# It's time to raise BC's minimum wage

It's been nearly three years since BC minimum wage workers got a raise.

Despite having the highest cost of living in the country (as determined by Statistics Canada), BC's \$10.25/hour minimum wage is currently eighth in Canada, behind Ontario, Nunavut, Yukon, Manitoba, Nova Scotia, Quebec, and PEI. On June 1, 2015, BC will fall to ninth spot, when the NWT minimum wage rises to \$12.50/hour.

In BC, 6.4 per cent of workers – 120,000 people – earn the minimum wage.

And those people come from all demographics.

It is important to dispel the myth that minimum wage earners are all young people. In fact, only 23 per cent are students living at home. Nearly half are older than 25. They are adults trying to establish a career, mothers and fathers trying to raise their families, and students trying to pay for their studies. Shockingly, nearly 10,000 are over age 55.

Minimum wage workers aren't all new to the job: 55 per cent have worked in their jobs for at least a year.

And it isn't just mom and pop shops paying minimum wage: 65 per cent work for employers with more than 20 employees.

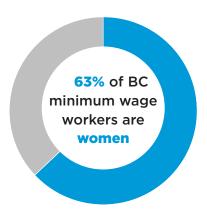
BC continues to have a multi-tiered minimum wage. Under current legislation, farm workers can be paid a piece rate and liquor servers can be paid as little as \$9/hour.

Many more British Columbians are stuck in low wage jobs. There are 517,000 people earning \$15/hour or less.

47% of BC minimum wage workers are over age 25

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BC's overall poverty rate is above the Canadian average.
A \$15 minimum wage is a step in the right direction.

#### BC's low minimum wage is a women's equity issue

Women continue to be the majority of BC workers earning minimum wage. Proportionally, more women in BC earn the minimum wage than in any other province.

Sixty-three per cent of those earning minimum wage are women. In the 25–54 age range, that number jumps to 70 per cent, demonstrating that women are less likely than their male counterparts to move into higher paying jobs in their prime working years.

Even when you look at workers who earn \$15/hour or less, women make up the majority at 60 per cent.

A \$15/hour minimum wage would help women pay for basic necessities such as decent housing, utilities and nutritious food. It would begin to address income inequality and pay equity.

The bottom line is that women are over-represented in low wage jobs and that needs to change.

#### The situation is worse for single mothers

Of the nearly 150,000 single parents living in BC, the vast majority are women.

Almost half (49.5 per cent) live below Statistics Canada's low-income cut-off (LICO) before tax. A single mother working full-time, full-year, in a minimum wage job will find herself thousands of dollars below the poverty line.

BC's low minimum wage, combined with the high cost of child care, acts as a barrier for many single mothers entering the workforce. As a result, many women are forced to rely on inadequate social assistance to support their children.

Raising the minimum wage, together with the introduction of an affordable child care plan, would lift thousands of British Columbia's children out of poverty.

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#### **BC's low minimum wage hurts students**

Young people from low- and middle-income families are finding it harder to access the university or college education they need to get a good job.

Tuition fees have more than doubled since 2002, and student grants were eliminated in 2003. BC's record when it comes to non-repayable student aid is dead last in Canada, and interest charged on BC student loans is among the highest in the country.

Many students rely on part-time and even full-time work to try to get by. But with a minimum wage stuck at \$10.25/hour, they are falling behind.

Students need to work more than 550 hours, or the equivalent of 14 weeks in a full-time minimum wage job just to cover tuition fees. This is more than three times as many hours as previous generations.

### Minimum wage and employment

In October, the Canadian Centre for Policy Alternatives released *Dispelling Minimum Wage Mythology*, a Canada-wide study that demonstrates that increases to minimum wage have little if no impact on job creation and job loss.

In fact, employment outcomes depend first and foremost on overall spending and macroeconomic activity, not on minimum wage regulations. The study concludes that policy makers can move ahead with an increase to the minimum wage in a gradual and ongoing manner without concerns about job loss resulting from the change.

In fact, many variables impact employment levels, and minimum wages are only one small part of the picture. Employment levels are more significantly impacted by the economic outlook in Canada and abroad, commodity prices for exports and imports, value of the Canadian dollar, and global demand for Canadian products.

When workers make more money, they invest it in the local economy. That benefits all of us.



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## Higher wages result in:

- Lower training costs
- Reduced employee turnover
- Increased employee buy in and experience

It's time to raise BC's minimum wage to \$15/hour. It's only fair.





The BC Federation of Labour has made the campaign to raise the minimum wage to \$15/hour a key focus for 2015. Find out more at www.fightfor15bc.ca



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The British Columbia Federation of Labour speaks for the over 500,000 members of our affiliated unions, from more than 1,100 locals, working in every aspect of the BC economy.

The BCFED, as it is most commonly known, has a long and proud history of fighting for the rights of all working people.

The goals of the BCFED are best exemplified by its slogan: "What we desire for ourselves, we wish for all."

www.bcfed.ca