

Increasing the Minimum Wage in Alberta

A Flawed Anti-Poverty Policy

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MAIN CONCLUSIONS

■ As part of its effort to reduce poverty, Premier Rachel Notley's government will raise Alberta's minimum wage from \$10.20 per hour, the rate when the Notley government took office three years ago, to \$15 in October 2018. But, raising the minimum wage is not an effective way to alleviate poverty primarily because the policy fails to provide help targeted to families living in poverty.

■ In 2015, the latest year of available data, 92.0% of workers earning minimum wage in Alberta did not live in a low-income family. Though counter-intuitive, it makes sense once we explore their age and family situation. In fact, most of those earning minimum wage are not the primary or sole income-earner in their family.

■ In 2017, 50.1% of all minimum wage earners in Alberta were between the ages of 15 and 24, and the vast majority of them (85.1%) lived with a parent

or other relative. Moreover, 23.2% of all minimum wage earners in Alberta had an employed spouse. Of these, 90.1% had spouses that were either self-employed or earning more than the minimum wage. Just 2.1% of workers earning minimum wage in Alberta were single parents with young children.

■ In addition to ineffectively targeting the working poor, raising the minimum wage produces several unintended economic consequences to the detriment of young and inexperienced workers. This includes fewer job opportunities, decreases in hours available for work, reductions in non-wage benefits, a shift towards automation, and higher consumer prices, which disproportionately hurt the working poor.

■ A work-based subsidy is a more effective policy since it better targets the benefits to those in need without these negative economic consequences.

Introduction

Shortly after taking office in 2015, Premier Rachel Notley's government announced that it would be raising the minimum wage from the then rate of \$10.20 per hour to \$15, an increase of 47% in three years. As of October 2018, Alberta's minimum wage will be \$15, up from the existing rate of \$13.60. According to the Alberta government, the rationale for the increase is to reduce poverty (Alberta, Employment Standards, 2018). However, raising the minimum wage is not an efficient way to provide help targeted to families living in poverty and therefore will largely be ineffective at lifting workers out of poverty. The inability to provide help targeted at the working poor, coupled with the associated negative unintended economic consequences, is why raising the minimum wage is not an effective way to alleviate poverty.

This publication evaluates increasing the minimum wage as a strategy for alleviating poverty in Alberta. It is divided into four sections: the first

discusses the evolution of Alberta's minimum wage since 2000; the second discusses the characteristics of minimum wage earners in Alberta; the third briefly discusses the unintended economic consequences of raising the minimum wage. The final section points to an alternative policy option—a work-based subsidy such as the Canada Workers Benefit—that more directly targets benefits to the working poor without causing the same negative economic consequences.

Evolution of Alberta's minimum wage since 2000

Before discussing the characteristics of those earning minimum wage, it is useful to give the background of the government's plan to raise the minimum wage to \$15 per hour by October 2018. Figure 1 displays the evolution of the minimum wage in Alberta over the course of two decades, with average minimum wage rates from 2000 to 2018. To control for inflation, the rates are in constant 2018 dollars.

Figure 1: Minimum wage rates (\$ 2018 in Alberta, 2000–2018)



Notes: [1] The minimum wage rates are pro-rated averages of the legislated minimum wage rates. [2] Inflation rate for 2018 comes from the 2018 Alberta budget.

Sources: Alberta, Ministry of Finance, 2018; Canada.ca, 2017; Statistics Canada, 2018a.

From 2000 to 2004, the inflation-adjusted minimum wage declined 10.8% from \$8.75 to \$7.81, reflecting the freeze of the nominal minimum wage rate that started in 2000.¹ However, starting in 2005, increases in the minimum wage outpaced inflation. Alberta's inflation-adjusted minimum increased by 78.6%, from \$7.81 in 2004 to an average rate of \$13.95 in 2018.² Notably, despite there being a freeze in the nominal minimum wage rate for a decade, the inflation-adjusted minimum wage rate is expected to be 59.4% higher in 2018 than 2000. If the minimum wage had grown since 2000 in line with inflation, the wage rate in 2018 would be \$8.75 instead of the planned rate of \$15 in October 2018.

Minimum wage fails to give help targeted at the working poor

To assess the minimum wage as a strategy for alleviating poverty, it is important to measure how well the program actually helps those living in poverty. If Alberta's minimum wage earners tend not to live in poverty, then many of the poor would not benefit from the policy and much of the benefit would go instead to those who are not poor. An anti-poverty policy that does not provide help focused on the poor is not an efficient way of providing assistance to those who are in need.

This section discusses the latest available data on the characteristics of minimum wage earners,

which is for the year 2017. Knowing who earns the minimum wage is critical for an evidence-based understanding of why the minimum wage does not effectively target the working poor. In 2017, there were 117,700 workers earning minimum wage in Alberta, making up 6.2% of the working population.

Defining poverty or "low-income"

While Canada does not have an official poverty line, Statistics Canada's low income cut-off (LICO) is often used as a proxy for measuring absolute poverty.³ There are other measures of low income in Canada, namely the low income measure (LIM) and the market basket measure (MBM). However, the advantage of LICO is that it is closely tied to the share of family income that is used to pay for necessities relative to the average. Specifically, a family would be at the threshold if it is expected to spend 20 percentage points more of its family income on necessities than the average family. This connection to spending on necessities is important because poverty is often defined as a lack of adequate basic necessities to sustain long-term health and wellbeing (Lammam and MacIntyre, 2016).

Most workers earning minimum wage in Alberta tend not to live in low-income families

Based on data from a special tabulation by Statistics Canada using the *Canadian Income Survey* (Statistics Canada, 2018b), in 2015, the latest year of available income data, 8.0% of minimum wage earners in Alberta lived in a

1 The nominal minimum wage was frozen at \$5.90 between 2000 and 2005.

2 The average rate for 2018 reflects the fact that for a portion of the year the minimum wage will be \$13.60 and after October 1 it will be \$15.00.

3 A key distinction between poverty and low income is that poverty is the deprivation of necessities and is not dependent on the condition of others, while low income is the relative well-being compared to other members of society. For more discussion, see Lammam and MacIntyre, 2016.

low-income family.⁴ In other words, virtually all (92%) of Alberta's minimum wage workers did not live in low income families.

The fact that most Albertans earning minimum wage do not live in low income families is a critical insight. It helps explain why the two academic studies measuring the effect of raising the minimum wage on poverty in Canada both found that it did not reduce poverty. Campolieti, Gunderson, and Lee (2012) measured the impact on poverty (using multiple measures of low income as proxies for poverty including LICO) of minimum wage increases in Canada from 1997 to 2007, controlling for other economic factors. They found that the minimum wage had no effect on poverty and that 70% of the benefits of an increased minimum wage go to those who are not poor.

The other Canadian study measured the impact of increases in the minimum wage from 1981 to 2004 and found that a 10% increase in the minimum wage is associated with a 4% to 6% increase in the percentage of families falling below the LICO threshold (Sen, Rybczynski and Van De Waal, 2011). The authors explained the increase in relative poverty by noting that a reduction in employment (and thus income) as a consequence of an increase in the minimum wage results in some families falling below the low income threshold.

Most workers earning minimum wage are not the primary or sole earner in their family

It is certainly counterintuitive that the overwhelming majority of Albertans earning minimum wage do not live in low-income families. However, this result begins to make sense once we explore their age and family situation.⁵ The following data is based on a special tabulation of the Labour Force Survey provided by Statistics Canada (2018c) for 2017, the latest year of data available.⁶ The data show that most of those earning minimum wage are not the primary or sole income-earner in their family. This is consistent with the findings of past research (Murphy, Lammam, and MacIntyre, 2016; Ontario, Ministry of Labour, 2014).

First, consider that half of minimum wage earners in Alberta were either teenagers or youths.⁷ Figure 2 displays the distribution of those earning minimum wage by age group. Those aged 24 or younger constituted 50.1% of all minimum wage earners, by far the largest group. Another 18.4% of minimum wage earners were in the group aged 25 to 34 years old. Small shares belonged to older age groups. In fact, the smallest group was also the oldest, with only 3.2% of workers earning the minimum wage being 65 or over.

For many youths, a minimum wage job is their first while in school and often a stepping stone

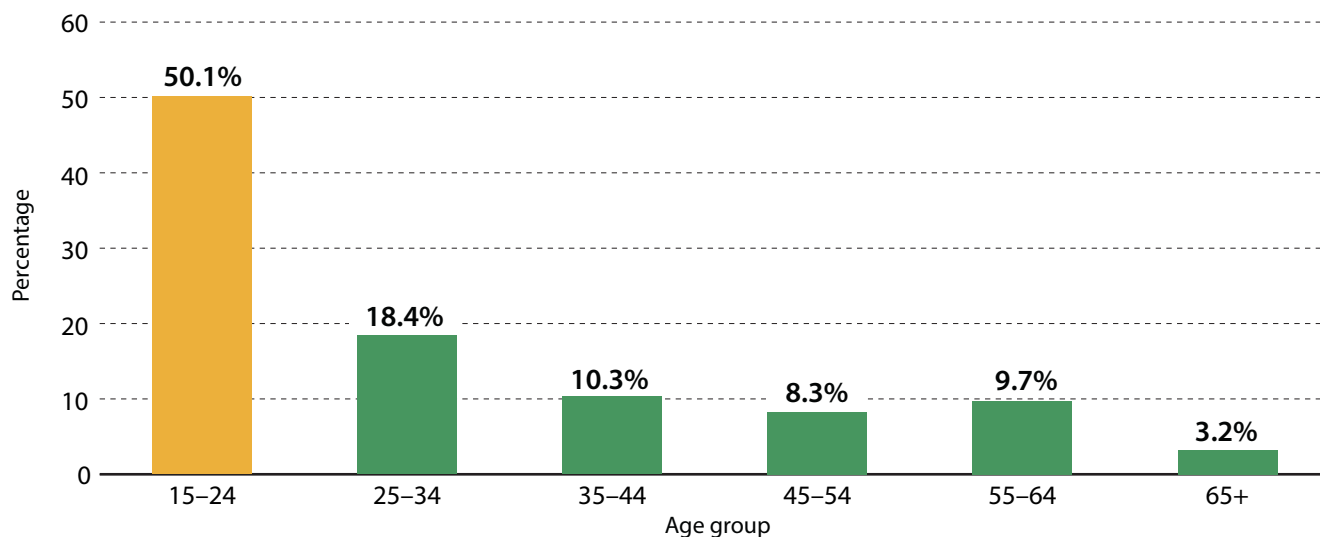
4 The low income rates under alternative measures of low income are 3.9% for the low income measure and 8.9% for the market basket measure (Statistics Canada, 2018b).

5 For a complete breakdown of the characteristics of minimum wage earners in Canada and Alberta in 2017, see Appendix 1 and Appendix 2 (pp. 11–12).

6 Note that the share of those in low-income families who are earning minimum wage is for the year 2015 and data on other characteristics of minimum wage earners is for 2017 because the data come from two different Statistics Canada surveys: the low income statistics come from the *Canadian Income Survey* and the rest of the data come from the *Labour Force Survey*.

7 This is not to trivialize the importance of a youth's contribution to the income of a low income family. However, the vast majority of minimum wage earners are not part of a low income family and such families are less likely to rely heavily on a youth's contribution.

Figure 2: Shares (%) of workers earning minimum wage in Alberta, by age group, 2017



Source: Statistics Canada, 2018d.

to higher paid employment. In fact, typically minimum wage earners do not remain such for long but increase their incomes as they gain experience (Long, 1999).⁸ According to statistics released by the Alberta government, minimum wage workers in Alberta rarely stay in the same position for long periods of time. In 2017, 39.5% of minimum wage workers in Alberta had been employed in their current position for less than a year (Alberta, Ministry of Labour, 2017).

Notably, most youths earning minimum wage lived with a parent or other relative. Specifically, 85.1% of minimum wage earners in Alberta aged 15 to 24 lived with family. Among this group of youths, most (58.4%) are attending school while living at home. The share of young minimum wage earners living with family is even larger for the younger members of this age group. Almost all (95.4%) teenaged minimum wage earners (aged 15 to 19) lived with a parent or other

relative. In short, minimum wage earners in 2017 tended to be teenagers or youths who were living with family.

Moreover, many older minimum wage earners were also not the prime or sole income-earner in their family: 23.2% of minimum wage earners had an employed spouse. Of these, 90.1% had spouses who were either self-employed or earning more than the minimum wage. This reinforces the point that many minimum wage earners are not actually supporting a family solely on a single minimum wage income alone.

Thankfully, it is quite rare for a single parent with a young child to be working a minimum wage job. In 2017, only 2.1% of Albertans earning minimum wage were single parents with young children. Proponents of increasing the minimum wage often give the impression that many of those earning minimum wage are single parents

⁸ Additional Canadian research has shown the transience of work at minimum wage. Battle (2003) found that, of Canadians that have held their position for five years, only 1% were minimum wage earners. Gunderson (2007) found that nearly half (46.4%) of workers earning minimum wage in Ontario had been at their position for less than a year.

struggling to support their family. The reality is different as only a small share of minimum wage earners are in this circumstance.

Other studies of the characteristics of those earning minimum wage have found a similar weakness in the connection between earning the minimum wage and living in low income families. For example, in 2014, the Ontario government commissioned an advisory panel on the minimum wage to provide recommendations on future increases. Like this publication, the report of the Minimum Wage Advisory Panel examined the characteristics of Ontarians earning the minimum wage in 2012 and concluded: “Many minimum wage workers are youth who live in non-poor families, or are persons in multiple earner families where the combined earnings takes them out of poverty” (Ontario, Ministry of Labour, 2014: 36). A later study that examined the characteristics of Canadians earning minimum wage in 2014 also found similar results (Murphy, Lammam, and MacIntyre, 2016). Indeed, the weak connection between earning minimum wage and living in low-income families has been consistent over time.

Albertans earning minimum wage tend to be less educated and work part-time

Proponents of raising the minimum wage have sometimes voiced a concern that there is a widespread problem of minimum wage earners being skilled workers with university degrees (e.g., Van Santvoort, 2017). In reality, and consistent with their young age profile, Albertans earning minimum wage in 2017 were usually less educated than the general population of workers. Table 1 compares the share of minimum wage workers who attained various levels of education to the general population of workers.

In 2017, 55.1% of those earning minimum wage had a high school diploma or less. In contrast,

Table 1: Educational attainment of the general population of workers and workers earning minimum wage in Alberta

Educational level	General population of workers	Workers earning minimum wage
High school diploma or less	30.4%	55.1%
Some post-secondary	6.2%	9.7%
Post-secondary diploma or certificate	34.3%	18.5%
University degree	29.2%	16.7%

Source: Statistics Canada, 2018d.

the share of workers in Alberta’s general population with only this level of education is 30.4%. In other words, a minimum wage worker was much more likely to have completed only high school or less than Alberta workers in general. The difference between the general population of workers and minimum wage workers is even more stark when looking at those who obtained education lower than a high school diploma: 28.7% of minimum wage earners did not have a high school diploma compared to 8.6% of workers overall. Moreover, a minimum wage worker was much less likely (16.7%) to have a university degree than workers in general (29.2%). For those workers earning minimum wage who did have a university degree, it was more than likely a stepping stone to a higher paid position as it is rare for someone with a university degree to be earning minimum wage. In fact, of the more than 550,000 Albertan workers with a university degree in 2017, only 3.5% had a minimum wage job.

In addition to being young and generally less educated, minimum wage earners are more likely to work part-time. In 2017, 53.7% of Alberta’s minimum wage earners worked part-time. By comparison, only 17.5% of all workers worked part-time. It is rare for full-time workers to earn

the minimum wage: only 3.5% do. The data clearly does not support the notion of a large cadre of full-time workers earning the minimum wage.

Minimum wage increases produce negative economic consequences

As we have seen, raising the minimum wage does not efficiently target assistance to the working poor. But it also produces several unintended economic consequences to the detriment of young and inexperienced workers. Increasing the minimum wage is a government mandated rise in the price of low-skilled labour. This artificially raises the cost of labour and, in absence of productivity gains, businesses respond in a myriad of ways to offset this increase, producing several negative unintended consequences.

Just as consumers purchase less of a good if the price rises with no corresponding increase in quality, businesses often respond to an increase in the minimum wage by purchasing less labour. The result is fewer job opportunities for workers, particularly young and inexperienced workers. Canadian empirical research has generally found that a 10% increase in the minimum wage rate reduces employment among teens by 3% to 6% (Godin and Veldhuis, 2009; Gunderson, 2014; Ontario, Ministry of Labour, 2014). In fact, after an extensive search, we identified 20 Canadian studies of the minimum wage that have been

published in academic journals (table 2). The consensus among them is that increases in the minimum wage reduce employment opportunities for young (under 25) workers.⁹ Not a single one of these Canadian studies contradicts this conclusion.¹⁰ While research from the United States similarly finds declines in youth employment from minimum wage increases, unlike the Canadian research, there is more disagreement among researchers. For a detailed discussion on the state of the US minimum wage research, see Murphy, Lammam, and MacIntyre (2016).

Notably, in recent years, employment among youth—the group most likely affected by a minimum wage increase—has been declining in Alberta. From a recent peak of 65.1% in the third quarter of 2015, the employment rate for youth under 25 has fallen to 53.3% in the first quarter of 2018 (Statistics Canada, 2018d). Older workers (aged 25 to 54) initially experienced a similar, albeit less drastic, decline from an employment rate of 82.5% in the third quarter of 2015 to 80.9% in the third quarter of 2016—this was likely partly driven by the precipitous fall in commodity prices and the effect that had on Alberta's economy. However, in contrast to youth employment, employment of older workers recovered and reached 82.9% in the first quarter of 2018. As youth employment continues to fall rather than recover as it did for older workers, increasing the minimum wage to \$15 per hour has the potential to further reduce employment among Alberta youth.

⁹ Interestingly, Fang and Gunderson (2009) found that raising the minimum wage increased employment for older workers (aged 50 and over). The authors' preferred explanation is that, in the event of a minimum wage increase, employers substitute away from inexperienced younger workers to more experienced older workers.

¹⁰ The effects of Alberta's minimum wage increase to \$15 will be mitigated somewhat by its high median wage. Research has found that a high minimum-to-median wage ratio heightens the probabilities of substantial adverse employment effects (Eisen, Lammam, and Watson, 2017). Alberta has the highest individual median total income of the Canadian provinces (Statistics Canada, 2017)

Table 2: Twenty Canadian studies of the minimum wage from academic journals

Year	Author(s)	Title	Journal
1979	Cousineau	Impact du salaire minimum sur le chômage des jeunes et des femmes au Québec.	<i>Industrial Relations</i>
1979	Fortin	L'effet du salaire minimum sur les prix, l'emploi et la répartition des revenus : le cas du Québec.	<i>Industrial Relations</i>
1979	Maki	The Effect of Changes in Minimum Wage Rates on Provincial Unemployment Rates, 1970–77.	<i>Industrial Relations</i>
1980	Swidinsky	Minimum Wages and Teenage Unemployment.	<i>Canadian Journal of Economics</i>
1983	Schaafsma and Walsh	Employment and Labour Supply Effects of the Minimum Wage: Some Pooled Time-Series Estimates from Canadian Provincial Data.	<i>Canadian Journal of Economics</i>
1984	McKee and West	Minimum Wage Effects on Part-Time Employment.	<i>Economic Inquiry</i>
1985	Mercier	Les effets du salaire minimum sur l'emploi des jeunes au Québec.	<i>Industrial Relations</i>
1992	Cousineau, Tessier, and Vaillancourt	The Impact of the Ontario Minimum Wage on the Unemployment of Women and the Young in Ontario: A Note.	<i>Industrial Relations</i>
1996	Kan and Sharir	Minimum-Wage and Probability-of-Getting-a-Job Effects in a Simultaneous Equations Model of Employment and Participation: Canada 1975–1991.	<i>Canadian Journal of Economics</i>
1999	Baker, Benjamin, and Stanger	The Highs and Lows of the Minimum Wage Effect: A Time-Series Cross-Section Study of the Canadian Law.	<i>Journal of Labor Economics</i>
2003	Yuen	The Effect of Minimum Wages on Youth Employment in Canada: A Panel Study.	<i>The Journal of Human Resources</i>
2005	Campolieti, Fang, and Gunderson	How Minimum Wages Affect Schooling-Employment Outcomes in Canada, 1993–1999.	<i>Journal of Labor Research</i>
2005	Campolieti, Fang, and Gunderson	Minimum Wage Impacts on Youth Employment Transitions, 1993–1999.	<i>Canadian Journal of Economics</i>
2006	Campolieti, Gunderson, and Riddell	Minimum Wage Impacts from a Prespecified Research Design: Canada 1981–1997.	<i>Industrial Relations</i>
2009	Fang and Gunderson	Minimum Wage Impacts on Older Workers: Longitudinal Estimates from Canada.	<i>British Journal of Industrial Relations</i>
2010	Myatt and McDonald	The Robustness of Provincial Panel-Data Studies of Minimum Wages in Canada.	<i>Canadian Journal of Regional Science</i>
2011	Sen, Rybczynski, van de Waal	Teen Employment, Poverty, and the Minimum Wage: Evidence from Canada.	<i>Labour Economics</i>
2013	Brochu and Green	The Impact of Minimum Wages on Labour Market Transitions.	<i>Economic Journal</i>
2014	Campolieti, Gunderson, and Lee	Minimum Wage Effects on Permanent versus Temporary Minimum Wage Employment.	<i>Contemporary Economic Policy</i>
2017	Rybczynski and Sen	Employment Effects of the Minimum Wage: Panel Data Evidence from Canadian Provinces.	<i>Contemporary Economic Policy</i>

The minimum wage can affect workers in ways other than reducing employment opportunities. For example, businesses can reduce their labour costs by decreasing hours available for work. A review of the literature by the advisory panel on minimum wages established by the Ontario government highlights evidence that raising the minimum wage is associated with a reduction in hours worked. As the advisory panel's final report points out, focusing on employment reductions alone understates the total effect of the minimum wage on workers (Ontario, Ministry of Labour, 2014: 35). A reduction in hours means minimum wage hikes could leave some workers earning less overall even if their hourly wage increase.¹¹ This is because total earnings are determined by hourly rates multiplied by hours worked. If the increase in hourly rate is not sufficient to offset the reduction in hours, then the worker would have lower overall earnings.

Besides reducing employment and work hours, businesses can respond in other ways to offset government-mandated wage increases. For instance, employers can reduce non-wage compensation (fringe benefits) such as on-the-job training (Ontario, Ministry of Labour, 2014). Businesses may also respond by moving towards more automation in providing its products and services (Lordan and Neumark, 2018). Finally, businesses may pass costs on to customers through higher prices.¹² Perversely, this most negatively affects low-income customers who have less disposable income to afford price increases (Macurdy, 2015).

A more effective policy to help the working poor—a work-based subsidy

Fortunately, another policy option is available to help the working poor that provides targeted benefits to those in need without producing the same negative economic consequences. A work-based subsidy, which is a cash transfer directly from governments to low-income workers, is worthy of consideration.¹³

An example of such a program in Canada is the federal government's Canada Workers Benefit (CWB)—formerly the Working Income Tax Benefit. This program, first created in 2007, was recently enhanced in the 2018 federal budget. With the enhancements announced in the budget, couples or single parents with family incomes below \$36,483 will receive a maximum benefit of \$2,335 while single workers making less than \$24,111 will receive a maximum of \$1,355 (Canada, Department of Finance, 2018). Since the program is based on family income, it is more efficient than a minimum wage in directing benefits to lower-income Canadians who are in need of assistance.

Another example of a work-based subsidy in Alberta is the Alberta Family Employment Tax Credit (AFETC). This program, which was recently expanded in the 2015 provincial budget, is more limited in scope in that it offers a smaller benefit and only for workers who have children. The AFETC requires a minimum employment income of \$2,760 (Alberta.ca, 2018) and the maximum

¹¹ A study examining recent minimum wage increases in the City of Seattle found that low-wage workers (defined as earning under \$19 per hour) were made worse off on average due to the reduction in hours (Jardim et al., 2017). Specifically, raising the minimum wage from \$11 to \$13 in Seattle led to an average net reduction in earnings of \$125 per month for low-wage workers. For a summary of Jardim et al., 2017, see Lammam, MacIntyre, and Hunt, 2017.

¹² A review of almost 30 studies shows that, on balance, increasing the minimum wage raises prices (Lemos, 2008).

¹³ For a fuller discussion of work-based subsidies, see Lammam and MacIntyre, 2015.

income that can be earned and receive the benefit depends on the number of children, as does the maximum benefit.¹⁴

Unlike the minimum wage, such work-based subsidies do not artificially increase the cost of employing low-skilled workers. While raising the minimum wage reduces job opportunities, a work-based subsidy encourages employment. This is because a potential recipient must have some employment income to receive any benefits from the CWB or AFETC and so are encouraged to enter the work force. Empirical evidence on similar programs in the United States and the United Kingdom has found that this type of program does indeed encourage employment, particularly among single mothers (Chan and Moffitt, 2018).

Conclusion

In an effort to reduce poverty among workers, the government of Alberta is raising the minimum wage to \$15 per hour in October 2018. However, this is not an efficient strategy for assisting the working poor for two reasons. First, it poorly targets those in need of help. Second, the minimum wage produces unintended economic consequences that harm young and inexperienced workers, including fewer job opportunities, decreased hours, reduced benefits, more automation, and higher prices. Instead of pursuing the flawed policy of raising the minimum wage, the government of Alberta should consider more effective alternatives such as a work-based subsidy.

¹⁴ The maximum benefit from AFETC ranges from \$783 for a family with a single child to \$2,064 for a family with four or more children (Alberta.ca, 2018).

Appendix 1: Characteristics of workers earning minimum wage, Alberta, 2017

	Total employees		Minimum wage		
	Total (000s)	Share (%)	Total (000s)	Incidence (%)	Share (%)
Total	1904.6	100.0	117.7	6.2	100.0
Age					
15–19	92.5	4.9	36.6	39.6	31.1
20–24	189.0	9.9	22.4	11.9	19.0
25–34	505.4	26.5	21.6	4.3	18.4
35–44	450.8	23.7	12.1	2.7	10.3
45–54	352.7	18.5	9.8	2.8	8.3
55–64	262.8	13.8	11.4	4.3	9.7
Educational attainment					
Less than a highschool diploma	163.2	8.6	33.8	20.7	28.7
Highschool diploma	414.9	21.8	31.0	7.5	26.3
At least some post-secondary	1,326.5	69.6	52.9	4.0	44.9
Some post-secondary	117.2	6.2	11.4	9.7	9.7
Post-secondary diploma or certificate	653.4	34.3	21.8	3.3	18.5
University degree	555.9	29.2	19.6	3.5	16.7
Job status					
Full-time	1,570.5	82.5	54.4	3.5	46.2
Part-time	334.1	17.5	63.2	18.9	53.7
Household status					
Member of a couple [1]	1,124.3	59.0	34.7	3.1	29.5
Spouse not employed	227.0	11.9	6.9	3.0	5.9
<i>Youngest child is less than 18 years</i>	106.8	5.6	2.5	2.3	2.1
<i>No children or youngest child 18 or older</i>	120.2	6.3	4.4	3.7	3.7
Spouse employed	891.0	46.8	27.3	3.1	23.2
<i>Spouse making minimum wage or less</i>	22.1	1.2	2.6	11.8	2.2
<i>Spouse making greater than minimum wage</i>	738.5	38.8	19.4	2.6	16.5
<i>Spouse self-employed</i>	130.4	6.8	5.2	4.0	4.4
Head of household, no spouse	126.1	6.6	5.9	4.7	5.0
<i>Youngest child is less than 18 years</i>	61.6	3.2	2.5	4.1	2.1
<i>No children or youngest child 18 or older</i>	64.5	3.4	3.4	5.3	2.9
Son, daughter, or other relative living with family	308.4	16.2	60.6	19.6	51.5
15–19 in school	47.3	2.5	23.3	49.3	19.8
15–19 not in school	39.5	2.1	11.6	29.4	9.9
20–24 in school	26.4	1.4	6.0	22.7	5.1
20–24 not in school	75.2	3.9	9.3	12.4	7.9
25 or over in school	5.0	0.3	—	—	—
25 or over not in school	115.1	6.0	9.6	8.3	8.2
Single	342.7	18.0	15.9	4.6	13.5
Living alone	206.3	10.8	7.3	3.5	6.2
15–24	12.8	0.7	—	—	—
25–54	143.6	7.5	4.2	2.9	3.6
55 and over	49.9	2.6	2.3	4.6	2.0
Living with non-relatives	136.4	7.2	8.7	6.4	7.4
15–24	34.8	1.8	3.4	9.8	2.9
25–54	92.7	4.9	4.9	5.3	4.2
55 and over	9.0	0.5	—	—	—
Member of a low-income household (2015) [2]	64.0	3.5	—	—	8.0

Notes: [1] The sum of persons with a working or non-working spouse does not add up to the total number of persons with spouses since certain spouses may have been outside the target group. This happens when one of the spouses is a member of the armed forces or is in an institution (and there may be other reasons). The *Labour Force Survey* only collects information on the spouse not out of scope. [2] A low-income household is defined as being below the Low Income Cut-Off (after taxes and government transfers). The low income data come from the *Canadian Income Survey* (CIS). The latest year available at the time of writing was 2015. [3] "—" indicates that data are not available.

Sources: Statistics Canada, 2018b, c.

Appendix 2: Characteristics of workers earning minimum wage, Canada, 2017

	Total employees		Minimum wage		
	Total (000)s	Share (%)	Total (000)s	Incidence (%)	Share (%)
Total	15609.6	100.0	1018.1	6.5	100.0
Age					
15–19	806.5	5.2	369.4	45.8	36.3
20–24	1577.1	10.1	219.3	13.9	21.5
25–34	3642.6	23.3	130.9	3.6	12.9
35–44	3374.8	21.6	87.3	2.6	8.6
45–54	3314.8	21.2	90.3	2.7	8.9
55–64	2426.8	15.5	84.1	3.5	8.3
Education attainment					
Less than a highschool diploma	1332.3	8.5	272.6	20.5	26.8
Highschool diploma	3014.7	19.3	268.9	8.9	26.4
At least some post-secondary	11262.6	72.2	476.6	4.2	46.8
Some post-secondary	1042.7	6.7	149.9	14.4	14.7
Post-secondary diploma or certificate	5566.9	35.7	202.8	3.6	19.9
University degree	4653.0	29.8	123.9	2.7	12.2
Job status					
Full-time	12770.4	81.8	414.4	3.2	40.7
Part-time	2839.3	18.2	603.6	21.3	59.3
Household status					
Member of a couple [1]	8942.0	57.3	256.5	2.9	25.2
Spouse not employed	1634.7	10.5	58.8	3.6	5.8
<i>Youngest child is less than 18 years</i>	620.3	4.0	19.2	3.1	1.9
<i>No children or youngest child 18 or older</i>	1014.5	6.5	39.6	3.9	3.9
Spouse employed	7271.2	46.6	196.7	2.7	19.3
<i>Spouse making minimum wage or less</i>	162.7	1.0	14.6	9.0	1.4
<i>Spouse making greater than minimum wage</i>	6129.7	39.3	148.0	2.4	14.5
<i>Spouse self-employed</i>	978.8	6.3	34.0	3.5	3.3
Head of household, no spouse	1144.3	7.3	63.2	5.5	6.2
<i>Youngest child is less than 18 years</i>	515.1	3.3	20.2	3.9	2.0
<i>No children or youngest child 18 or older</i>	629.1	4.0	43.0	6.8	4.2
Son, daughter, or other relative living with family [2]	2920.1	18.7	573.2	19.6	56.3
15–19 in school	449.5	2.9	235.8	52.5	23.2
15–19 not in school	300.0	1.9	113.1	37.7	11.1
20–24 in school	270.5	1.7	60.8	22.5	6.0
20–24 not in school	680.9	4.4	88.2	13.0	8.7
25 or over in school	60.9	0.4	6.4	10.5	0.6
25 or over not in school	1158.2	7.4	69.0	6.0	6.8
Single	2576.4	16.5	121.7	4.7	12.0
Living alone	1812.2	11.6	66.4	3.7	6.5
15–24	120.7	0.8	10.7	8.9	1.1
25–54	1211.0	7.8	33.3	2.7	3.3
55 and over	480.6	3.1	22.3	4.6	2.2
Living with non-relatives	764.2	4.9	55.3	7.2	5.4
15–24	206.3	1.3	29.0	14.1	2.8
25–54	496.2	3.2	23.8	4.8	2.3
55 and over	61.7	0.4	2.5	4.1	0.2
Member of a low-income household (2015) [3]	608	4.2	115	18.9	11.2

Notes: [1] The sum of persons with a working or non-working spouse does not add up to the total number of persons with spouses since certain spouses may have been outside the target group. This happens when one of the spouses is a member of the armed forces or is in an institution (and there may be other reasons). The *Labour Force Survey* only collects information on the spouse not out of scope. [2] The question concerning education status was not asked for persons 65 and over. For this reason, the sum of the totals based on education status for “non-family persons” and “son, daughter or other relative living with the family” is not exactly equal to the total number of persons from those two categories. [3] A low-income household is defined as being below the Low Income Cut-Off (after taxes and government transfers). The low income data come from the *Canadian Income Survey* (CIS). The latest year available at the time of writing was 2015.

Source: Statistics Canada, 2018b, d.

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