

Alberta Minimum Wage Profile

April 2009 - March 2010

April 2010

Government of Alberta ■
Employment and Immigration

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Introduction

The *Alberta Minimum Wage Profile* presents current information on minimum wage earners in Alberta and other provinces. Statistics include the percentage of employeesⁱ earning minimum wage in each province plus the characteristics of Alberta minimum wage earnersⁱⁱ.

The profile is based on minimum wage rates that are effective for two reference periods: April 1, 2008 to March 31, 2009 and April 1, 2009 to March 31, 2010.

Interprovincial Analysis

Over the two reference periods, Alberta's minimum wage increased from \$8.40 on April 1, 2008 to \$8.80 on April 1, 2009. The percentage of employees earning minimum wage in Alberta was unchanged at 1.4% in both periods. The proportion for Canada rose 0.5 percentage points from 5.4% to 5.9%, as provinces raised their minimum wages. (Figure 1)

Figure 1: Percentage of Employees Earning Minimum Wage

	April 2008 – March 2009	April 2009 – March 2010
Alberta	1.4%	1.4%
Canada	5.4%	5.9%

Between March 31, 2009 and March 31, 2010, minimum wages were raised in all provinces except British Columbia, where the minimum wage remained at \$8.00. (Figure 2)

Figure 2: Provinces with Increases in Minimum Wage between March 31, 2009 and March 31, 2010

Province	March 31, 2009	March 31, 2010
Ontario	\$9.50	\$10.25
Saskatchewan	\$8.60	\$9.25
Newfoundland and Labrador	\$8.50	\$9.50
Prince Edward Island	\$8.00	\$8.40
Quebec	\$8.50	\$9.00
New Brunswick	\$7.75	\$8.25
Manitoba	\$8.50	\$9.00
Alberta	\$8.40	\$8.80
Nova Scotia	\$8.10	\$8.60

ⁱ See definition in Appendix A

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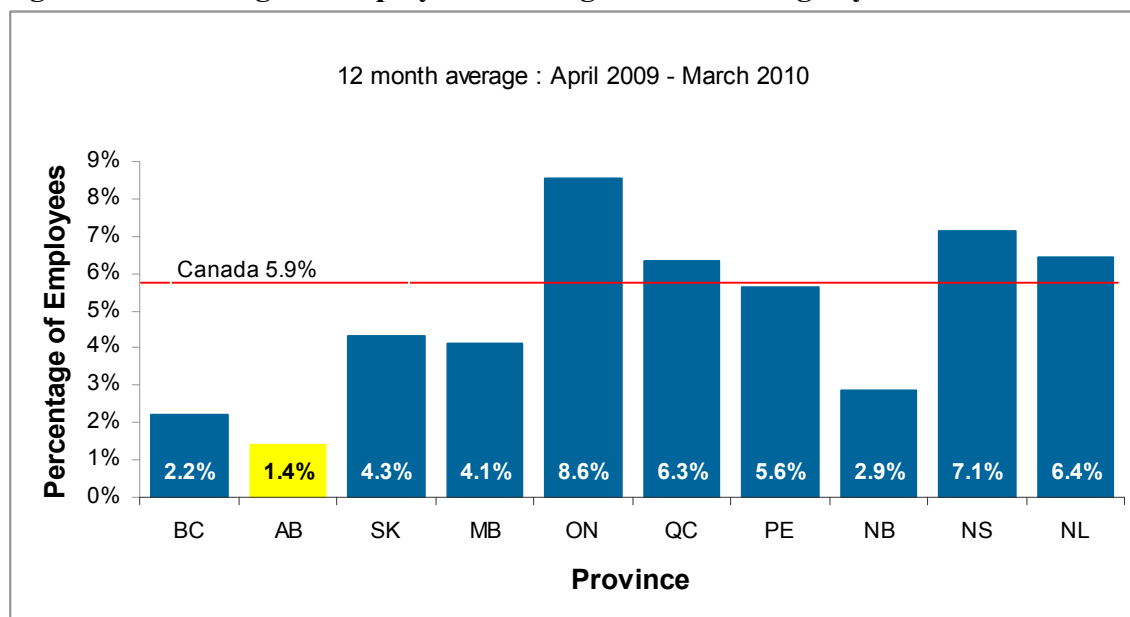
Of all the provinces that had raised their minimum wages, four provinces had increases in the percentages of minimum wage earners: Ontario, Quebec, Nova Scotia and Saskatchewan. Four provinces, Newfoundland and Labrador, Prince Edward Island, New Brunswick, and Manitoba, saw declines in the percentages of minimum wage employees because of lowered overall employment. The percentage of employees earning minimum wage was unchanged for Alberta. (Figure 3)

Figure 3: Percentage of Employees Earning Minimum Wage by Province

Percentage of Employees Earning Minimum Wage	April 2008 - March 2009	April 2009 - March 2010
Ontario	7.2%	8.6%
Quebec	5.9%	6.3%
Nova Scotia	6.6%	7.2%
Saskatchewan	3.1%	4.3%
Newfoundland and Labrador	8.9%	6.4%
Prince Edward Island	5.8%	5.6%
New Brunswick	5.3%	2.9%
Manitoba	5.2%	4.1%
Alberta	1.4%	1.4%

Most of Alberta's employees earned more than minimum wage. Between April 2009 and March 2010, of 1,365,700 employeesⁱⁱⁱ in Alberta's organizations, 1.4% or 19,300 earned minimum wage. Alberta has the lowest percentage of minimum wage earners among Canadian provinces. (Figure 4)

Figure 4: Percentage of Employees Earning Minimum Wage by Province



ⁱⁱⁱ The analyses in this profile exclude 323,400 individuals who were self-employed, unpaid family workers or who worked more than 44 hours per week.

Several provinces have scheduled increases to their minimum wages in 2010. Figure 5 shows a summary of upcoming minimum wage increases as of March 31, 2010. (See Appendix B for more information)

Figure 5: Provinces with Upcoming Minimum Wage Increases

Province	Minimum Hourly Wage Rate as of March 31, 2010	Next Minimum Hourly Wage Rate	
		Next Minimum Hourly Wage Rate	Effective Date
Nova Scotia	\$8.60	\$9.20	April 1, 2010
		\$9.65	October 1, 2010
Newfoundland and Labrador	\$9.50	\$10.00	July 1, 2010
Quebec	\$9.00	\$9.50	May 1, 2010
New Brunswick	\$8.25	\$8.50	April 1, 2010
		\$9.00	September 1, 2010
Prince Edward Island	\$8.40	\$8.70	June 1, 2010
		\$9.00	October 1, 2010
Manitoba	\$9.00	\$9.50	October 1, 2010

Detailed information about minimum wage rates can be found at the website: <http://srv116.services.gc.ca/wid-dimt/mwa/index.aspx?report=report1>.

Alberta Analysis

In Alberta, the profile of a minimum wage earner was as follows between April 2009 and March 2010.

- aged 15-19 years
- part-time work
- private sector work
- permanent employment
- non-union employee
- over one year and up to five years of job experience
- work in the Accommodation and Food Services industry
- work in Sales and service occupations, n.e.c.^{iv}
- some high school
- female

^{iv} Not elsewhere classified

The 15 to 19 years age group remained the largest group of Alberta's minimum wage earners, and the 55 years and over the second largest. The proportion of minimum wage earners between 25 and 29 years old went up by six percentage points, from 5.0% in the April 2008 – March 2009 period to 11.0% in the April 2009 – March 2010 period. (Figure 6)

Figure 6: Proportion of Alberta Minimum Wage Earners by Age (years)

	April 2008 - March 2009	April 2009 - March 2010
15-19	33.2%	36.4%
20-24	15.6%	11.6%
25-29	5.0%	11.0%
30-34	8.2%	6.4%
35-39	5.3%	6.7%
40-44	6.6%	3.8%
45-49	10.3%	7.4%
50-54	6.4%	4.1%
55+	9.3%	12.6%
Total	100%	100%

Over half, or 53.8%, of minimum wage earners worked part-time in the April 2009 – March 2010 period.

Figure 7: Proportion of Alberta Minimum Wage Earners by Type of Work

	April 2008 - March 2009	April 2009 - March 2010
Full-Time	55.7%	46.2%
Part-Time	44.3%	53.8%
Total	100%	100%

Minimum wage earners worked predominantly in the private sector; and 9% worked in the public sector. (Figure 8)

Figure 8: Proportion of Alberta Minimum Wage Earners by Employee Type

	April 2008 - March 2009	April 2009 - March 2010
Private Sector Employee	90.9%	91.0%
Public Sector Employee	9.1%	9.0%
Total	100%	100%

A large proportion, 75.2%, of minimum wage earners was in permanent employment. (Figure 9)

Figure 9: Proportion of Alberta Minimum Wage Earners by Job Tenure

	April 2008 - March 2009	April 2009 - March 2010
Permanent	79.5%	75.2%
Temporary	20.5%	24.8%
Total	100%	100%

More than ninety per cent of Alberta's minimum wage earners were non-union employees. The proportion of unionized employees earning minimum wage rose by 0.6 percentage point in the April 2009 to March 2010 reference period. (Figure 10)

Figure 10: Proportion of Alberta Minimum Wage Earners by Union Status

	April 2008 - March 2009	April 2009 - March 2010
Non-Union Employee	92.3%	92.5%
Union Member	6.4%	7.0%
Covered by Collective Agreement, Not Member	1.3%	0.4%
Total	100%	100%

Of all minimum wage earners, 41.7% had between one and five years' experience. There were 38.6% who had one year or less of job experience. The proportion of minimum wage earners with over five years' experience increased from 17.0% to 19.7%. (Figure 11)

Figure 11: Proportion of Alberta Minimum Wage Earners by Job Experience

	April 2008 - March 2009	April 2009 - March 2010
Less than One Year	44.6%	38.6%
One to Five Years	38.4%	41.7%
More than Five Years	17.0%	19.7%
Total	100%	100%

More than half of Alberta's minimum wage earners were employed in the following three industries: Accommodation and Food Services, 24.4%; Retail Trade, 23.0%; and Other Services, 8.4%. (Figure 12)

Figure 12: Proportion of Alberta Minimum Wage Earners by Industry

	April 2008 - March 2009	April 2009 - March 2010
Accommodation and Food Services	26.5%	24.4%
Retail Trade	15.7%	23.0%
Other Services (except Public Administration)	10.4%	8.4%
Health Care and Social Assistance	6.4%	7.2%
Educational Services	5.8%	5.2%
All Other Industries	35.2%	31.8%
Total	100%	100%

Over 54% of Alberta's minimum wage earners worked in the following three occupational groups: Sales and service occupations n.e.c.^v, 22.8%; Retail salespersons, sales clerks, cashiers, including retail trade supervisors, 18.8%; and Chefs, cooks, and food and beverage service occupations, including supervisors, 12.7%. (Figure 13)

Figure 13: Proportion of Alberta Minimum Wage Earners by Occupation

	April 2008 - March 2009	April 2009 - March 2010
Sales and service occupations n.e.c.	19.9%	22.8%
Retail sales persons, sales clerk, cashiers	15.2%	18.8%
Chefs, cooks, food and beverage service	14.1%	12.7%
Clerical occupations	11.5%	5.7%
Financial, secretarial and administrative	8.6%	4.9%
All other occupations	30.6%	35.1%
Total	100%	100%

^v Not elsewhere classified

Of all Alberta minimum wage earners, 38.8% had some high school education; and 22.5% graduated from high school. (Figure 14)

Figure 14: Proportion of Alberta Minimum Wage Earners by Highest Educational Attainment

	April 2008 - March 2009	April 2009 - March 2010
0-8 Years (Elementary)	6.4%	5.1%
Some High School	30.8%	38.8%
High School Graduate	25.4%	22.5%
Some Post-Secondary	7.3%	5.6%
Post-Secondary Certificate or Diploma	18.7%	15.5%
University Degree	11.4%	12.6%
Total	100%	100%

Females made up 58.2% of the minimum wage earners in Alberta. The proportion of male minimum wage earners between April 2009 and March 2010 was 41.8%. (Figure 15)

Figure 15: Proportion of Alberta Minimum Wage Earners by Gender

	April 2008 - March 2009	April 2009 - March 2010
Female	69.9%	58.2%
Male	30.1%	41.8%
Total	100%	100%

Methodology, Definitions and Detailed Interprovincial Minimum Wage Information

For information on the methodology and definitions, see Appendix A. Appendix B gives detailed information on upcoming changes to minimum wage rates in the provinces. Appendix C provides the minimum wages before and after tax for each province.

Appendix A

Methodology

The data for this profile are gathered from the Labour Force Survey (LFS) conducted by Statistics Canada. Each month, the Data Development and Evaluation branch of Alberta Employment and Immigration receives LFS files from Statistics Canada. This includes a microdata file, which contains the complete file of all LFS responses.

The minimum wage analysis is performed on the microdata using the statistical software package SAS. The Canadian territories are excluded from this analysis. Twelve-month averages are used to ensure the results are not affected by seasonality. The microdata files for each of the twelve months examined are combined into one large data set and annual averages are then calculated. For example, in this profile, the results are an average of the April 2009 to March 2010 numbers.

Minimum wage rates often change; therefore the minimum wage profile will differ from one report to the next.

Occupational and industrial classifications were based on the following.

National Occupational Classification for Statistics 2006

<http://www.statcan.gc.ca/bsolc/olc-cel/olc-cel?lang=eng&catno=12-583-X>

North American Industry Classification System – Canada 2007

<http://www.statcan.gc.ca/pub/12-501-x/12-501-x2007001-eng.pdf>

All data are from Statistics Canada, Labour Force Survey microdata files, with the following exceptions:

Appendix B: Fact Sheet: Minimum Hourly Wage Rates

Source: Alberta Employment and Immigration Workplace Standards; Human Resources and Skills Development Canada; and various Provincial Government official websites

Appendix C: After Tax Minimum Wage Comparisons

Source: Alberta Finance and Enterprise

Appendix A (Continued)

Definitions

These definitions are from Statistics Canada, except for “Employees” and the occupational and industrial groups.

Employees

In this analysis, people who were either self-employed or listed as having an hourly wage rate of \$0.00 were removed from the overall employment figure to determine the number of employees. Employees working greater than 44 hours were also excluded from the analysis. Please note that the number of employees in organizations is different from the employment figure for Alberta.

Full-Time Employees

People who usually work 30 hours or more per week at their main or only job.

Minimum Wage Earner

People who earned minimum wage or less. Some employees fall outside the scope of the Employment Standards Code’s minimum wage provisions and may earn less than minimum wage. See Section 8 of the Employment Standards Regulation and section 2(3)(g) of the Code for more information.

Occupations in Social Science, Government Service and Religion

Occupations in this major group include Recreation, Sports and Fitness Program Supervisors and Early Childhood Educators and Assistants.

Other Services Industry

Consists of establishments, not classified to any other sector, primarily engaged in repairing or performing general or routine maintenance, on motor vehicles, machinery, equipment, and other products; providing personal care services, and other services to individuals; organizing/promoting religious activities; and supporting various causes through grant-making, advocating various social and political causes.

Part-Time Employees

People who usually work less than 30 hours per week at their main or only job.

Permanent Job

A permanent job is one that is expected to last as long as the employee wants it, given that business conditions permit. There is no pre-determined termination date.

Sales and Service Occupations n.e.c.

Occupations in this major group are primarily concerned with providing services not elsewhere classified in other Sales and service occupational groups, non-store retail sales not elsewhere classified and providing services related to sales. Examples of occupations in this category include Attendants in Recreation and Sport as well as Supervisors.

Appendix A (Continued)

Definitions (Continued)

Temporary Job

A temporary job has a predetermined end date, or will end as soon as a specified project is completed. Included in temporary jobs are seasonal, temporary, term or contract jobs; also include work done through a temporary help agency; casual jobs; and other temporary work.

Wage

Hourly wage/salary before taxes and other deductions, and include tips and commissions.

Appendix B

FACT SHEET: MINIMUM HOURLY WAGE RATES

Jurisdiction	General Rate for Adult Workers ⁱ	Effective Date (D/M/Y)	Rate for Young or Inexperienced Workers	Effective Date (D/M/Y)
Federal	Same as the general adult minimum wage rate of the province or territory where the work is performed.	18/12/96	Employees under 17: same as the general adult minimum wage rate of the province or territory where they work.	18/12/96
Alberta	\$8.40 \$8.80	01/04/08 01/04/09	Same as adult rate.	
British Columbia	\$8.00	01/11/01	\$6.00 (for inexperienced employees) ⁱⁱ	15/11/01
Manitoba	\$8.50 \$8.75 \$9.00 \$9.50	01/04/08 01/05/09 01/10/09 01/10/10	Same as adult rate.	
New Brunswick	\$7.75 \$8.00 \$8.25 \$8.50 \$9.00	31/03/08 15/04/09 01/09/09 01/04/10 01/09/10	Same as adult rate.	
Newfoundland and Labrador	\$8.50 \$9.00 \$9.50 \$10.00	01/01/09 01/07/09 01/01/10 01/07/10	Same as adult rate.	
Northwest Territories	\$8.25 \$9.00	28/12/03 01/04/10	Same as adult rate.	
Nova Scotia	\$8.10 \$8.60 \$9.20 \$9.65	01/05/08 01/04/09 01/04/10 01/10/10	\$7.60 \$8.10 \$8.70 \$9.15 (for inexperienced employees) ⁱⁱⁱ	01/05/08 01/04/09 01/04/10 01/10/10
Nunavut	\$8.50 \$10.00	03/03/03 01/09/08	Same as adult rate.	

Jurisdiction	General Rate for Adult Workers ⁱ	Effective Date (D/M/Y)	Rate for Young or Inexperienced Workers	Effective Date (D/M/Y)
Ontario	\$8.75	31/03/08	\$8.20	31/03/08
	\$9.50	31/03/09	\$8.90	31/03/09
	\$10.25	31/03/10	\$9.60 (for students) ^{iv}	31/03/10
Prince Edward Island	\$8.00	01/10/08	Same as adult rate.	
	\$8.20	01/06/09		
	\$8.40	01/10/09		
	\$8.70	01/06/10		
	\$9.00	01/10/10		
Quebec	\$8.50	01/05/08	\$7.75	01/05/08
	\$9.00	01/05/09	\$8.00	01/05/09
	\$9.50	01/05/10	\$8.25 (employees receiving tips)	01/05/10
Saskatchewan	\$8.60	01/05/08	Same as adult rate.	
	\$9.25	01/05/09		
Yukon	\$8.58^v	01/04/08	Same as adult rate.	
	\$8.89	01/04/09		
	\$8.93	01/04/10		

Source: Labour Law Analysis
Employment Standards Policy and Legislation
Labour Program, Human Resources and Skills Development Canada
April 20, 2010

Notes:

ⁱ In many jurisdictions, special minimum wage rates apply to certain specific occupations (e.g., domestics, salespersons, crop harvesters and employees who usually receive gratuities).

ⁱⁱ In British Columbia, "inexperienced employees" are those who had no paid employment experience prior to November 15, 2001 and who have since accumulated less than 500 hours of paid employment experience with one or more employers.

ⁱⁱⁱ In Nova Scotia, the term refers to those who have not been employed for more than three months by any employer to do the work for which they are presently employed.

^{iv} These rates apply to students under 18 who are employed up to 28 hours in a week, or during a school holiday.

^v Effective April 1, 2007, and on April 1 of each subsequent year, this rate will increase by an amount corresponding to the annual increase for the preceding year in the Consumer Price Index (CPI) for the city of Whitehorse. To date, Yukon is the only jurisdiction in Canada to tie annual minimum wage increases to the CPI.

Appendix C

The following minimum wage comparison table factors in taxes (as of March 15, 2010) and then ranks the provinces with the highest to lowest after tax wage rate. Please note that this table and the graph below it were based on the minimum wages as of March 31, 2010.

Minimum Wage Comparisons 2010

* For Single Income Earners

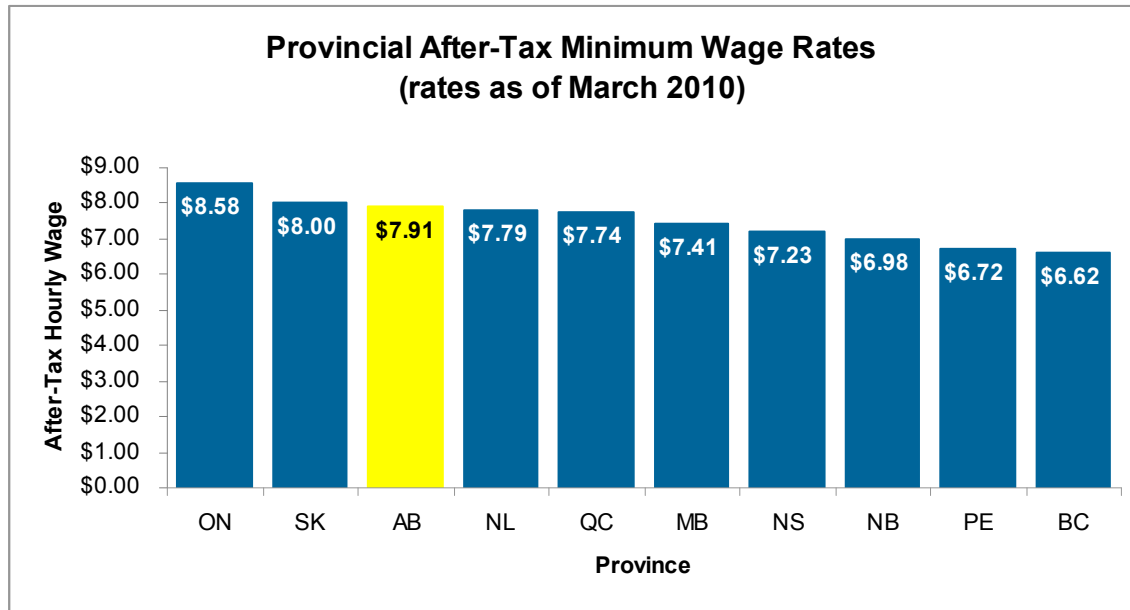
	AB	BC	SK	MB	ON	QC	NB	NS	PE	NL
Minimum Wage Rate	\$8.80	\$8.00	\$9.25	\$9.00	\$10.25	\$9.00	\$8.25	\$8.60	\$8.40	\$9.50
Salary (2000 hrs)	\$17,600	\$16,000	\$18,500	\$18,000	\$20,500	\$18,000	\$16,500	\$17,200	\$16,800	\$19,000
Federal Tax	\$1,775	\$2,504	\$1,973	\$1,845	\$2,421	\$1,978	\$1,490	\$1,673	\$1,580	\$2,075
Personal Income Tax	\$775	\$1,639	\$901	\$831	\$1,181	\$916	\$580	\$719	\$663	\$971
CPP/EI/QPP	\$1,002	\$896	\$1,063	\$1,029	\$1,196	\$1,054	\$929	\$976	\$949	\$1,096
GST	(\$2)	(\$30)	\$9	(\$15)	\$44	\$8	(\$20)	(\$21)	(\$32)	\$8
Provincial Tax	\$ -	\$253	\$536	\$1,345	\$924	\$544	\$498	\$1,070	\$1,256	\$1,340
Personal Income Tax	\$0	\$0	\$228	\$891	\$523	\$231	(\$109)	\$513	\$638	\$690
Sales Tax	\$0	\$253	\$308	\$454	\$370	\$313	\$607	\$557	\$618	\$650
Health Care Premium	\$0	\$0	\$0	\$0	\$30	\$0	\$0	\$0	\$0	\$0
Summary										
Before Tax Ranking	6	10	3	4	1	4	9	7	8	2
Total Tax	\$1,775	\$2,756.8	\$2,509	\$3,190	\$3,345	\$2,522	\$1,988	\$2,743	\$2,836	\$3,415
After Tax Salary	\$15,825	\$13,243.2	\$15,991	\$14,810	\$17,155	\$15,478	\$14,512	\$14,457	\$13,964	\$15,585
After Tax Wage Rate	\$7.91	\$6.62	\$8.00	\$7.41	\$8.58	\$7.74	\$7.26	\$7.23	\$6.98	\$7.79
After Tax Ranking	3	10	2	6	1	5	7	8	9	4

Based on the best information available as of: March 15, 2010 for the 2010 provincial tax systems. Minimum wage rates as of March 31, 2010.

NOTE: This comparison assumes that all income is from employment and only personal, CPP, and EI credits are claimed.

Source: Alberta Finance and Enterprise

Appendix C (Continued)



With low taxes, Alberta had the third highest provincial after-tax minimum wage rate, as of March 2010. In April 2008, Alberta had the highest after-tax minimum wage rate of the ten provinces.

Before tax, Alberta had the sixth highest minimum wage rate. Ontario had the highest before-tax minimum wage rate, followed by Newfoundland. Three provinces, Saskatchewan, Manitoba and Quebec, had the next highest before tax minimum wage rate.

Source: Alberta Finance and Enterprise
April, 2010