7.1%

## Change in CPI by Product Group – New Brunswick

	Year-over-Year Change, 2021-2022	Average Annual Change, 2011-2021
Food	+9.2%	+2.2%
Shelter	+7.1%	+1.6%
Household operations, furnishings and equipment	+3.0%	+1.2%
Clothing and footwear	+3.6%	+0.2%
Transportation	+13.3%	+2.1%
Health and personal care	+4.3%	+0.9%
Recreation, education and reading	+4.8%	+1.3%
Alcoholic beverages, tobacco products and recreational cannabis	+2.5%	+3.5%
<b>All-items</b>	<b>+7.3%</b>	<b>+1.7%</b>

## Economic Conditions<sup>9</sup>

### Context

The economic conditions in a given region are one of the main factors that influence the prevailing wage rates across various jobs. Factors such as how profitable businesses are and how readily available qualified workers are will influence how much employers are able and willing to pay employees. These same factors play a significant role in determining the minimum wage rate in a given jurisdiction, and ultimately how many workers end up earning that wage rate. The analysis that follows covers long-term and recent trends in some of the economic indicators that impact businesses and workers, including minimum wage earners.

<sup>8</sup> Source(s): Statistics Canada, Consumer Price Index (Table 18-10-0005).

<sup>9</sup> Source(s): Statistics Canada, GDP by Income and by Expenditure Accounts (Tables 36-10-0222 and 36-10-0369); Statistics Canada, Labour Force Survey (Tables 14-10-0327 and 14-10-0287); Statistics Canada, Annual Demographic Estimates (17-10-0005); and Statistics Canada, Job Vacancy and Wage Survey (Table 14-10-0325).

## Recent Trends

Recent trends in New Brunswick's economy have been largely shaped by the province's aging population. Between 2002 and 2022, the number of individuals retiring each year in the province nearly doubled. This substantial increase in retirements has put significant downward pressure on labour force growth in the province. Up until recently, this had resulted in limited economic growth, and declining labour force and employment levels; however, since the mid-2010s, economic conditions in the province have begun to show signs of improvement. In the three years leading up to the pandemic (2017 to 2019), New Brunswick's real GDP grew by an average of 1.7% annually, compared to an average of only 0.4% between 2010 and 2016. Likewise, employment in the province grew by an average of 0.6%, compared to an average decline of 0.2% between 2010 and 2016.

### Real GDP Growth

	2010-16 Avg.	2017-19 Avg.	2020	2021	2022
Canada	+2.1%	+2.9%	-4.6%	+4.9%	+3.7%
N.B.	+0.4%	+1.7%	-2.7%	+5.9%	+1.9% <sup>10</sup>
N.S./P.E.I.	+0.8%	+2.5%	-3.2%	+6.4%	N/A

### Employment Growth

	2010-16 Avg.	2017-19 Avg.	2020	2021	2022
Canada	+1.0%	+2.0%	-5.6%	+5.0%	+4.0%
N.B.	-0.2%	+0.6%	-3.1%	+3.1%	+2.8%
N.S./P.E.I.	-0.1%	+1.8%	-4.4%	+5.4%	+3.9%

### Unemployment Rate

	2010-16 Avg.	2017-19 Avg.	2020	2021	2022
Canada	7.3%	6.0%	9.7%	7.5%	5.3%
N.B.	10.0%	8.2%	10.3%	9.2%	7.2%
N.S./P.E.I.	9.3%	8.2%	10.0%	8.7%	6.7%

While the pandemic briefly interrupted these positive trends, the province's economy saw a strong recovery in 2022, with both labour force (402,500) and employment (373,500) reaching record highs, and the unemployment rate falling to a record low (7.2%). This growth was in large part driven by record-high immigration levels, and an influx of migrants from Ontario. Between January 2022 and January 2023, New Brunswick's population grew by 3.3%. This represented the greatest population growth the province has seen in a calendar year on record.

### Population Growth

	2010-16 Avg.	2017-19 Avg.	2020	2021	2022
Canada	+1.0%	+1.4%	+0.4%	+1.2%	+2.7%
N.B.	+0.3%	+0.7%	+0.5%	+1.9%	+3.3%
N.S./P.E.I.	+0.2%	+1.3%	+0.6%	+2.3%	+3.6%

Despite the province's surging population, demand for labour continues to outpace available supply. Between the fourth quarter of 2017 and the fourth quarter of 2022, the number of vacant jobs in the province nearly doubled, rising from 7,045 to 13,840.

Going forward, economic uncertainty remains elevated, as high inflation and rising interest rates are likely to slow economic activity in the months ahead, and the possibility that the flow of in-migrants from Ontario may slow.

<sup>10</sup> Average of forecasted real GDP growth estimates from Canada's six major banks (accessed March 13<sup>th</sup> 2023).