



Fast

FACTS

CANADIAN CENTRE FOR POLICY ALTERNATIVES – MANITOBA

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Manitoba Minimum Wage workers in poverty, face precarious work: new report

A new report released today by the Canadian Centre for Policy Alternatives – Manitoba office finds Manitoba's \$11.65 hourly minimum wage is insufficient to bring all household types out of poverty, even when government transfers and subsidy programs are included.

One of the purposes of minimum wage laws is to ensure a living wage. For the 31,000 minimum wage workers in Manitoba, the current minimum wage does not meet this goal.

Surviving on Minimum Wage: Lived Experiences of Manitoba Workers and Policy Implications by Jesse Hajer and Ellen Smirl is based on interviews with 42 workers in Winnipeg and Brandon. This report is an update of a 2001 study. The purpose of the report is to gain a better understanding of their experiences, challenges, and hopes for the future. The challenge of making ends meet on minimum wage was evident in these conversations.

“Hard choices” and “poverty traps” were dominant themes in the interviews. Workers spoke of struggling to afford the most basic necessities such as rent, food and transportation and, as participants described it, the ‘luxury’ of buying clothes or recreation. Some spoke of struggling to afford the most basic of items like toilet paper and toothpaste.

“My paycheque runs out before the next one comes in. And it’s hard, I feel like I can

never get ahead. Always struggling...I’m barely keeping my head above water.”
- minimum wage worker and research participant.

“...your two cheques (a month) will cover your rent and a bit of food. You buy macaroni for a month. Anything else, extracurricular hobbies, passions or anything of that stuff is just impossible.”
- minimum wage worker and research participant.

Workers stated they frequently could not afford food despite being employed. Over 38 per cent of respondents regularly used either food banks and meals at churches or charity organizations. One man with diabetes explained that due to budgetary constraints he often eats processed foods which spike his blood sugar and made him feel sick, which in turn affect the number of hours he is able to work. A single mother of two spoke about how guilty she feels about being unable to afford healthy food for her children.

Many workers reported struggling with mental health issues including depression and anxiety related to their jobs and low income.

The report confirms precarious work is on the rise in Manitoba: more minimum wage workers can’t get full time hours. Involuntary part-time workers represent approximately 22 percent of all part-time workers in Manitoba, according to Statistics Canada.

there is an alternative.

CCPA-MB
301 - 583 Ellice Ave.
Winnipeg, MB
R3B 1Z7

phone
(204) 927-3200

email
ccpamb@policyalternatives.ca

website
www.policyalternatives.ca/
manitoba

blog
www.policyfix.ca

twitter
@ccpamb

continued..

“I think \$15 would be liveable. But \$15 per hour at full time hours...\$11.65 an hour is not proportionate to the cost of things that you need.” - minimum wage worker and research participant.

The report finds minimum wage workers experience income volatility, a lack of predictability in scheduling; work part-time involuntarily; and lack paid sick days, pension, dental, prescription and health benefits.

Low wage workers are the least likely to receive paid sick leave; 86 percent of those who earn below \$16,000 do not have any paid sick leave. Only one worker in our study received health benefits and paid sick leave at their job. This finding has huge implications for the COVID-19 era. Low wage many workers are at risk of COVID, yet have no sick leave to self-quarantine if exposed.

The situation of minimum wage workers has only gotten worse with the pandemic economic downturn disproportionately impacting low wage workers, particularly those in retail and hospitality sectors. Half of those who earn \$16/ hour lost their jobs or lost hours during COVID-19.

In addition to speaking with workers about their lived experiences, this research conducted an updated calculation of minimum wage compared to the costs of living. According to these calculations, all family types have insufficient disposable earnings to escape poverty according to Canada's official poverty line when working full time at the minimum wage. Once government transfer and subsidy programs are considered, the minimum wage is still insufficient to bring a one-person household out of poverty, and single parents working full time can only make it over the poverty line by accessing the province's Rent Assist program, in addition to the Canada Child Benefit.

The research recommends Manitoba raise the minimum wage to a living wage. Other provinces and municipalities are instituting fair wage policies targeted a \$15 minimum wage. At \$11.65 per

hour, Manitoba has the second lowest minimum wage in Canada. From a regional perspective, while] slightly higher than Saskatchewan (\$11.32, the lowest in Canada), Manitoba is significantly below Ontario (\$14), Alberta (\$15) and British Columbia (\$14.60).

A review of existing empirical studies finds that moderate increases in the minimum wage have no clear impact on employment levels, and the effect is small if it exists at all. Research shows that raising the minimum wage benefits low-wage workers with potential positive impacts on jobs and the economy.

The report suggests it is time for public policy to catch up with evidence and public opinion and raise the minimum wage in Manitoba, and continue adjustments to the cost of living. Two-thirds of both Canadians and Americans support increasing the minimum wage (Bozinoff, 2016; Davis and Hartig, 2019).

It is also recommended that the province work with the labour community to address precarious working conditions, for example, through mandatory minimum notice for scheduling changes and paid sick/ emergency days. All of this should be part of a truly comprehensive provincial plan to end poverty in Manitoba.

Report available now online: <https://www.policyalternatives.ca/publications/reports/surviving-minimum-wage> by Jesse Hajer and Ellen Smirl.

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R3B 1Z7

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