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PERSPECTIVES

ON LABOUR AND INCOME

SEPTEMBER 2006

Vol. 7, No. 9

■ THE CORE-AGE
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■ UPDATE
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-	not available for a specific reference period
...	not applicable
p	preliminary
r	revised
x	confidential
E	use with caution
F	too unreliable to be published

Highlights

In this issue

■ The core-age labour force

- From 1995 to 2004, the proportion of women and men aged 25 to 54 in the labour force grew steadily. However, from 2004 into the first half of 2006, both women's and men's participation rates declined very slightly yet persistently.
- For the most part, women with children under 6 did not contribute to the decline. Their labour force participation rates increased steadily from 1995 to 2005 (from 67% to 74%). However, rates varied notably by province, possibly because of different economic cycles and child-care policies. For example, the rate in Alberta dropped 1.2 percentage points while increasing 3.8 points in Nova Scotia.
- Seven in 10 women with babies less than a year old were in the labour force in 2005, the highest rate on record.
- Reasons for the slight decline are complex. However, it seems likely that withdrawing from the labour force is a temporary phenomenon for those aged 25 to 54. This is suggested by a rise in those leaving for personal or family reasons (4.4% of women) as well as job dissatisfaction (3.2% of men).

Perspectives

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The core-age labour force

Jacqueline Luffman

The Canadian labour market has been transformed since World War II by the increased participation of women, particularly those in the core working-age group (25 to 54). Indeed, except for a brief period during the recession of the early 1990s when their participation rate stalled around 75%, the proportion of women in the labour force grew steadily until 2004. Since then,¹ rates have declined very slightly and are now hovering around 81%. Nevertheless, the participation rate for Canadian women aged 25 to 54 compared favourably with other countries in 2005 (Chart A), and ahead of American women, whose rate fell from 76.4% to 75.3% between 2001 and 2005. Is the slight decline in Canada the beginning of a new trend, or does it merely reflect regular fluctuations in the economy or other socio-economic conditions?²

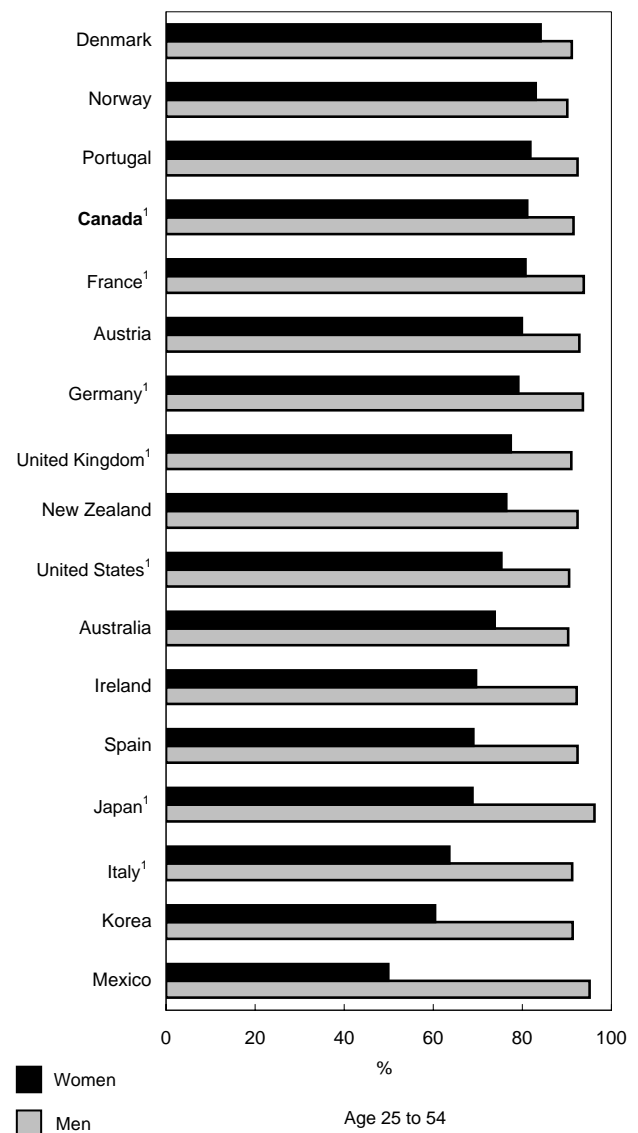
Using the Labour Force Survey (LFS), this article examines labour force participation rates of women and men aged 25 to 54 by province, education and marital status over the past 10 years. Particular attention is focused on women with young children.

Overall, participation rates for men and women continue to converge

With the wholesale entry of women into the labour market, men's and women's labour force participation rates and employment rates have been converging (Chart B). Since 1995, men's participation rate has been relatively flat, reaching a peak in 2003 and 2004 at 91.6% before dropping very slightly in 2005. Employment growth in the service-producing sector of the economy favoured women throughout the 1990s while men struggled with job losses in manufacturing.

Jacqueline Luffman is with the Labour and Household Surveys Analysis Division. She can be reached at (613) 951-1563 or perspectives@statcan.ca.

Chart A Canadian women's labour force participation rate compared favourably with other nations in 2005



¹ G8 member.
 Source: OECD Employment Outlook, 2006

Data source and definitions

The **Labour Force Survey (LFS)** collects information monthly on labour market activity from the civilian, non-institutionalized population 15 years of age and over. The territories are excluded from the national total, as are persons living on Indian reserves. The survey samples approximately 54,000 households, with each remaining in the sample for six consecutive months. The LFS divides the working-age population into three mutually exclusive classifications: employed, unemployed, and not in the labour force. For a full listing and description of LFS variables, see *Guide to the Labour Force Survey* (Statistics Canada Catalogue no. 71-543-GIE).

Labour force: The civilian, non-institutionalized population 15 years of age and over who, during the survey reference week, were employed or unemployed. Note: Persons on maternity or parental leave were considered employed if they had retained their job. Those who did not have a job but were looking for work were considered unemployed and therefore also part of the labour force.

Participation rate: Labour force (employed plus unemployed) as a percentage of the population 15 and over. The participation rate for a particular group is the labour

force in that group expressed as a percentage of the population for that group.

Employment–population ratio or employment rate: Percentage of the population employed.

University-educated: Individuals with a bachelor's degree or higher.

College-educated: Individuals with a certificate or diploma from a community college or CEGEP, a trades certificate, or a university certificate below a bachelor's level.

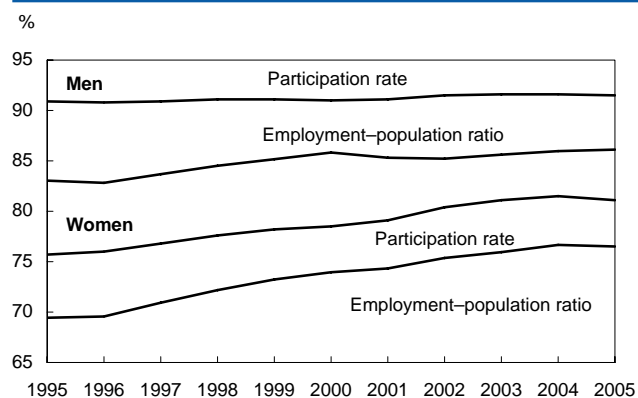
Child under 6: The youngest child in the family was under 6; other children in the family may be older.

Child aged 6 to 17: The youngest child in the family was aged between 6 and 17.

Lone parent: A mother or father, with no spouse or common-law partner present, living in a dwelling with one or more children.

The 2005 participation rate declines for both men and women, the first outside a recessionary period, could be the result of several factors. One could be the increase since 1995 in the number of adults over 25 going to school (data not shown). However, since these people are likely to have continued working, labour force participation rates would not be affected. Per-

Chart B Labour market activity of men and women 25 to 54 has been converging



Note: The employment–population ratio is the percentage of the working-age population employed.

Source: Statistics Canada, Labour Force Survey

Table 1 Reasons for not working in the past year

	1995	2005
		'000
Men 25 to 54	590	603
		%
Job leavers	14.6	16.2
Illness or disability	3.5	3.8
Personal or family reasons	0.6	1.0
School	4.8	4.9
Dissatisfied	1.6	3.2
Retired	1.4	1.5
Other	2.8	1.8
Job losers (permanent layoff)	21.1	12.8
Other ¹	64.3	71.0
		'000
Women 25 to 54	1,588	1,334
		%
Job leavers	10.3	12.6
Illness or disability	1.7	2.1
Personal or family reasons	3.2	4.4
School	1.6	2.0
Dissatisfied	1.7	2.5
Retired	0.4	0.7
Other	1.7	1.0
Job losers (permanent layoff)	9.8	7.3
Other ¹	80.0	80.1

¹ Never worked or last worked more than 12 months ago.

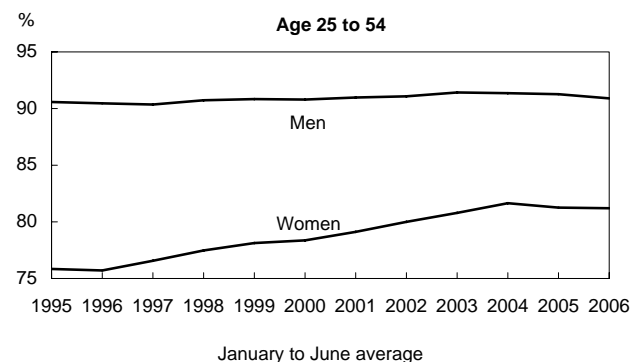
Source: Statistics Canada, Labour Force Survey

manent layoffs and voluntary withdrawals from the labour force could also influence the rate. In 2005, almost 13% of men and over 7% of women not in the labour force were on permanent layoff, but these percentages were down from 1995 (Table 1). Job leavers, however, were more common in 2005. For example, 3.2% of men not working said they had left because of dissatisfaction with their last job (compared with 1.6% in 1995). Among women, 4.4% were not in the labour force because of personal or family reasons (such as pregnancy, or caring for children or the elderly) compared with 3.2% in 1995.³

Slight downward trends in participation continue

In Canada, employment follows a seasonal pattern, tending to swell from May through October and then decline for the next six months. In order to explore

Chart C After years of increase, women's participation rate may have peaked



Source: Statistics Canada, Labour Force Survey

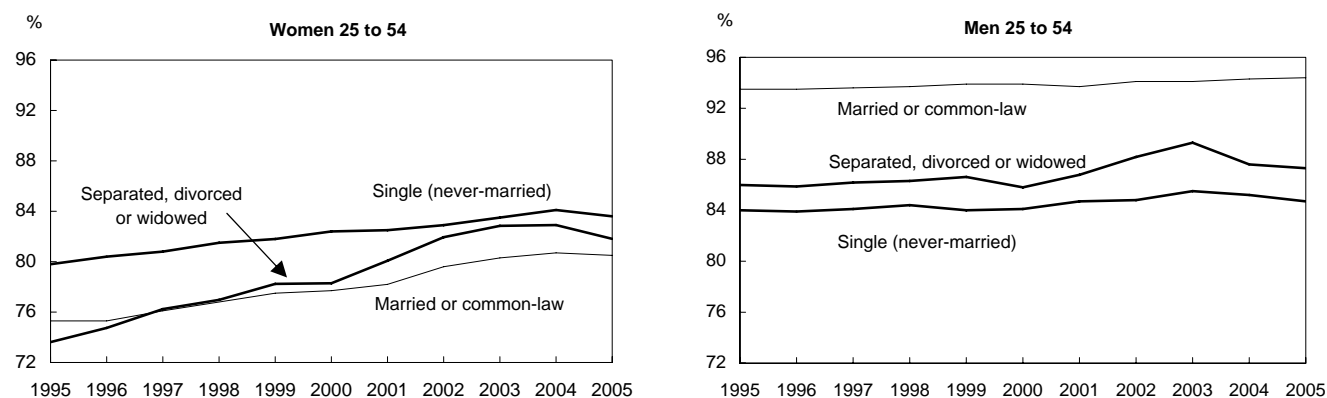
Table 2 Participation rates by province

	1995	1998	2001	2004	2005
Women 25 to 54					
			%		
Canada	75.7	77.6	79.1	81.5	81.1
Newfoundland and Labrador	63.2	66.7	72.0	74.1	74.5
Prince Edward Island	79.6	82.3	83.2	86.3	86.5
Nova Scotia	70.5	73.4	77.4	80.2	80.3
New Brunswick	71.1	73.0	76.1	80.3	80.5
Quebec	72.6	74.9	77.8	81.1	81.6
Ontario	76.7	78.8	80.2	81.9	81.6
Manitoba	80.2	80.9	81.9	84.1	83.0
Saskatchewan	80.1	81.3	80.7	84.2	83.7
Alberta	80.7	81.6	81.4	82.1	80.5
British Columbia	76.9	77.6	77.3	80.5	79.3
Men 25 to 54					
Canada	90.9	91.1	91.1	91.6	91.5
Newfoundland and Labrador	79.0	79.8	81.9	83.9	84.2
Prince Edward Island	90.7	88.9	91.6	91.1	91.0
Nova Scotia	87.1	88.2	88.0	89.9	89.3
New Brunswick	84.3	86.6	86.9	88.1	88.6
Quebec	89.2	89.9	90.0	90.9	90.7
Ontario	91.7	92.0	92.3	92.2	92.1
Manitoba	93.0	93.2	93.2	93.5	92.7
Saskatchewan	93.2	93.1	92.2	92.9	92.6
Alberta	94.4	94.3	93.6	93.8	93.9
British Columbia	92.4	90.4	89.4	90.4	90.0

Source: Statistics Canada, Labour Force Survey

the most recent data (the first half of 2006), average participation rates were calculated for the first six months of calendar years (Chart C). For men, this half-year rate stood at just over 91% from 2003 to 2005, declining fractionally in 2006 to 90.9% nationally. The rate for women generally rose between 1995 and 2004, edging down in 2005 from 81.6% to 81.3%. The first six months of 2006 saw another very small decline to 81.2%.

Labour force participation depends on many factors, including availability of jobs, education level, presence of children, and daycare, and the rates can vary greatly from province to province. In 2005, women in Prince Edward Island had the highest participation rate (86.5%) while those in Newfoundland and Labrador had the lowest (74.5%). The high rate in Prince Edward Island could be due to the province's largely agricultural, rural-based economy. Older women in rural areas are more likely than those in urban areas to be employed when all other factors are held constant (Vera-Toscano, Phimister and Weersink 2000).

Chart D Labour force participation declined most among the separated, divorced or widowed

Source: Statistics Canada, Labour Force Survey

Between 1995 and 2004, all provinces saw women's participation rates rise (Table 2). Since 2004, trends have been mixed. Provinces west of Quebec saw a decline between 2004 and 2005, whereas the Atlantic provinces and Quebec posted increases. Alberta had the greatest percentage point drop (-1.6), but the rate remained above 80% as it has since 1995. Interestingly, Alberta's live birth rate increased 8.9% between 2000 and 2003, compared with an increase of 2.2% for all of Canada.

Similarly, several provinces saw men's labour force participation rates begin to drop after 2004. In fact, in Saskatchewan and especially British Columbia, the decline has been evident since 1995. Forestry jobs in British Columbia have been declining since the late 1990s, likely affecting men's participation rates. Lay-offs continued into 2005 for lumber and pulp and paper, both of which employed about a third less people than in 1999 (Cross 2006). Between 2004 and 2005, only Newfoundland and Labrador, New Brunswick, and Alberta showed increases in men's participation rates.⁴ Provinces with a large manufacturing base, such as Ontario and Quebec, saw job losses in manufacturing industries in 2005, partly as the result of a rising dollar and the cost of raw materials.

More married women in the labour force...

Both single (never-married) women and married (including common-law) women in the core working-age population increased their participation rates

between 1995 and 2004 (4.3 and 5.4 percentage points respectively) (Chart D). Since 2004, separated, divorced or widowed women had the greatest percentage point drop (-1.1). Married men's participation rates have increased slowly as well since 1995 (from 93.5% in 1995 to 94.4% in 2005). Like their female counterparts, single men's participation rates experienced a slight decline between 2004 and 2005.

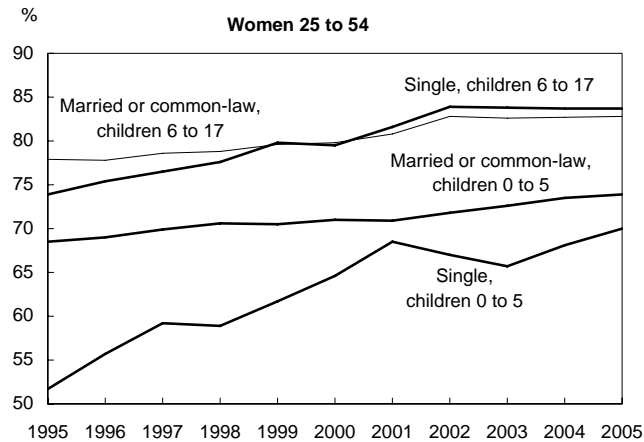
...as well as more female lone parents

The proportion of female lone-parent families grew substantially between 1991 and 2001.⁵ According to the LFS, about 13% of families with a child under 6 were headed by female lone parents in 2005. Female lone parents increased their labour force participation from 67% in 1995 to 80% in 2005. Those with a child under 6 saw their rate jump by 18 percentage points (Chart E). However, married women with a child under 6 also showed steady increases. Seven in 10 married women with a child under 6, and 8 in 10 with a child aged 6 to 17, were in the labour force in 2005.

Almost 9 in 10 university-educated women in the labour force

Women with a university degree maintained their participation at around 87% between 1995 and 2005, although they appear to have reached a peak of 87.3% in 1999, dipping to 86.7% in 2005 (Chart F). College-educated women, on the other hand, showed steady increases until 2003. Much of the decline between 2004

Chart E The participation rate of lone-parent women with pre-schoolers has jumped since 1995



Source: Statistics Canada, Labour Force Survey

and 2005 came from women with some postsecondary education and those with less than a high school diploma (-1.9 and -1.8 percentage points respectively).

Both university-educated and college-educated men have experienced stable labour force participation since 1995.

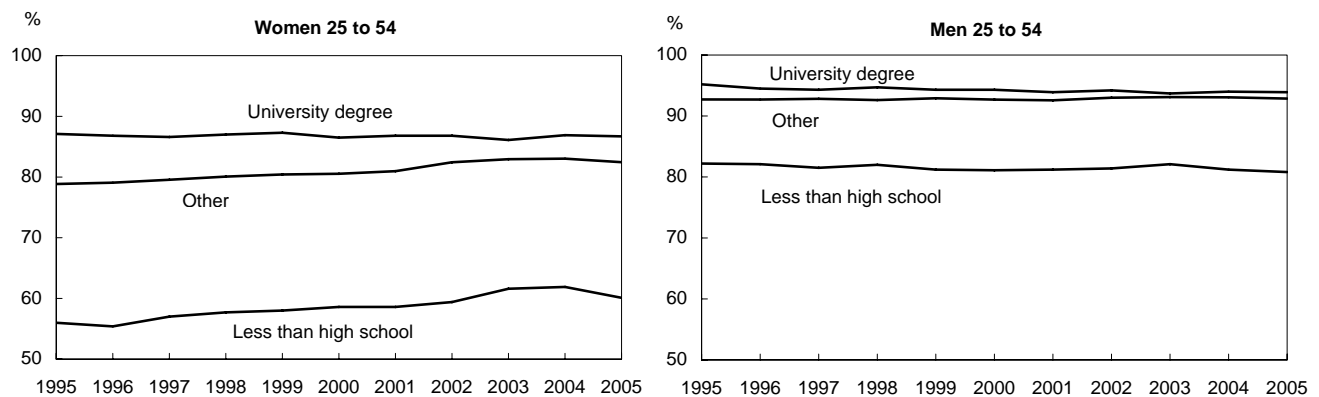
Majority of women with young children working or looking for work, but rates vary provincially

Women with young children⁶ increased their labour force participation rates between 1995 (67%) and 2005 (74%) (Table 3). Despite the slight decline in participation rate for all women between 2004 and 2005, women with young children saw a slight increase (0.5 of a percentage point). The latter was driven largely by Nova Scotia and Ontario with their increases of 3.8 and 1.6 points respectively.

Provincial rates varied, probably as a result of different economic cycles as well as child-care policies. For example, in Alberta, the participation rate dropped for all women as well as for women with young children (-1.2 points). Interestingly, Alberta had the smallest share of children in daycare, and daycare spaces in the province have declined (Roy 2006).

Conversely, Newfoundland and Labrador, New Brunswick, and Prince Edward Island saw overall rate increases for women but drops for women with young children between 2004 and 2005. In Quebec, the overall rate increased, while the rate for women with young children edged up slightly (0.1 of a percentage point since 2004). The steady increase in Quebec may be linked with the introduction of \$5-per-day daycare centres in 1997 (\$7 as of November 2003).

Chart F University-educated women continued to have high participation rates; men's rates remained fairly constant for all education levels



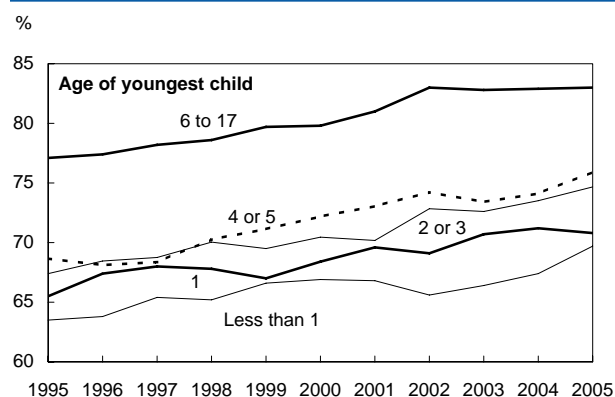
Source: Statistics Canada, Labour Force Survey

Highest rate ever for women with young babies

Seven in 10 women with babies less than a year old were in the labour force in 2005, the highest rate on record (Chart G).⁷ This may be the result of a change in Employment Insurance (EI) legislation governing parental leave. Starting December 31, 2000, this leave for employed parents was increased from 10 to 35 weeks. Since that time, those receiving EI benefits have been taking more time off work (Marshall 2003). While the labour force participation rates of women with young babies dipped between 2001 and 2002 (-1.2 percentage points), they subsequently increased substantially (4.1 points since 2002). This suggests that the longer time allowed off work after childbirth has enabled more women to remain in the labour force. On the other hand, the participation rate of women with children aged between 1 and 2 (after EI benefits have ceased), showed a slight drop (-0.4 of a percentage point) between 2004 and 2005.

Overall, as one would expect, the older the children at home, the more likely the women are to be in the labour force (70% with a child less than a year old, 83% with all children 6 or over).

Chart G Since the 2000 EI changes, the participation rate of women 25 to 54 with young babies has jumped



Source: Statistics Canada, Labour Force Survey

Table 3 Participation rates for women 25 to 54 with children under 6

	1995	1998	2001	2004	2005
	%				
Canada	66.7	69.2	70.7	73.0	73.5
Newfoundland and Labrador	63.6	67.1	68.6	72.7	71.4
Prince Edward Island	76.3	82.9	77.8	85.9	83.5
Nova Scotia	67.4	70.4	73.6	74.3	78.1
New Brunswick	63.5	68.2	72.3	78.3	78.0
Quebec	65.3	68.4	72.6	77.8	77.9
Ontario	67.5	70.4	71.5	72.1	73.7
Manitoba	69.6	70.1	70.5	73.3	70.8
Saskatchewan	71.9	71.5	71.7	73.4	73.0
Alberta	68.9	69.0	66.5	67.4	66.2
British Columbia	63.1	66.4	67.0	70.6	70.4

Source: Statistics Canada, Labour Force Survey

Summary

Since 1995, labour force participation rates for women aged 25 to 54 have generally increased in line with an expanding economy. In 2004, however, their rates started to decline, accompanied by a slight drop for their male counterparts. On the one hand, men and women are now more likely to voluntarily leave the labour force, probably only temporarily, because of dissatisfaction or personal or family reasons. On the other hand, the national picture portrays strong growth in the number of women with children (especially very young ones) entering or staying in the labour market.

Participation rates for both men and women aged 25 to 54 continued to decline marginally in the first half of 2006. But because participation rates among the core working-age population can be affected by many socioeconomic conditions, it is still too early to know whether the trend will continue.

Perspectives

■ Notes

- 1 Includes the first six months of 2006.
- 2 Participation rates for immigrant women differ from those for non-immigrant women. According to the 2001 Census, the rate for immigrant women aged 25 to 54 was lower than for non-immigrant women (75.2% versus 80.9%). In addition, recent immigrants (those who arrived between 1996 and 2001) had a lower participation rate than those who arrived earlier.
- 3 The Labour Force Survey asks individuals who are not in the labour force but who have worked within the previous year why they left that job. Reasons are own illness, personal or family responsibilities, going to school, no specific reason, changed residence, dissatisfied with job, retired, and permanent layoff. The question is not asked of those who never worked or who last worked more than a year ago.
- 4 For further analysis on provincial trends in women's labour force participation rates, see Roy (2006).
- 5 Over one million female lone-parent families were counted in the 2001 Census. These families represented 20.1% of all families with children, up from 16.4% in 1991.
- 6 Refers to women whose youngest child is under the age of 6.
- 7 Women on maternity leave or parental leave are still considered to be in the labour force as long as they have a job to go back to or are looking for work.

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PERSPECTIVES

ON LABOUR AND INCOME

Minimum wage

Minimum-wage legislation exists in every province and territory as part of provincial employment standards legislation. The minimum wage is the lowest wage employers can pay employees covered by the legisla-

tion (see *Data source and definitions*). To evaluate the potential impact of any changes, it is important to understand who works for minimum wage and what types of jobs they hold.

Data source and definitions

The **Labour Force Survey (LFS)** is a monthly household survey of about 54,000 households across Canada. Demographic and labour force information is obtained for all civilian household members 15 years of age and older. Excluded are persons living in institutions, on Indian reserves, or in the Territories.

Every province and territory stipulates a minimum wage in its employment standards legislation. It is an offence for employers to pay eligible employees less than the set rate, regardless of how remuneration is calculated (hourly, daily, weekly, monthly, or on a piecework basis). Likewise, employees are prohibited from accepting pay that is less than the applicable minimum. The minimum wage rate varies from province to province, and a change can become effective in any month of the year.

The self-employed are not covered by minimum wage legislation and as such are not included in the analysis. Unpaid family workers are also excluded.

Other exclusions and special coverage provisions vary and include young workers (Ontario and Newfoundland and Labrador), workers with disabilities (Alberta, Manitoba and Saskatchewan—rarely used), domestic and live-in care workers (New Brunswick, Prince Edward Island, Manitoba and Quebec), farm labour (Alberta, Manitoba, Ontario and Saskatchewan), and home-based workers (for example, teleworkers, and pieceworkers in the clothing and textile industry). Other specific minimums cover non-hourly and tip-related wage rates (for example, Ontario has a special minimum wage rate for employees who serve alcoholic beverages in licensed establishments). A more complete

description of exclusions and special rates is available from Human Resources and Social Development Canada's database on minimum wages (www110.hrdc-drhc.gc.ca/psait_spila/lmnc/eslc/eslc/salaire_minwage/index.cfm/doc/english).

The number of employees working for minimum wage was calculated using the applicable **minimum wage for experienced adult workers** (also known as the **general adult rate**) for each province for each month of 2005. The average of these 12 monthly observations provides the annual estimate for each province, while the total for Canada is the sum of the provincial estimates.

To determine whether an employee worked at or below the general adult rate wage for each province, hourly earnings were calculated using the reported wage or salary before taxes and other deductions. If the wage or salary including tips, commissions and bonuses was reported hourly, it was used directly. Other wage rates were converted to an hourly rate using the usual weekly hours of work. In principle, tips, commissions and bonuses should have been excluded to capture only those whose true base hourly wage was at or below the provincial general adult rate, but the required information is not collected. The result is a slight downward bias in the number of employees working at or below the official general adult rate set by each province. However, none of the exclusions or special minimum wage rates (such as special minimum wage rates for tip earners and young workers) were used, which introduces an upward bias.

Lowest proportion in Alberta

In 2005, some 587,000 individuals worked at or below the minimum wage set by their province. This represented 4.3% of all employees in Canada, down slightly from 4.6% the previous year. Minimum wages ranged from \$8.00 per hour in British Columbia to \$6.25 per hour in Newfoundland and Labrador. In addition to having the lowest minimum wage, Newfoundland and Labrador had the highest proportion of employees (6.8%) working at or below it. Alberta, which saw a rate increase of almost 20% to 1.5% in

September 2005 (the first since October 1999), continued to have by far the lowest proportion of employees working at or below minimum wage (1.5%). Alberta's average hourly wages of \$19.76 were second only to Ontario's at \$20.06, and its unemployment rate was by far the lowest (3.9%). Newfoundland and Labrador had one of the lowest average hourly wages at \$16.09 (only New Brunswick and Prince Edward Island posted lower averages), and by far the highest unemployment rate (15.2%).

Province	Total employees '000	Minimum wage		General adult minimum wage \$/hour	Date	Average hourly wage \$/hour	Unemployment rate %
		Total '000	Incidence %				
Newfoundland and Labrador	187.1	12.8	6.8	6.25	June 2005	16.09	15.2
British Columbia	1,714.8	95.6	5.6	8.00	Nov 2001	19.36	5.9
Nova Scotia	382.5	19.7	5.2	6.80	Oct 2005	16.24	8.4
Prince Edward Island	57.7	2.9	5.0	6.80	Jan 2005	15.15	10.8
Manitoba	491.0	23.9	4.9	7.25	Apr 2005	17.17	4.8
Quebec	3,213.5	148.0	4.6	7.60	May 2005	18.43	8.3
Ontario	5,470.0	237.6	4.3	7.45	Feb 2005	20.06	6.6
Canada	13,658.2	586.9	4.3	...		19.09	6.8
Saskatchewan	385.5	15.1	3.9	7.05	Sept 2005	17.28	5.1
New Brunswick	309.3	9.6	3.1	6.30	Jan 2005	15.63	9.7
Alberta	1,446.8	21.7	1.5	7.00	Sept 2005	19.76	3.9

Source: Statistics Canada, Labour Force Survey, 2005

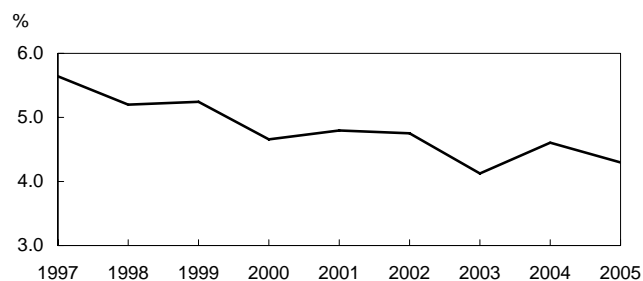
Share of employees working for minimum wage or less, by province

	2000	2001	2002	2003	2004	2005
Canada	4.7	4.8	4.8	4.1	4.6	4.3
Newfoundland and Labrador	8.7	5.7	7.5	8.4	6.5	6.8
Prince Edward Island	3.7	3.2	4.5	4.0	4.4	5.0
Nova Scotia	4.9	4.1	4.6	5.9	5.6	5.2
New Brunswick	6.0	4.2	4.2	4.1	2.5	3.1
Quebec	5.4	7.0	6.1	5.1	4.4	4.6
Ontario	4.6	4.1	3.9	3.5	5.3	4.3
Manitoba	5.1	4.5	4.8	4.5	4.9	4.9
Saskatchewan	5.9	4.4	4.8	5.0	3.3	3.9
Alberta	2.0	1.5	1.1	1.1	0.9	1.5
British Columbia	4.5	6.0	7.7	5.6	6.2	5.6

Source: Statistics Canada, Labour Force Survey

All provinces except British Columbia raised their minimum-wage rates in 2005. The number and the proportion of minimum-wage workers increased in seven provinces: British Columbia, Alberta, New Brunswick, Newfoundland and Labrador, Prince Edward Island, Quebec and Saskatchewan, while decreasing in two: Nova Scotia and Ontario. In Manitoba, both the number and proportion remained virtually unchanged.

The proportion of employees earning minimum wage or less dropped slightly in 2005 after edging up in 2004.



Source: Statistics Canada, Labour Force Survey

The proportion of employees earning minimum wage or less declined steadily for many years but recently seems to have levelled out.

Most minimum-wage workers are women and young

Women accounted for slightly over 60% of all minimum-wage workers, but just under half of all employees. This translated into a higher proportion of women working for minimum wage: 1 in 19 compared with 1 in 30 men. The overrepresentation, although slightly less than the previous year, continued to hold, with rates for women being double those of men in many age groups.

Some 30% of teenagers aged 15 to 19 worked for minimum wage. This age group traditionally has by far the highest rate, and 2005 was no exception. Almost half of all minimum-wage workers were teenagers, a large majority of whom were attending school either full or part time. Another 18% were aged 20 to 24—almost half of them again students.¹ In total, more than 60% of minimum-wage workers were under 25, compared with only 17% of all employees. This translates into an incidence rate eight times that of those 25 and older—15.5% versus 1.9%.

A sizeable proportion (30%) of minimum-wage workers were aged 25 to 54, a slightly higher proportion than in 2004. Women remained the majority of these workers. For these individuals in their core working and peak earning years, minimum-wage work may be less temporary.

The incidence of working for minimum wage declines sharply with age before rising slightly among those 55 and older. The latter reflects some of the low-wage occupations in which working seniors tend to be concentrated: retail salespersons and sales clerks; general office clerks; janitors, caretakers and building superintendents; babysitters, nannies and parent's helpers; and light duty cleaners.

	Total employees	Minimum wage	
		Total	Incidence
	'000	'000	%
Both sexes			
15 and over	13,658.2	586.9	4.3
15 to 24	2,373.5	368.3	15.5
15 to 19	889.5	261.3	29.4
20 to 24	1,484.0	107.1	7.2
25 and over	11,284.7	218.6	1.9
25 to 34	3,118.7	63.6	2.0
35 to 44	3,438.0	58.7	1.7
45 to 54	3,151.6	54.7	1.7
55 and over	1,576.4	41.6	2.6
Men			
15 and over	6,949.1	230.6	3.3
15 to 24	1,182.7	153.1	12.9
15 to 19	435.3	110.4	25.4
20 to 24	747.4	42.7	5.7
25 and over	5,766.4	77.5	1.3
25 to 34	1,627.6	21.6	1.3
35 to 44	1,751.9	20.0	1.1
45 to 54	1,555.6	18.1	1.2
55 and over	831.3	17.8	2.1
Women			
15 and over	6,709.1	356.4	5.3
15 to 24	1,190.8	215.3	18.1
15 to 19	454.2	150.9	33.2
20 to 24	736.6	64.4	8.7
25 and over	5,518.2	141.1	2.6
25 to 34	1,491.1	42.0	2.8
35 to 44	1,686.0	38.7	2.3
45 to 54	1,596.0	36.6	2.3
55 and over	745.1	23.8	3.2

Source: Statistics Canada, Labour Force Survey, 2005

Education makes a difference

Those with less than a high school diploma were five times more likely than those with at least some post-secondary training to be working for minimum wage or less—1 in 8 compared with 1 in 39. Four in 10 minimum-wage workers did not have a high school diploma compared with 1 in 7 employees in general. This is in line with the high rates of minimum-wage work among young people, many of whom have not yet completed their studies.

	Total employees	Minimum wage	
		Total	Incidence
	'000	'000	%
Education	13,658.2	586.9	4.3
Less than high school	1,828.8	232.8	12.7
Less than grade 9	352.7	30.7	8.7
Some high school	1,476.1	202.1	13.7
High school graduate	2,868.8	123.8	4.3
At least some postsecondary	8,960.6	230.3	2.6
Some postsecondary	1,233.0	89.5	7.3
Postsecondary certificate or diploma	4,752.1	97.0	2.0
University degree	2,975.5	43.8	1.5

Source: Statistics Canada, Labour Force Survey, 2005

Where do they work?

	Total employees	Minimum wage	
		Total	Incidence
	'000	'000	%
Industry	13,658.2	586.9	4.3
Goods-producing	3,316.4	54.8	1.7
Agriculture	127.3	11.0	8.6
Forestry, fishing, mining, oil and gas	255.6	3.4	1.3
Utilities	124.8	F	F
Construction	698.8	7.9	1.1
Manufacturing	2,109.9	32.1	1.5
Service-producing	10,341.8	532.1	5.1
Trade	2,262.1	194.6	8.6
Transportation and warehousing	661.8	13.9	2.1
Finance, insurance, real estate and leasing	821.9	18.3	2.2
Professional, scientific and technical	682.9	9.4	1.4
Management, administrative and other support	503.8	18.3	3.6
Education	1,050.7	19.0	1.8
Health care and social assistance	1,521.4	22.9	1.5
Information, culture and recreation	618.7	31.1	5.0
Accommodation and food	911.8	167.4	18.4
Public administration	833.1	9.5	1.1
Other services	473.6	27.7	5.8

Source: Statistics Canada, Labour Force Survey, 2005

Minimum-wage work is concentrated in the service sector. Accommodation and food services had by far the highest incidence, with 1 in 5 workers at or below minimum wage. Working for minimum wage is also very prevalent in trade where the proportion was 1 in 12. These industries are characterized by high concentrations of youth and part-time workers, both of whom often have less work experience and weaker attachment to the labour force. Also, these industries generally do not require specialized skills or postsecondary education, and have low levels of unionization. Many jobs are part-time, which may favour a higher presence of women or young people.

Agriculture continues to have one of the higher incidences of minimum-wage workers—1 in 12. Farm labour has traditionally been excluded from minimum-wage provisions. Workers in this industry are not often unionized, but may profit from non-wage benefits such as free room and board as compensation for lower wages.

Highly unionized industries such as construction, public administration and manufacturing were among those with the lowest shares of minimum-wage workers.

Part-time employment prominent

Minimum-wage work among part-time workers was almost seven times higher than among full-time workers (14.3% versus 2.1%). Almost 60% of minimum-wage workers worked part time, compared with less than 20% of all employees.

	Total employees	Minimum wage	
		Total	Incidence
	'000	'000	%
Both sexes	13,658.2	586.9	4.3
Men	6,949.1	230.6	3.3
Women	6,709.1	356.4	5.3
Full-time	11,224.5	239.4	2.1
Men	6,225.5	104.1	1.7
Women	4,999.0	135.2	2.7
Part-time	2,433.6	347.5	14.3
Men	723.6	126.4	17.5
Women	1,710.1	221.1	12.9

Source: Statistics Canada, Labour Force Survey, 2005

Most minimum-wage jobs are short-term, in both large and small firms, and rarely unionized

	Total employees	Minimum wage	
		Total	Incidence
	'000	'000	%
Job tenure	13,658.2	586.9	4.3
1 to 3 months	1,027.6	124.4	12.1
4 to 6 months	909.2	96.8	10.6
7 to 12 months	1,198.0	105.7	8.8
13 to 60 months	4,374.1	188.2	4.3
61 months or more	6,149.3	71.7	1.2
Firm size	13,658.2	586.9	4.3
Less than 20 employees	2,636.7	204.7	7.8
20 to 99 employees	2,263.7	92.7	4.1
100 to 500 employees	2,043.3	56.3	2.8
More than 500 employees	6,714.4	233.2	3.5
Union membership	13,658.2	586.9	4.3
Union member or covered by collective agreement	4,374.4	53.7	1.2
Non-member and not covered by collective agreement	9,283.8	533.2	5.7

Source: Statistics Canada, Labour Force Survey, 2005

More than half of minimum-wage workers had been in their current job for a year or less, compared with less than one-quarter of all employees. Working for minimum wage was most prevalent among those who had held a job for three months or less (1 in 8), and least common among those in a job for more than five years (1 in 83). This suggests that with time and experience, employees move out of minimum-wage jobs.

Four in 10 minimum-wage workers were employed by large firms (more than 500 employees) and another 35% by small firms (less than 20 employees). The incidence of working for minimum wage was highest in small firms—more than double that of large firms. Very few minimum-wage workers (9%) belonged to a union or were covered by a collective agreement, compared with almost one-third of all employees. Only 1% of union members worked for minimum wage or less, as opposed to 6% of non-union members. The large number of part-time workers, as well as students and other young people working for minimum wage, combined with their sizeable presence in smaller firms, tends to limit the ability of these workers to organize and command better wages.

Most minimum-wage workers live at home with their parents

Almost 60% of all minimum-wage workers lived with their parents or other family members, reflecting the large number of minimum-wage workers under 25, many of whom have not finished their schooling. For this group, the incidence of working for minimum wage was more than three times the overall rate. Sons, daughters and other relatives living with family members had some of the highest rates of working for minimum wage, particularly those under 20 and those attending school.

Almost one-quarter of all minimum-wage workers were part of a couple. The incidence rate for this group was quite low—less than 2%. More than three-quarters had employed spouses, the majority earning more than minimum wage.

Other minimum-wage workers included 34,000 who headed a family with no spouse present (almost all with at least one child under the age of 18), 35,000 with a spouse who was not employed, and 35,000 who lived alone. These individuals, particularly those supporting a spouse or with at least one child under 18, may have difficulty making ends meet on a minimum-wage income alone. All three groups saw their numbers and their incidence increase from 2004.

	Total employees	Minimum wage	
		Total	Incidence
	'000	'000	%
Total	13,658.2	586.9	4.3
Member of a couple	7,882.2	145.3	1.8
Spouse not employed	1,498.1	34.5	2.3
Spouse unemployed	299.0	8.6	2.9
Spouse not in the labour force	1,199.1	25.9	2.2
Less than 55	771.5	12.7	1.6
55 and over	427.6	13.2	3.1
Spouse employed	6,384.1	110.8	1.7
Earning minimum wage or less	91.6	6.9	7.5
Earning more than minimum wage	5,414.8	84.7	1.6
Self-employed	877.6	19.2	2.2
Head of family, no spouse present	963.6	34.0	3.5
Youngest child less than 18	833.2	31.7	3.8
No children, or children 18 or older	130.5	2.3	1.8
Son, daughter or other relative living with family	2,543.4	338.9	13.3
15 to 19, in school	467.9	166.0	35.5
15 to 19, not in school	335.7	77.8	23.2
20 to 24, in school	220.7	26.5	12.0
20 to 24, not in school	558.5	38.6	6.9
25 or over, in school	57.4	2.3	4.0
25 or over, not in school	903.3	27.7	3.1
Unattached individual	2,233.1	68.0	3.0
Living alone	1,443.3	35.2	2.4
15 to 24	128.9	9.2	7.1
25 to 54	1,063.4	17.5	1.6
55 and over	251.0	8.5	3.4
Living with non-relatives	789.8	32.8	4.2
15 to 24	251.8	18.3	7.3
25 to 54	500.9	13.0	2.6
55 and over	37.1	1.5	4.0

Source: Statistics Canada, Labour Force Survey, 2005

Perspectives

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Note

1 The student estimate is based on an average eight-month academic year (January to April and September to December, 2005).