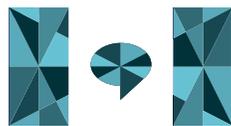


Canada Social Report

# Minimum Wage Rates in Canada: 1965-2015

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In January 2003, the Caledon Institute of Social Policy published the first comprehensive analysis of minimum wages in Canada, *Minimum Wages in Canada: A Statistical Portrait with Policy Implications*. The report plotted trends in adult minimum wages in Canada's ten provinces and three territories<sup>1</sup> from 1965 through 2001, and investigated the size and key characteristics of the minimum wage workforce nationally and in each province.<sup>2</sup>

Caledon updated its 2003 study with a 2011 version, *Restoring Minimum Wages in Canada*. That paper tracked trends in minimum wage rates from 1965 through 2010.

The current study, *Minimum Wage Rates in Canada: 1965-2015*, updates the data to 2015. It will be annually updated from now on.

## Inter-jurisdictional comparison of minimum wages

While minimum wages in Canada range widely across the 13 jurisdictions (i.e., ten provinces and three territories), the differences are small. In 2015, the highest rate (\$11.49 per hour in the Northwest Territories) was \$1.21 more than the lowest rate (\$10.28 per hour in Saskatchewan), whereas in 2010 the highest rate (\$10.06 in Ontario) was \$2.06 more than the lowest (\$8.00 in British Columbia). In recent years, differences among the rates have narrowed.

As of September 1, 2015, minimum wage rates went from a low of \$10.28 an hour in Saskatchewan to \$10.30 in New Brunswick, \$10.31 in Newfoundland and Labrador, \$10.32 in British Columbia, \$10.43 in Prince Edward Island, \$10.45 in Alberta, \$10.48 in Quebec, \$10.55 in Nova Scotia, \$10.70 in Manitoba, \$10.83 in Yukon, \$11.00 in Nunavut, \$11.06 in Ontario and \$11.49 in the Northwest Territories.

However, minimum wage rates often increase during the course of a year, so a point-in-time comparison is misleading. **Table A** shows why.

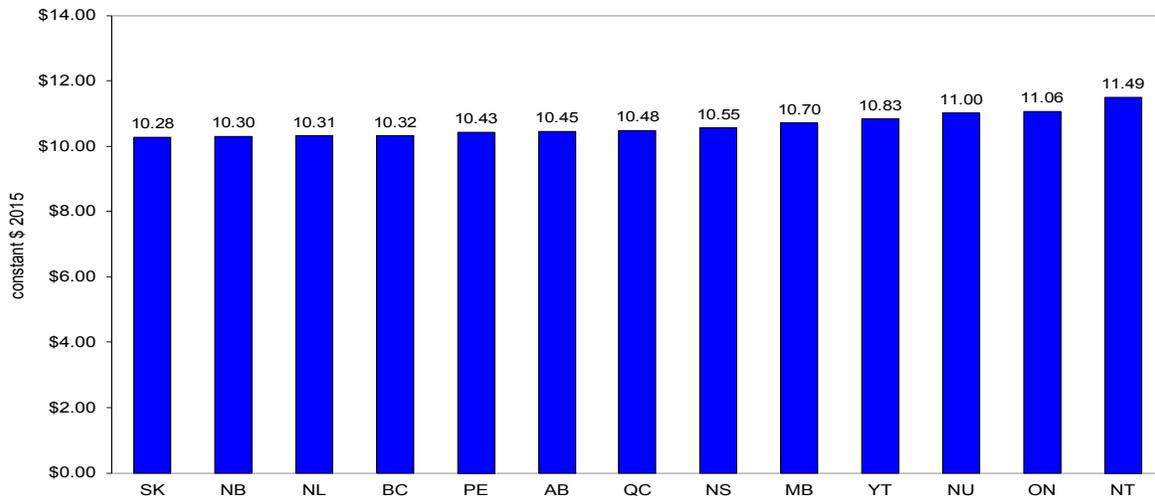
In 2015, Newfoundland and Labrador increased its minimum wage from \$10.25 an hour as of January 1 to \$10.50 on October 1. Prince Edward Island's minimum wage went from \$10.35 on January 1 to \$10.50 on July 1. Nova Scotia's minimum wage rate was \$10.40 on January 1 and rose to \$10.60 in April. New Brunswick's minimum wage remained at \$10.30 all year. Quebec's minimum wage was \$10.35 on January 1 and increased to \$10.55 on May 1. Ontario's minimum wage rose from \$11.00 on January 1 to \$11.25 on October 1. Manitoba's minimum wage was \$10.70 all year. The minimum wage in Saskatchewan went from \$10.20 on January 1 to \$10.50 on October 1. Alberta's minimum wage was \$10.20 on January 1 and increased to \$11.20 on October 1. British Columbia's minimum wage was \$10.25 on January 1 and rose to \$10.45 on September 15. Yukon's minimum wage increased from \$10.72 on January 1 to \$10.86 on April 1. The minimum wage in the Northwest Territories was \$10.00 on January 1 and rose to \$12.50 on June 1. Nunavut's minimum wage rate was \$11.00 all year.

To take into account these many within-year changes, **Figure 1** shows the average hourly minimum wage in 2015 in each province and territory, assuming a maximum full-time (40 hours a week) year-long (52 weeks) employment.



Table A				
Minimum wage rates, by province and territory, 2015				
jurisdiction		\$		\$
NL	January 1	10.25	October 1	10.50
PE	January 1	10.35	July 1	10.50
NS	January 1	10.40	April 1	10.60
NB	January 1	10.30		
QC	January 1	10.35	May 1	10.55
ON	January 1	11.00	October 1	11.25
MB	January 1	10.70		
SK	January 1	10.20	October 1	10.50
AB	January 1	10.20	October 1	11.20
BC	January 1	10.25	September 15	10.45
YK	January 1	10.72	April 1	10.86
NT	January 1	10.00	June 1	12.50
NU	January 1	11.00		

**Figure 1**  
Minimum wage, hourly average,  
by province and territory, 2015



Minimum wages have risen in recent years in every jurisdiction except Nunavut, which has fallen slightly in real terms since 2011 because it has been frozen since that year. The increases are substantial, as indicated in **Table B**. The second column gives the year that the recent series of

increases began (the year varies from one jurisdiction to another) and the third column the latest year for which rates have been published. The fourth column shows the dollar change in rates and the final column gives the change in percentage terms.

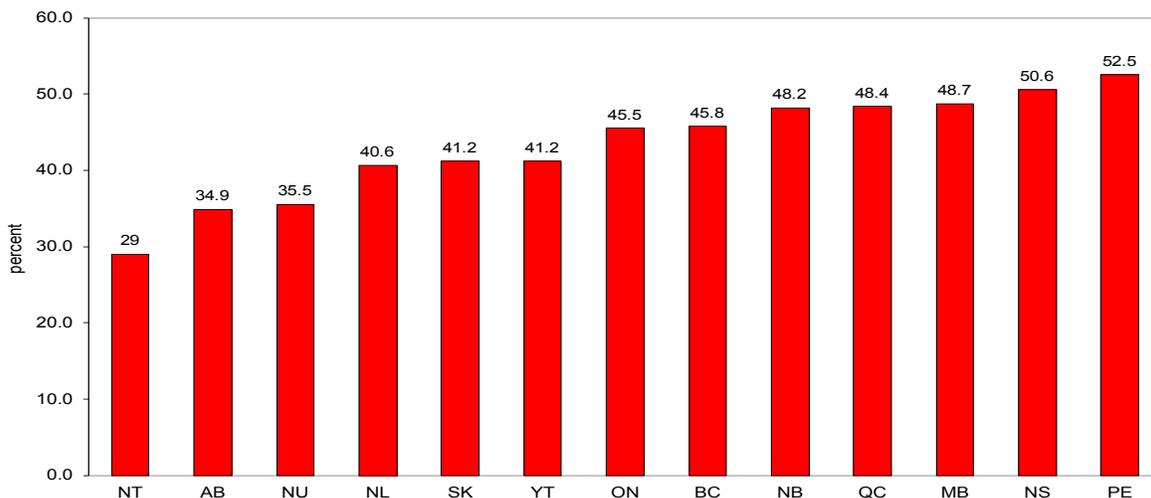


Percentage changes varied from a low of -6.6 percent in Nunavut to 16.7 percent in Quebec, 18.0 percent in British Columbia, 25.3 percent in the Northwest Territories, 26.5 percent in Yukon, 27.5 percent in Saskatchewan, 30.4 percent in Ontario, 38.8 percent in New Brunswick, 41.3 percent in Newfoundland and Labrador, 41.8 percent in Nova Scotia, 44.2 percent in Manitoba, 45.7 percent in Alberta and a high of 51.1 percent in Prince Edward Island.

## Minimum wages as percentage of average earnings

Measured as a percentage of average earnings, minimum wages range widely from one part of Canada to another – from a low of 29.0 percent in the Northwest Territories to a high of 52.5 percent in Prince Edward Island. **Figure 2** shows the rankings, for 2014 (the most recent year for which earnings are available).

**Figure 2**  
**Minimum wage as percentage of average earnings, by province and territory, 2014**



## Poverty reduction strategies and minimum wages

The recent overall increase in minimum wages is doubtless due in part to the emergence of poverty reduction strategies. Starting in Québec and then Newfoundland and Labrador, poverty reduction strategies – comprehensive and far-reaching government plans to reduce, prevent and eliminate poverty – have been launched by all provinces and territories except British Columbia. Most jurisdictions include minimum wages in their poverty reduction strategies.

The minimum wage is only one tool among many required to build an effective poverty reduction strategy, but is crucial to the task. The province of Newfoundland and Labrador stated the case succinctly [Government of Newfoundland and Labrador 2010]:

“Increases to the minimum wage rate play a key role in advancing our government’s Poverty Reduction Strategy,” said the Honourable Susan Sullivan, Minister of Human Resources, Labour and Employment.

“Increasing the minimum wage helps individuals and families achieve increased self-reliance and contributes to a stronger provincial economy. Reducing poverty aims to balance opportunity for all.”

In some cases, action to strengthen minimum wages predates poverty reduction strategies. Ontario is a case in point.

The previous Conservative government had frozen the province’s minimum wage for eight years, shrinking its value from \$9.95 in 1995 to \$8.48 in 2003 (expressed in 2015 constant dollars). The incoming Liberal government not only made up for lost ground, but went further and introduced a series of increases that boosted the minimum wage to \$10.99 in 2010 (in 2015 dollars). On the other hand, Ontario once again froze its minimum wage, at \$10.25 (current) for 2011, 2012 and 2013, then increased it in 2014 and 2015. Ontario views a strong minimum wage as an essential part of its poverty reduction strategy, but doubtless would have increased the minimum wage as a vital social policy and anti-poverty advance even if it had not launched its poverty reduction strategy in 2008.



Table B Recent changes in minimum wages, by province and territory, in constant 2015 dollars						
jurisdiction	year and rate		year and rate		dollar change	percentage change
		\$		\$	\$	%
NL	2004	7.29	2015	10.31	3.01	41.3
PE	1995	6.90	2015	10.40	3.50	51.1
NS	2002	7.44	2015	10.55	3.11	41.8
NB	2003	7.42	2015	10.30	2.88	38.8
QC	2006	8.98	2015	10.48	1.50	16.7
ON	2003	8.48	2015	11.06	2.58	30.4
MB	1994	7.42	2015	10.70	3.28	44.2
SK	2005	8.06	2015	10.28	2.22	27.5
AB	2004	7.17	2015	10.45	3.28	45.7
BC	2010	8.74	2015	10.31	1.57	18.0
YK	2005	8.56	2015	10.83	2.27	26.5
NT	2009	9.17	2015	11.49	2.32	25.3
NU	2011	11.78	2015	11.00	-.78	-6.6

## Protecting minimum wages: indexation

An important design feature of income security programs such as old age pensions, the Canada and Quebec Pension Plans, Employment Insurance and the Canada Child Tax Benefit is their provision to protect benefits from increases in the cost of living, typically by automatically adjusting them annually to the increase in the Consumer Price Index. Failure to fully index programs results in 'social policy by stealth' [Battle 1990], eroding their value over time in a manner that is not transparent to the public (who typically do not appreciate the difference between current and constant dollars).

Freezing minimum wage rates for considerable stretches of time – for example, as Ontario did from 1965 to 1968, 1995 to 2003, and 2011 to 2015, and British Columbia from 1981 to 1987 and 2002 to 2010 – erodes their value by the amount of inflation each year, which really adds up to a substantial amount over the years. Even if governments make occasional *ad hoc* increases in minimum wage rates, those changes may not be enough to compensate for lost ground, let alone maintain their full value over the years. That is what happened to Canadian minimum wages overall when they fell in value between the mid-1970s and mid-1980s/mid-1990s, as happened in most jurisdictions.

Five of the total 13 jurisdictions in Canada now index their minimum wage rates. Nova Scotia adjusts its minimum wage on April 1 of each year by the percentage change in the projected annual Consumer Price Index for Canada in the preceding calendar year. Saskatchewan raises its minimum wage on October 1 of each year based on the average of the percentage change in the Consumer Price Index and the percentage change in the average hourly wage in the province during the previous year. Yukon increases its minimum wage rate on April 1 of each year, based on the annual rise in the Consumer Price Index for the city of Whitehorse. Alberta indexes its minimum wage rate to the increase in Average Weekly Earnings and the Consumer Price Index of Alberta. New Brunswick has introduced a formula to determine minimum wage rates that includes cost of living as one of several indicators.

New Brunswick has introduced a legislative amendment to repeal the minimum Wage Board and establish a new formal mechanism for review and consultation on setting the minimum wage. The new mechanism will ensure that employers, workers and stakeholders are engaged in a comprehensive biennial review process. The review will consider a range of issues including the business impacts and socioeconomic effects of the minimum wage, the cost of living and general economic conditions. The government will conduct its first comprehensive review of the minimum wage by December 31, 2016, and will repeat the exercise every two years.



Caledon's 2003 study of minimum wages [Battle 2003] found only one American state that indexed its minimum wage – the state of Washington, to the annual change in the Consumer Price Index for urban wage earners and clerical workers. Since then, nine more states have joined Washington in indexing their minimum wages to the cost of living – Arizona, Colorado, Florida, Missouri, Montana, New Jersey, Nevada, Ohio and Oregon.

Indexing minimum wages might seem a no-brainer reform, but in fact there is more to the matter upon closer investigation. For a deeper discussion, we suggest the reader consult our 2011 report, *Restoring Minimum Wages in Canada*.

## Minimum wage trends by jurisdiction

This main section of the paper tracks three key minimum wage-related trends in each province – in inflation-adjusted constant dollars, as a percentage of average earnings (showing how the lower-paid worker compares to the average employee) and compared to two different poverty lines: Statistics Canada's after-tax low income cut-off (LICO) and after-tax low income measure (LIM). However, we cannot compare minimum wages to poverty lines in the three territories because the survey used to calculate incomes does not cover the territories, whose populations are small.

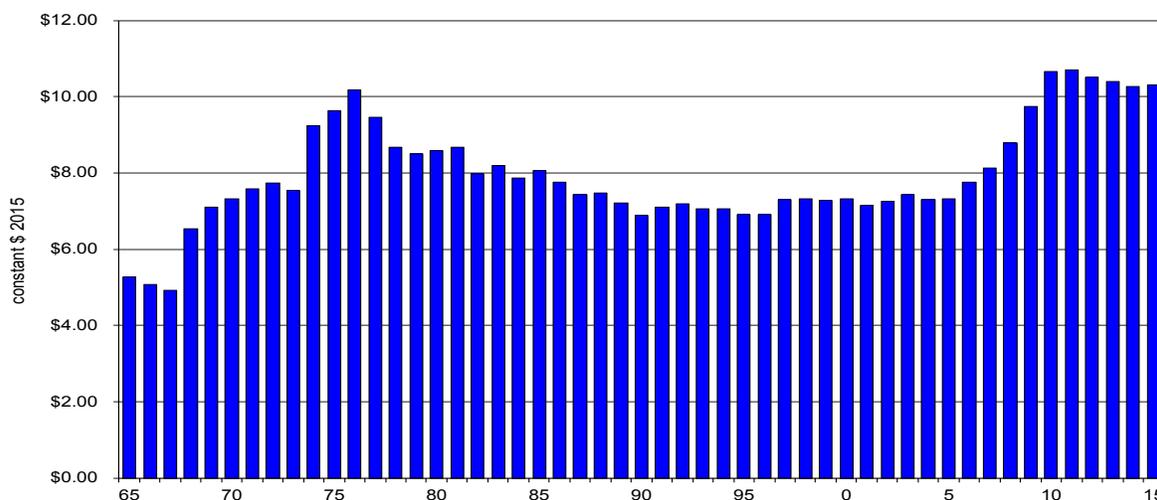
While the precise pattern of minimum wage rates varies across Canada's ten provinces and three territories, overall it illustrates three broad trends – a rapid and significant rise in value from 1965 through the mid-1970s, a long-term decline from the mid-1970s to 1995-2005 (the exact years varying by jurisdiction) and then a steady restoration of minimum wages over the last 10 years or so. The result in most jurisdictions is an up-down-up 'twin peaks' picture.

### NEWFOUNDLAND AND LABRADOR

**Figure 3** shows the trend in the minimum wage in Newfoundland and Labrador from 1965 to 2015, expressed in constant 2015 dollars. The picture shows an up-down-up twin peaks pattern. There was a substantial increase in the value of the province's minimum wage from the mid-1960s to the mid-1970s, followed by a long decline until it flatlined in the 1990s and first half of the 2000s, rose sharply after 2005 to 2010 and then levelled off from 2010-2015 in plateau-like form.

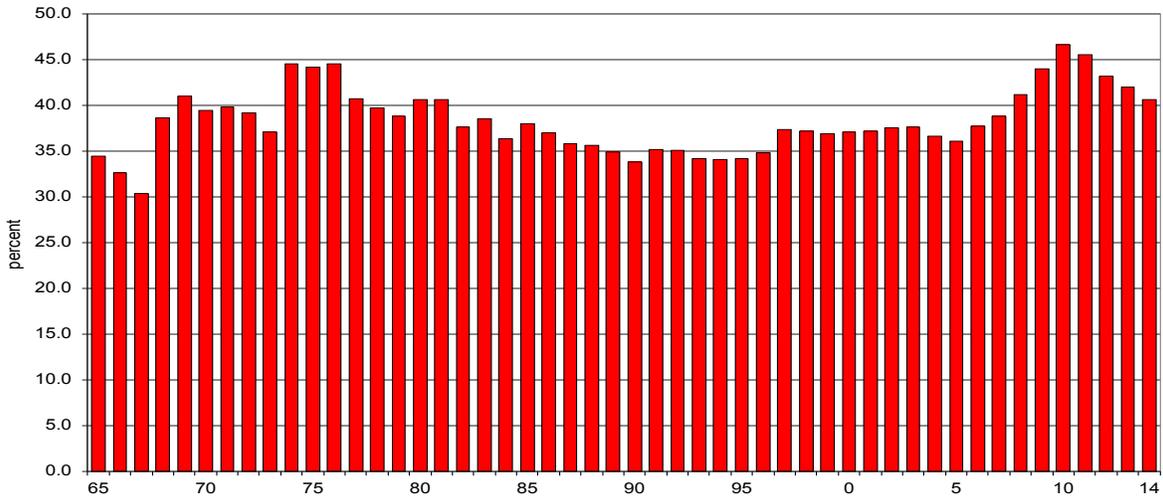
The minimum wage climbed from \$5.27 in 1965 to \$10.19 in 1976, fell gradually to \$6.89 in 1990, levelled off around that level in the 1990s and first half of the 2000s, and then increased rapidly from \$7.29 in 2004 to \$10.71 in 2011 – the peak rate for the entire 1965-2015 period. It fell slightly from \$10.71 in 2011 to \$10.26 in 2014 but eased up to \$10.31 in 2015. The increase in the minimum wage from 2004 (\$7.29) to 2015 (\$10.31) was substantial; it rose by \$3.01 an hour or 41.3 percent.

**Figure 3**  
Newfoundland and Labrador minimum wage,  
in constant 2015 dollars, 1965-2015





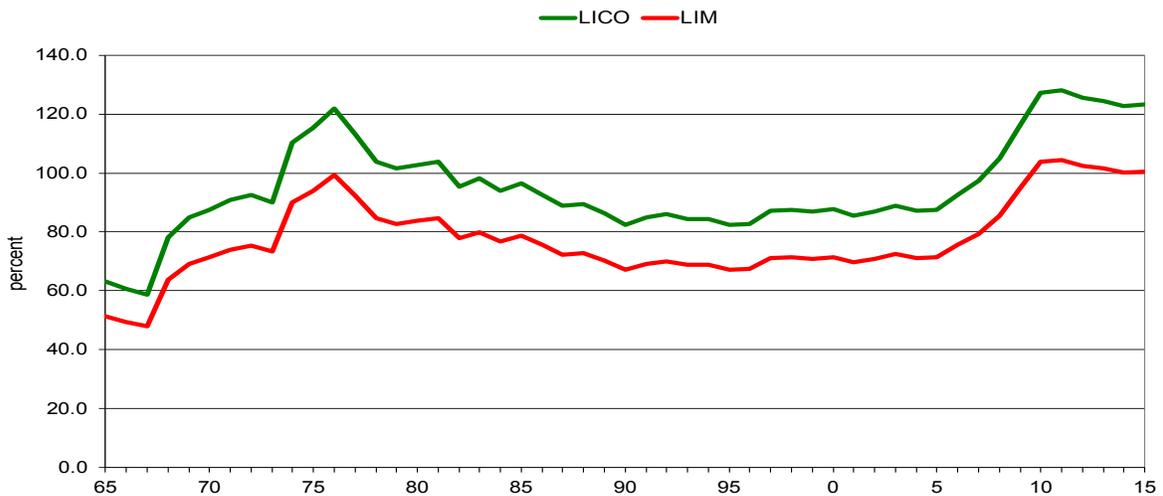
**Figure 4**  
**Newfoundland and Labrador minimum wage,**  
**as percentage of average earnings, 1965-2014**



**Figure 4** illustrates the long-range pattern in the minimum wage expressed as a percentage of average earnings in Newfoundland and Labrador. The most recent year for which data on earnings is available is 2014. The details differ but the picture is roughly the same as the value of the minimum wage – except for the drop since 2010, which means that average earnings have increased more in relative terms than the minimum wage over that five-year period.

The province’s minimum wage in 1965 was 34.4 percent of average earnings and rose to 44.5 percent in 1974 and 1976, then gradually declined to a low of 33.7 percent by 1990, rose a bit in the latter part of the 1990s and first half of the 2000s, climbed rapidly from 36.1 percent in 2005 to 46.6 percent in 2010, but then declined sharply to 40.6 percent in 2014. Overall, despite the ups and downs, the province’s minimum wage as a percentage of earnings describes a twin peaks pattern.

**Figure 5**  
**Newfoundland and Labrador minimum wage,**  
**as percentage of LICO and LIM for one person, 1965-2015**





Statistics Canada's low income cut-offs (LICOs) are based on the concept that a low-income family devotes substantially more (63.6 percent) on the basics of food, clothing and shelter than other households. These lines vary by size of family and community. In 2015, the estimated after-tax low income cut-off for the largest city in Newfoundland and Labrador – St. John's, whose 2014 population of 211,700 puts it in the 100,000-499,999 size category – was \$17,391 for one person.

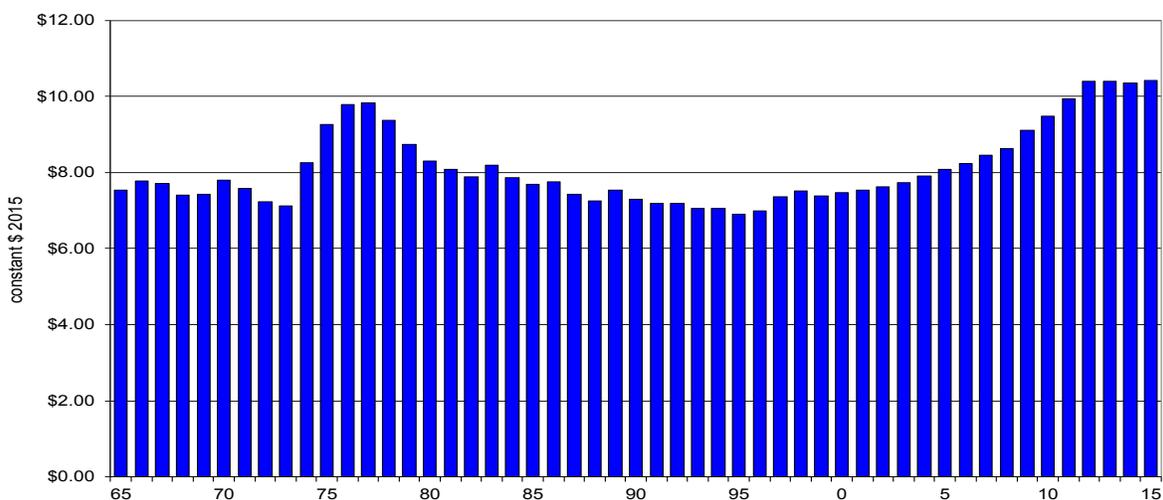
Another major low income line, Statistics Canada's low income measure (LIM), is based on a relative measure of low income, set at one-half of adjusted median household income. LIMs vary by households of up to 10 persons, but do not vary by community size. The estimated LIM for one person in 2015 is \$21,336.

The long-term trend when we compare the minimum wage to Statistics Canada's after-tax low income cut-off is the same as the trend in dollar

amount. Newfoundland and Labrador's minimum wage rose from 63.1 percent of the after-tax LICO for one person in St. John's in 1965 to 121.8 percent in 1976, falling to 82.4 percent in 1990 and more or less levelling off between 1990 and 2005. However, the trend increased sharply after 2005, rising to 128.1 percent of the low income cut-off in 2011 – the peak for the entire 1965-2015 period – then declining slightly to 123.3 percent in 2015. **Figure 5** shows the trend; the green line illustrates the minimum wage as percentage of the low income cut-off.

The low income measure (LIM) for a single person – \$21,336 – is lower than of the LICO for St. John's (\$17,391). As a result, the minimum wage as a percentage of the LIM is lower than for the LICO, as illustrated by the red line in **Figure 5**. Otherwise, the patterns over time are identical.

**Figure 6**  
Prince Edward Island minimum wage,  
in constant 2015 dollars, 1965-2015



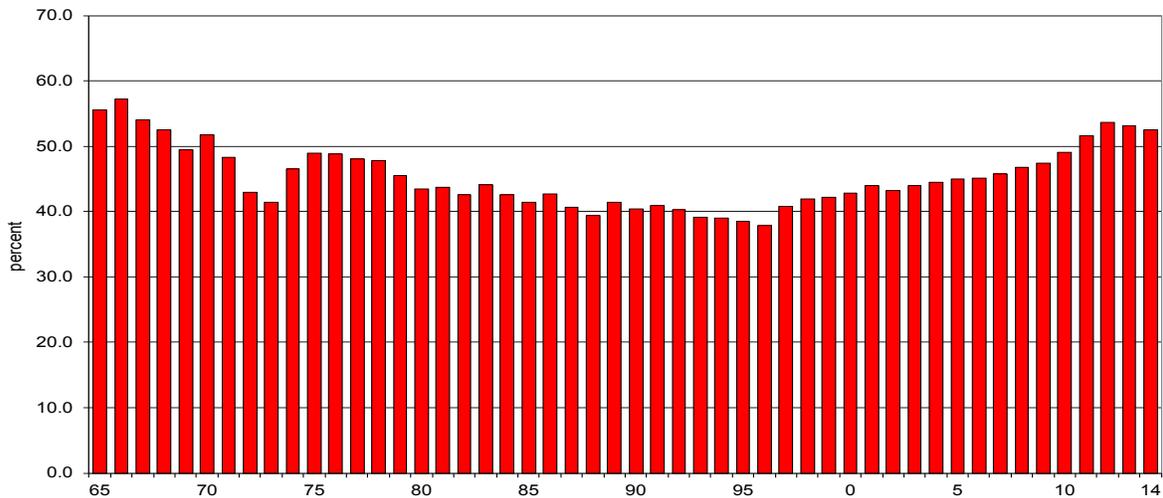
**PRINCE EDWARD ISLAND**

**Figure 6** plots the trend in the minimum wage in Prince Edward Island, shown in constant 2015 dollars. The long-term trend is the up-down-up twin peaks pattern. There was a substantial increase from the mid-1960s to the mid-1970s, followed by a slow decline until 1995 and a gradual upward trend from 1996 to 2012, with a plateau from 2012 to 2015. The value of the minimum wage went from \$7.53 in 1965 to \$9.83 in 1977, fell to \$6.90 in 1995 and then rose steadily to \$10.40 in 2015. The increase in the minimum wage from 1995 (\$6.90) to 2015 (\$10.40) was substantial; it rose by \$3.53 per hour or 51.1 percent.

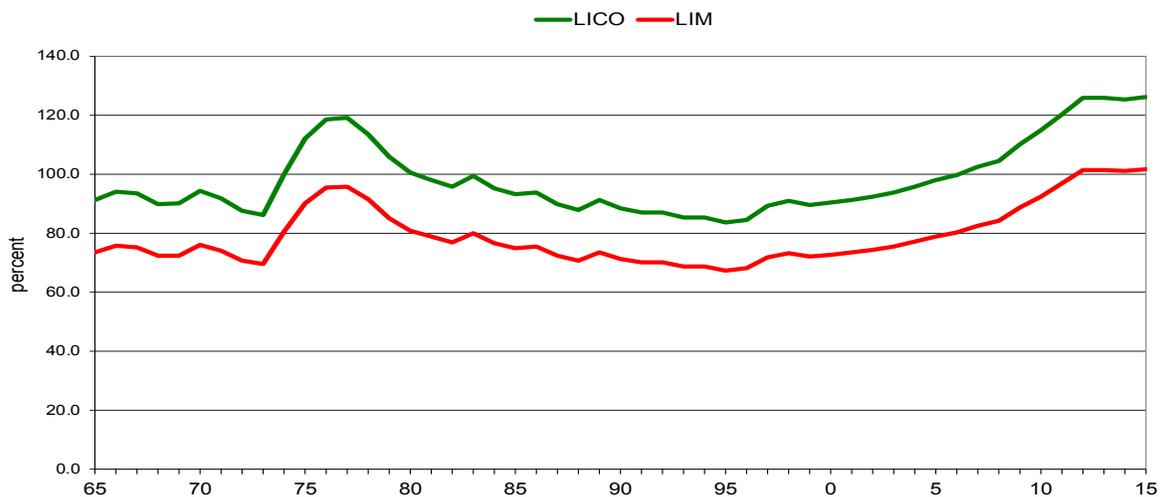
**Figure 7** gives the long-range trend in Prince Edward Island's minimum wage as a percentage of average earnings. The minimum wage in 1965 was 55.6 percent of average earnings, fell to 41.4 percent in 1973, rose to 49.0 percent in 1977, and then gradually declined to a low of 37.9 percent in 1996, after which it climbed to 53.6 percent in 2012 and 52.5 percent in 2014. With its numerous ups and downs, the province's minimum wage as a percentage of earnings can be read as having three peaks – in the early 1960s, the mid-1970s and the recent 2005-2014 period.



**Figure 7**  
**Prince Edward Island minimum wage,**  
**as percentage of average earnings, 1965-2014**



**Figure 8**  
**Prince Edward Island minimum wage,**  
**as percentage of LICO and LIM for one person, 1965-2015**

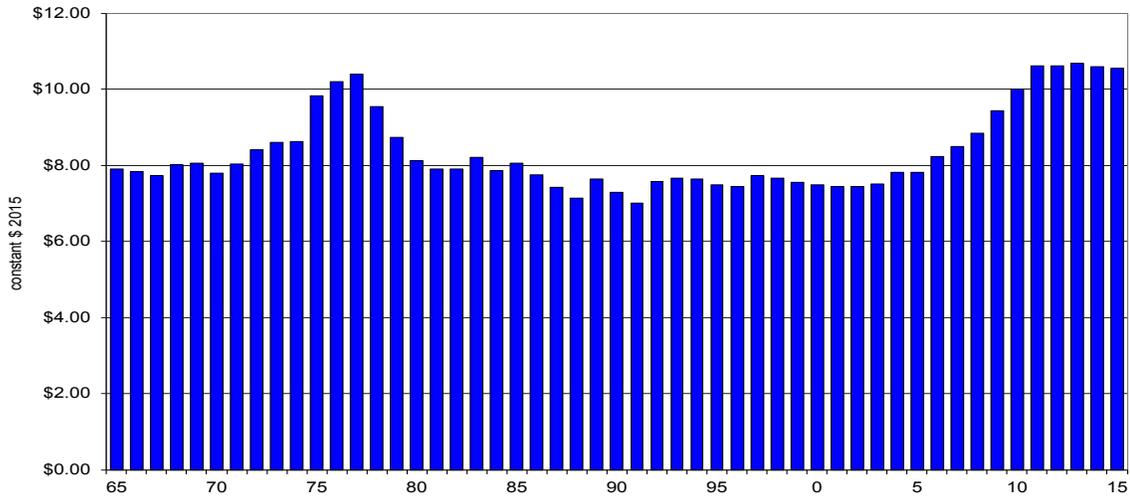


Statistics Canada's low income cut-offs (LICOs) vary by size of family and community. In 2015, the after-tax LICO for the largest community in Prince Edward Island – Charlottetown, whose 2011 Census population of 64,487 places it in the 30,000-99,999 size category – was an estimated \$17,173 for one person. Statistics Canada's low income measure (LIM) for one person was an estimated \$21,336 in 2015.

The long-term trend when we compare the minimum wage to Statistics Canada's after-tax low income cut-off and the after-tax low income measure is the same as the trend in dollar amount. Prince Edward Island's minimum wage rose from 91.2 percent of the after-tax LICO for one person in Charlottetown in 1965 to 119.0 percent in 1977, falling to 83.5 percent in 1995 and then increasing steadily to 126.3 percent of the low income line in 2015. **Figure 8** shows the trend in green.



**Figure 9**  
**Nova Scotia minimum wage,**  
**in constant 2015 dollars, 1965-2015**

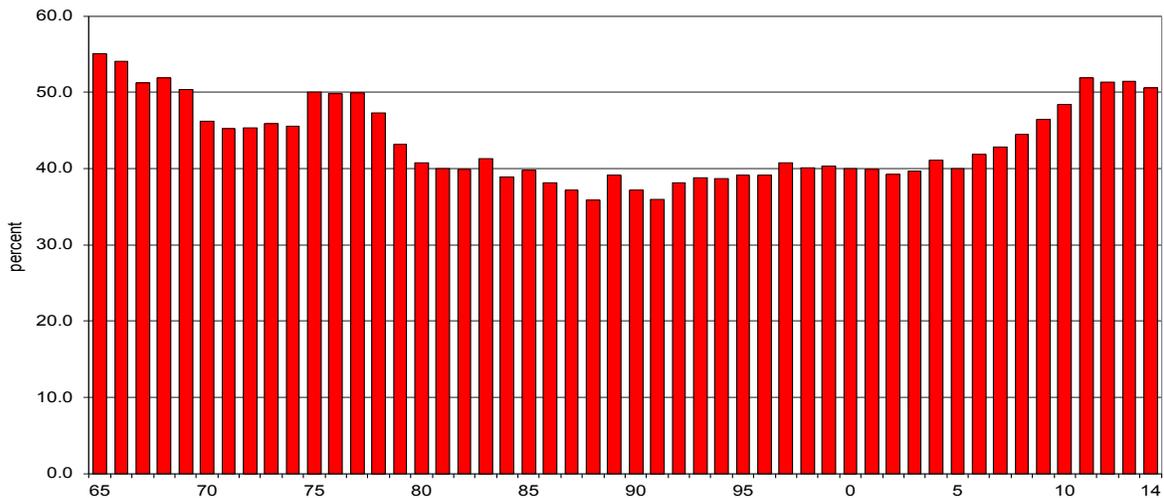


While the numbers are lower, the trend in the minimum wage as a percentage of the low income measure is the same as for the LICO. It went from 73.4 percent in 1965 to 95.8 percent in 1977, then fell slowly to 67.3 percent in 1995 and increased to 101.7 percent in 2015. **Figure 8** illustrates the trend in red.

**NOVA SCOTIA**

**Figure 9** plots the trend in the minimum wage in Nova Scotia, shown in constant 2015 dollars. Again we see an up-down-up twin peaks pattern. There was a substantial increase in the value of the minimum wage from the mid-1960s to the mid-1970s, followed by a slow decline until 1991, a slow rise from 1992 to 2005 and then a sharp increase to 2010 followed by a slight decline to 2015, with the formation of a plateau shape from 2010 to 2015.

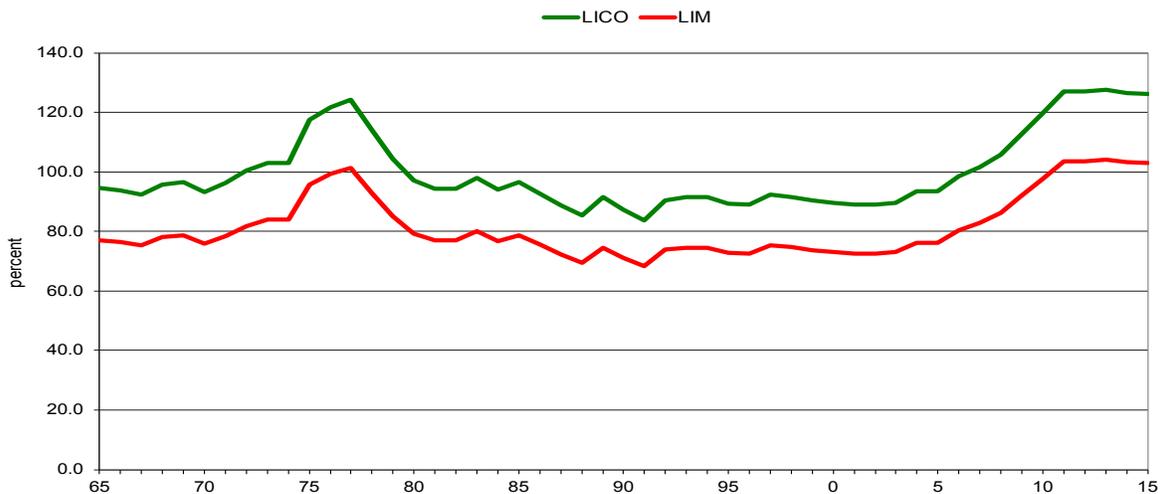
**Figure 10**  
**Nova Scotia minimum wage,**  
**as percentage of average earnings, 1965-2014**



Nova Scotia's minimum wage went from \$7.91 in 1965 to \$10.40 in 1977, fell to \$7.00 in 1991, moved up and down until 2002 (\$7.44) and then rose to \$10.68 in 2013, easing to \$10.55 in 2015. The increase in the minimum wage from 2002 (\$7.44) to 2015 (\$10.55) was substantial; it rose by \$3.11 an hour or 41.8 percent.

**Figure 10** gives the long-range trend in Nova Scotia's minimum wage expressed as a percentage of average earnings. The minimum wage in 1965 was 55.1 percent of average earnings, fell to 36.0 percent in 1991, grew slowly back up to 40.0 percent in 2005 and then rose rapidly to 51.8 percent in 2011, easing down to 50.6 percent in 2014. Overall, **Figure 10** suggests a three peaks picture, with increases in the early 1960s, mid-1970s and the recent 2011-2014 period.

**Figure 11**  
Nova Scotia minimum wage,  
as percentage of LICO and LIM for one person, 1965-2015



Statistics Canada's low income cut-offs (LICOs) vary by size of family and community. In 2015, the estimated after-tax LICO for the largest city in Nova Scotia – Halifax, whose 2014 population of 414,400 places it in the 100,000-499,999 size category – was \$17,391 for one person. The low income measure (LIM) for one person in 2015 was an estimated \$21,336.

The long-term trend when we compare the minimum wage to Statistics Canada's after-tax low income cut-off is the same as the trend in dollar amount. **Figure 11** shows the results, shown in the green line. Nova Scotia's minimum wage rose from 94.6 percent of the after-tax LICO for one person in Halifax in 1965 to 124.3 percent in 1977, falling to 83.7 percent in 1991 and then increasing to 126.9 percent of the LICO in 2011 and 126.1 in 2015.

The overall picture is the same for the minimum wage as a percentage of the LIM, in the red line in **Figure 11**. The minimum wage was 77.1 percent of the LIM in 1965 and increased to 124.3 percent in 1977, fell to 68.3 percent in 1991, then rose to 104.1 percent in 2013 and 102.8 percent in 2015.

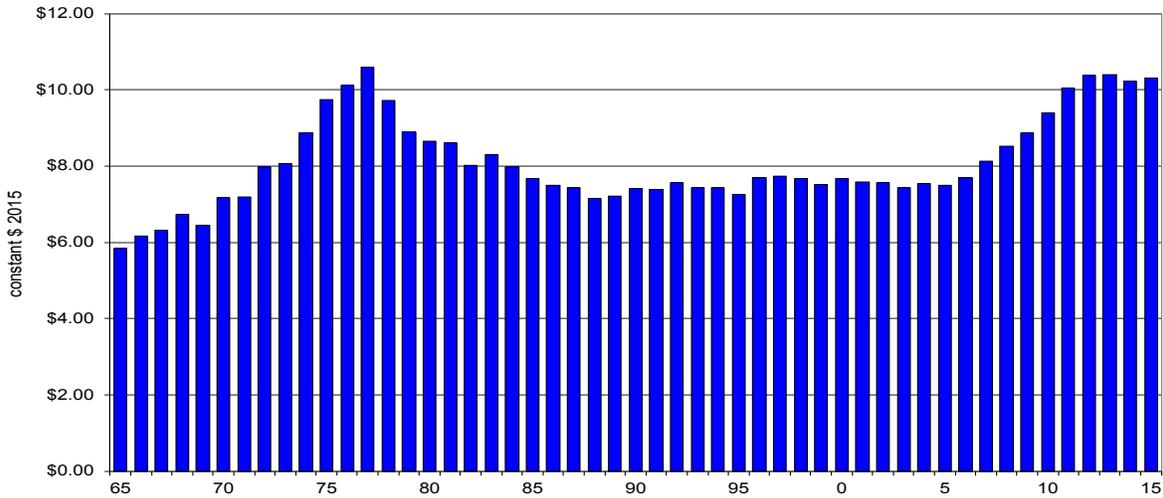
## NEW BRUNSWICK

**Figure 12** plots the trend in the value of the minimum wage in New Brunswick, shown in constant 2015 dollars. Again, there is an up-down-up twin peaks pattern. There was a substantial increase from the mid-1960s to the mid-1970s, followed by a slow decline until 1988, a slow and erratic increase between 1988 and 2005 and then a sharp rise to 2012, forming a plateau through 2015. New Brunswick's minimum wage went from \$5.84 in 1965 to \$10.58 in 1977, fell to \$7.14 in 1988 and \$7.42 in 2003 and rose to \$10.40 in 2013 and \$10.30 in 2015. The increase in the minimum wage from 2003 (\$7.42) to 2015 (\$10.30) was substantial, rising by \$2.88 an hour or 38.8 percent.

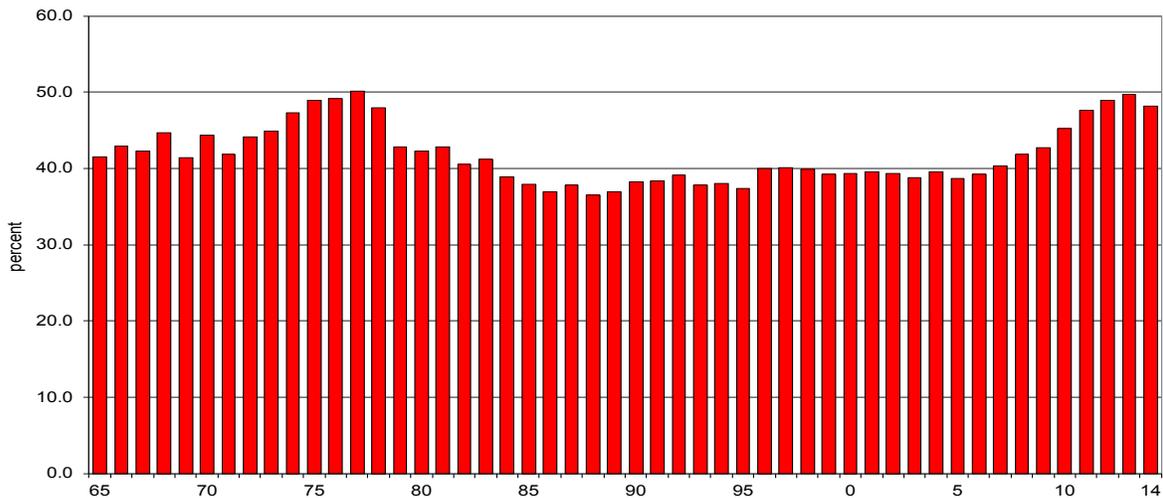
**Figure 13** gives the long-range picture of New Brunswick's minimum wage expressed as a percentage of average earnings. The twin peaks shape shows clearly. The minimum wage in 1965 was 41.5 percent of average earnings, rose to 50.2 percent in 1977, declined to 36.9 percent in 1986 and increased rapidly from 38.7 percent in 2005 to 49.7 percent in 2011, falling to 48.2 percent in 2014.



**Figure 12**  
**New Brunswick minimum wage,**  
**in constant 2015 dollars, 1965-2015**



**Figure 13**  
**New Brunswick minimum wage,**  
**as percentage of average earnings, 1965-2014**



Statistics Canada's low income cut-offs (LICOs) vary by size of family and community. In 2015, the estimated after-tax LICO for the largest city in New Brunswick – Saint John, whose 2014 population of 181,113 places it in the 100,000-499,999 size category – was \$17,391 for one person.

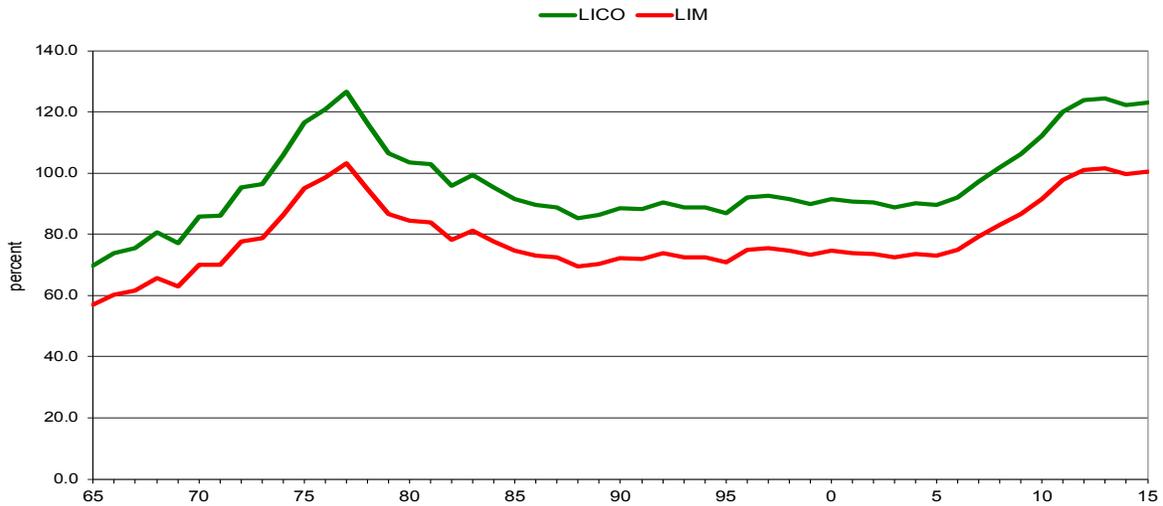
The long-term trend when we compare New Brunswick's minimum wage to Statistics Canada's after-tax low income cut-off is the same as the trend in dollar amount. As illustrated by the green line in **Figure 14**, the province's minimum wage rose from 69.8 percent of the after-tax LICO for one person in Saint John in 1965 to 126.5 percent in 1977, fell

to 89.6 percent in 2005 and then increased to 124.4 percent in 2013 and 123.1 percent of the low income cut-off in 2014.

While New Brunswick's minimum wage when compared to the low income measure (LIM) is less than compared to the LICO, the trend is the same. **Figure 14's** red line shows that the minimum wage rose from 56.9 percent in 1965 to 103.2 percent in 1977, fell to 89.6 percent in 2005, then rose to 124.4 percent in 2013 and eased to 123.1 percent in 2014.



**Figure 14**  
**New Brunswick minimum wage,**  
**as percentage of LICO and LIM for one person, 1965-2015**

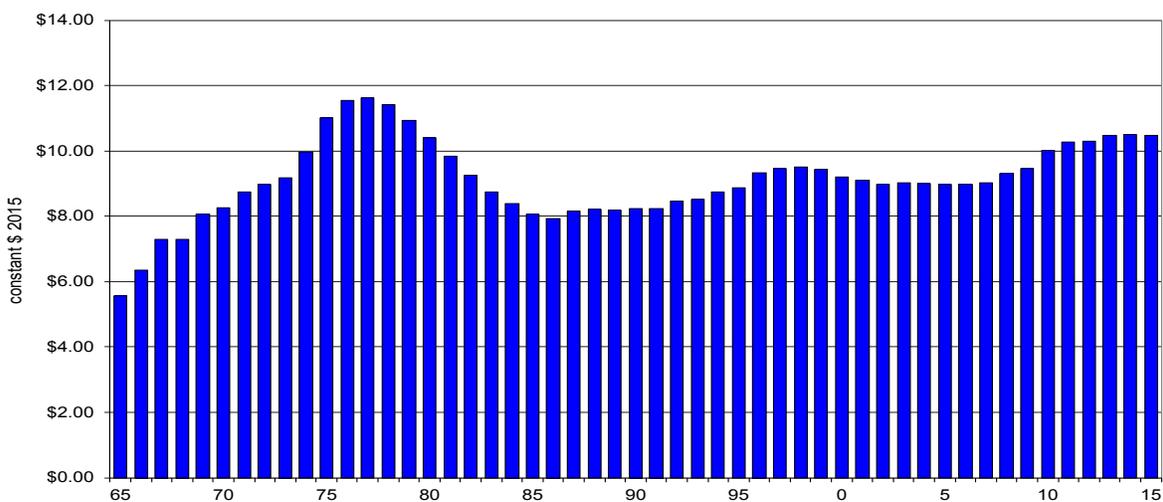


**QUÉBEC**

**Figure 15** plots the trend in the minimum wage in Québec for 1965 through 2015, expressed in constant 2015 dollars. The picture is a bit different than other jurisdictions in that Québec (like Ontario, BC and Yukon) shows an up-down-up-down-up triple peaks pattern. There was a substantial increase from the mid-1960s to the mid-1970s, followed by a slow decline until 1986, a rise until 1998, a slight decline until 2006

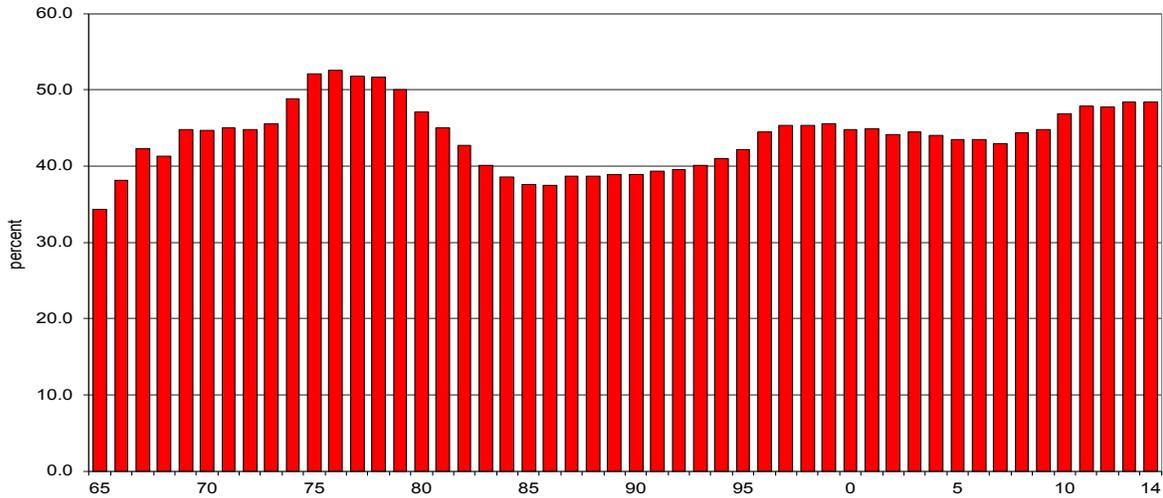
and then a climb to a plateau from 2010 to 2015. Québec's minimum wage went from \$5.56 in 1965 to \$11.62 in 1977, fell to \$7.92 in 1986, rose to \$9.51 in 1998, fell a bit to \$8.98 in 2006 and increased to \$10.49 in 2014 and \$10.48 in 2015. Between 2006 (\$8.98) and 2015 (\$10.48), the minimum wage rose by \$1.50 an hour or 16.7 percent in real terms.

**Figure 15**  
**Quebec minimum wage,**  
**in constant 2015 dollars, 1965-2015**





**Figure 16**  
**Quebec minimum wage,**  
**as percentage of average earnings, 1965-2014**

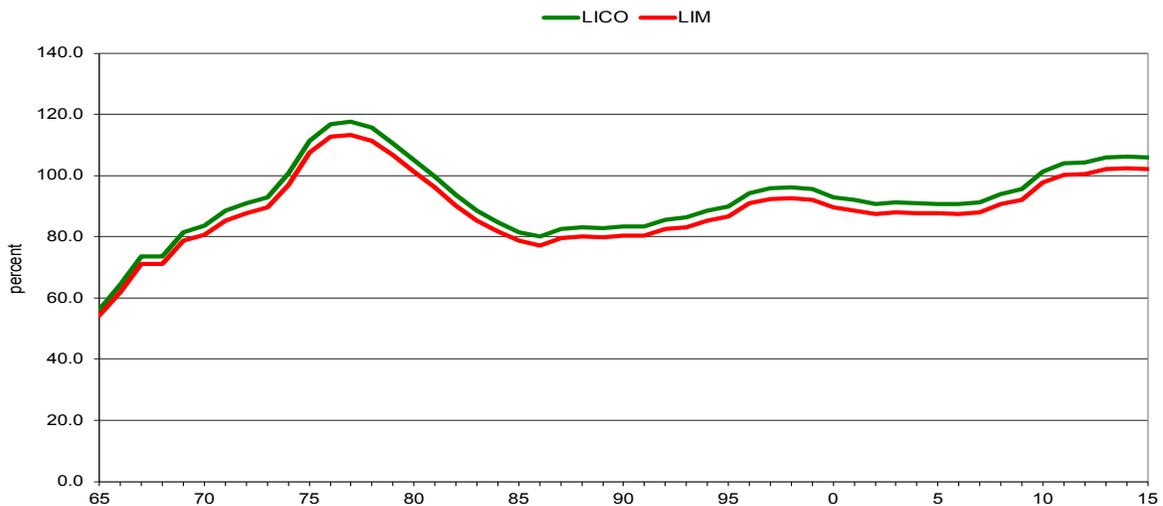


**Figure 16** gives the long-term trend in Québec’s minimum wage as a percentage of average earnings. The trend mirrors that for the value of minimum wages in real terms. The minimum wage in 1965 was 34.3 percent of average earnings, rose to 52.5 percent in 1976, declined to 37.5 percent in 1985, increased to 45.6 percent in 1999, fell to 42.9 percent in 2007 and then went up again to 48.4 percent in 2014. The picture resembles three peaks, though the second and third ones are not sharply drawn.

Statistics Canada’s low income cut-offs (LICOs) vary by size of family and community. In 2015, the estimated after-tax LICO for the largest city in Québec – Montréal, whose 2014 population of 4,027,100 places it in the 500,000 and over size category – was \$20,563 for one person.

The long-term trend when we compare the minimum wage to Statistics Canada’s after-tax low income cut-off is the same as the trend in the value of the minimum wage. Québec’s minimum wage rose from

**Figure 17**  
**Quebec minimum wage,**  
**as percentage of LICO and LIM for one person, 1965-2015**

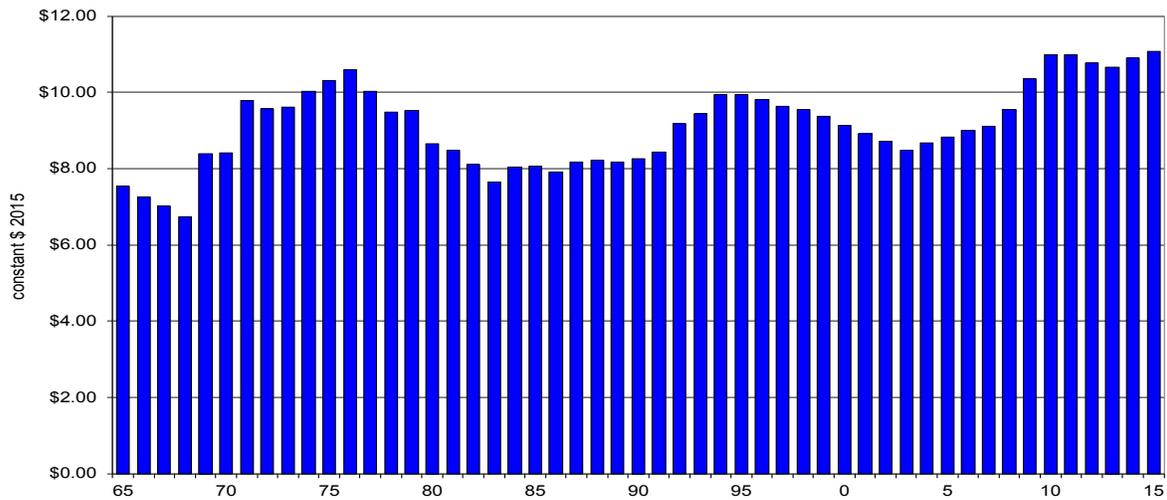




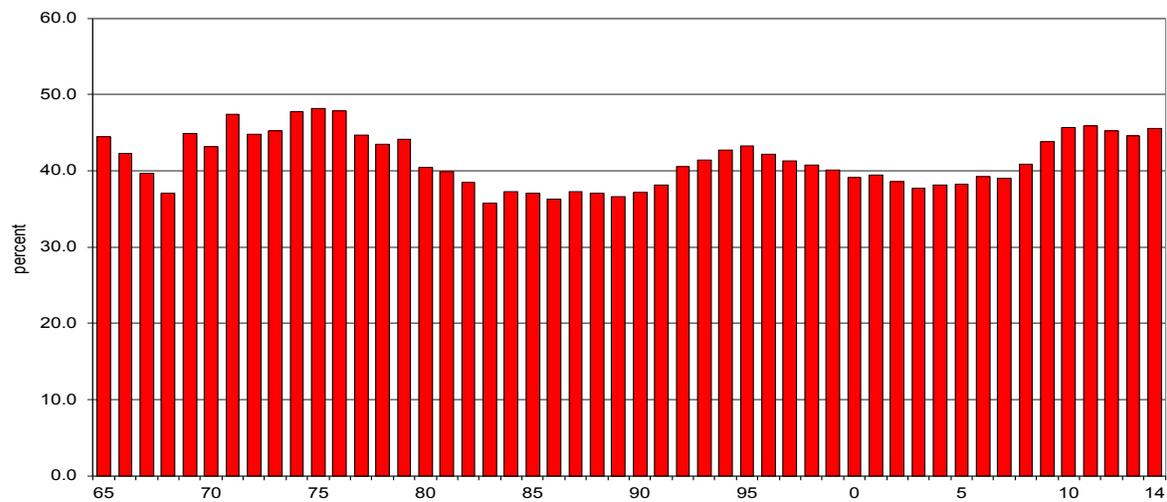
56.5 percent of the after-tax LICO for one person in Montréal in 1965 to 118.1 percent in 1977, falling to 80.5 percent in 1986 and then increasing to 99.8 percent of the LICO in 2015. **Figure 17** shows the trend in green.

The results are slightly more modest but the trend is the same for minimum wages as a percentage of the low income measure (LIM). The estimated LIM is \$21,336, not far off the \$20,563 for the LICO. The minimum wage as a percentage of the LIM climbed from 54.2 percent in 1965 to 113.3 in 1977, dropped to 77.2 percent in 1986 and then rose to 102.2 percent in 2015. See the red line in **Figure 17**.

**Figure 18**  
Ontario minimum wage,  
in constant 2015 dollars, 1965-2015



**Figure 19**  
Ontario minimum wage,  
as percentage of average earnings, 1965-2014



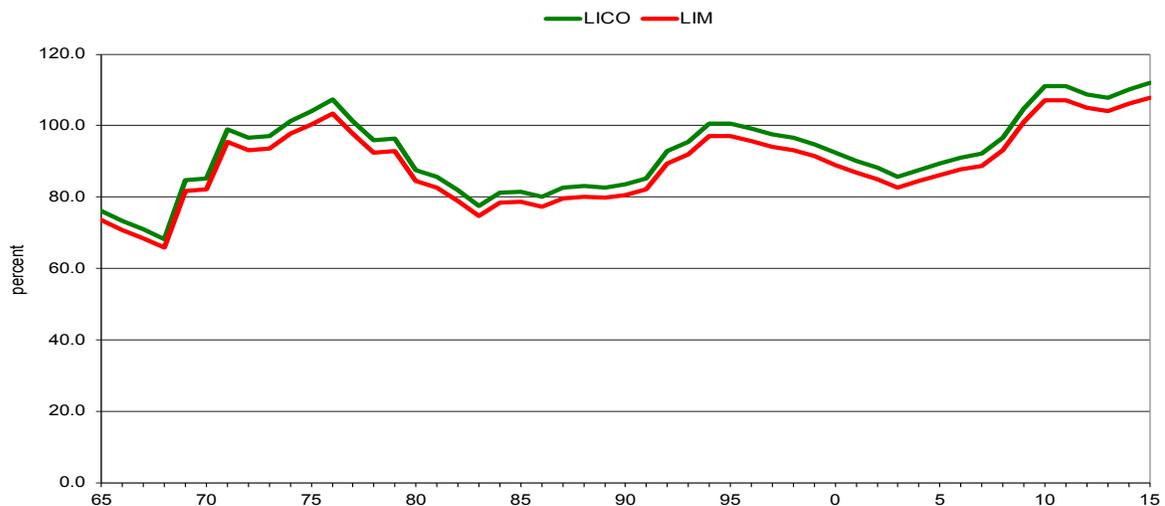
## ONTARIO

**Figure 18** plots the trend in the value of the minimum wage in Ontario, for 1965 through 2015. The trend is somewhat different from that of most jurisdictions, in that Ontario (like Québec, BC and Yukon) displays three rather than just two peaks, with an undulating up-down-up-down-up pattern. Ontario's minimum wage went from \$7.53 in 1965 to \$10.60 in 1976, fell to \$7.65 in 1983, rose to \$9.95 in 1995, slid back down to \$8.48 in 2003 due to rate freezes but increased to \$10.99 in 2010 and \$11.06 in 2015, creating a plateau between 2010 and 2015. Between 2003 (\$8.48) and 2015 (\$11.06), Ontario's hourly minimum wage increased by \$2.58 or 30.4 percent.

**Figure 19** gives the long-range trend in Ontario's minimum wage shown as a percentage of average earnings. There are three peaks. The minimum wage in 1965 was 44.5 percent of average earnings, fell to 37.0 percent in 1968, rose to 48.2 percent in 1975, declined to 35.7 percent in 1983, jumped to 43.2 percent in 1995, fell to 37.7 percent in 2003 and then went up again to 45.9 percent in 2011, easing to 45.5 percent in 2014.

Statistics Canada's low income cut-offs (LICOs) vary by size of family and community. In 2015 the after-tax LICO for the largest city in Ontario – Toronto, whose 2014 population of 6,055,700 places it in the 500,000 and over size category – was an estimated \$20,563 for one person.

**Figure 20**  
Ontario minimum wage,  
as percentage of LICO and LIM for one person, 1965-2015



The long-term trend when we compare the Ontario minimum wage to Statistics Canada's after-tax LICO is the same as the trend in dollar amount. Ontario's minimum wage rose from 76.6 percent of the after-tax low income cut-off for one person in Toronto in 1965 to 107.7 percent in 1976, falling to 77.8 percent in 1983, increasing to 101.0 percent in 1994 and 1995, slipping to 86.1 percent in 2003 and rising to 109.5 percent of the low income line in 2010 – the peak. **Figure 20** shows the trend in green.

The numbers are smaller but the overall picture is identical for Ontario's minimum wage compared to the low income measure (LIM). It rose from 73.4 percent in 1965 to 103.4 percent in 1976, fell to 82.7 percent in 1981, increased to 97.0 percent in 1996, declined to 84.9 percent in

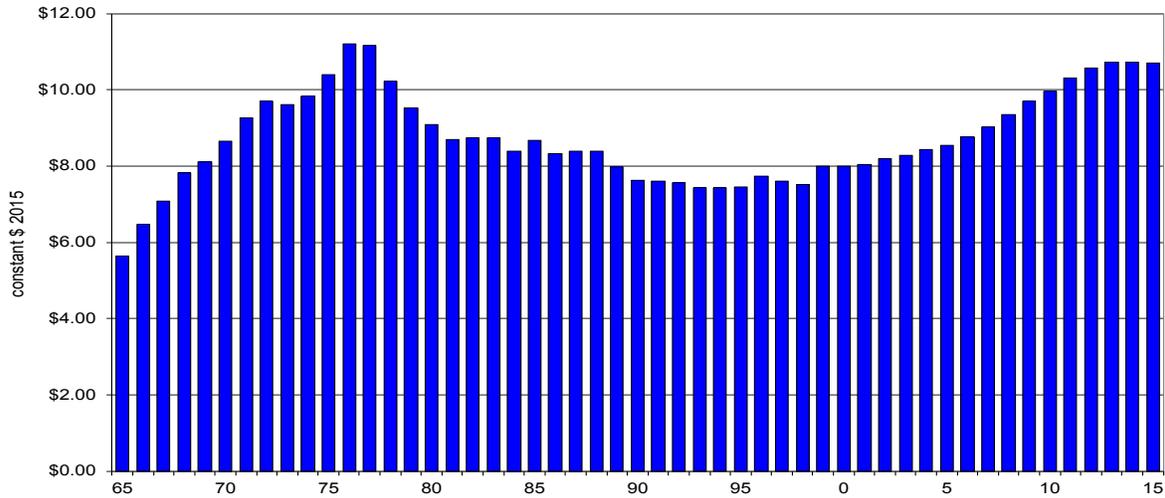
2002 and climbed to 107.8 percent in 2015. The red line in **Figure 20** shows the trend.

## MANITOBA

**Figure 21** plots the trend in the minimum wage in Manitoba, shown in constant 2015 dollars. The trend shows the familiar up-down-up twin peaks pattern. There was a substantial increase from the mid-1960s to the mid-1970s, followed by a slow decline until 1994, then a steady increase to reach \$10,172 in 2013. Manitoba's minimum wage went from \$5.65 in 1965 to \$11.20 in 1976, fell to \$7.42 in 1994 and rose to a plateau of \$10.72 in 2013 to \$10.70 in 2015. Between 1994 (\$7.42) and 2015 (\$10.70), Manitoba's minimum wage increased by \$3.28 per hour or 44.2 percent.



**Figure 21**  
**Manitoba minimum wage,**  
**in constant 2015 dollars, 1965-2015**



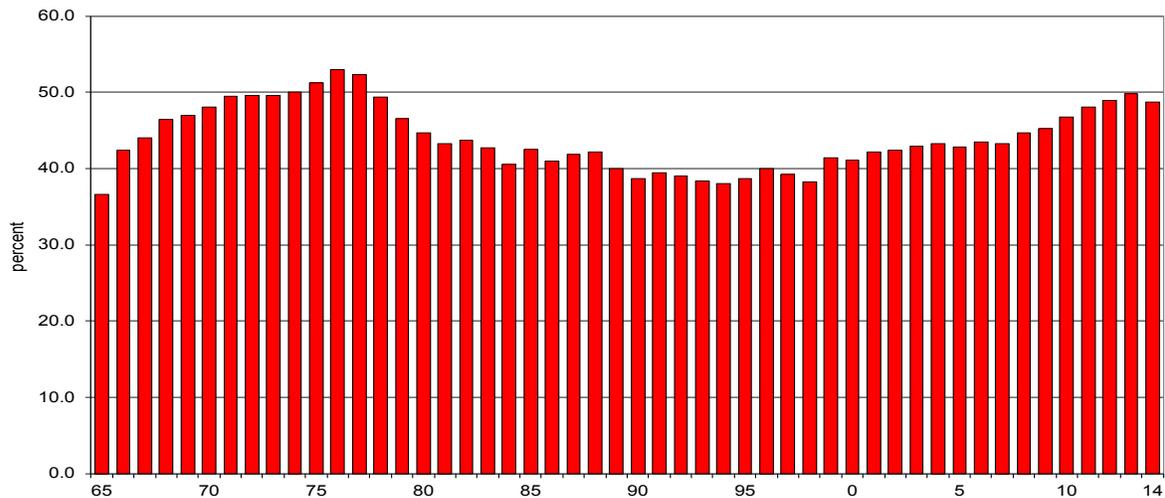
**Figure 22** gives the long-range trend in Manitoba's minimum wage expressed as a percentage of average earnings. The result over the years resembles a twin peaks picture. The minimum wage in 1965 was 36.6 percent of average earnings, rose to 52.9 percent in 1976, declined to 38.3 percent in 1998, increased to 49.8 percent in 2013 and slipped to 48.7 percent in 2014.

Statistics Canada's low income cut-offs (LICOs) vary by size of family and community. In 2015, the after-tax LICO for the largest city in Manitoba

– Winnipeg, whose 2014 population of 782,600 places it in the 500,000 and over size category – was an estimated \$20,572 for one person.

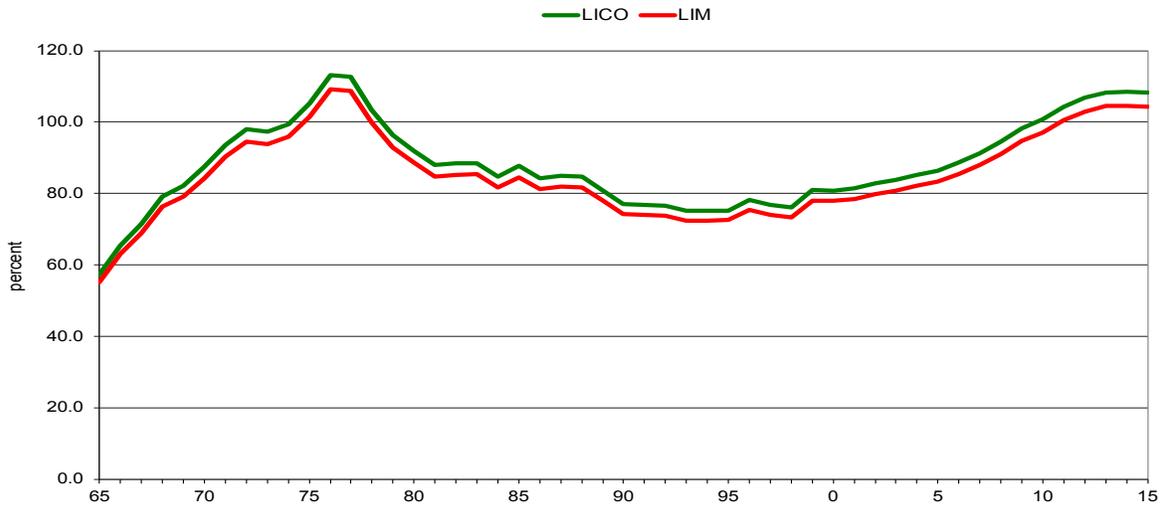
The long-term trend when we compare the minimum wage to Statistics Canada's after-tax LICO is the same as the trend in dollar amount. Manitoba's minimum wage rose from 57.1 percent of the after-tax LICO for one person in Winnipeg in 1965 to 113.2 percent in 1976, falling to 7.50 percent in 1994 and increasing to 108.2 in 2015. The green line in **Figure 23** shows the trend, resembling the twin peaks.

**Figure 22**  
**Manitoba minimum wage,**  
**as percentage of average earnings, 1965-2014**





**Figure 23**  
**Manitoba minimum wage,**  
**as percentage of LICO and LIM for one person, 1965-2015**

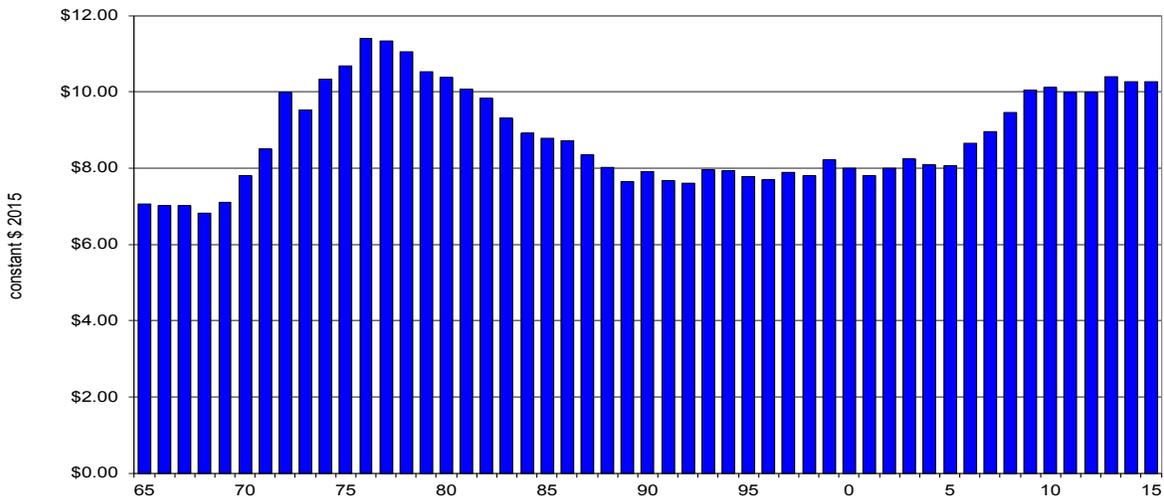


The trend in Manitoba's minimum wages compared to the low income line (LIM, at \$21,336) is virtually identical to its comparison to the LICO. It went from 55.1 percent in 1965 to 109.2 in 1976, declined to 72.3 percent in 1994 and increased to 104.3 in 2015 – the familiar twin peaks pattern. See the red line, in **Figure 23**.

**SASKATCHEWAN**

**Figure 24** plots the trend in the minimum wage in Saskatchewan, in constant 2015 dollars. It shows the up-down-up twin peaks pattern – albeit the first peak (\$101.41 in 1976) is still larger than the second one (\$10.40) in 2013. There was a substantial increase from the mid-1960s

**Figure 24**  
**Saskatchewan minimum wage,**  
**in constant 2015 dollars, 1965-2015**



to the mid-1970s, a decline to 1992 and then a plateau until 2005, after which the value of the minimum wage rose to \$10.40 in 2013 and \$10.28 in 2015. The minimum wage went from \$7.06 in 1965 to

\$11.41 in 1976, fell to \$7.61 in 1992 and \$8.06 in 2005, then rose to \$10.28 in 2015. Between 2005 (\$8.06) and 2015 (\$10.28), Saskatchewan's minimum wage grew by \$2.22 an hour or 27.5 percent.

**Figure 25**  
Saskatchewan minimum wage,  
as percentage of average earnings, 1965-2014

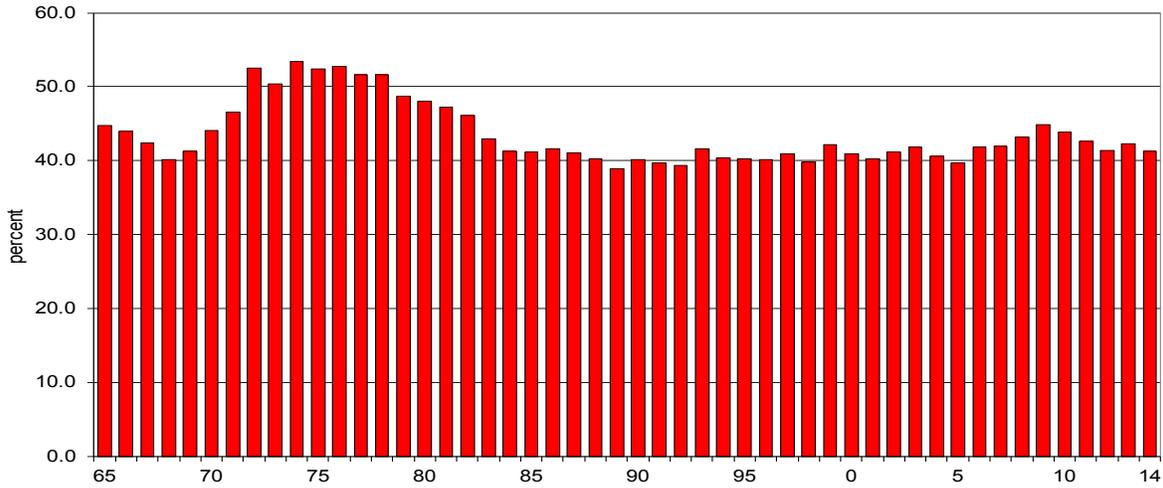
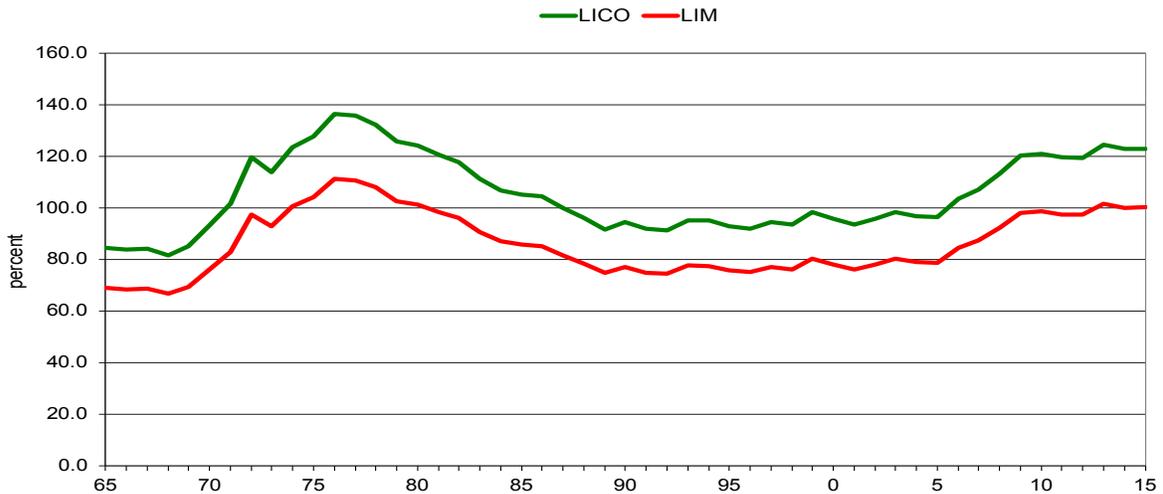


Figure 25 gives the long-range trend in Saskatchewan's minimum wage as a percentage of average earnings. It shows a twin peaks pattern. The minimum wage in 1965 was 44.7 percent of average earnings, fell to 40.2 percent in 1968, climbed to 52.5 percent in 1972 and slipped to 38.9 percent in 1989, after which it hovered around the 40 percent level, then rising to 44.9 percent in 2009 and declining to 41.2 percent in 2014.

Statistics Canada's low income cut-offs (LICOs) vary by size of family and community. In 2015, the after-tax LICO line for the largest city in Saskatchewan – Saskatoon, whose 2014 population of 300,600 places it in the 100,000-499,999 size category – was an estimated \$17,391 for one person.

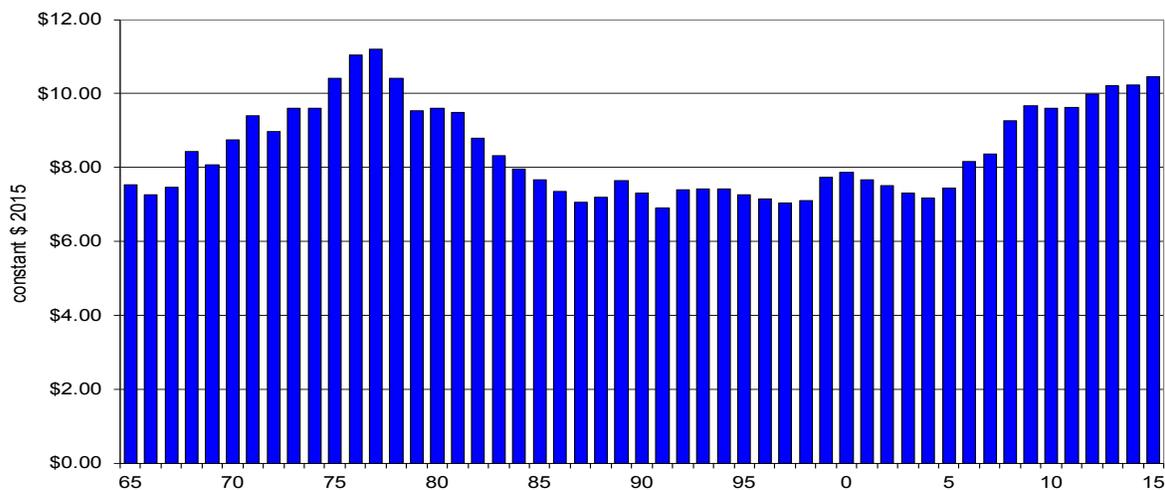
**Figure 26**  
Saskatchewan minimum wage,  
as percentage of LICO and LIM for one person, 1965-2015



The long-term trend when we compare the minimum wage to Statistics Canada's after-tax low income cut-off is the same as the trend in dollar amount. Saskatchewan's minimum wage rose from 84.5 percent of the after-tax LICO for one person in Saskatoon in 1965 to 136.4 percent in 1976, falling to 91.4 percent in 1989 and increasing to 122.8 percent in 2015. **Figure 26** shows the trend, in green.

The numbers are smaller but the pattern the same, as shown by the red line in **Figure 26**. The minimum wage as a percentage of the low income measure (LIM, at \$21,336) climbed from 68.9 percent 1965 to 111.2 percent in 1976, fell to 74.5 percent in 1989 and rose to 100.2 percent in 2015.

**Figure 27**  
**Alberta minimum wage,**  
**in constant 2015 dollars, 1965-2015**



## ALBERTA

**Figure 27** plots the trend in the minimum wage in Alberta, expressed in constant 2015 dollars. The trend shows an up-down-up twin peaks pattern. There was a substantial rise in the value of the province's minimum wage from the mid-1960s to the mid-1970s, a decline to 1991 and then a rough plateau until 2005, after which the value of the minimum wage increased significantly to 2015. The minimum wage went from \$7.53 in 1965 to \$10.40 in 1975, fell to \$6.91 in 1991 and rose to \$10.45 in 2015. Between 2004 (\$7.17) and 2015 (\$10.45), Alberta's minimum wage increased by \$3.28 an hour or 45.7 percent.

**Figure 28** gives the long-range trend in Alberta's minimum wage shown as a percentage of average earnings. The minimum wage in 1965 was 48.5 percent of average earnings, peaked at 50.4 percent in 1968, declined over the years to 31.8 percent in 2004, and then showed a small up, down up pattern to stand at 36.6 percent in 2009 and 34.9 percent in 2014.

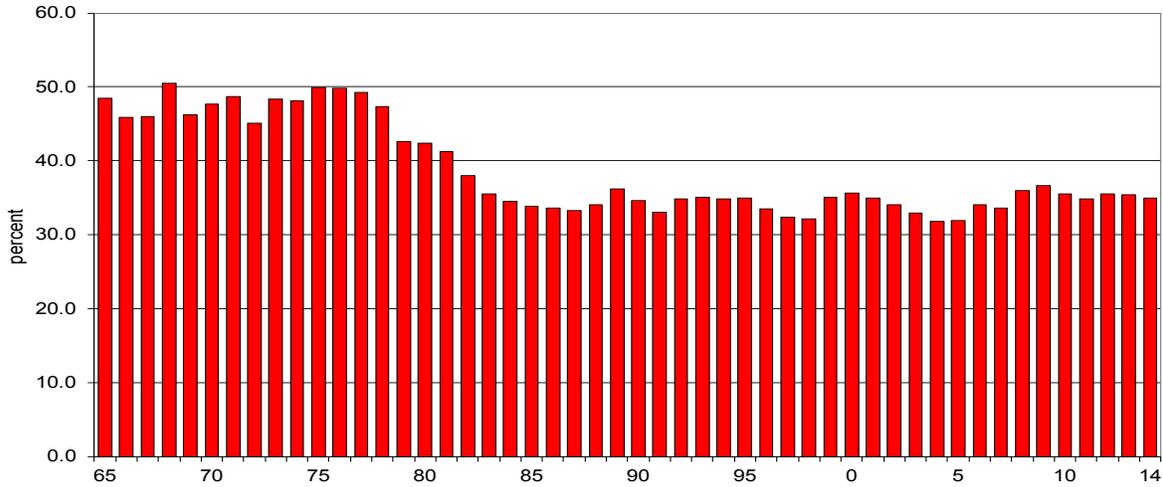
Statistics Canada's low income cut-offs (LICOs) vary by size of family and community. In 2015, the after-tax LICO for the largest city in Alberta – Calgary, whose 2014 population of 1,406,700 places it in the 500,000 and over size category – was an estimated \$20,563 for one person.

The long-term trend when we compare the minimum wage to Statistics Canada's after-tax low income cut-off (LICO) is the same as the trend in dollar amount. Alberta's minimum wage rose from 76.2 percent of the after-tax LICO for one person in Calgary in 1965 to 113.2 percent in 1977, falling to 69.8 percent in 1991 and increasing to 105.7 percent in 2015. **Figure 29** shows the trend in the green line.

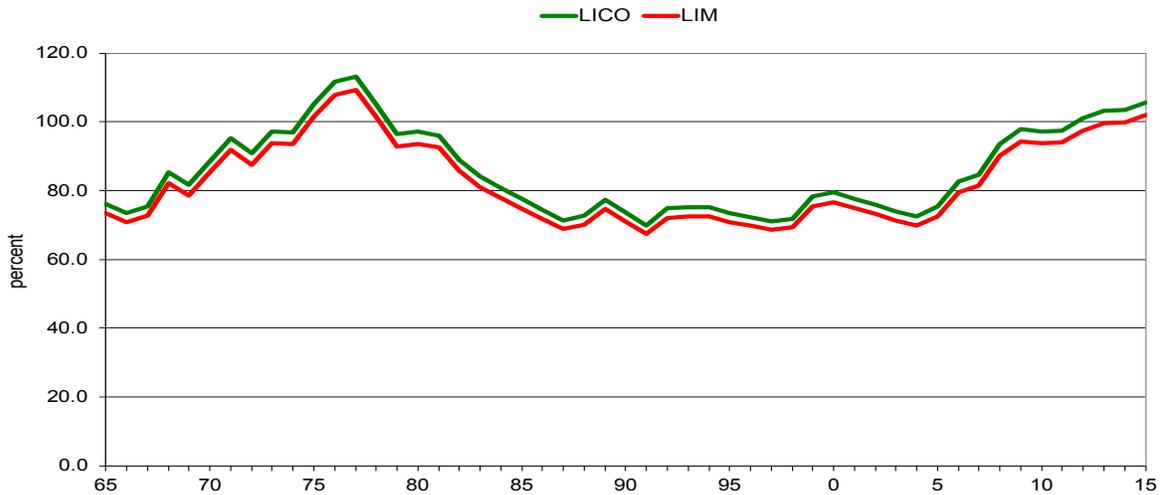
The trend for the low income measure (LIM) is almost exactly the same, which is not surprising given the fact that the LICO (\$20,563) is so close to the LIM (\$21,336). Alberta's minimum wage rose from 73.4 percent of the LIM for a single person in 1965 to 109.1 percent in 1977, fell to 67.3 percent in 1991 and climbed to 101.9 percent in 2015. The red line in **Figure 29** illustrates the results.



**Figure 28**  
**Alberta minimum wage,**  
**as percentage of average earnings, 1965-2014**



**Figure 29**  
**Alberta minimum wage,**  
**as percentage of LICO and LIM for one person, 1965-2015**



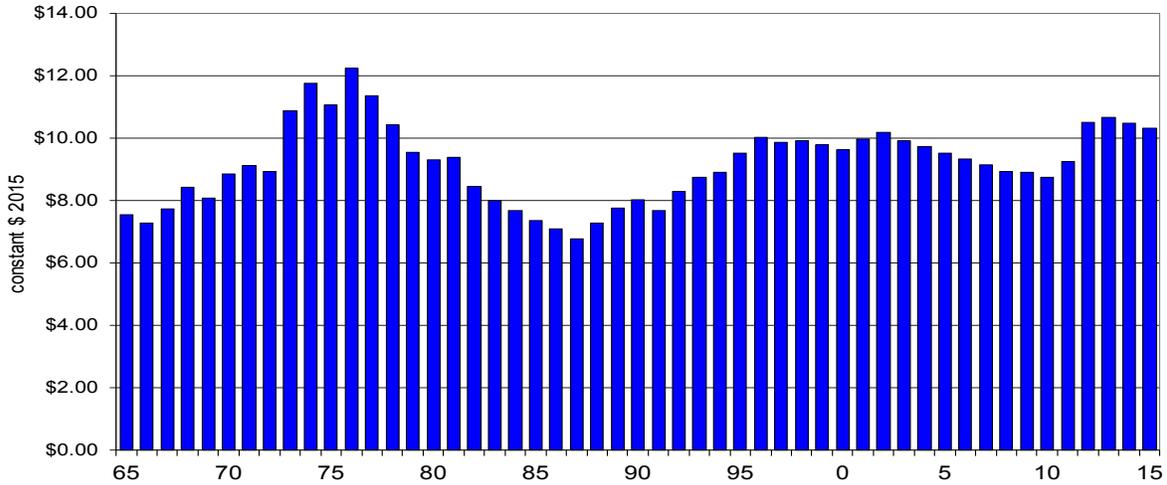
**BRITISH COLUMBIA**

**Figure 30** plots the trend in the minimum wage in British Columbia, expressed in constant 2015 dollars. The pattern shows three peaks, the latest reflecting the rate increases after the freeze from 2002 to 2010. British Columbia's minimum wage went from \$7.53 in 1965 to \$12.22 in 1976, fell to \$6.77 in 1987, rose to \$9.62 in 2000 and slid to \$8.74 in 2010; it then increased to \$10.66 in 2013 and lost a bit to \$10.31 in 2015. From 2010 (\$8.74) to 2015 (\$10.31) British Columbia's minimum wage increased by \$1.57 an hour or 18.0 percent.

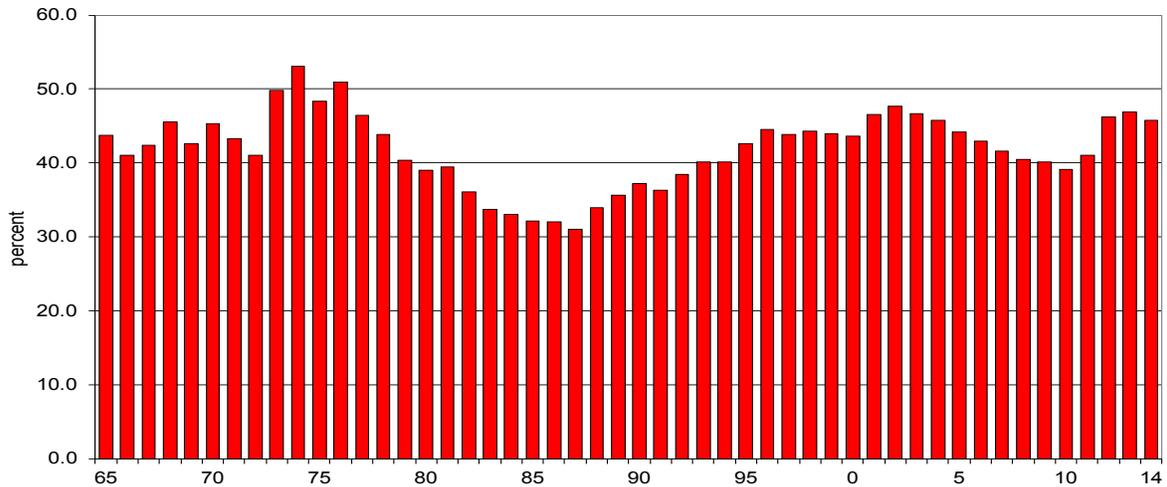
**Figure 31** gives the long-range trend in British Columbia's minimum wage shown as a percentage of average earnings. Again, the picture shows three peaks. The minimum wage in 1965 was 43.7 percent of average earnings, peaked at 53.1 percent in 1974, declined to 31.0 percent in 1987, climbed back up to 47.7 percent in 2002, declined steadily to 39.1 percent in 2010 and then rose again to 46.9 percent in 2013 and 45.8 in 2014.



**Figure 30**  
**British Columbia minimum wage,**  
**in constant 2015 dollars, 1965-2015**



**Figure 31**  
**British Columbia minimum wage,**  
**as percentage of average earnings, 1965-2014**



Statistics Canada's low income cut-offs (LICOs) vary by size of family and community. In 2015, the after-tax LICO for the largest city in British Columbia – Vancouver, whose 2014 population of 2,470,300 places it in the 500,000 and over size category – was an estimated \$20,563 for one person.

The long-term trend when we compare the minimum wage to Statistics Canada's after-tax low income cut-off is the same as the trend in dollar amount. British Columbia's minimum wage rose from 76.2 percent of the after-tax LICO for one person in Vancouver in 1965 to 118.8 percent in 1974, falling to 68.5 percent in 1987 and increasing to 97.3 percent in 2002, falling 88.3 percent in 2010 and rising to 107.8 percent in 2013 and 104.3 percent in 2015. **Figure 32** shows the trend in green.

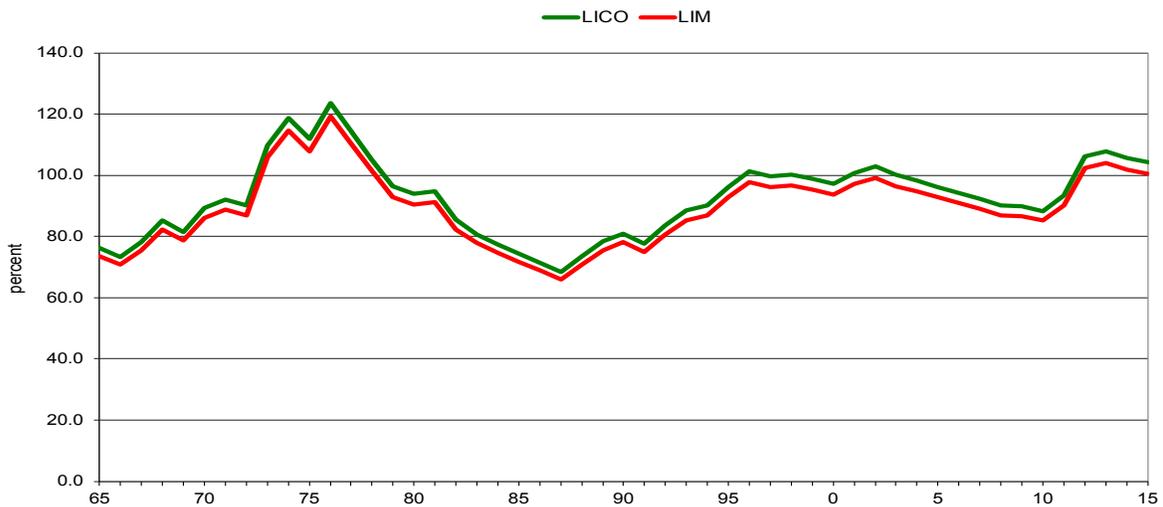


The trend is the same comparing the province's minimum wage to the low income measure (LIM, at \$21,336). It rose from 73.4 percent in 1965 to 114.5 percent in 1974, increased to 93.8 percent in 2000, declined to 85.2 percent in 2010, then went back up to 104.0 in 2013 with a dip to and 100.5 percent in 2015. See **Figure 32** in red.

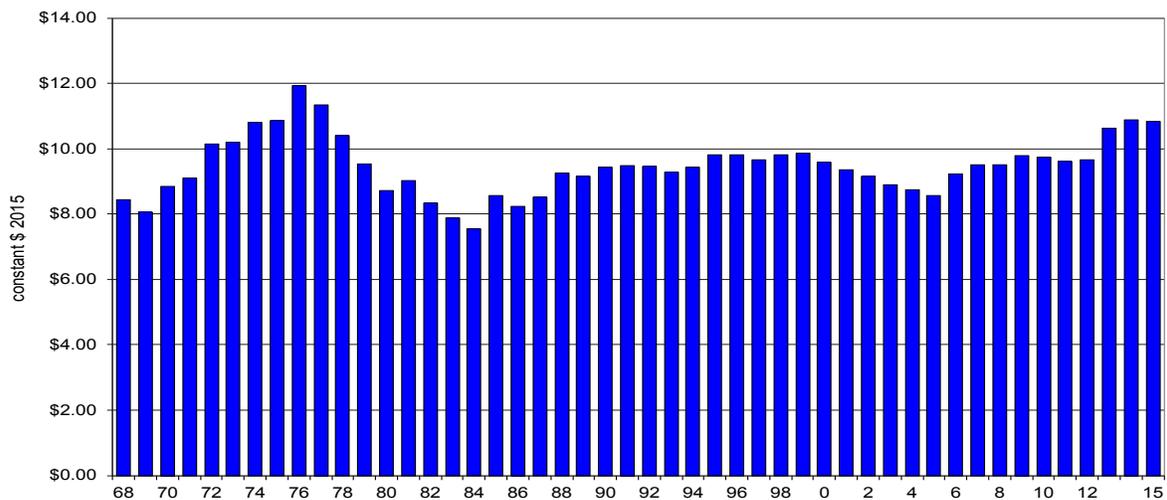
### YUKON

**Figure 33** plots the trend in the minimum wage in Yukon, in constant 2015 dollars. The pattern indicates two peaks: One up and down from 1965 to 2004, the other from 2005 and 2015, with a long hill in between. Yukon's minimum wage went from \$8.43 in 1965 to \$11.92 in 1976, fell to \$7.55 in 1984, rose to \$9.85 in 1999, declined to \$8.56 in 2005 and rose to \$10.89 in 2014 and \$10.83 in 2015. Between 2005 (\$8.56) and 2015 (\$10.83), Yukon's hourly minimum wage increased by \$2.27 or 26.5 percent.

**Figure 32**  
British Columbia minimum wage,  
as percentage of LICO and LIM for one person, 1965-2015



**Figure 33**  
Yukon minimum wage,  
in constant 2015 dollars, 1968-2015





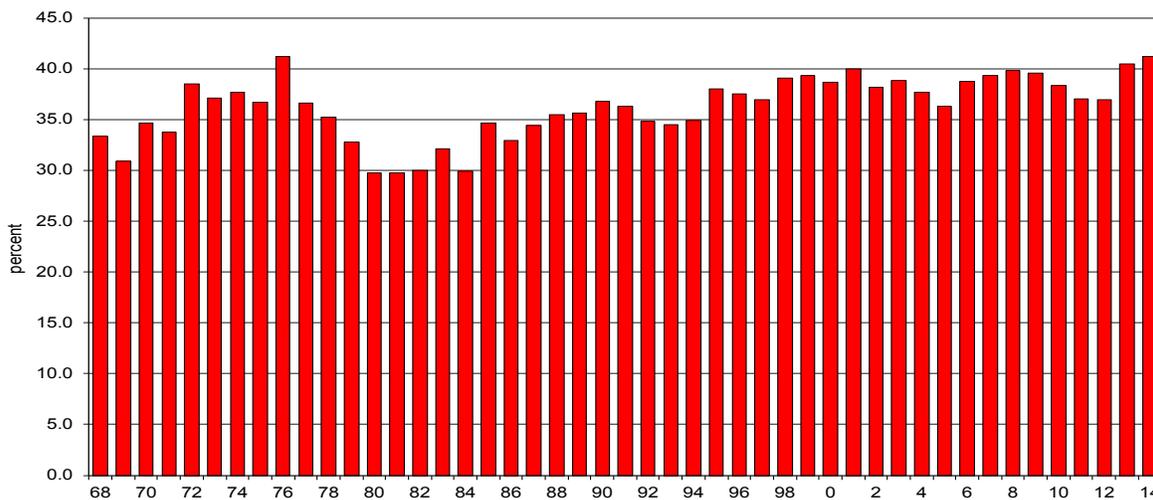
**Figure 34** gives the long-range trend in Yukon's minimum wage as a percentage of average earnings. The minimum wage in 1965 was 33.3 percent of average earnings, peaked at 41.2 percent in 1976 and declined to 29.7 percent in 1981, climbed back up to 40.0 percent in 2001, rose up and down to reach 41.2 percent in 2014, equal to 1976.

Note that the income survey does not cover the territories, so we cannot compare their minimum wages to low income lines.

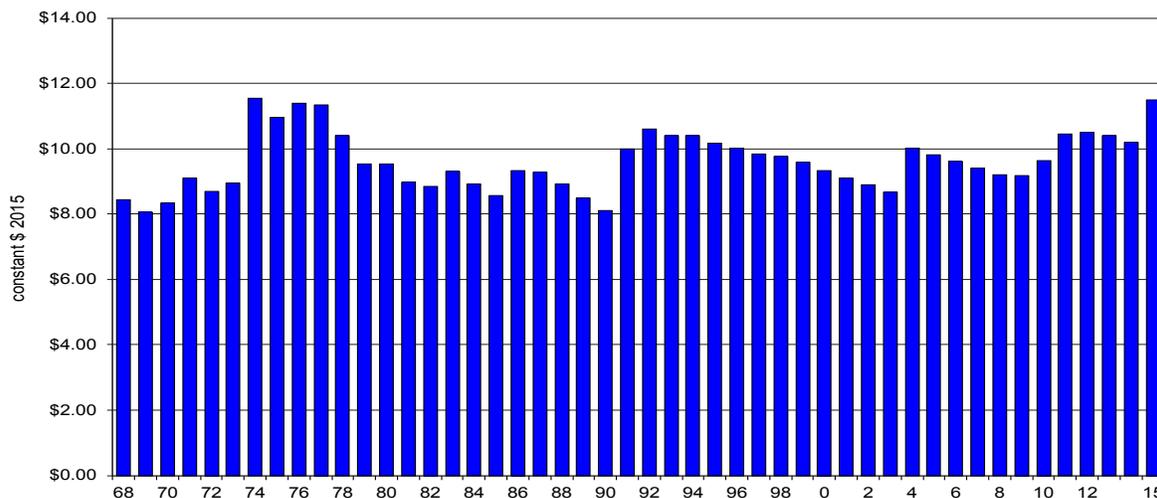
#### NORTHWEST TERRITORIES

**Figure 35** plots the trend in the minimum wage in the Northwest Territories, expressed in constant 2015 dollars. The trend is unlike other jurisdictions in that it shows five peaks, or what one could describe as an undulating pattern. The Northwest Territories' minimum wage went from \$8.43 in 1968 to \$11.54 in 1974, fell to \$8.11 in 1990, rose to \$10.60 in 1992, declined to \$8.90 in 2002, increased to \$10.03 in 2004, slipped to \$9.17 in 2009, climbed to \$10.50 in 2012 and down a bit to

**Figure 34**  
Yukon minimum wage,  
as percentage of average earnings, 1968-2014



**Figure 35**  
Northwest Territories minimum wage,  
in constant 2015 dollars, 1968-2015





\$10.20 in 2014, then up to \$11.49 in 2015. Between 2009 (\$9.17) and 2015 (\$11.49), the Northwest Territories' minimum wage increased by \$2.32 per hour or 25.3 percent.

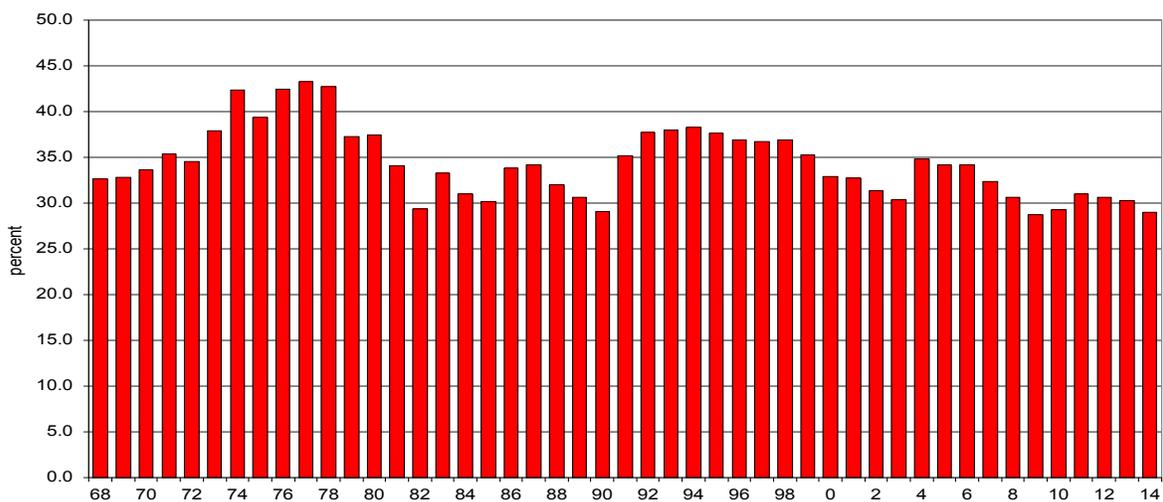
**Figure 36** gives the long-range trend in the Northwest Territories' minimum wage expressed as a percentage of average earnings. The long-term pattern is undulating. The minimum wage in 1965 was 32.6 percent of average earnings, peaked at 43.2 percent in 1977 and declined to 29.3 percent in 1992, climbed back up to 38.2 percent in

1994, fell to 30.3 percent in 2003, and declined to 29.0 percent in 2014.

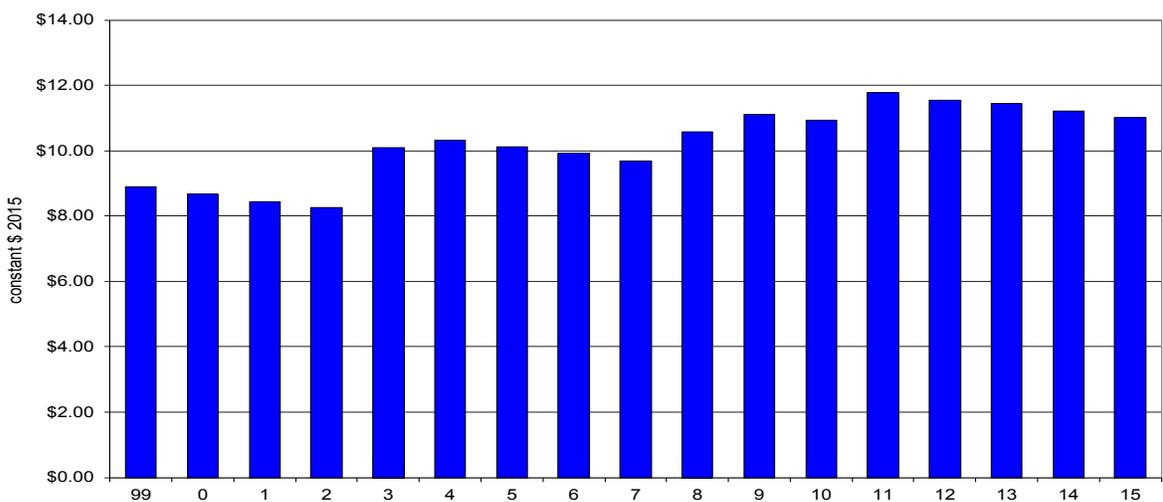
**NUNAVUT**

**Figure 37** plots the trend in the minimum wage in Nunavut, in constant 2015 dollars. The pattern shows the minimum wage rising in three plateaus: Nunavut's minimum wage fell slightly from \$8.89 in 1999 to \$8.27 in 2002, rose to \$10.33 in 2004, slipped to \$9.70 in 2007, increased to a peak of \$11.78 in 2011 and then declined to \$11.00 in

**Figure 36  
Northwest Territories minimum wage,  
as percentage of average earnings, 1968-2014**

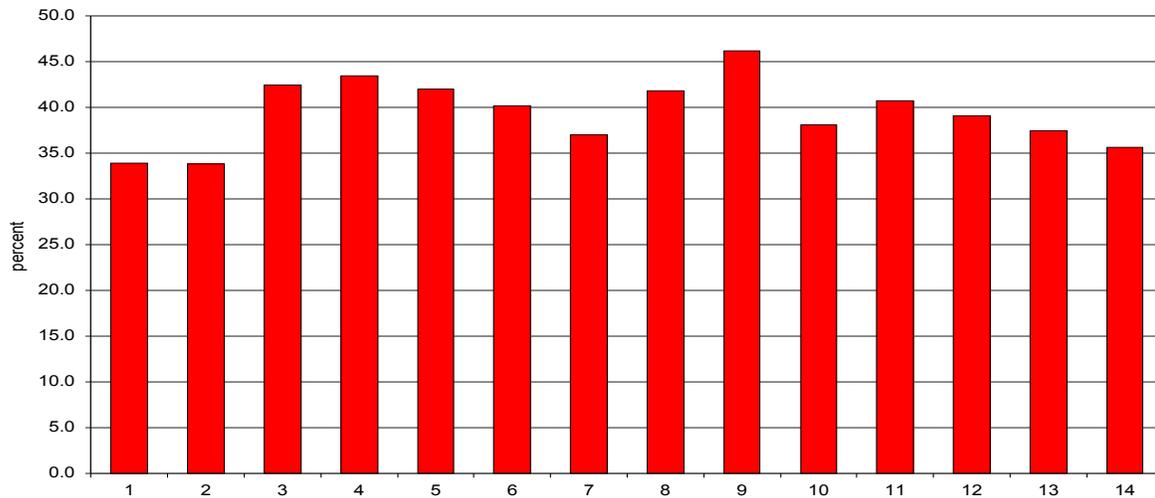


**Figure 37  
Nunavut minimum wage,  
in constant 2015 dollars, 1999-2015**





**Figure 38**  
**Nunavut minimum wage,**  
**as percentage of average earnings, 2001-2014**



2014. From 2011 (\$11.78) to 2015 (\$11.00), Nunavut’s hourly minimum wage declined by 78 cents or 6.6 percent because it was frozen.

**Figure 38** gives the trend in Nunavut’s minimum wage shown as a percentage of average earnings. The picture indicates a wave-like pattern. The minimum wage in 2001 amounted to 33.9 percent of average earnings, went to 43.5 percent in 2004, fell to 37.0 percent in 2007, rose to a high of 46.1 percent in 2009, diminished to 38.1 percent in 2010, increased to 40.7 percent in 2011 and declined to 35.5 percent in 2014.

The bottom one-third of jurisdictions – Alabama through Arkansas – have the lowest US minimum wage, equal to the federal rate of \$9.14 (expressed in purchasing power parity Canadian dollars). Canada ranks higher than the lowest US rate, ranging from Saskatchewan (\$10.28) to New Brunswick (\$10.30), Newfoundland and Labrador (\$10.31), and British Columbia (\$10.32). Most Canadian jurisdictions are in the upper one-third – Prince Edward Island (\$10.43), Alberta (\$10.45), Québec (\$10.48), Nova Scotia (\$10.55), Manitoba (\$10.70), Yukon (\$10.83), Nunavut (\$11.00), Ontario (\$11.06) and the Northwest Territories (\$11.49). The three highest minimum wage rates are Oregon (\$11.63), Washington (\$11.91) and the District of Columbia (\$11.97).

## How do Canadian minimum wages compare internationally?

Canadian minimum wages rank in the top one-third of US jurisdictions and of OECD countries.

### CANADA AND THE US

**Figure 39** ranks the value of minimum wages in the US [U.S. Department of Labor] and Canada in 2015<sup>3</sup>. The American minimum wage rates have been converted to comparable price levels as calculated in terms of purchasing power parity, expressed in Canadian dollars.

### CANADA AND OECD COUNTRIES

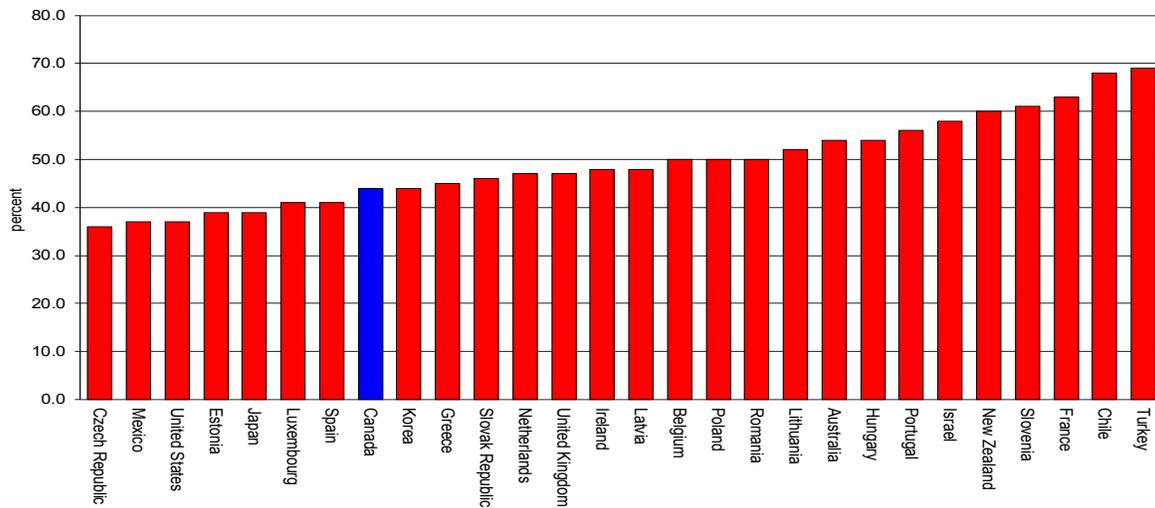
Canada ranks in the upper one-third internationally in terms of minimum wage rates but in the bottom third when comparing minimum wages to average wages. **Figure 40** compares Canada with a number of OECD nations, expressing rates in US purchasing power parity dollars [OECD 2011a]. Canada averaged a minimum wage of \$8.20 in 2014.

Canada ranks low internationally when its minimum wage is compared to average earnings. Canada’s average minimum wage amounted to 44 percent of the wages of full-year full-time workers in 2013 [OECD 2011b]. Of the 28 nations listed in **Figure 41**, Canada came eighth lowest, ahead of only Spain, Luxembourg, Japan, Estonia, the United States, Mexico and the Czech Republic.





**Figure 41**  
**Minimum wage as percentage of average wages**  
**of full-time workers, OECD countries, 2013**



## Conclusion

In recent years, minimum wages have improved substantially in all provinces and territories but one – Nunavut, which has frozen its rate since 2011 and so caused a small decline. The growth of provincial and territorial poverty reduction strategies has focused attention on the importance of minimum wages and doubtless been a factor in restoring minimum wage rates throughout Canada.

### Endnotes

1. The federal government also administers its own minimum wage – since July 17, 1996 set equal to the provincial/territorial rate for federally-protected workers in each jurisdiction – under the Canada Labour Code to cover private sector industries that are interprovincial or international in scope, including air, marine, rail and road transportation, telecommunications, banks and some federal Crown corporations. Ottawa also in practice applies the federal minimum wage to federal government employees. In total, 14 governments – the federal government, the ten provinces and the three territories – set and enforce minimum wages. Note that the self-employed are not covered by minimum wage legislation.
2. There are no data available on the minimum wage workforce or the low-income population for the three territories (Yukon, the Northwest Territories and Nunavut). However, data are available on minimum wage rates in the territories.

3. States which increased their minimum wage rate in 2015 did so on February 24. We take this practice into account in calculating the total minimum wage for the year, since in reality it is a blend of 2014 and 2015 rates.

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