Newfoundland and Labrador Minimum Wage

to $15, and then a Living Wage

BACKGROUND PAPER

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June 2018

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Executive Summary

Newfoundland and Labrador has nearly the lowest minimum wage in Canada, at $11.15 per hour. Fewer than 6 per cent of Canadians live in jurisdictions with a lower minimum wage.

Common Front NL calls for the province to adopt a $15 per hour minimum wage, in line with other jurisdictions that are moving forward on minimum wages, including Alberta, B.C., and Ontario, representing more than two thirds of Canadians.

$15 per hour is not a final destination on this path. It's a good start. The minimum wage needs to be at a living wage level — a level that can help lift people out of poverty and reduce inequality.

Poverty, inequality, and the effects of a minimum wage increase

Newfoundland and Labrador has among the highest GDP per capita of Canada's provinces. And yet we also have tens of thousands living in poverty; we are tied for worst province. Poverty increases the costs of health care, emergency services, and the social safety net more broadly. It costs money that could be spent boosting productive economic activity, and it drags down economic growth.

We also have the worst level of inequality in all of Atlantic Canada, and the province scored a D minus for its gender wage gap — the worst in Canada. Even in rich jurisdictions, inequality is associated with significantly worse outcomes for child well-being, educational attainment, teenage pregnancies, obesity, drug abuse, physical and mental health, trust and community life, social mobility, violence, and imprisonment levels.

Effects of a higher minimum wage

Significantly increasing the minimum wage will help to reduce poverty and inequality. It will raise the income of thousands of Newfoundlanders and Labradorians who work at minimum wage or a bit above it. It will help to reduce the gender wage gap, as the majority of minimum wage earners are women.

Lower income people whose wages are raised spend almost all of the increase, boosting local businesses. A $15 minimum wage in Newfoundland and Labrador will result in low wage workers having on the order of $100 million more per year more in their pockets to spend in local businesses. It will also help to boost tax revenues, and reduce the cost of income assistance. Rightly, the majority of Canadians (63 per cent) — and especially Atlantic Canadians (73 per cent) — support a $15 minimum wage.

Minimum wages are rising elsewhere

Six Canadian provinces and territories have already announced minimum wage increases for Spring 2018, and more are coming later in the year and in early 2019. By early 2019, the average minimum wage for Canadians will be approximately $13.50.

$15 per hour has been adopted as a goal by anti-poverty organizations, labour unions, and others. Some governments have already stepped up to the plate. Indeed, over 60 per cent of Canadians will soon live in provinces where they are protected by a minimum wage of $15 or more; Alberta, B.C., and Ontario have all announced their $15+ targets.

Myths and realities

Big business and other opponents of minimum wages have repeated their arguments so often over decades that they have become mythological – familiar, but not based on reality. Here are a few examples:

- **Myth:** "*Minimum wage earners are teenage students living at home*."
  Reality: They are mainly over age 20, mainly not students, and mainly women.

- **Myth:** "*Minimum wage increases will drive small businesses out of business*."
  Reality: Most minimum wage earners work for larger firms, and the leading causes of business failure have nothing to do with minimum wages; they are mismanagement and poor financial planning. Governments have a lot of other options for supporting small business; they don't have to do it on the backs of low-wage earners.

- **Myth:** "*Minimum wage increases will result in automation; machines will replace workers*."
  Reality: Automation happens whether minimum wages rise or not.

- **Myth:** *"Minimum wage increases will drive up consumer prices."*
  Reality: Businesses have a lot of costs that don't go up when minimum wages rise. And paying higher wages can reduce turnover and training costs.

- **Myth:** *"Large increases in minimum wages boost unemployment."*
  Reality: Large increases in provincial minimum wages in recent decades have not resulted in any unemployment increases. Hundreds of studies on minimum wages have been performed, and looking at them together the result of minimum wage increases on unemployment are so low as to be non-detectable, and could be positive or negative.

- **Myth:** *"We should just use tax credits, like the Canada Worker Benefit*."
  Reality: The CWB would provide a small fraction of the benefit of a $15 minimum wage, and employers capture a portion of taxpayer funded credits like this.

For more myth busters, details, and updates see wearenl.ca/minimum-wage/

Introduction

Newfoundland and Labrador has nearly the lowest minimum wage in Canada, at $11.15 per hour. The Newfoundland and Labrador minimum wage is a poverty-level wage. Fewer than six per cent of Canadians live in jurisdictions with a lower minimum wage.

This paper calls for the province to adopt a $15 per hour minimum wage, in line with other jurisdictions that are moving forward on minimum wages. Alberta, B.C., and Ontario, representing more than two thirds of Canadians, are phasing in a $15 minimum wage.

However, $15 per hour is not a final destination on this path. It’s a good start. The minimum wage needs to be at a living wage level — a level that can help lift people out of poverty and reduce inequality.

This paper briefly looks at the high costs of poverty and inequality in Newfoundland and Labrador, and the need for a minimum wage increase. It then addresses the trend among governments increasing the minimum wage. It then considers some of the myths around minimum wages, and the realities.

For more information and updates, see wearenl.ca/minimum-wage/

Poverty, inequality, and the effects of a minimum wage increase

Poverty

Newfoundland and Labrador has among the highest real GDP per capita of Canada's provinces. And yet we also have tens of thousands living in poverty.

Newfoundland and Labrador's 2015 claims about having the best poverty rankings in Canada (based on 2013 data) are no longer the case. A 2017 Conference Board of Canada study gave the province a "C" ranking on poverty — tied for ***last place*** among provinces in Canada. And Canada is no leader; it has the fourth-worst poverty rate among 16 peer countries.[1] The number of poor has increased substantially since 2015. We can afford to do better — much better.

Poverty affects everyone, and not just the poor. It drags down economic growth. People who could be contributing to economic activity and innovation are held back by poverty. Poverty also increases the costs of health care, emergency services, and the social safety net more broadly. Poverty costs money that could be spent boosting productive economic activity.

Contrary to the image of poor people who are out of work, many living in poverty are actually working. Their wages are not enough to support them. Food banks in this province are noting increasing usage by the working poor.[2]

Inequality

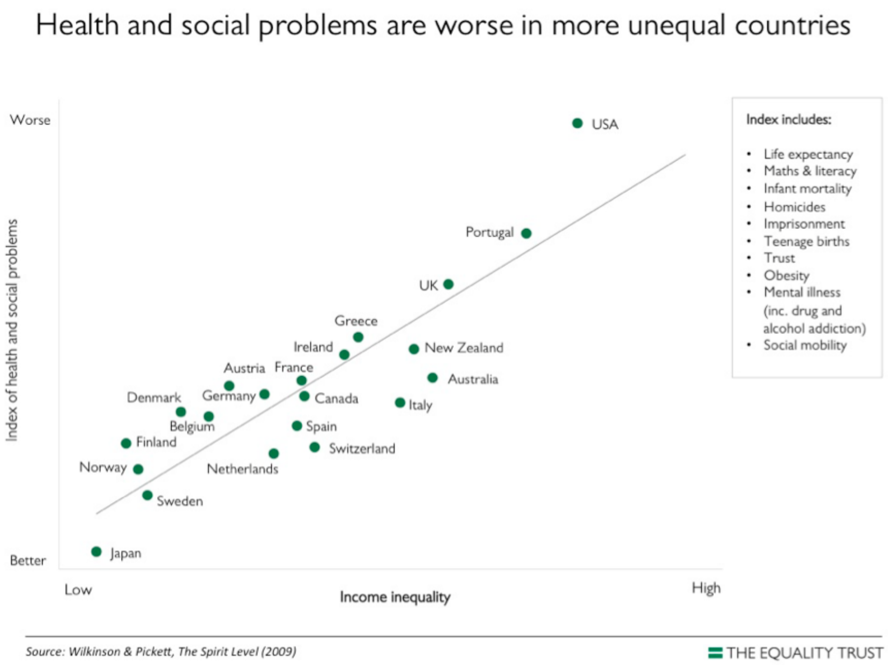
Independent of poverty, income inequality is also a serious problem. Even in rich jurisdictions, inequality is associated with significantly worse outcomes for:

- Child well-being;
- Educational attainment;
- Teenage pregnancies;
- Obesity;
- Drug abuse;
- Physical and mental health;
- Trust and community life;
- Social mobility;
- Violence; and
- Imprisonment levels.[3]

The impacts of inequality are felt not just by those with lower incomes, but also those with higher incomes.

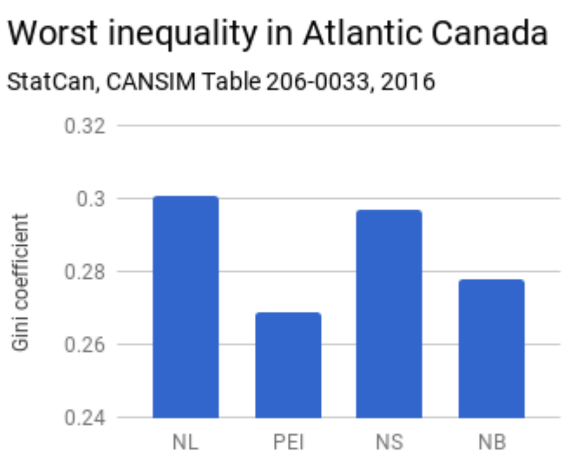
Inequality also has negative impacts on economic growth, as has been noted in research published by the International Monetary Fund (IMF), the Organisation for Economic Co-operation and Development (OECD), and other economic commentators and financial institutions.[4]

Figure 1: Impacts of inequality



Only two provinces scored worse than Newfoundland and Labrador on inequality. The province has the worst level of income inequality in Atlantic Canada (Figure 2).

Figure 2: Income inequality (Gini coefficient)



These Canadian rankings need to be seen in the context of other countries, and Canada's ranking was bad; Canada has the fourth-highest level of inequality among 16 peer countries.

Most worrisome is that the province scored a D minus for its gender wage gap — the highest among all jurisdictions. "The gap in weekly full-time earnings between men and women in Newfoundland and Labrador is close to 30 per cent — almost three times higher than the gap in the best-ranked province, Prince Edward Island."[5]

Effects of a higher minimum wage

Tinkering with the minimum wage (e.g., the recent 15 cent increase) will have little to no effect on poverty and inequality. *Significantly* increasing the minimum wage will help to reduce poverty and inequality. It will raise the income of thousands of Newfoundlanders and Labradorians who work at minimum wage.

The spillover effect will also help increase wages for some of those earning just above the new minimum wage level (up to a few dollars above it). A higher minimum wage will help to reduce the gender wage gap, as the majority of minimum wage earners are women.

Higher minimum wages are important, but of course a stronger social safety net is also needed. For instance, improvements are needed to employment insurance and social assistance for those without wages, and we need to complement and support these with a more progressive system of revenues.

However, most people want to work, and our economy depends on it. In order to address the problem of the working poor, an above-poverty level minimum wage is essential. Lower income people whose wages are raised spend almost all of the increase. This can boost local businesses and the local economy. According to the International Monetary Fund (IMF), increasing income share through policies such as higher minimum wages for the bottom 20 per cent of the population is associated with higher GDP growth.[6] A $15 minimum wage in Newfoundland and Labrador will result in low wage workers having on the order of $100 million more per year more in their pockets to spend in local shops.[7] It will also help to boost tax revenues, and reduce the cost of income assistance.

The above reasons, and moreover a greater sense of fairness, may explain why the majority of Canadians (63 per cent) — and especially Atlantic Canadians (73 per cent) — support a $15 minimum wage.[8]

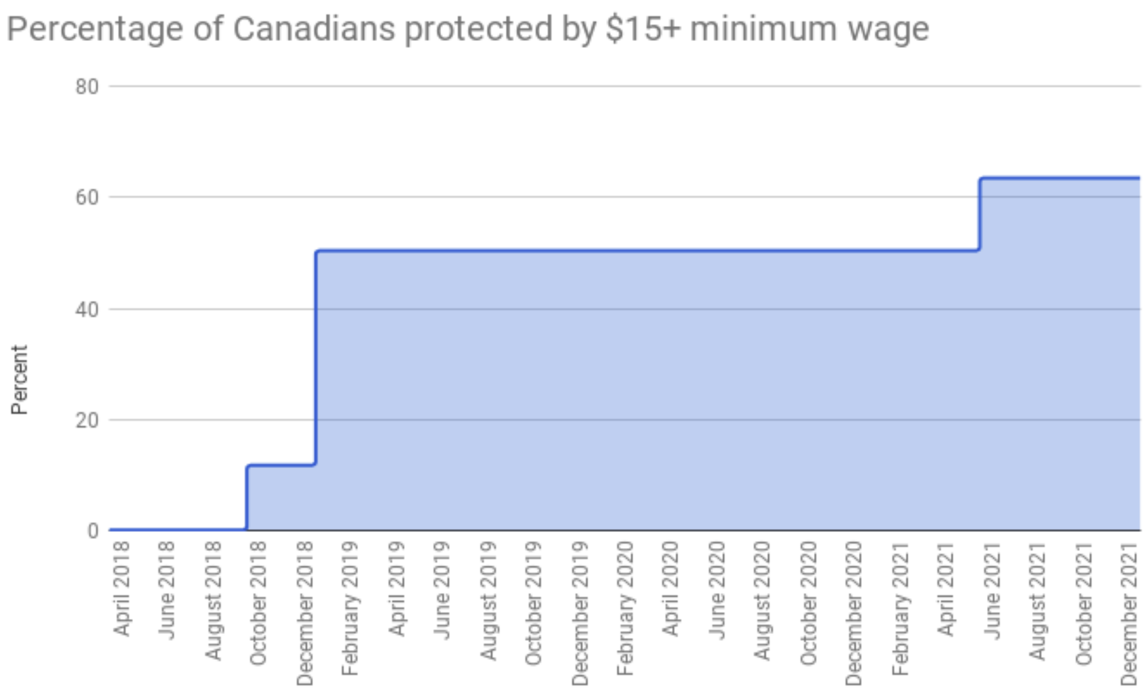
Minimum wages are rising elsewhere

With a growing awareness of the positive impacts of minimum wage increases, and moreover of voter support, governments in Canada and elsewhere have been increasing minimum wages. Six Canadian provinces and territories have already announced minimum wage increases for Spring 2018, and more are coming later in the year and in early 2019. The average minimum wage for Canadians is now over $12.50,[9] and rising. By early 2019, it will be approximately $13.50.

$15 per hour has been adopted as a goal by anti-poverty organizations, labour unions, and others. Some governments have already stepped up to the plate. Indeed, over 60 per cent of Canadians will soon live in provinces where they are protected by a minimum wage of $15 or more; Alberta, B.C., and Ontario have all announced their $15+ targets:

- Alberta's minimum wage is $13.60, and will be $15 on October 1, 2018;
- B.C.'s will be $15.20, or more, by June 1, 2021; and
- Ontario's is $14, and will be $15 on January 1, 2019.

Figure 3: Timeline of minimum wages in Canada



Minimum wage myths and realities

Opponents to minimum wage increases — often funded by big business employers who pay minimum wages — have created arguments against those increases. These arguments have been repeated so often over decades that they have become beliefs for a number of people.

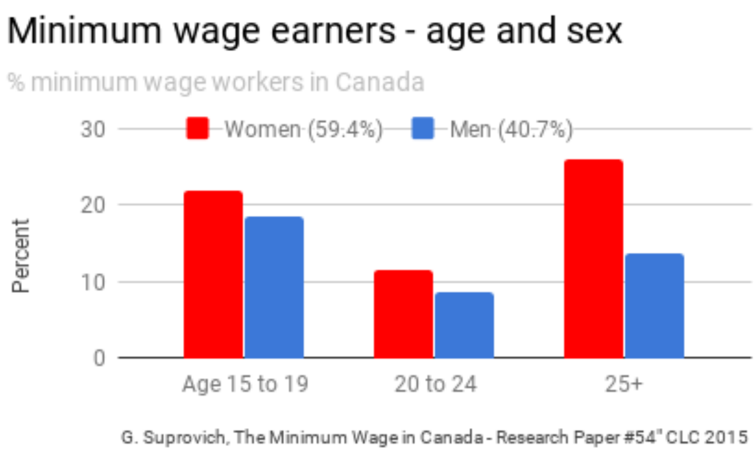
Of course, not all beliefs are reality. Below are some example myths, along with the reality.

Myth: "Most minimum wage earners are teenagers and students"

Reality:

- While many minimum wage earners are young, the majority are 20 or older (see Figure 4);
- 79 per cent of minimum wage earners are not students;[10]
- The majority are women (Figure 4); and
- We want young people to stay in this province. Most other provinces have higher minimum wages.

Figure 4: Age and sex of minimum wage workers[11]



Myth: "Newfoundland and Labrador has many low wage earners and a low median wage, so raising the minimum wage would cause huge economic disruption"

Reality:

- Newfoundland and Labrador has the lowest rate in Atlantic Canada of workers earning under $15 per hour;[12]

- It also has a lower proportion of minimum wage earners (6.1 per cent) than the Canadian average (6.5 per cent);[13] and
- Newfoundland and Labrador is around the middle of the provinces (sixth of 10) for median wages.[14]

Myth: "Raising the minimum wage translates directly into higher costs for businesses"

Reality: Not all businesses are affected. Those that are affected may see some costs go up and some go down.

- There are dozens of sectors in the economy, and minimum wage is concentrated in just a handful. So not all businesses will see a cost increase. What they will all see is consumers with more money to spend in their businesses.
- For businesses that do pay a minimum wage, the overall cost increase is diluted:
    - Only a portion of costs are related to workers; businesses have many other costs — capital, supplies, etc. Labour costs for a restaurant, for example, are generally only 25 to 40 per cent of total costs.[15]
    - Of worker-related costs, only a portion are related to minimum wage workers; they have higher-paid workers too.
    - Of costs related to minimum wage workers, only a portion is wages — there are also benefits and overheads, many of which don't go up when wages go up.
    - Typical cost increases for fast food due to large minimum wage increases (e.g., 50 per cent or larger increases in the minimum wage) are on the order of 2 to 4 per cent — for example, boosting the cost of a $4 burger to $4.08 – $4.16.
- When wages go up, employer costs of turnover, transition, and training tend to go down, and worker productivity rises.[16]

Myth: "Higher costs due to minimum wages will have to be passed on to consumers, especially hurting seniors and others on fixed, low incomes"

Reality:

- Businesses don't automatically raise prices when wages go up. They have other options or "adjustment channels," such as reducing profits, finding efficiencies in non-wage areas, boosting production of more profitable products and services, and cutting back on less profitable ones.
- A higher minimum wage reduces other costs, such as employee turnover and training, while boosting worker productivity.
- Businesses raise prices all the time in response to many factors, including rent increases, heating costs, currency exchange rates, higher costs of product inputs, and the corporate imperative to boost profits.

- There are other ways to help those in need, instead of keeping workers' wages low. Examples include providing better public pensions and old age security, extending medicare to include optical, dental, and pharmacare, improving programs for home energy-efficiency improvements, and providing free transit to seniors and low income people.

Researchers modeled an increased minimum wage from $9 to $12 for Walmart stores in the United States. They found that even if 100 per cent of the wage increase costs were passed on to consumers — which would not be the case — the average impact on a Walmart shopper would amount to only $1.04 per month for the average consumer.[17]

Myth: "Most minimum wage earners work for small businesses, which will be driven out of business"

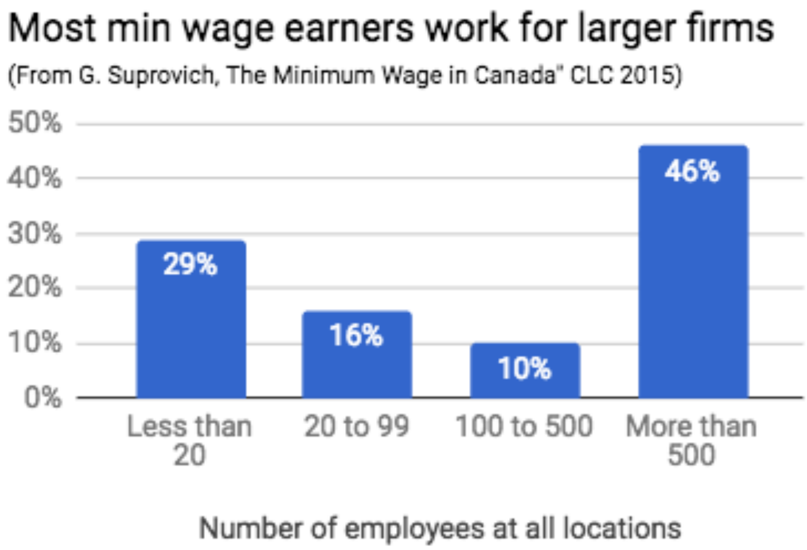
Reality:

- Most minimum wage earners work for businesses with over 20 employees, or even 100 employees (Figure 5).[18]
- Many small businesses go out of business every year, even when the minimum wage doesn't go up, for many reasons (e.g., competition from large chains and big box stores).

Canada's retail landscape is increasingly being controlled by major corporations and foreign capital. The Office of Consumer Affairs of Canada reports that in the last five years the retail landscape has changed considerably, with a significant shift from independent to chain stores.[19] **By 2011, the top 30 major retail companies in Canada controlled 66 per cent of total non-automotive retail sales in Canada."**[20]

- Small businesses depend on consumer demand. A higher minimum wage would increase the amount of money in circulation in the local economy, boosting demand for local goods and services, and boosting economic growth more generally.

Figure 5: Most minimum wage earners work for large firms



Myth: "Small businesses can only survive if governments keep the minimum wage down"

Reality: There are many ways governments can support small businesses, without doing it on the backs of low wage workers. Government can, for example:

- Extend medicare coverage to include dental, optical, and pharmacare, in order to reduce business costs of employer extended health plans, and make small businesses more competitive with larger employers that provide plans;
- Provide high-speed internet service as a free public utility;
- Expand student summer job or intern programs for small businesses; or
- Support micro-businesses (e.g., with profits less than $100,000)[21] to grow with incentives for hiring more employees.

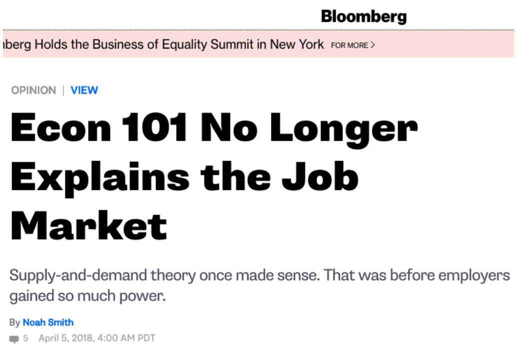
Myth: "A higher minimum wage will cause employers to adopt automation, and put people out of work"

Reality:

- Restaurants, retail, and other sectors have been automating for years, without minimum wage increases (see Figure 6).
- Businesses that have the greatest financial incentive to automate are actually those that pay high wages.

Figure 6: Automation — a year before a minimum wage increase was announced

Myth: “Minimum wage increases cause unemployment — it’s economics 101”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OPINION | VIEW

Econ 101 No Longer Explains the Job Market

Supply-and-demand theory once made sense. That was before employers gained so much power.

By Noah Smith

5 April 5, 2018, 4:00 AM PDT

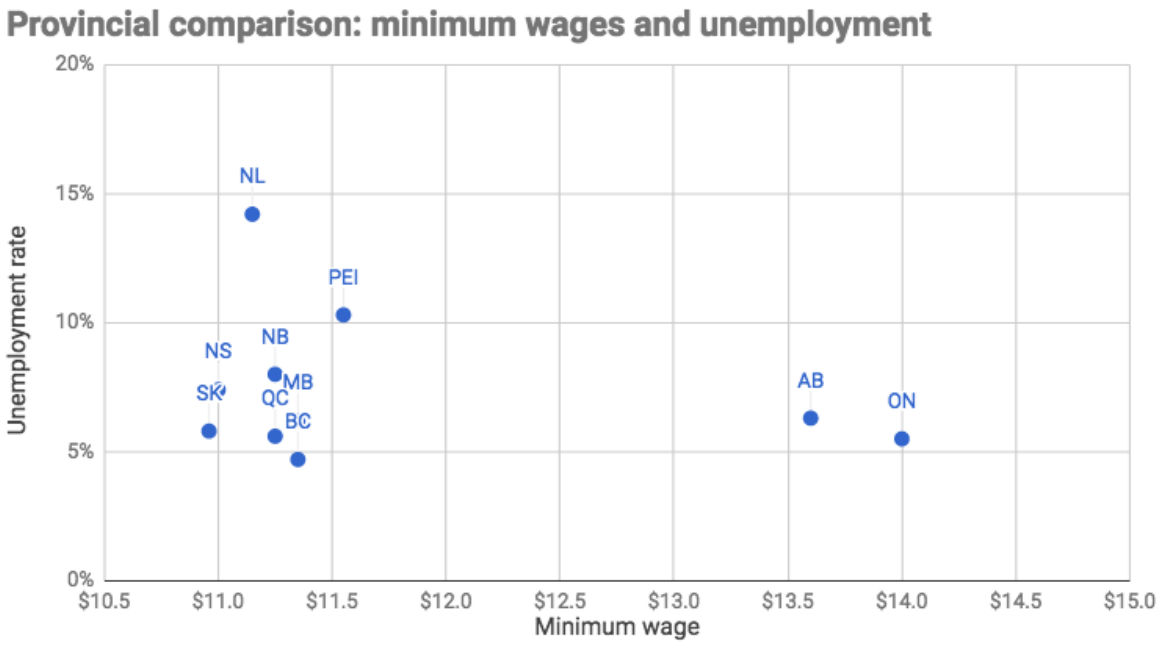
Reality:

- Real economies don’t follow simplified economic models; they are far more complex. There are many ways that businesses adjust to increased minimum wages; economists call these “adjustment channels.”
- Real-life experience shows there is little to no impact on employment from minimum wage increases (see section on Employment and Minimum Wages). The Canadian experience backs this up, as shown below.

Myth: "Provinces with the highest minimum wages have high unemployment"

Reality: The provinces with the highest minimum wages have relatively low unemployment rates (Figure 7).[22]

Figure 7: Minimum wages and unemployment



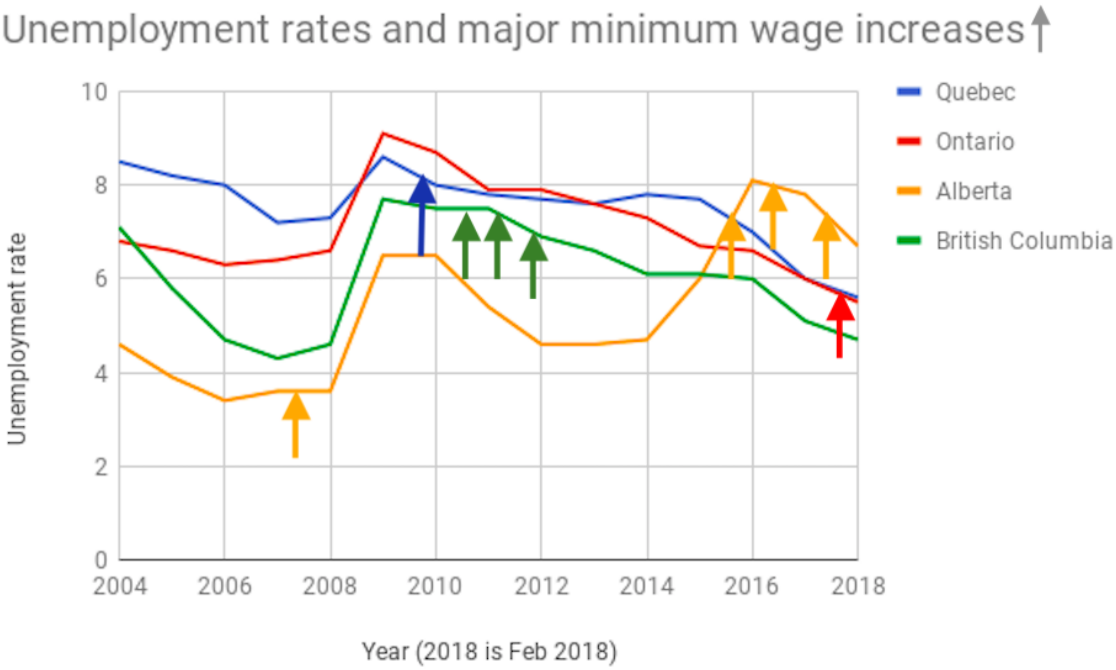
Myth: "Large, sudden increases in minimum wages cause big increases in unemployment — look at Ontario, with tens of thousands of jobs lost"

Reality:

- Recent large minimum wage increases did not result in significant increases to the unemployment rate. See Figure 8, with large increases in:
  - Alberta: 14 per cent on September 1, 2007 (prior to the global financial meltdown), and 29.8 per cent over October 1, 2015, October 1, 2016, and October 1, 2017;
  - Quebec: 12 per cent on May 1, 2010;
  - B.C.: 28 per cent over May 1 and Nov 1, 2011, and May 1 2012; and
  - Ontario 21% on Jan 1, 2018.[23]
- Ontario's January 1, 2018 minimum wage increase was large — 21 per cent, from $11.60 to $14. In both of the two following months, unemployment *decreased*: by 4,000 in January, and by 6,000 in February.[24] This drop in Ontario unemployment

took place while the overall Canadian unemployment rate increased, as often happens after the holidays are over. Ontario has the second-lowest unemployment rate in the country.

Figure 8: Unemployment rates and major minimum wage increases



Myth: "We should be using tax credits like the Canada Workers Benefit, instead of increasing the minimum wage"

Reality:

- While laudable, tax credits are inadequate for addressing poverty wages. The Canada Workers Benefit (CWB, an updated version of the Working Income Tax Benefit) payout is a fraction of the increase in income that a $15 minimum wage would bring.
- Even the highest CWB payout — for a single parent earning less than $17,000 per year — would be less than half of the increase in income from a $15 minimum wage for a full-time worker. And for most people, the CWB would be considerably lower.
- The CWB, like its U.S. cousin the Earned Income Tax Credit, reduces wages. It enables employers to pay workers less. Employers — many of which are large, foreign-owned, corporations — capture a part of this taxpayer-funded benefit.

Minimum wage increases and employment — the economics

The argument that minimum wage increases cause unemployment has been around a long time, and research from recent decades has undermined that argument. This is one of the most intensely studied questions in economics, and the evidence shows there is little to no relationship between minimum wage increases and unemployment.

The argument that minimum wages cause unemployment is often based on a simplified model of supply and demand — a model used to introduce beginner students to economics. Models are simplifications of reality, like maps. The simpler they are, the easier they are to work with, but they also omit more information and are less accurate.

The student-level model states that, if there is a competitive market and all other factors are held constant, an increase in price will reduce the demand for a good (such as labour). However, in real life "all other factors" definitely are not constant, and it may not be a competitive market. While it is a useful teaching aid, the student-level model of supply and demand ignores real-world complexity.

The student-level model fails to take into account several business-level and economy-level "adjustment channels," offsets, and compensations, including the following:

- Most minimum wage earners work for larger businesses with more than 100 employees, which have a variety of ways to reduce costs (e.g., through greater efficiency, or delaying pay raises for executives) and increase revenues (e.g., through focussing on high-margin products and services, and boosting market share).
- Better paid workers tend to stay in their jobs longer, resulting in better productivity and lower employee turnover and training costs.[25]
- Minimum wage jobs are concentrated in just a few sectors of the economy. In those sectors, all businesses will be paying the new minimum wage. This is very different from the situation of a single employer in a sector raising wages, which could make it uncompetitive.
- For employers that do pay minimum wages, only a fraction of their costs are wages, and only a fraction of wages that they pay are minimum wages. Only a small proportion of workers are paid a minimum wage (in Newfoundland and Labrador it is 6.1 per cent).
- Increases to minimum wage boost local consumer spending by minimum wage earners, generating additional business and creating jobs.
- Increases to minimum wage improve the financial security of many low income people, reducing their demand on social services and the public cost of those services.

> **"[P]robably the most important channel of adjustment is through reductions in labor turnover, which yield significant cost savings to employers."[26]**
>
> **— J. Schmitt, Why Does the Minimum Wage Have No Discernible Effect on Employment?**

Also, as noted earlier, the market may not be competitive. With fewer employers than employees, employers may use market power to suppress wages below the level they would be in a competitive market. In such a situation (in economics jargon, a "quasi-monopsony") a higher minimum wage can actually make the market more efficient, and boost employment.[27] This is especially the case where labour mobility is low, and it has fallen in Canada in recent decades.[28] In short, the student-level model may be not only too simplistic; it may even be the *wrong model*.

The net result of these factors is that the student-level supply and demand model does not reflect what really happens when minimum wages are increased. For this reason, practicing economists do not rely on student-level models. They conduct much more sophisticated studies. There are many hundreds of such studies that, taken as a whole, yield two conclusions:

1. It is unclear whether there is any actual impact of minimum wage increases on employment overall, or in specific sectors; and,
2. If there is any impact, it's very small, and it may be positive or negative.

The only clear employment-related impact of a minimum wage increase is that low-wage earners have more money, which they spend and put back into local circulation (in contrast to high-income individuals, who are more likely to put additional income into savings, travel, or offshore tax havens).

The gold standard of research is the meta-study. Meta-studies examine many individual studies, and are a more reliable reflection of the state of knowledge on minimum wages and employment. The U.S. in particular has a large number of studies to form the basis of meta-studies. For example:

- A 2009 meta-study that mapped 1,492 findings in 64 individual studies found "little or no significant impact of minimum wage increases on employment." This meta-study noted that "the strong clumping around zero [impact on jobs] provides a useful summary of decades of research."[29]
- A 2014 meta-study of more than 70 studies and 439 distinct estimates noted that it appears that "if negative effects on employment are present, they are too small to be statistically detectable."[30]
- A 2015 report summarizing meta-studies and recent improvements in study methodologies noted that:

- “The bulk of rigorous research examining hundreds of case studies of minimum wage increases at the state and local levels finds that raising the minimum wage boosts incomes for low-paid workers without reducing overall employment or job growth to any significant degree.”
- “The minority of researchers reaching different conclusions rely on less precise or flawed methodologies that fail to take advantage of the most recent advancements in economic research.”[31]

- A 2016 meta-study of the most recent literature, examining 36 studies and 739 estimates concluded: “We find ... no support for the proposition that the minimum wage has had an important effect on U.S. employment.”[32]

A 2014 Canadian study that reviewed employment data across the provinces from 1983 to 2012 found “no consistent evidence that minimum wage levels affect employment in either direction. … Even when the analysis is focused on those segments of the labour market where low wages are most common (among young workers, and in the retail and hospitality sectors), there was no consistent evidence of significant disemployment effects from higher minimum wages.[33]

A letter to the U.S. government signed by seven Nobel prize winning economists and 600 others addressed the recent improvements in research and noted the stimulative effect of minimum wage increases:

> *In recent years there have been important developments in the academic literature on the effect of increases in the minimum wage on employment, with the weight of evidence now showing that increases in the minimum wage have had little or no negative effect on the employment of minimum-wage workers, even during times of weakness in the labor market. Research suggests that a minimum-wage increase could have a small stimulative effect on the economy as low-wage workers spend their additional earnings, raising demand and job growth, and providing some help on the jobs front.*[34]

Conclusions

Poverty and inequality are serious problems in Newfoundland and Labrador, and they both carry a significant human cost, and an economic cost. A significant increase to the minimum wage can help reduce poverty and inequality, including addressing the gender wage gap.

For decades, opponents of minimum wage increases have advanced arguments, and repeated them endlessly. However, these arguments just don't stand up to reality. They are myths.

In particular, the much repeated claim that minimum wages cause massive unemployment is simply not true. The student-level model supporting that claim is not only too simplistic to capture important reality, but it may be the wrong model altogether. Decades upon decades of research has shown that minimum wage increases have little to no impact on employment. What they do is put more money in the pockets of low wage earners — money that is then spent in the local economy, supporting businesses and creating jobs.

For more information and updates, see wearenl.ca/minimum-wage/

Notes

[1] Conference Board of Canada, "Canada Needs to Lower Poverty and Income Inequality to Boost Social Performance Relative to Peer Countries," April 5, 2017. conferenceboard.ca/press/newsrelease/17-04-05/canada_needs_to_lower_poverty_and_income_inequality_to_boost_social_performance_relative_to_peer_countries.aspx.

[2] "Food Banks Seeing Increase In Demand From 'Working Poor': Williams," *VOCM Local News Now*, September 18, 2017, vocm.com/news/food-banks-seeing-increase-in-demand-from-working-poor-williams/.

[3] K. Pickett and R. Wilkinson, *The Spirit Level New Edition: Why Equality Is Better For Everyone* (Penguin, 2010). See also resources at equalitytrust.org.uk/resources/the-spirit-level, and Joseph E. Stiglitz, *The Price of Inequality: How Today's Divided Society Endangers Our Future* (W.W. Norton, 2013).

[4] For example, Andrew Berg, Jonathan Ostry, and Charalambos Tsangarides, "Redistribution, inequality, and growth," International Monetary Fund Staff Discussion Note (April 2014), imf.org/external/pubs/ft/sdn/2014/sdn1402.pdf; Organization for Economic Cooperation and Development, "Inequality hurts economic growth, finds OECD research," oecd.org/newsroom/inequality-hurts-economic-growth.htm.

[5] Conference Board of Canada, "Canada Needs to Lower Poverty and Income Inequality to Boost Social Performance Relative to Peer Countries," April 5, 2017, conferenceboard.ca/press/newsrelease/17-04-05/canada_needs_to_lower_poverty_and_income_inequality_to_boost_social_performance_relative_to_peer_countries.aspx.

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[9] Population-adjusted mean average across Canada: Government of Canada, "Minimum Wage Database," http://srv116.services.gc.ca/dimt-wid/sm-mw/menu.aspx?GoCTemplateCulture=en-CA.

[10] G. Suprovich, The Minimum Wage in Canada - Research Paper #54," Canadian Labour Congress April 2015, canadianlabour.ca/sites/default/files/media/minwagecanada-2015-04-13 %281%29.pdf.

[11] Ibid. (Suprovich).

[12] Statistic Canada LFS 2015 Microdata, cited in A. MacEwan, "Minimum wage stats show we need $15 and fairness across Canada," CLC May 2016, canadianlabour.ca/news/news-archive/minimum-wage-stats-show-we-need-15-and-fairness-across-canada?utm_campaign=cision.

[13] Government of Alberta, "Alberta Minimum Wage Profile October 2016 - September 2017" https://open.alberta.ca/dataset/3027b65e-16f4-4442-bfa4-0ea73a73ec49/resource/3805bf58-b21d-499e-b9e3-15c41cf9ce4c/download/alberta-minimum-wage-profile.pdf.

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[17] Ken Jacobs, Dave Graham-Squire and Stephanie Luce, "Living Wage Policies and Big-Box Retail: How a higher wager standard would impact Walmart workers and shoppers," April 2011.

[18] G. Suprovich, supra note 10.

[19] J. Zimmerman and A. Arbulu, "Retail Landscape of Canada," Global Agricultural Information Network Report: CA17002, 2017, gain.fas.usda.gov/Recent GAIN Publications/Retail Foods_Ottawa_Canada_2-15-2017.pdf.

[20] A. Daniel and D. Hernandez, Canada's Leading Retailers – Latest Trends and Strategies (12th Edition), Toronto: Centre for the Study of Commercial Activity, 2012, https://csca.ryerson.ca/products/canadas-leading-retailers-latest-trends-and-strategies-12th-edition

[21] Currently, the government sets the bar for the small business tax deduction at $500,000 per year in *profits* (not revenues). If the concern is for small or micro businesses, then the government could raise income taxes on big businesses in order to improve the competitive position of small and micro businesses, and to finance an income tax cut for small or micro businesses that employ workers.

[22] Government of Canada, "Minimum Wage Database," http://srv116.services.gc.ca/dimt-wid/sm-mw/rpt1.aspx, Statistics Canada CANSIM Table 282-0087.

[23] Alberta Civil Service Briefing Note, cited in I. Hussey, "Ten things to know about a $15 minimum wage in Alberta," Parkland Institute, June 2016, parklandinstitute.ca/ten_things_to_know_about_a_15_minimum_wage_in_alberta.

[24] Statistics Canada CANSIM Table 282-0087.

[25] For a discussion of turnover costs see: "Hiring Smart, Turnover may be costing you more than you think!" hiringsmart.com/articles/535/Turnover_may_be_costing_you_more_than_you_think!/ See also, for example, the CLASP-CEPR Turnover Calculator, cepr.net/calculators/turnover_calc.html. For a discussion of productivity increases with higher wages see John Schmitt, John. 2013. Why Does the Minimum Wage Have No Discernible Effect on Employment?, Center for Economic and Policy Research, 2013, http://www.cepr.net/documents/publications/min-wage-2013-02.pdf

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