

# It's time for a higher N.B. minimum wage

JEAN-CLAUDE BASQUE COMMENTARY



Members of the NB Common Front for Social Justice protest in favour of minimum wage increases in this file photo. The organization's regional co-ordinator Jean-Claude Basque argues that it is time for New Brunswick to raise its wage floor. PHOTO: SUBMITTED

It is time for New Brunswick to increase its minimum wage. And contrary to the view of opponents, there are many convincing arguments for adopting this policy change.

Consider that for the past 15 years, the number of workers at the minimum wage has fluctuated between six and ten per cent of the labour force. The majority of these workers have always been women. The percentage of teenagers, however, has decreased over the years, which means that almost sixty per cent of today's minimum-wage workers are twenty years and older.

The salary of minimum wage workers has constantly fallen under the poverty line. Working conditions offered to minimum wage workers are outdated. As 90 per cent of workers at the minimum wage are not unionized, their workplace falls under basic employment standards adopted by the provincial government. These standards are really basic and do not provide much coverage.

Presently, under the Employment Standards Act and Regulations, most minimum wage workers don't have sick, child care, family responsibilities or compassionate care paid leaves. They are only paid time-and-a-half of the minimum wage for hours worked after 44 hours during a work week. They get four per cent of vacation pay if they worked less than eight years and six per cent of vacation pay after eight years or more.

Most of the time, workers must pay for the required employers' uniform since there is no mention in the Regulations that the employer must provide it.

Each time there is talk of increasing the minimum wage or bringing forward better employment standards, we hear strong voices from the business community opposing these changes. One of their main arguments is that small and medium-sized businesses cannot absorb the cost and there will be job loss.

It is interesting to note that when you check this argument against the facts, we get a completely different picture. Indeed, between 2008 and 2018, the province has increased the minimum wage 12 times and the sky has not fallen. Further research into Statistics Canada's database on the number of employees by enterprise size reveals that for small and medium-sized businesses, the number of employees has increased in the last ten years.

This certainly goes against the urban myth that minimum wage increases are job killers. The same data shows the job losses occurred in large enterprises that employ 500 workers or more. This situation can be explained in part by the devastation of our industrial base, especially in the forestry sector, with the closing of pulp and paper mills and sawmills, the 2008-09 financial crisis and the fluctuation of the Canadian dollar, but certainly not by increases to the minimum wage.

Raising the minimum wage brings a wide range of benefits for workers and their families, as well as for employers and the economy of the province.

First and foremost, any increase to the minimum wage puts more dollars in workers' pockets. Minimum-wage workers and their families are struggling to provide for their basic needs. The cost of food, heating and rent increases every year. These are not luxuries; they are everyday necessities.

Extra income would enable workers to provide more necessities rather than having to choose what essential needs will have to be sacrificed. Not only does the family unit benefit from having a decent revenue, but the entire community benefits as well. Community services such as food banks, soup kitchens, school breakfast programs and housing programs won't be run thin on resources. There will be a decrease in the need for government help such as subsidies.

Higher wages will result in a lower turnover rate, which saves money for employers. Employees with higher wages will stay longer and become more knowledgeable and confident; therefore, they will increase their productivity. Higher wages also means these workers, who have more money in their pockets, will spend it in their local economy since workers at minimum wages aren't going out of the country on vacation or investing in RRSPs. Increasing a worker's minimum wage will bring more consumers in the economy, which will translate in more economic growth for his region and his community.

A minimum wage increase is a win-win situation, since it helps not only the employee, but also the employer and the economy.

Hopefully, the province will follow the lead of Alberta, Ontario and now British Columbia and plan right now to increase our minimum wage to \$15 an hour, be it over the next four years. It should also review our employment standards to reflect the ever-changing needs of workers and their families. Most certainly, these two actions would go a long way to attain one of the goals of the Poverty reduction Plan which is to reduce poverty in our province.

**Jean-Claude Basque** is provincial coordinator for the NB Common Front for Social Justice