

# LABOUR MANAGEMENT REVIEW COMMITTEE

April 22, 2015

Honourable Erna Braun  
Minister of Labour and Immigration  
Room 358 Legislative Building  
450 Broadway  
Winnipeg MB R3C 0V8

Dear Minister:

As requested in your letter of February 23, 2015, the Labour Management Review Committee (LMRC) has conducted a review of Manitoba's minimum wage, with a view to submitting recommendations for a change to the minimum wage to take effect in fall 2015.

Despite their best efforts, the membership of the LMRC was unable to reach a consensus recommendation and therefore the Labour and Management Caucuses are submitting separate reports with their respective recommendations.

Given the complexity of the factors that need to be considered in setting the minimum wage, and the inability of the LMRC to achieve a consensus on this issue over the years, the LMRC is recommending the establishment of a minimum wage sub-committee of the LMRC. The sub-committee would undertake an in-depth consideration of how future reviews might be conducted so as to improve the likelihood of achieving a consensus position. Your input on this recommendation would be greatly appreciated.

We would like to thank you for giving the LMRC the opportunity to review this important issue and would also like to thank the Committee members for dedicating their valuable time to this task.

The LMRC's combined report on the above mentioned issue is attached. If you have any questions, or wish to discuss any aspect of the report, please do not hesitate to contact the Chairperson.

Sincerely,



Kevin Rebeck  
Labour  
Caucus Chair



Michael Werier  
Chairperson



Peter Wightman  
Management  
Caucus Chair

Enclosure

cc: Members of the Manitoba Labour Management Review Committee

# **REPORT OF THE MANITOBA LABOUR MANAGEMENT REVIEW COMMITTEE**

**April 22, 2015**

## **MANDATE OF THE LABOUR MANAGEMENT REVIEW COMMITTEE**

In February 2015, the Labour Management Review Committee (LMRC) was tasked by the Minister of Labour and Immigration to conduct a review of the minimum wage, provided for under *The Employment Standards Code*, and to consider what, if any, change in the minimum wage would be appropriate for 2015.

Staff of the Department of Labour and Immigration (Labour Programs) provided background material for consideration by the LMRC and were available to conduct such research as the Committee considered appropriate. This included:

- Material from Statistics Canada, such as the demographic characteristics of minimum wage earners in Manitoba (age, educational attainment, living situation etc.), as well as cross-jurisdictional information on average weekly earnings, inflation, unemployment, and taxation.
- Inter-jurisdictional minimum wage charts, including historical and planned future increases in other provinces.

Labour and Management caucus members consulted with stakeholders and members of their respective organizations throughout the process and submitted their respective positions. Based on these positions, the two sides were unable to reach a consensus recommendation. Their separate submissions are below.

## **LABOUR CAUCUS SUBMISSION**

Every year the Labour and Management Caucuses of LMRC provide advice to the Minister on where to set the minimum wage for the coming year. We are proud that this government has chosen to increase the minimum wage every year since it was elected. However, the current minimum wage in Manitoba still leaves low income earning Manitobans living in poverty.

There appears to be a fundamental disconnect on what each caucus believes to be the question we are being tasked with. The Labour Caucus set out to determine what would be a reasonable minimum wage for the lowest paid workers in the province to earn. To do that, we look at what is the low-income cut-off for Manitobans, what are the government programs available to assist low-income earners, and programs that mitigate the wage they need to earn in order to make ends meet.

Our position is that a Manitoban working full-time at minimum wage should be able to earn enough to not live in poverty. We believe that this is a very different assignment than determining what a reasonable increase to the minimum wage should be. If we are determining only what a reasonable increase should be, it is easy to look at what the increase has been over the last several years, and compare it to other jurisdictions in Canada and arrive at what has

been a fairly modest increase in recent years. This is not to discount the cumulative ground that has been made up over the last 15 years, but increases in recent years have not significantly moved low-wage earners in this province towards earning a living wage. In 2013, the minimum wage increase did not even keep pace with inflation, reducing minimum wage earners overall purchasing power in the economy. In a province that boasts having one of the strongest performing economies in the country, we must ensure that all Manitobans – including our lowest wage earners – share in that prosperity.

Employer groups and government tend to look to other provinces in Canada to help determine what a reasonable increase to the minimum wage might be. While Ontario announced that its minimum wage would increase to \$11.25/hour in October, no jurisdiction in Canada has a minimum wage rate that lifts full-time low-wage earners out of poverty. Being in the middle, or even near the front of the pack when no jurisdiction in Canada has implemented a minimum wage that allows workers to meet their basic needs is not a worthy goal for Manitoba. There is broad public support for increasing the minimum wage to a level that allows full-time workers to make ends meet and not subsist in poverty. If we look to municipalities in the US, where minimum wage initiatives are placed on the ballot in referendums, they receive overwhelming support from the public. In March 2014, the City of Chicago approved a \$15/hour minimum wage referendum by over 85%. SeaTac Washington also overwhelmingly approved a \$15/hour minimum wage referendum. Seattle approved a plan to raise its minimum wage to \$15/hour by 2017.

It is time for the Province of Manitoba to chart a path towards a living wage for these low-wage earners. We urge this government to introduce through legislation, a multi-year schedule of increases that would bring Manitoba's minimum wage up to a living wage. In 2013, the Canadian Centre for Policy Alternatives calculated a living wage for Winnipeg to be \$14.07. If you factor in two years of inflation, that wage would be \$14.65 for 2015. While it may not be possible to increase the minimum wage to that level in one year, a legislated schedule of increases over the next 5 years would provide some certainty for Manitoba workers and employers alike and would affirm our commitment to the notion that work will lift you out of poverty.

### **Minimum Wage Increases are a Poverty Reduction Strategy**

Government invests significant resources towards supporting low-wage earning Manitobans. These supports help subsidize the wages paid by employers to the lowest-paid Manitobans. Manitoba has a child poverty problem. With 56% of minimum wage earners in the province being women, we know that our minimum wage rates contributes to child poverty. 51% of minimum wage earners in this province have been in their jobs for more than a year. That tells us that the only raise these workers can expect to receive is when government raises the minimum wage.

From Manitoba Rent Assist to subsidized child care and a whole range of other programs, this government has been a strong partner in providing supports to Manitoba workers at the low end of the income scale. These supports also subsidize the wages a worker must earn in order to make ends meet. Even with these supports, too many full-time workers in Manitoba still live in poverty. It has been said that there is no better social program than a good job. Government programs can't solve this problem alone. Wages have to be part of the solution and employers must do their part.

## **Minimum Wage increases stimulate the economy**

The debate about raising the minimum wage to something closer to a living wage is taking place across Canada, North America and the world. A growing economy helps balance the books. Last year, a group of over 600 economists in the U.S. signed an open letter urging an increase to the federal minimum wage to \$10.10/hour – an increase that represents a 39% increase from where it stands currently – stating that “...the weight of the evidence now shows that increases in the minimum wage have little or no negative effect on the employment of minimum-wage workers, even during times of weakness in the labor market. Research suggests that a minimum-wage increase could have a small stimulative effect on the economy as low-wage workers spend their additional earnings, raising demand and job growth, and providing some help on the jobs front.”<sup>1</sup> There is no reason to believe that these benefits would not also apply in a Manitoba context.

Only 4 other provinces in Canada have a larger percentage of workers who are reliant on minimum wage jobs than Manitoba: PEI, NS, NB and ON. With 51,300 Manitobans earning minimum wage or up to 10 % more than minimum wage (almost 1 in 10 Manitoba employees), a meaningful increase to the minimum wage matters to the economy, since household spending drives 54 per cent of gross domestic product<sup>2</sup> (in Canada). Ask almost any small business owner what they need to grow their business, and most will say that they need customers with money to spend in their shop.

A minimum wage earner, working 40 hours a week in Manitoba earns \$22,256 before taxes. An increase of \$1/hour, would allow a family with two adults working full-time minimum wage jobs to earn \$4,160 more a year, pre-tax. It's been demonstrated that workers at the lower end of the income spectrum spend virtually all of their income in our local economy. Minimum wage increases influence wages that are close to minimum wage, which would increase the purchasing power of low- and middle-income households, who – again - spend their money locally.

## **Basic Personal Exemption – A Misguided Diversion**

Employer representatives increasingly propose that low income living standards be improved through tax reductions rather than minimum wage increases. In particular, they have urged significant increases in the Basic Personal Exemption (BPE) for income taxation, suggesting this would improve disposable income for the working poor.

The reality is that when compared with increasing the minimum wage, increasing the BPE provides significantly less benefit to minimum wage earners at a massive cost to the provincial treasury that ultimately puts downward pressure on the public services that low income earners depend on disproportionately.

This is easily demonstrated by looking at the \$1000 increase to the BPE over the last four years as outlined in the 2014 Budget Speech. A minimum wage earner working full-time earns just over \$22,000 at the current rate. A \$1000 increase in BPE reduces that worker's income taxes by just over \$100, but costs the provincial treasury \$78 million/year. Moreover, just 10% of the benefit from that BPE increase goes to minimum wage earners. By contrast, a \$.50/hr increase

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<sup>1</sup> Over 600 Economists Sign Letter in Support of \$10.10 Minimum-Wage, <http://www.epi.org/minimum-wage-statement>

<sup>2</sup> Gross domestic product, expenditure-based (quarterly), Statistics Canada

to the minimum wage provides that same worker with \$928 in additional income after provincial income taxes are deducted. That's more than 9 times the benefit provided by the \$1,000 BPE increase, and it does so without depriving public services of \$78 million.

### **Lower Minimum Wage for Students/Youth/Trainees/Tip-earners**

The Labour Caucus strenuously opposes any move to implement a sub-minimum wage for students/youth, trainees or tip-earners. There is a fundamental principle of pay equity at stake with this issue. Paying two people doing the same job different wages by virtue of their age or education status is wrong, just as it was wrong to once pay women a lower wage for doing equal work. A variable set of minimum wage rates would also be extremely difficult to administer and would be easily susceptible to abuse. If a worker accepts a job and then subsequently decides to go back to school, could their wages be rolled-back? When someone is no longer a student or ages out of a student employment category, is there a disincentive for employers to continue their employment? This approach misrepresents the profile of a minimum wage earner. 41% of minimum wage earners work full-time, 51% have been in their current job for more than one year, 59% of minimum wage earners are over the age of 19 and 41 % of minimum wage earners work for large firms with more than 500 employees.

The Labour Caucus is also opposed to a sub-minimum wage for tip-earning employees. Currently, Employment Standards deems gratuities to be the property of the employer, with no guarantees about how or whether those tips are dispersed to employees. The process for Employment Standards to monitor and ensure the appropriate disbursement of tips would be burdensome and inefficient. In addition, many workplaces where tipping is the norm also institute a practice of "tipping out", where servers' tips are shared with back of the house employees. Would those employees who are "tipped out" also be paid a "gratuity wage"? Tips are unreliable, not guaranteed and vary according to workplace and shift and therefore should not be included in a worker's minimum wage.

Recommendation:

1. Labour Caucus recommends that the Government of Manitoba introduce legislation which includes a multi-year schedule of minimum wage increases which would allow Manitoba's low-wage earners who work full-time to earn a living wage of \$14.65/hour (plus CPI increases).
2. Labour Caucus rejects the suggestion of a sub-minimum wage for students/youth and tip-earning workers.

### **MANAGEMENT CAUCUS SUBMISSION**

The Management Caucus of LMRC acknowledges receipt of the letter from the Honourable Erna Braun, Minister of Labour and Immigration dated February 23, 2015 addressed to Kevin Rebeck, President, Manitoba Federation of Labour and William Gardner, Chairperson, Manitoba Employers Council. The request to consider and prepare recommendations on a possible change to the Provincial general minimum wage is noted. We have had the opportunity to meet and review the materials attached to the letter from the Minister together with other economic data which has been provided by Jeff McCulloch of the Department of Labour whose consideration in this context is much appreciated.

One of the most striking statistics contained in a recent update from Jeff McCulloch is that the

number of minimum wage earners in Manitoba has fallen from 46,800 in 2012 to 27,500 in 2014. This is a 41% decrease. Jeff checked with Statistics Canada to confirm that there were no problems with the data; Stats Canada indicated they felt confident in these numbers. This would lead to the conclusion that there is less need to adjust the minimum wage than in former years.

There are a number of methods which representatives of Management and Labour have used over the years to help bridge the philosophical gap between what Labour and Management think should be paid to certain workers in certain circumstances. These approaches recognize that Management and Labour approach the fundamental issue of pay from very different perspectives. Because of this, consideration of objective factors is very helpful. These approaches include the following:

1. **Consider comparables.** In collective bargaining this usually involves looking at operations in similar industries within and without the particular jurisdiction. In the context of Manitoba's minimum wage, this involves looking at other provinces in Canada, particularly those with which Manitoba is most closely associated.
2. **Consider the overall state of the economy.** This involves looking at changes in the Consumer Price Index ("CPI"), average weekly earnings, unemployment, GDP, etc.
3. **Consider innovative approaches.** Frequently deadlocks in collective bargaining can be overcome by considering fresh ideas which serve the interests of both parties.

The next section of this Report will look at these various approaches and draw conclusions regarding a recommendation which is balanced, prudent and fair.

1. **Comparables.** According to the most recently available statistics as shown in Appendix 1, the Manitoba minimum wage in 2014 (\$10.70) was the highest of all provinces in Canada excepting only Ontario (\$11.00). In 2015, even if the Manitoba minimum wage is not increased at all, Manitoba would remain in second place among Canadian provinces with Ontario still in the lead. Looking at the matter objectively, having regard to Manitoba's relative position with respect to average weekly earnings, it would seem clearly inappropriate that Manitoba should have a minimum wage which is higher than Saskatchewan, B.C. or even Alberta, all of which have much higher average weekly earnings than Manitoba as can be seen in Appendix 2. This can be understood even more clearly when consideration is given to minimum wage expressed as a percentage of average weekly earnings which also is shown in Appendix 2. A review of these tables indicates that minimum wage expressed as a percentage of average weekly earnings is much higher in Manitoba than in any of the provinces with which we are most usually compared, namely Ontario, Saskatchewan, Alberta and B.C. The table also shows clearly that no other Canadian province, not even PEI or Nova Scotia, are anywhere close to the 60% level which has been recommended by Labour.

Further, when considering Ontario, it is important to keep in mind that this jurisdiction has differential wage rates and, therefore, the posted minimum wage of \$11.00 per hour applies only to a fraction of Ontario's minimum wage earners. As can be shown on the table set forth below, workers who are subject to the student minimum wage and the liquor servers minimum wage actually earn much less per hour than similar workers in Manitoba.

<b>Ontario Minimum Wage Rates</b>	<b>Wage Rates Prior to June 1, 2014</b>	<b>Wage Rates as of June 1, 2014</b>
General Minimum Wage	\$10.25 per hour	\$11.00 per hour
Student Minimum Wage	\$9.60 per hour	\$10.30 per hour
Liquor Servers Minimum Wage	\$8.90 per hour	\$9.55 per hour

All of this suggests that Manitoba's minimum wage already is higher than it should be having regard to a consideration of comparable average earnings and the ratio of minimum wage to average earnings in other provinces. This leads to the conclusion, based on a consideration of the comparables, that a cautious and moderate approach to further considerations of changes to the Manitoba minimum wage is strongly indicated.

**2. Overall state of the economy.** As a general proposition, having regard to the increasingly fragile state of the Canadian economy in general and the many and various challenges to which the Manitoba economy is subject in particular, including a naggingly persistent deficit, extravagant increases to the minimum wage would seem very ill-advised. Recent forecasts of growth to the Canadian economy have been downgraded and the term "sluggish" is applicable to the forecasts for 2015. This is likely to put downward pressure on transfer payments.

Another factor that supports strongly a moderate and prudent approach is the situation regarding changes to the CPI relative to increases to the minimum wage. As Appendix 3 shows, the minimum wage in Manitoba has gone from \$6.00 an hour in 2001 to \$10.70 in 2014, an increase of \$4.70, or 74.2%. This compares with an increase to the CPI over the same period of 30.7%. Clearly, increases to the minimum wage have far outstripped CPI over this 14 year period. This situation obviously is unsustainable, particularly at a time where inflation has dropped to near zero. The most recent information available is that the Manitoba CPI increased year over year from January 1, 2014 to January 1, 2015 at the rate of 0.6%.

There is increasing evidence that minimum wage increases have done lasting damage to certain sectors of the economy. For example, the call centre industry, once thriving in Manitoba, now is a shadow of its former self. No single factor can be advanced as the sole cause of this collapse. Off shore competition, the introduction of compulsory Workers Compensation coverage and the rising Canadian dollar (at the time) all have exerted an effect. However, increases to the minimum wage have proved to be the tipping point for a number of call centre operations because it became simply too expensive to train new workers who generally are not productive until at least six months employment, during which time there is at least a 50% attrition rate on average.

Similarly, reports from the agricultural sector indicate that growing certain vegetables in Manitoba has become economically unviable due to the minimum wage in Manitoba which is so much higher than other jurisdictions in Canada and the United States. This is indeed a concern as a community that is not self-sufficient in food production incurs serious risks. It is noted that B.C. had a differential wage that applies to agricultural workers in order to address this situation.

**3. Innovative approaches.** One innovative approach is to consider whether there are other ways to benefit low income earners. It is noted that in Saskatchewan and B.C. a minimum wage earner actually is better off in those jurisdictions than a similar worker in Manitoba even though the minimum wage in Manitoba is higher than Saskatchewan or B.C. This is so because, in the final analysis, it is more important to low income workers what they net rather than what they

receive in gross pay. Because of a combination of the basic personal exemption and the bottom tax rate, as can be seen in Appendix 4, minimum wage earners in B.C. and Saskatchewan get to keep much more of their wages than do their Manitoba counterparts. In Manitoba, therefore, an increase of \$0.10 per hour in the minimum wage results in a net increase to a worker which is much less because a higher portion of that increase is taxed away than in other provinces.

However the reverse is true for employers. The same \$0.10 increase in the minimum wage not only costs employers the full \$0.10 per hour but in fact the total cost is closer to \$0.12 or even more because of increased contributions to EI, CPP, WCB, vacation pay and the like.

Accordingly, an innovative approach and one which gives a real benefit to low income earners without detriment to employers would be to provide some of the benefit by increasing the personal exemption or reducing the bottom tax rate or a combination of the two. This would have the added advantage of reducing the burden on employers and improving Manitoba's attractiveness relative to our neighbours.

Another innovative approach is to conduct a thoughtful analysis of minimum wage earners in Manitoba. They are a diverse group and a "one size fits all" approach might well be inappropriate having regard to the risk of unintended, unfavourable consequences.

This can be demonstrated by looking at one group, namely students aged 15 to 24. It is noted that the net out migration of young people from Manitoba has reached heights not seen since 2006 as reported recently by CBC Radio. This is a huge loss to Manitoba and the economy as these individuals are our most precious resource. This group suffers from chronically high unemployment and often experiences barriers to entry into the workplace due to lack of experience. Once established, however, most of them will enjoy rapid increases to their wages well beyond the minimum. As can be seen from Appendix 5, student unemployment remains much higher than the overall unemployment rate. Further, absolute employment numbers dipped sharply in 2008 and have not recovered. It might be that a differential rate for students would increase student employment by making it more attractive for employers to hire them. This would have the added advantage of improving access for students to the much needed experience which is essential for them to gain a foothold in the workforce. Self-evidently, having a high minimum wage is of little value to an individual who is unemployed. Increasing opportunity in Manitoba for young people to gain vital experience might help reverse the outflow of young Manitobans who are just starting their most productive years.

A look at neighbouring provinces leads to the conclusion that this idea has been attractive elsewhere. As can be seen in Appendix 1, five other provinces have differential rates. Often this is based on liquor server or gratuity rates which reflect the fact that the workers in these industries earn, by virtue of their tips, hourly wages which are well in excess of minimum wage. It is also true that a high percentage of workers in this group are students. Two jurisdictions, Ontario and Nova Scotia, have differential rates either for students or inexperienced workers.

An often expressed concern with respect to differential rates for students or inexperienced workers is that unscrupulous employers will hire employees for the duration of the period during which a lower rate can be paid, and then terminate employment. It is probably inevitable that there are some employers in any jurisdiction who will resort to these tactics. However, the question to be asked is not whether abuses will occur, but whether such a differential rate does more good than harm, notwithstanding the likelihood that it will be abused by some employers. Most employers genuinely desire an experienced and well-trained workforce, which generally is more productive and thus more profitable. Further, in the cases of unscrupulous employers, at least the employees will have gained valuable experience, which then makes them more



employable elsewhere.

### **Other Factors**

The LMRC Management Caucus frequently hears from employers regarding the administrative burden consequent upon annual changes to the minimum wage. This is particularly burdensome to employers in the retail and hospitality industries and industries which provide services such as cleaning, which employ many workers who earn at or close to the minimum wage. A much less burdensome approach would be to have minimum wage increases at less frequent intervals. It is noted that many provinces, British Columbia, Saskatchewan, Ontario, New Brunswick, PEI and Newfoundland have not always instituted annual change as shown in Appendix 1. In fact, since 2009, only Manitoba, Quebec and Nova Scotia have consistently instituted increases to the minimum wage at least annually.

With inflation at or near historic lows and the last increase well above the rate of inflation, the time would appear to be particularly appropriate to institute a system where changes are made every two years rather than annually.

Finally, it would appear that the jurisdictions with which Manitoba is most frequently compared have decided that the current level of minimum wage in effect is about right under current circumstances and in future needs merely to be adjusted to keep pace with inflation. Specifically, British Columbia, Alberta, Saskatchewan, Ontario and Nova Scotia utilize some version of an indexing formula with CPI as the primary factor. Accordingly, increases to the Manitoba minimum wage which exceed the rate of inflation will risk creating a minimum wage in Manitoba that is even more distorted than currently.

### **Conclusion**

Having regard to all of the relevant factors as discussed above, the Management Caucus recommends as follows:

1. Establish a policy that changes to the minimum wage will be considered every two years instead of annually. Forego an increase in 2015 followed by an increase effective October 1, 2016 which takes into account the change to CPI since 2014. From a practical standpoint, we are suggesting a CPI formula approach using "CPI all items August 2014 to August 2016 for implementation on October 1, 2016". This is to take into account that CPI calculations are posted from Statistics Canada with a two month delay, so in order to have a CPI figure to apply to October 1<sup>st</sup> of any given year, the closest CPI data will be for the month of August.  
  
Accordingly, for example, if the August 2016 CPI is 2.8% higher than the August 2014 CPI, that percentage increase would be applied to the minimum wage and accordingly the minimum wage for October 1, 2016 would be set at \$11.00.
2. Establish a "Student rate" and "Red Circle" individuals in that group at the current minimum wage of \$10.70 until it is 15% less than the general minimum wage. Maintain the 15% separation thereafter.
3. Establish a "Gratuity rate" and "Red Circle" individuals in that group at the current minimum wage of \$10.70 until it is 15% less than the general minimum wage. Maintain the 15% separation thereafter.

4. At the same time increase the basic personal exemption and decrease the bottom tax rate by 2%. This will "leverage" the benefit to low income earners without placing an additional burden on employers and will have the effect not only of truly benefiting low income earners but also making Manitoba more attractive to business, and reducing the competitiveness gap between Manitoba and its neighbouring provinces, particularly Saskatchewan. By matching the increase to the minimum wage with a corresponding increase to the basic personal exemption and decrease of the bottom tax rate the result should be approximately revenue neutral for the province but obviously will be a considerable added benefit to low income earners.

In closing, we note as stated above that on a number of occasions the Minister on behalf of the Government has committed to "take a balanced and moderate approach giving due regard to the interests of all stakeholders". The Management Caucus wholeheartedly agrees with the application of these principles, which are intended to support a public policy which is supportive of jobs and the economy in these difficult economic times.

## APPENDIX 1

### CURRENT AND ANNOUNCED MINIMUM WAGE RATES BY JURISDICTION

	2009	2010	2011	2012	2013	2014	2015
B.C.	\$8.00 (Nov. 1/01)		\$8.75 (May 1) \$9.50 (Nov 1)	\$10.25 (May 1)			\$10.45 (Sept 1)
AB	\$8.80 (April 1)		\$9.40 (Sept 1)	\$9.75 (Sept 1)	\$9.95 (Sept 1)	\$10.20 (Sept 1)	
SK	\$9.25 (May 1)		\$9.50 (Sept 1)	\$10.00 (Dec 1)		\$10.20 (Oct 1)	
<b>MB</b>	\$8.75 (May 1) \$9.00 (Oct 1)	\$9.50 (Oct 1)	\$10.00 (Oct 1)	\$10.25 (Oct 1)	\$10.45 (Oct 1)	\$10.70 (Oct 1)	
ON	\$9.50 (March 31)	\$10.25 (March 31)				\$11.00 (June 1)	\$11.25 (Oct 1)
QC	\$9.00 (May 1)	\$9.50 (May 1)	\$9.65 (May 1)	\$9.90 (May 1)	\$10.15 (May 1)	\$10.35 (May 1)	\$10.55 (May 1)
NB	\$8.00 (April 15) \$8.25 (Sept 1)	\$8.50 (April 1) \$9.00 (Sept 1)	\$9.50 (April 1)	\$10.00 (April 1)		\$10.30 (Dec 31)	\$11.00 by 2017
NS	\$8.60 (April 1)	\$9.20 (April 1) \$9.65 (Oct 1)	\$10.00 (Oct 1)	\$10.15 (April 1)	\$10.30 (April 1)	\$10.40 (April 1)	\$10.60 (April 1)
PE	\$8.20 (June 1) \$8.40 (Oct 1)	\$8.70 (June 1) \$9.00 (Oct 1)	\$9.30 (June 1) \$9.60 (Oct 1)	\$10.00 (April 1)		\$10.20 (June 1) \$10.35 (Oct 1)	\$10.50 (July 1)
NL	\$8.50 (Jan 1) \$9.00 (July 1)	\$9.50 (Jan 1) \$10.00 (July 1)				\$10.25 (Oct 1)	\$10.50 (Oct 1)
NT		\$9.00 (April 1)	\$10.00 (April 1)				\$12.50 (June 1)
YT	\$8.89 (April 1)	\$8.93 (April 1)	\$9.00 (April 1)	\$9.27 (April 1) \$10.30 (May 1)	\$10.54 (April 1)	\$10.72 (April 1)	\$10.86 (April 1)
NU	\$10.00 (Sept 5/08)		\$11.00 (Jan 1)				
Fed	The general adult minimum wage rate of the province or territory where the work is performed.						

These provinces have **Differential Rates** as follows:

- British Columbia repealed an entry-level rate on May 1, 2011 and brought in liquor server rate that is 25 cents below the general minimum wage; by May 1, 2012, it will be \$1.25 below minimum wage (\$9.00).
- Quebec has a gratuity rate that is 1.30 cents below the general minimum wage (\$9.05) and on May 1, the gratuity rate will increase to \$9.20.
- Ontario has a liquor server rate that is \$1.35 below the general minimum wage (\$8.90) and a student rate that is \$.065 below the general minimum wage (\$9.60).
- Nova Scotia has an inexperienced worker rate that is 50 cents below the general minimum wage (\$9.50) and on April 1, 2015 it will continue to be 50 cents below the general minimum wage (\$10.10).
- Alberta has a liquor rate that is 70 cents below the general minimum wage (\$9.05).

## APPENDIX 2

### KEY ECONOMIC INDICATORS

AVERAGE WEEKLY EARNINGS (2014 data not yet available)											
	MAN	CAN	BC	AB	SK	ON	QC	NB	NS	PE	NL
2008	749.59	810.95	788.8	924.36	784.67	838.19	753	730.83	714.89	662.42	766.95
2009	771.29	823.46	795.15	950.1	804.33	849.2	761.21	749.97	731.2	691.56	802.06
2010	786.35	853.2	819.06	993.4	846.25	882.23	784	761.72	760.07	709.44	838.17
2011	808.11	874.76	841.86	1,038.76	878.14	894.78	803.07	788.79	767.61	722.97	880.84
2012	829.50	896.81	866.31	1,072.98	918.95	908.00	822.68	809.35	789.71	742.10	927.47
2013	833.14	910.74	873.14	1,108.01	945.50	920.12	830.44	807.90	798.19	753.58	949.33
PROVINCIAL MINIMUM WAGE AS A PERCENTAGE OF 2013 AVERAGE WEEKLY EARNINGS											
2013	50.17%		46.96%	35.92%	42.31%	44.56%	48.89%	49.51%	52.12%	53.08%	42.13%

INFLATION											
	MAN	CAN	BC	AB	SK	ON	QC	NB	NS	PE	NL
2008	2.3	2.3	2.1	3.1	3.3	2.3	2.1	1.7	3.0	3.4	2.9
2009	0.6	0.3	0.0	-0.1	1.0	0.4	0.6	0.3	-0.2	-0.2	0.3
2010	0.8	1.8	1.3	1.0	1.4	2.5	1.2	2.1	2.2	1.9	2.4
2011	3.0	2.9	2.4	2.4	2.8	3.1	3.0	3.5	3.8	2.9	3.4
2012	1.6	1.5	1.1	1.1	1.6	1.4	2.1	1.7	2.0	2.0	2.1
2013	2.2	0.9	-0.1	1.4	1.5	1.0	0.7	0.8	1.2	2.0	1.7
2014	1.9	2.0	1.0	2.6	2.4	2.4	1.4	1.5	1.7	1.6	1.9

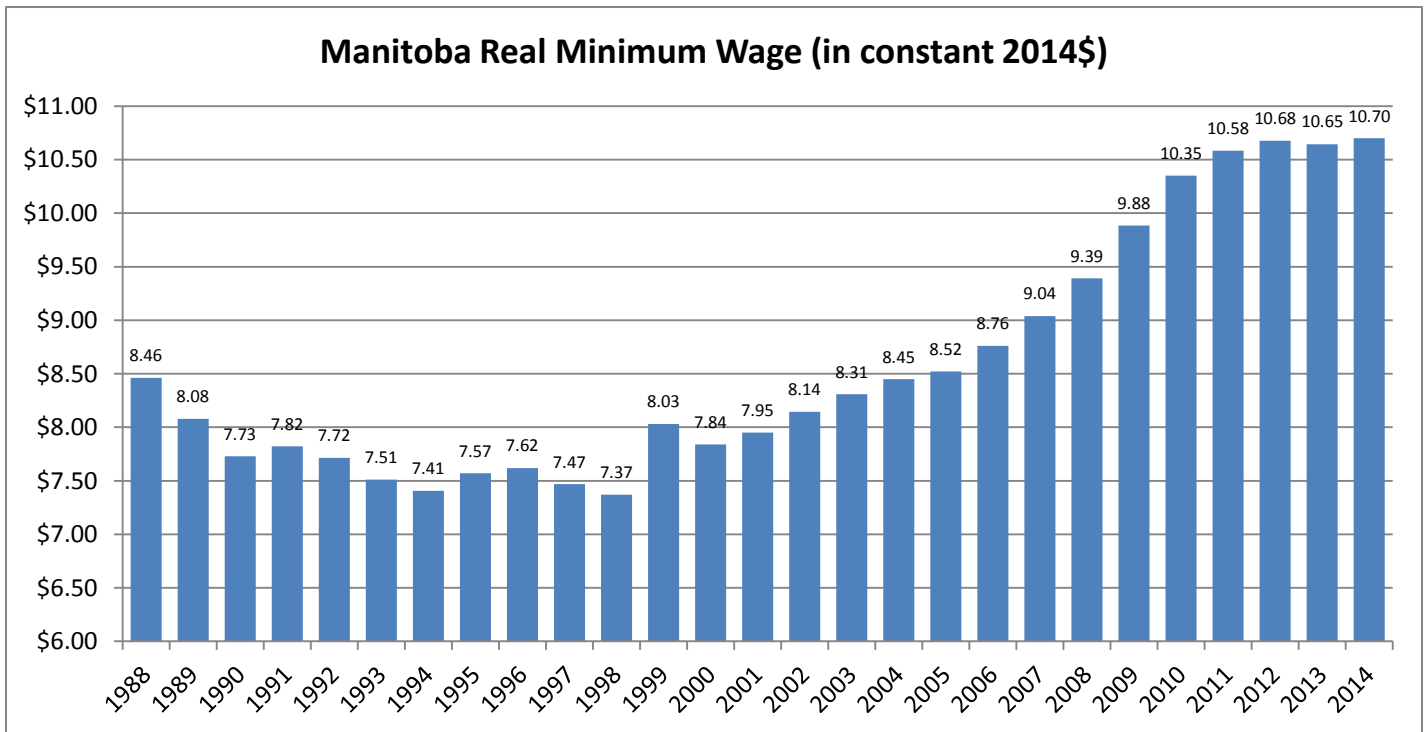
UNEMPLOYMENT RATE											
	MAN	CAN	BC	AB	SK	ON	QC	NB	NS	PE	NL
2008	4.1	6.2	4.6	3.6	4.1	6.6	7.3	8.5	7.6	10.7	13.3
2009	5.3	8.3	7.7	6.6	4.8	9.0	8.5	8.8	9.1	12.0	15.6
2010	5.4	8.1	7.6	6.6	5.2	8.7	8.0	9.2	9.6	11.4	14.7
2011	5.5	7.5	7.5	5.4	4.9	7.9	7.9	9.5	9.0	11.0	12.6
2012	5.3	7.3	6.8	4.6	4.7	7.9	7.7	10.2	9.1	11.2	12.3
2013	5.4	7.1	6.6	4.6	4.1	7.6	7.6	10.3	9.1	11.6	11.6
2014	5.4	6.9	6.1	4.7	3.8	7.3	7.7	9.9	9.0	10.6	11.9

REAL GDP GROWTH (expenditure based)											
	MAN	CAN	BC	AB	SK	ON	QC	NB	NS	PE	NL
2008	3.8	1.2	1.1	1.7	5.6	-0.1	1.9	0.9	2.1	0.8	-1.2
2009	-0.2	-2.7	-2.5	-4.1	-4.8	-3.1	-0.6	-1.1	0.4	0.4	-9.9
2010	2.6	3.4	3.3	4.5	4.2	3.4	2.3	2.0	3.0	2.2	5.9
2011	1.7	2.5	2.7	5.2	5.0	2.2	1.8	0.3	0.6	1.0	2.9
2012	2.6	1.7	1.5	3.8	1.9	1.3	1.5	-1.1	-0.1	1.5	-4.4
2013	2.2	2.0	1.9	3.8	5.0	1.3	0.9	-0.5	0.2	1.9	7.2

### APPENDIX 3

#### INCREASES TO MANITOBA MINIMUM WAGE SINCE 1999

Year (effective date)	Minimum Wage	% change from previous year	% CPI change from previous year
2001 (April 1)	\$6.25 (was \$6.00)	4.2%	2.7%
2002 (April 1)	\$6.50	4.0%	1.5%
2003 (April 1)	\$6.75	3.8%	1.8%
2004 (April 1)	\$7.00	3.7%	2.0%
2005 (April 1)	\$7.25	3.6%	2.7%
2006 (April 1)	\$7.60	4.8%	2.0%
2007 (April 1)	\$8.00	5.3%	2.0%
2008 (April 1)	\$8.50	6.3%	2.3%
2009 (May 1) (October 1)	\$8.75 \$9.00	5.9%	0.6%
2010 (October 1)	\$9.50	5.6%	0.8%
2011 (October 1)	\$10.00	5.3%	3.0%
2012 (October 1)	\$10.25	2.5%	1.6%
2013 (October 1)	\$10.45	2.0%	2.2%
2014 (October 1)	\$10.70	2.4%	1.9%
<b>CUMULATIVE CHANGE</b>	<b>\$4.70</b>	<b>74.2%</b>	<b>30.7%</b>



## APPENDIX 3 (continued)

### PROFILE OF MINIMUM WAGE EARNERS

#### MINIMUM WAGE

	2012	2013	2014
Persons earning minimum wage or less in this period and percent of total wage earners	46,800 (8.7%)	33,200 (6.2%)	27,500 (5.0%)
Percent of minimum wage workers who are:			
Male	43%	38%	40%
Female	57%	62%	60%
Students	45%	41%	40%
24 or younger	59%	57%	54%
15-19	42%	37%	34%
20-24	17%	20%	20%
Students	45%	41%	40%
Full-time	41%	44%	43%
Part-time	59%	55%	57%
Percent of minimum wage earners by highest educational attainment:			
Less than high school	34%	33%	27%
High school grad	27%	26%	31%
Some post-secondary	15%	16%	15%
Post-secondary grad	24%	25%	27%
Percent of minimum wage earners by industry:			
Retail Trade	29%	30%	26%
Food services and drinking places	24%	23%	24%
All others	47%	47%	50%
Percent of minimum wage earners who have been in their job for:			
Less than a year	49%	48%	49%
1 to 5 years	37%	36%	37%
More than 5 years	14%	16%	14%
Percent of minimum wage earners who are:			
Unionized	9%	8%	9%
Not unionized	91%	92%	91%
Percent of minimum wage earners who work in a firm with:			
More than 500 employees	41%	43%	40%
100 – 500 employees	13%	13%	13%
20 – 99 employees	19%	17%	18%
Less than 20 employees	27%	27%	28%

## APPENDIX 3 (continued)

### PROFILE OF MINIMUM WAGE EARNERS

#### MINIMUM WAGE PLUS 10 PERCENT

	2012	2013	2014
Persons earning minimum wage* or less in this period and percent of total wage earners	51,500 (9.6%)	36,500 (6.8%)	30,300 (5.6%)
Percent of minimum wage earners* who are:			
Male	43%	38%	40%
Female	57%	62%	60%
Students	45%	41%	40%
24 or younger	59%	57%	55%
15-19	42%	37%	35%
20-24	17%	20%	20%
Students	45%	41%	40%
Full-time	41%	44%	43%
Part-time	59%	55%	56%
Percent of minimum wage earners* by highest educational attainment:			
Less than high school	34%	33%	27%
High school grad	27%	26%	31%
Some post-secondary	15%	16%	15%
Post-secondary grad	24%	26%	28%
Percent of minimum wage earners* by industry:			
Retail Trade	30%	30%	26%
Food services and drinking places	24%	23%	24%
All others	46%	47%	50%
Percent of minimum wage earners* who have been in their job for:			
Less than a year	49%	48%	49%
1 to 5 years	37%	36%	37%
More than 5 years	14%	16%	14%
Percent of minimum wage earners* who are:			
Unionized	9%	7%	10%
Not unionized	91%	93%	90%
Percent of minimum wage earners* who work in a firm with:			
More than 500 employees	41%	43%	40%
100 – 500 employees	13%	13%	14%
20 – 99 employees	19%	17%	18%
Less than 20 employees	27%	27%	28%

\*those earning minimum wage plus 10 percent, or less

## APPENDIX 4

### TAXATION INDICATORS

MANITOBA BUSINESS TAXES - HISTORICAL											
	1999	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Corporate Tax	17.0%	15.0%	14.5%	14.0%	13.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Small Business Income Tax (Business income below \$400,000)*	8.0%	5.0%	4.5%	3.0%	2.0%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%

\*Threshold increased to \$425,000 on January 1, 2014.

BUSINESS TAXES BY PROVINCE – 2014										
	MAN	BC	AB	SK	ON	QC	NB	NS	PE	NL
Corporate Tax	12.0%	11.0%	10.0%	12.0%	11.5%	11.9%	12.0%	16.0%	16.0%	14.0%
Small Business Income Tax	0.0%	2.5%	3.0%	2.0%	4.5%	8.0%	4.5%	3.0%	4.5%	4.0/3.0%
Small Business Threshold	\$400k*	\$500k	\$500k	\$500k	\$500k	\$500k	\$500k	\$350k	\$500k	\$500k

\*Threshold increased to \$425,000 on January 1, 2014.

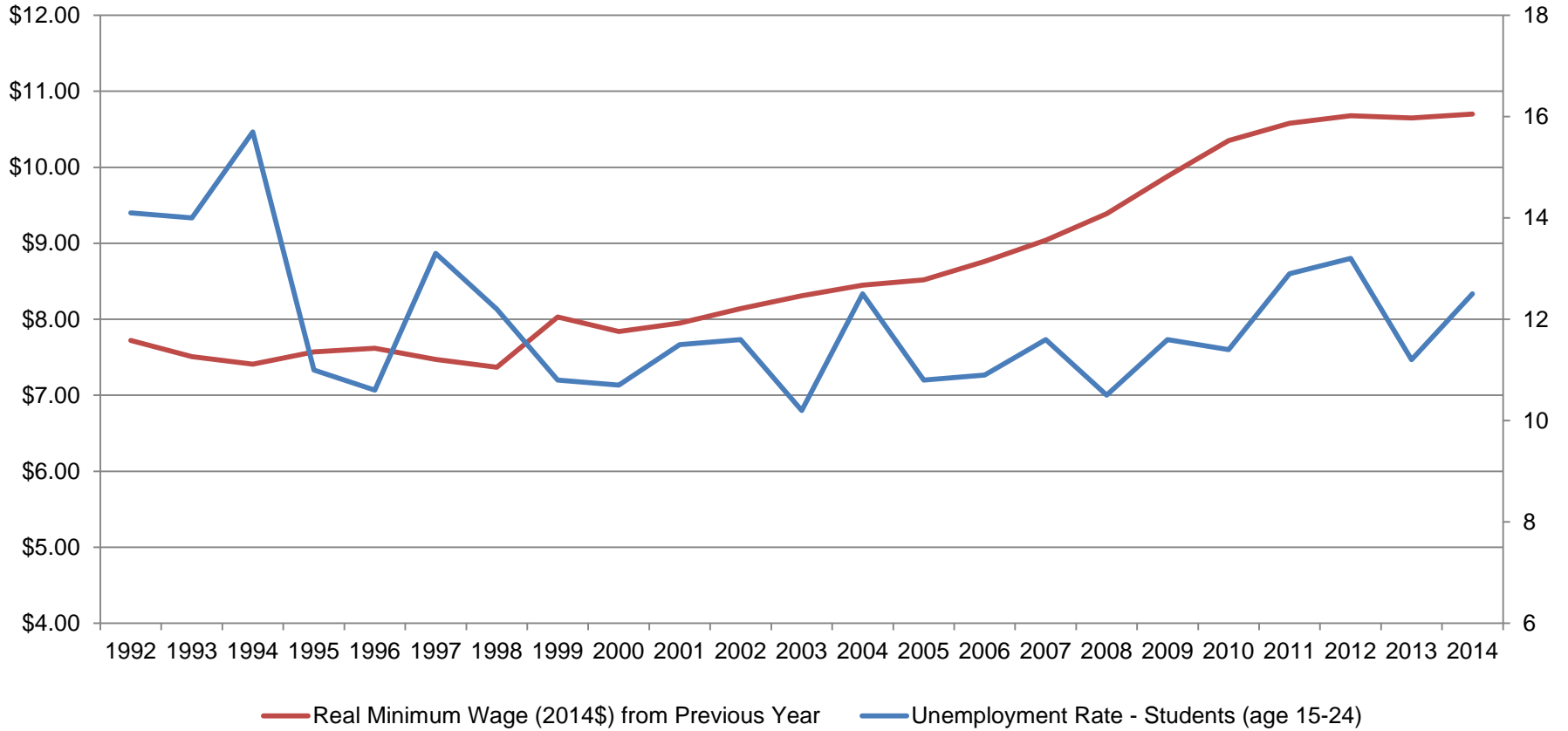
\*\*NL 2014 Budget announced the small business corporate rate is reduced from 4.0% to 3.0% effective July 1, 2014.

PERSONAL TAXES BY PROVINCE - 2014										
	MAN	BC	AB	SK	ON	QC	NB	NS	PE	NL
Basic Personal Exemption	\$9,134	\$9,869	\$17,787	\$15,378	\$9,670	\$11,305	\$9,472	\$8,481	\$7,708	\$8,578
Bottom Tax Rate	10.8%	5.1%	10.0%	11.0%	5.1%	16.0%	9.7%	8.8%	9.8%	7.7%



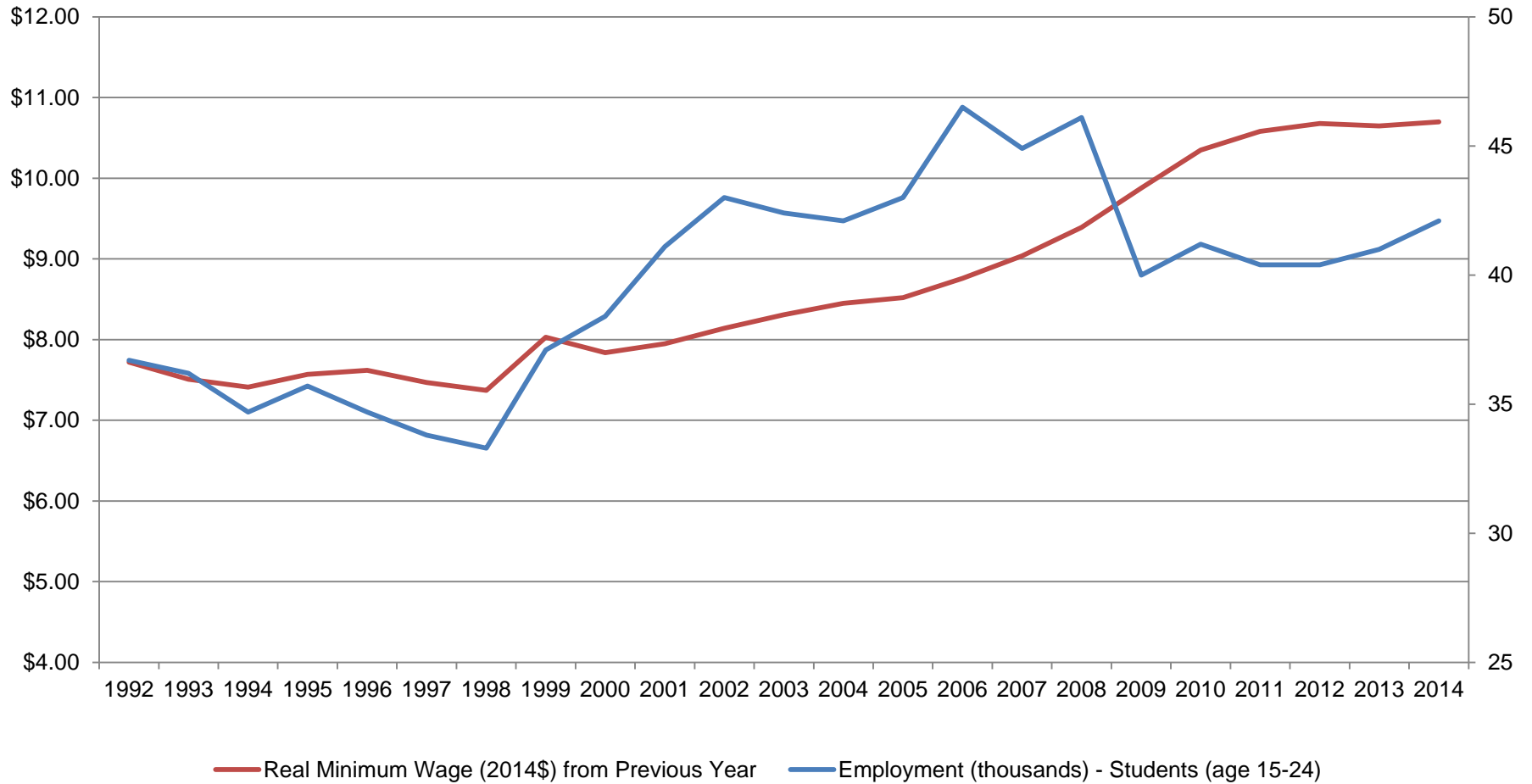
# APPENDIX 5

## Real Minimum Wage vs. Student Unemployment



### APPENDIX 5 (continued)

## Real Minimum Wage vs. Student Employment



## APPENDIX 6

### Real GDP per Capita by Province – 2008-2013

<b>2013</b>	<b>GDP (millions 2007\$)</b>	<b>Population</b>	<b>GDP per Capita</b>
Canada	1,705,567	35,295,770	\$48,322
Newfoundland and Labrador	29,588	527,464	\$56,095
Prince Edward Island	5,006	145,295	\$34,454
Nova Scotia	36,042	940,567	\$38,319
New Brunswick	28,272	755,710	\$37,411
Quebec	331,231	8,174,510	\$40,520
Ontario	632,368	13,585,887	\$46,546
Manitoba	56,486	1,268,915	\$44,515
Saskatchewan	62,716	1,114,170	\$56,289
Alberta	302,966	4,060,719	\$74,609
British Columbia	215,218	4,606,375	\$46,722
Yukon	2,283	36,690	\$62,224
Northwest Territories	3,632	43,523	\$83,450
Nunavut	2,030	35,945	\$56,475

<b>2012</b>	<b>GDP (millions 2007\$)</b>	<b>Population</b>	<b>GDP per Capita</b>
Canada	1,661,559	34,754,312	\$47,809
Newfoundland and Labrador	27,585	526,841	\$52,359
Prince Edward Island	4,901	145,165	\$33,762
Nova Scotia	35,990	945,061	\$38,082
New Brunswick	28,146	756,997	\$37,181
Quebec	327,161	8,084,059	\$40,470
Ontario	619,331	13,411,994	\$46,177
Manitoba	54,633	1,250,032	\$43,705
Saskatchewan	58,581	1,087,546	\$53,865
Alberta	288,548	3,888,739	\$74,201
British Columbia	208,961	4,543,308	\$45,993
Yukon	2,295	36,247	\$63,316
Northwest Territories	3,520	43,620	\$80,697
Nunavut	1,820	34,703	\$52,445

**APPENDIX 6 (continued)**

<b>2011</b>	<b>GDP (millions 2007\$)</b>	<b>Population</b>	<b>GDP per Capita</b>
Canada	1,628,295	34,483,975	\$47,219
Newfoundland and Labrador	28,912	512,900	\$56,370
Prince Edward Island	4,876	145,695	\$33,467
Nova Scotia	35,424	948,458	\$37,349
New Brunswick	28,922	755,335	\$38,290
Quebec	322,690	7,977,989	\$40,448
Ontario	605,180	13,366,294	\$45,277
Manitoba	53,370	1,251,690	\$42,638
Saskatchewan	57,536	1,057,804	\$54,392
Alberta	274,717	3,778,072	\$72,714
British Columbia	206,180	4,576,577	\$45,051
Yukon	2,407	35,398	\$67,998
Northwest Territories	3,521	44,212	\$79,639
Nunavut	1,716	33,551	\$51,146

<b>2010</b>	<b>GDP (millions 2007\$)</b>	<b>Population</b>	<b>GDP per Capita</b>
Canada	1,587,558	34,075,606	\$46,589
Newfoundland and Labrador	28,058	511,754	\$54,827
Prince Edward Island	4,800	142,910	\$33,588
Nova Scotia	35,243	944,970	\$37,295
New Brunswick	28,928	752,541	\$38,440
Quebec	316,724	7,894,516	\$40,119
Ontario	594,319	13,203,479	\$45,012
Manitoba	52,319	1,233,380	\$42,419
Saskatchewan	54,854	1,042,440	\$52,621
Alberta	261,457	3,715,741	\$70,365
British Columbia	200,550	4,522,948	\$44,341
Yukon	2,260	34,438	\$65,625
Northwest Territories	3,711	43,753	\$84,817
Nunavut	1,640	32,738	\$50,095

**APPENDIX 6 (continued)**

<b>2009</b>	<b>GDP (millions 2007\$)</b>	<b>Population</b>	<b>GDP per Capita</b>
Canada	1,538,834	33,726,915	\$45,626
Newfoundland and Labrador	26,388	509,095	\$51,833
Prince Edward Island	4,677	141,054	\$33,158
Nova Scotia	34,581	940,565	\$36,766
New Brunswick	28,065	749,945	\$37,423
Quebec	309,043	7,825,803	\$39,490
Ontario	575,726	13,068,845	\$44,053
Manitoba	51,056	1,219,904	\$41,852
Saskatchewan	52,567	1,029,499	\$51,061
Alberta	251,286	3,672,728	\$68,419
British Columbia	194,334	4,459,900	\$43,574
Yukon	2,141	33,747	\$63,443
Northwest Territories	3,637	43,637	\$83,347
Nunavut	1,407	32,193	\$43,705

<b>2008</b>	<b>GDP (millions 2007\$)</b>	<b>Population</b>	<b>GDP per Capita</b>
Canada	1,583,164	33,317,662	\$47,517
Newfoundland and Labrador	29,425	506,352	\$58,112
Prince Edward Island	4,665	139,548	\$33,429
Nova Scotia	34,685	937,472	\$36,998
New Brunswick	28,226	746,910	\$37,790
Quebec	310,687	7,750,518	\$40,086
Ontario	596,722	12,932,480	\$46,141
Manitoba	51,241	1,205,691	\$42,499
Saskatchewan	54,776	1,013,784	\$54,031
Alberta	262,864	3,592,191	\$73,177
British Columbia	199,228	4,384,310	\$45,441
Yukon	1,990	33,100	\$60,121
Northwest Territories	4,280	43,692	\$97,958
Nunavut	1,518	31,614	\$48,017