

## **PRAIRIE WOMEN'S HEALTH CENTRE OF EXCELLENCE**

### **SUBMISSION TO THE SASKATCHEWAN MINIMUM WAGE BOARD**

**September 15, 2004**

#### **Raising the minimum wage is a good example of healthy public policy.**

By increasing the minimum wage to an adequate living wage, the Government of Saskatchewan can make a significant contribution to reducing health inequities and improving the health of the population. Increasing the minimum wage is one important part of a wider strategy needed to increase economic security, reduce poverty and improve the quality of life for low wage earners.

Currently, Saskatchewan's minimum wage is \$6.65/hour. This rate has been in effect since November 2002. Four provinces and three territories have minimum wages that are higher than Saskatchewan. In Manitoba, the minimum wage is \$7.00/hour, set in April 2004. Several jurisdictions outside Canada have minimum wages that offer more protection from poverty and some have indexed the minimum wage to protect low-income earners from increases in the cost of living. Clearly there are good working examples of policy alternatives that we can examine for this province.

#### **The level of the minimum wage is a significant issue for women.**

- ❑ The majority of workers whose wages are at or near the minimum wage are women.<sup>1</sup>
- ❑ Twenty of the twenty-five lowest paid occupations in the Canadian workforce are disproportionately held by women.<sup>2</sup>
- ❑ Industries with the lowest wage rates employ large numbers of women. In Saskatchewan, the accommodations and food services industry has the lowest wage rates of any sector of the economy. The workforce in the accommodation and food service industry is disproportionately female (64%). The retail and wholesale trade industry has the second lowest wage rates and is a major employer of women in the province.<sup>3</sup>
- ❑ Despite women's gains in employment, the wage gap between men and women remains large. In 2000, the average wage rate for women workers in Saskatchewan was \$13.00/hour compared to an average wage rate of \$16.38/hour for men.<sup>4</sup>
- ❑ The anchor effect of the minimum wage is more pronounced for women than for men – men are more likely to land jobs that pull further away from the minimum wage.<sup>5</sup>
- ❑ Young women under 25, women with disabilities and women from visible minorities are more likely to be employed at or near the minimum wage.
- ❑ A significant portion of minimum wage earners are students – but higher earnings can help alleviate the heavy burden of student loans – an important problem for women lone parents who have child care costs and due to the wage gap do not earn as much as men in the long-run.<sup>6</sup>

- Although a significant portion of minimum wage earners are younger, a large portion are not – a multi-provincial Canadian study found that 30% of female minimum wage earners are 25 years of age and over, compared to 21% of men. As a result of this continuation of low wage earnings into adulthood, women comprise 64% of all minimum wage earners.<sup>7</sup> Minimum wage recipients tend to be from low income families and a substantial percentage are adults living on their own.<sup>8</sup>
- An adequate minimum wage is recognized across Canada as an important way to improve the economic status of women.<sup>9</sup>

### **Full-time minimum wage earnings in Saskatchewan fall below the poverty line.**

One statistic frequently used as a measure of poverty in Canada is the Statistics Canada Low Income Cut Off (LICO). The before tax LICO for 2003 for a single person living in Regina or Saskatoon was \$16,979. The LICO for a two-person household in Regina or Saskatoon was \$21,224.<sup>10</sup>

A minimum wage worker earning \$6.65/hr, 40 hours/week, 52 weeks of the year would earn \$13,832. As many minimum wage earners are employed part-time, their income is even less. For a single woman living on her own in Regina or Saskatoon, full time, year round work at minimum wage would leave her \$3147 below the poverty line. Women who must support themselves and a child by working full time year round at the minimum wage have earnings \$7392 below the poverty line. Even with access to other benefits and income supports, this depth of poverty, experienced by many women in this province, makes it difficult for women to secure the food, housing, and other basic resources needed to maintain their health and the health of their families.

For some time, federal, provincial and territorial governments in Canada have recognized that income is a major determinant of health. “Canadians with low incomes are more likely to have physical, social and mental health problems than Canadian with higher incomes. They are also more likely to die earlier than other Canadians, no matter which cause of death is considered.”<sup>11</sup>

PWHCE has gathered information on the links between poverty and health, and has supported several community-based research projects that have documented the ways in which poverty affects women’s health.<sup>12</sup> PWHCE has co-ordinated several consultations with women, in which poverty has consistently emerged as a major barrier to women’s health in both rural and urban communities.<sup>13</sup>

The Federal, Provincial and Territorial Advisory Committee on Population Health has called for multisectoral action to improve the health of Canadians and, in particular, has identified the importance of public policies aimed at improving health by reducing inequities in income distribution.<sup>14</sup> In setting the minimum wage, we urge the board to consider the impact of their decision on the health of minimum wage workers and their families.

Raising the minimum wage is also generally good for the local economy. Higher wages for people with low incomes are spent on goods and services close to home.

## **Gender Analysis**

In setting the minimum wage, the board should also apply a gender-based analysis and consider how their decision may impact men and women differently, and how their decision will affect the wage gap between women and men.

Consideration should also be given to the way in which changes to minimum wage will affect the diverse communities in Saskatchewan: Aboriginal people, new Canadians, people from visible minorities, people with disabilities and rural and northern residents.

## **Conclusions**

These are several compelling reasons to raise the minimum wage. Raising the minimum wage is one important part of an overall strategy to reduce poverty and improve the health of low-income workers. Raising the minimum wage can improve women's income and women's health. Raising the minimum wage is an important step toward reducing health inequities in the population and relieving some of the demands placed on the health care system.

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<sup>1</sup> QED Information Systems. *Minimum Wage Database*. August 2001, page 24. Based on Labour Force Survey data for Saskatchewan in 2000. Women comprised 50% of those below the minimum wage, 57% of those at the minimum wage (\$5.90) and 64% of those earning just above the minimum wage (from \$6.10 to \$6.99). Proportions in Saskatchewan are similar to those in other provinces.

<sup>2</sup> 1996 Census of Canada cited in Federal Provincial and Territorial Advisory Committee on Population Health. *Toward a Healthy Future: Second Report on the Health of Canadians*. Ottawa: Health Canada, 1999.

<sup>3</sup> Saskatchewan Labour. Status of Women Office. *Statistical Update: Employment* <http://www.swo.gov.sk.ca/Emp1%20fact%20sheet%20final.pdf> accessed September 8, 2004

<sup>4</sup> Ibid.

<sup>5</sup> W. Thom Workman & John Jacobs. *Undermining Wages in Nova Scotia: The Minimum Wage from 1976-2002*, Canadian Centre for Policy Alternatives – Nova Scotia, May 2002, page 8

<sup>6</sup> Marika Morris. *CRIAW's Submission to the National Children's Agenda*. <http://www.criaw-icref.ca/factsheets/ntlchildagenda.htm> accessed September 14, 2004.

<sup>7</sup> Michael Goldberg and David Green. *Raising the Floor. The Social and Economic Benefits of Minimum Wage in Canada*. Canadian Centre for Policy Alternatives, Ottawa, 1999. The study amalgamated data from BC, Alberta, Ontario and Quebec. *quoted in* Christopher Schenk, *From Poverty Wages to a Living Wage*. The CSJ Foundation for Research and Education, Ontario Federation of Labour, Toronto, November 2001, pages 4-5.

<sup>8</sup> Christopher Schenk. *From Poverty Wages to a Living Wage*. The CSJ Foundation for Research and Education, Ontario Federation of Labour, Toronto, November 2001, pages 6-7, 17.

<sup>9</sup> See other reports cited, and Dr. Karen Hadley. *And We Still Ain't Satisfied: Gender Inequality in Canada, A Status Report for 2001*. The CSJ Foundation for Research and Education & National Action Committee on the Status of Women, Toronto, June 2001, pages 6 & 22.

<sup>10</sup> Canadian Council on Social Development. *Poverty Lines*, March 11, 2004 [http://www.ccsd.ca/factsheets/fs\\_lico03\\_bt.htm](http://www.ccsd.ca/factsheets/fs_lico03_bt.htm) accessed September 1, 2004

<sup>11</sup> Federal Provincial and Territorial Advisory Committee on Population Health. ***Toward a Healthy Future: Second Report on the Health of Canadians***. Health Canada, Ottawa, 1999, p. 184.

<sup>12</sup> The following are PWHCE resources:

***Exploring the Intersections Between Women's Health and Poverty***. Josephine Savarese. PWHCE, 2003.

***Left in the Cold: Women's Health and the Demise of Social Housing Policies***. Darlene Rude and Kathleen Thompson. PWHCE, 2001.

***Mothers' Health and Access to Recreation Activities for Children in Low Income Families***. Shirley Forsyth. PWHCE, 2001.

***Sexual Violence and Dislocation as Social Risk Factors Involved in the Acquisition of HIV Among Women in Manitoba***. Iris McKeown, Sharon Reid, Shelley Turner and Pam Orr. PWHCE, 2002.

***Sharing Our Stories on Promoting Health and Community Healing: An Aboriginal Women's Health Project***. Connie Deiter & Linda Otway. PWHCE, 2001

***Telling It Like It Is: Realities of Parenting in Poverty***. Kathryn Green and participants of "We Did It Together" Low Income Mothers Working Toward a Healthier Community. PWHCE, 2001.

***"We Did It Together": Low-Income Mothers Working Toward a Healthier Community***. Kathryn Green and participants. PWHCE, 2001.

Additional Resources:

***Women, Health and Poverty: Review and Looking Forward***. Jayne Melville Whyte. University of Regina Centre for Continuing Education, 2001.

***Women, Income and Health in Manitoba: An Overview and Ideas for Action***. Lissa Donner et. al. Women's Health Clinic, Winnipeg, 2002.

<sup>13</sup> Prairie Women's Health Centre of Excellence. ***Action Plan for Women's Health in Manitoba and Saskatchewan***. PWHCE, 2001. The plan, which is based on consultations with women and organizations in Manitoba and Saskatchewan, cites an increase to the minimum wage as one way to address women's poverty.

Rebecca Sutherns, Marilou McPhedran & Margaret Haworth-Brockman. ***Rural, Remote and Northern Women's Health: Policy and Research Directions, Final Summary Report***. PWHCE, 2004, page 6. Women from across Canada in all regions identified poverty and financial insecurity, primarily as a result of unemployment, job insecurity, low wages or seasonal work, as a key determinant of health for rural women and their families.

<sup>14</sup> Federal Provincial and Territorial Advisory Committee on Population Health. ***Toward a Healthy Future: Second Report on the Health of Canadians***. Health Canada, Ottawa, 1999.