



New Brunswick Minimum Wage Factsheet 2017



New Brunswick Minimum Wage Factsheet

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New Brunswick Minimum Wage Factsheet

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

PART 1 - Minimum Wage Rates in New Brunswick

1.1 Recent History of Minimum Wage in New Brunswick

The minimum wage rate in New Brunswick is currently set at \$11.00 per hour. Over the last ten years, there have been 10 changes to the minimum wage rate:

Date of Change	Minimum Hourly Wage Rate
March 31, 2008	\$ 7.75
April 15, 2009	\$ 8.00
September 1, 2009	\$ 8.25
April 1, 2010	\$ 8.50
September 1, 2010	\$ 9.00
April 1, 2011	\$ 9.50
April 1, 2012	\$ 10.00
December 31, 2014	\$ 10.30
April 1, 2016	\$ 10.65
April 1, 2017	\$ 11.00

Source: Department of Post-Secondary Education, Training and Labour.

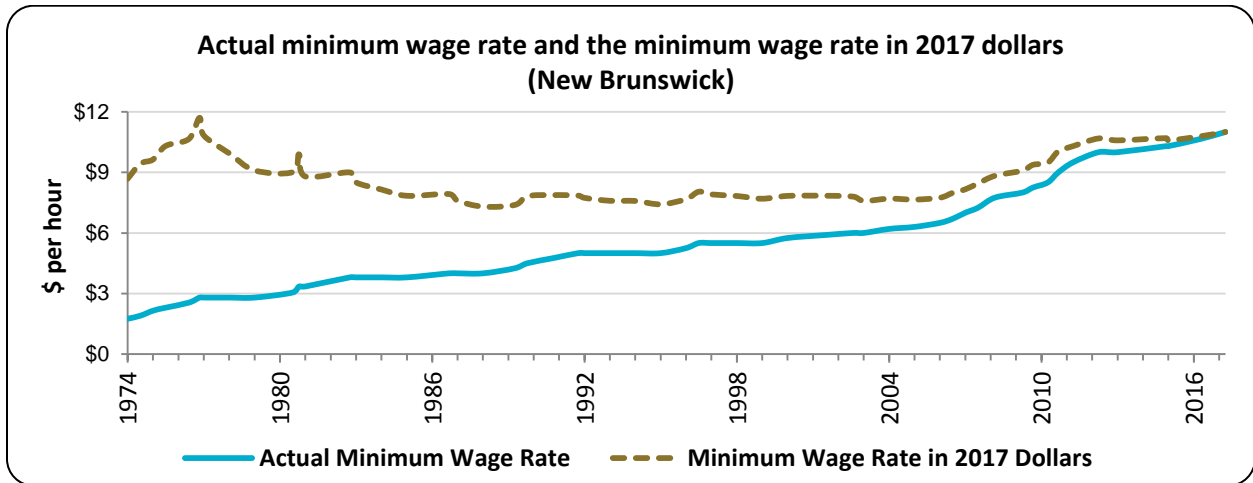
1.2 The Actual Minimum Wage Rate and the Minimum Wage Rate in 2017 dollars¹

As shown in the graph on the following page, the minimum wage rate in 2017 dollars peaked in 1976 at \$11.70 per hour, followed by a sharp decrease to a low point of \$7.30 per hour in 1988. During this period, although the actual minimum wage rate was increasing, those changes did not keep pace with inflation, resulting in lower real wages for minimum wage earners. Over the next 18 years, up to 2006, the minimum wage rate in 2017 dollars remained just below \$8.05 per hour which means that changes in the actual rate kept pace with inflation during this time but the purchasing power of minimum wage

¹ The minimum wage in 2017 dollars represents the real value of the actual minimum wage rate by adjusting for inflation.

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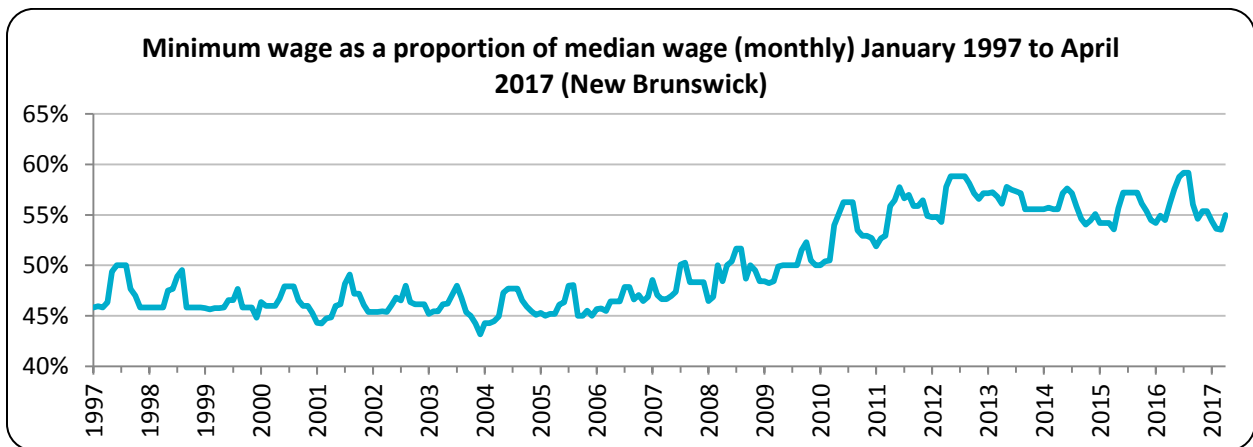
earners did not increase over this period. In 2007, the rate in 2017 dollars began a steady increase, rising to \$10.30 per hour in 2011, thus representing a time when changes in the actual minimum wage rate exceeded inflation, resulting in real wage increases. Since 2012, increases in the actual minimum wage rate have kept pace with but not exceeded inflation, resulting in stable real wages for minimum wage earners.



Source: ESDC Minimum Wage Database and Statistics Canada, CANSIM 326-0020 and 326-0021.

1.3 The Minimum Wage as a Proportion of Provincial Median Wage

Median wage is the midpoint hourly wage rate, where half of New Brunswick 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. As shown in the graph below, the minimum wage as a proportion of the provincial median wage steadily increased from 2007 to 2013, but has since decreased. In 2016, New Brunswick had the second highest minimum wage as a share of median wage among Canadian provinces, behind Prince Edward Island. This is largely the result of wages in the province being low in comparison to other provinces; in 2016, New Brunswick had the second lowest median hourly wage, behind Prince Edward Island.



Sources: ESDC Minimum Wage Database and Statistics Canada, CANSIM Table 282-0071.

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In April 2017, the minimum wage as a percentage of the median wage in New Brunswick was higher for certain groups:

- 94% of youth aged 15-24;
- 59% of women compared to 52% of men; and
- 88% of part-time employees compared to 52% of full-time employees.

PART 2 – Minimum Wage Earners in New Brunswick

2.1 2016 Profile

In 2016, there were 20,400 minimum wage earners in New Brunswick, representing 7% of all employees in the province. This proportion was in line with the other Atlantic Provinces, where minimum wage earners represented between 6% and 8% of all employees.

In New Brunswick, 26% of teenage and young adult employees (ages 15 to 24) earn minimum wage, while only 3% of employees at the core working age (25-54) and 5% of employees 55 years of age or older earn minimum wage.

The dominant groups of minimum wage earners in the province are teenagers or young adults, women, part-time employees, non-unionized employees and those who had a high school diploma or less:

- 41% were between the ages of 15 and 19, with another 14% between the ages of 20 and 24.
- 58% were female.
- 56% worked part-time.
- 68% were permanently employed.
- 94% were not unionized.
- 49% had less than 12 months of job tenure.
- 62% had a high school diploma or less.
- 26% had completed a post-secondary education program.
- 74% worked in sales or service occupations.
- 37% worked in retail trade.
- 24% worked in accommodation and food services.

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2.2 Ten Year Trend 2007-2016: Changes in the Distribution of Subgroups of Minimum Wage Earners

Subgroups	Percentage of Minimum Wage Earners in 2007	Percentage of Minimum Wage Earners in 2016	Difference
Age Groups:			
Age 15 to 19	50.6%	41.2%	-9.4 (% pts)
Age 20 to 24	13.9%	14.2%	+0.3 (% pts)
Age 25 to 54	27.2%	29.9%	+2.7 (% pts)
Age 55+	7.8%	15.2%	+7.4 (% pts)
Gender:			
Male	40.8%	41.7%	+0.9 (% pts)
Female	59.2%	58.3%	-0.9 (% pts)
Employment Type:			
Full-time	40.0%	44.1%	+4.1 (% pts)
Part-time	60.0%	55.9%	-4.1 (% pts)
Job Permanency:			
Permanent	68.9%	67.6%	-1.2 (% pts)
Temporary	31.1%	32.4%	+1.2 (% pts)
Union Coverage:			
Unionized	4.4%	5.9%	+1.4 (% pts)
Not Unionized	95.6%	94.1%	-1.4 (% pts)
Job Tenure:			
Less than 1 Year	53.3%	49.0%	-4.3 (% pts)
1 to 5 Years	35.0%	32.8%	-2.2 (% pts)
Over 5 Years	11.7%	18.1%	+6.5 (% pts)
Education Level:			
High School or Less	69.4%	61.8%	-7.7 (% pts)
Post-Secondary Credential	17.2%	25.5%	+8.3 (% pts)
Occupation:			
Sales & Service Workers	73.9%	74.0%	+0.1 (% pts)

Note: Rounding errors may exist.

Source: Department of Post-Secondary Education, Training and Labour.

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Over the past 10 years, the proportion of minimum wage earners with the following characteristics dropped:

- Teenagers;
- Part-time employees;
- Had less than one year of job tenure; or,
- Had a high school diploma or less.

Over the same period, the proportion minimum wage earners with the following characteristics increased:

- older workers (55+);
- Full-time employees;
- Job tenure of over 5 years; and
- Had a post-secondary education credential.

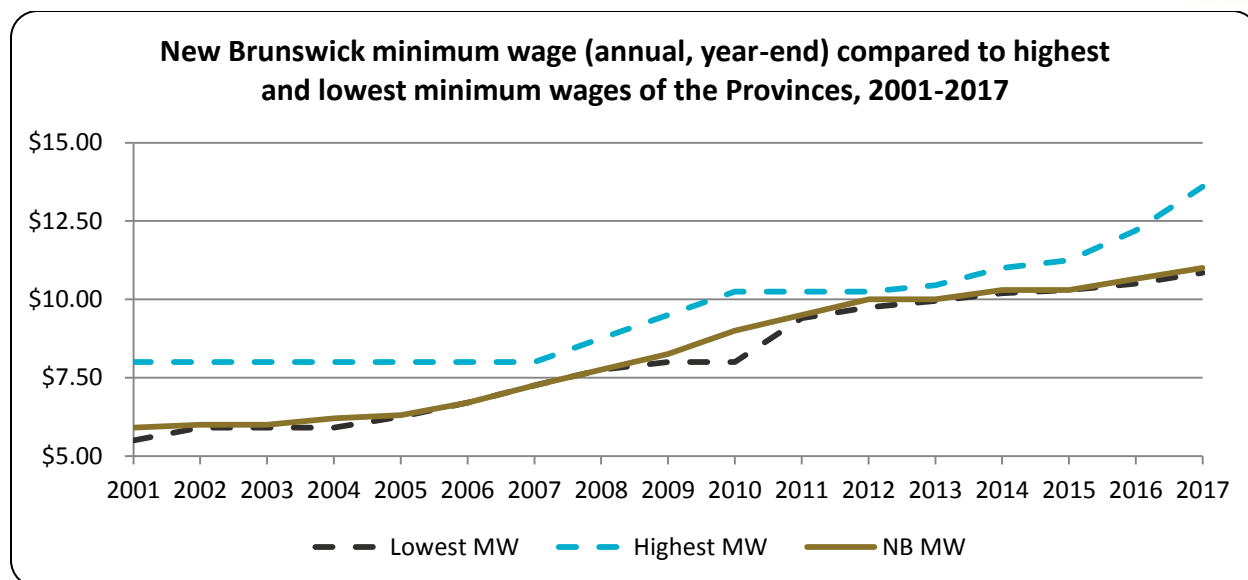
Part 3 – Canadian Comparisons

3.1 Minimum Wage Rates in Canada

As of July 1, 2017, New Brunswick had the eighth highest minimum wage rate across Canada.

Jurisdiction	Minimum Wages as of July 1, 2017
Nunavut	\$ 13.00
Northwest Territories	\$ 12.50
Alberta	\$ 12.20
Ontario	\$ 11.40
Yukon	\$ 11.32
Prince Edward Island	\$ 11.25
Quebec	\$ 11.25
Manitoba	\$ 11.00
New Brunswick	\$ 11.00
British Columbia	\$ 10.85
Nova Scotia	\$ 10.85
Newfoundland and Labrador	\$ 10.75
Saskatchewan	\$ 10.72

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*Note: Territories were excluded as the higher cost of living associated with living in these areas typically leads to higher minimum wages.

3.2 Percentage of Employees Earning Minimum Wage, 2011-2016

Although the Canadian average has remained relatively constant since 2011, the percentage of employees earning minimum wage in New Brunswick increased from 7.7% in 2011 to 9.7% in 2012, followed by several years of decline, before increasing to its current level of 6.6%.

Geography	2011	2012	2013	2014	2015	2016
Canada ²	7.1%	7.2%	6.9%	7.2%	7.1%	6.9%
Atlantic Canada	8.3%	9.0%	6.8%	6.0%	6.5%	6.6%
New Brunswick	7.7%	9.7%	8.0%	6.7%	6.0%	6.6%

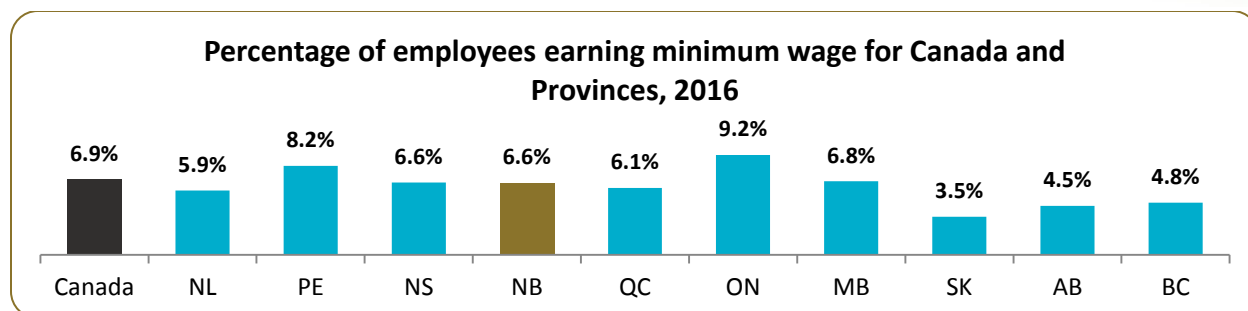
Source: Department of Post-Secondary Education, Training and Labour.

3.3 Percentage of Employees Earning Minimum Wage for Canada and Provinces, 2016

In 2016, Ontario had the highest percentage of employees earning minimum wage, which is likely to increase with a large increase to their minimum wage scheduled in 2018 and 2019. New Brunswick, tied with Nova Scotia, had the fifth highest percentage of employees earning minimum wage. Over the past year, Alberta's percentage of employees earning minimum wage doubled, as they made a large increase to minimum wage on their way to \$15 per hour in 2018. Saskatchewan currently has the smallest percentage of minimum wage employees.

² Based on Labour Force Survey definitions where the total for Canada is the sum of the provincial estimates.

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Source: Department of Post-Secondary Education, Training and Labour.

Part 4 – Cost Of Living

4.1 Consumer Price Index

The Consumer Price Index (CPI) is a measure of inflation from 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.

As shown in the table below, the price of consumer goods and services in New Brunswick increased by 2.2% between 2015 and 2016. The category of consumer spending that increased the most was alcoholic beverages and tobacco products, which increased in price by 7.8%. There were modest increases to the costs associated with household operations, furnishings and equipment (3.0%); health and personal care (2.1%); recreation, education and reading (2.4%); shelter (3.0%); transportation (2.2%); and food (1.8%). The price of clothing and footwear was stable during this time period, showing a small increase of 0.6%.

New Brunswick Total CPI and Product Groups	Percentage Change from 2015 to 2016	Basket Weights in 2015
All-items	2.2%	100.0%
Food	1.8%	16.1%
Shelter	1.7%	22.3%
Household operations, furnishings and equipment	3.0%	14.6%
Clothing and footwear	0.6%	5.3%
Transportation	2.2%	22.8%
Health and personal care	2.1%	5.0%
Recreation, education and reading	2.4%	11.1%
Alcoholic beverages and tobacco products	7.8%	2.8%

Source: Statistics Canada, CANSIM Table 326-0021 and 326-0031.

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4.2 Consumer Price Index Growth Rate, 2008-2016

Over time, CPI growth in New Brunswick has been similar to that seen throughout Canada. During the 2008-2009 recession, there was only a slight increase in the cost of consumer goods and services.

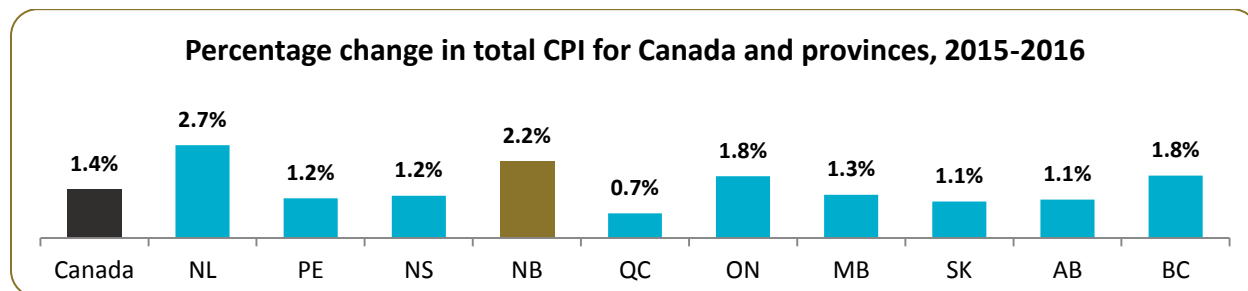
CPI Growth:

Geography	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Canada	0.3%	1.8%	2.9%	1.5%	0.9%	2.0%	1.1%	1.4%
Atl. Canada ³	0.1%	2.2%	3.6%	1.9%	1.2%	1.7%	0.4%	1.9%
NB	0.3%	2.1%	3.5%	1.7%	0.8%	1.5%	0.5%	2.2%

Source: Statistics Canada, CANSIM Table 326-0021.

4.3 Percentage Change in Total Consumer Price Index for Canada and Provinces, 2015-2016

Canadians paid 1.4% more for consumer goods and services in 2016 than they did in 2015, roughly two-thirds the increase seen in New Brunswick of 2.2%. All 10 provinces experienced an increase in the costs of consumer goods and services. New Brunswick has not experienced negative CPI change over the past 30 years.



Source: Statistics Canada, CANSIM Table 326-0021.

Part 5 – Economic Conditions

Following the beginning of the great recession in 2008-2009, both Canada and New Brunswick saw a year-over-year reduction in real Gross Domestic Product (GDP)⁴, and the impact of the recession continues to be felt by the provincial economy. New Brunswick's real GDP growth trailed the national average every year from 2009 to 2014, although this was not the case in 2014-2015, and preliminary estimates show New Brunswick and Canada having very comparable GDP growth rates in 2015-2016.

³ CPI for Atlantic Canada was calculated as the weighted average of the CPI values of the four individual provinces, based on population.

⁴ GDP is the total value of goods and services in the economy. Increases and decreases over time indicate expansion and contraction of the economy. Real GDP adjusts for inflation.

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Employment levels have declined every year in New Brunswick since 2008, with the exception of a small increase between 2012 and 2013. New Brunswick's unemployment rate increased from 8.5% in 2008 to a high of 10.3% in 2013. Since then, it has dropped for three consecutive years, although decreases in employment for these years suggest that this was largely due to individuals leaving the labour force.

Real GDP growth rate:

Geography	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Canada	-2.9%	+3.1%	+3.1%	+1.7%	+2.5%	+2.6%	+0.9%	+1.5%*
Atl. Canada	-3.3%	+3.3%	+1.2%	-1.8%	+1.4%	+0.1%	+0.5%	+1.4%*
NB	-1.5%	+2.0%	+0.2%	-1.0%	-0.3%	-0.1%	+2.3%	+1.4%*

*Note: 2016 real GDP data is preliminary and is subject to change.

Source: Statistics Canada, CANSIM Table 384-0038, 379-0030 and 380-0064.

Employment growth rate:

Geography	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Canada	-1.7%	+1.4%	+1.5%	+1.3%	+1.5%	+0.6%	+0.8%	+0.7%
Atl. Canada	-0.9%	+0.8%	+0.9%	+1.1%	-0.1%	-0.9%	-0.4%	-0.7%
NB	-0.2%	-0.5%	-0.7%	-0.7%	+0.4%	-0.2%	-0.6%	-0.1%

Source: Statistics Canada, CANSIM Table 282-0002.

Unemployment rate:

Geography	2009	2010	2011	2012	2013	2014	2015	2016
Canada	8.3%	8.1%	7.5%	7.3%	7.1%	6.9%	6.9%	7.0%
Atl. Canada	10.5%	10.7%	10.1%	10.3%	10.2%	10.0%	10.0%	10.0%
NB	8.7%	9.2%	9.5%	10.2%	10.3%	9.9%	9.8%	8.7%

Source: Statistics Canada, CANSIM Table 282-0002.