

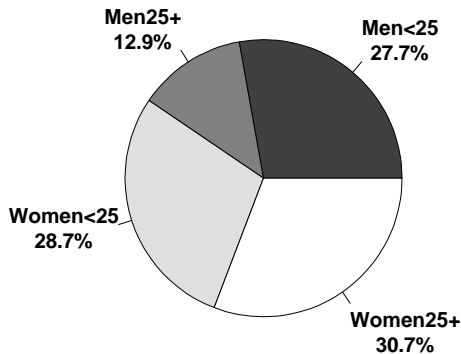
Earnings and Employment Trends ♦ January 1999

Minimum Wage Earners in BC

In 1997, Statistics Canada's Labour Force Survey began collecting information on earnings of individual workers. The survey questions are designed to produce estimates of hourly wage rates including tips and commissions. These data now provide us with the ability to identify minimum wage earners¹. Below we will look at the characteristics of minimum wage earners in BC.

One in twenty (5%) paid workers earn minimum wage.

Most Minimum Wage Earners* are Women (59%)



* Wages include tips & commissions.

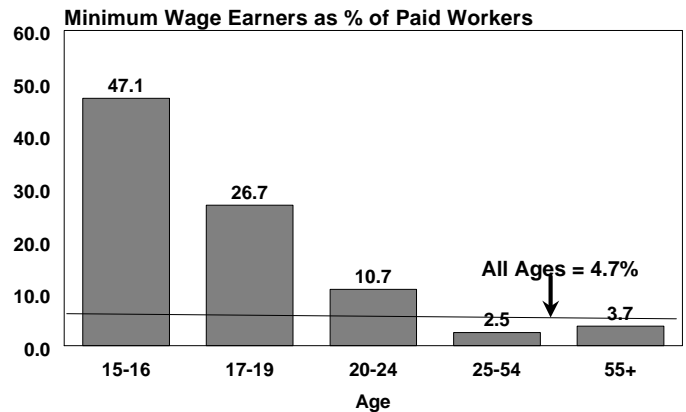
Overall, 3 of every 5 minimum wage earners are woman. Among young men and women, representation is about equal, but the large differences occur in the adult workforce. Seven of every 10 minimum wage earner over the age of 25 are female. In relative terms, this represents only 3.9 per cent of this

¹ In the first three months of 1998, minimum wage in BC was \$7.00 and was increased to \$7.15 as of April 1, 1998.

group. However, women are more than twice as likely to be minimum wage earners as adult men (1.5%).

In the previous chart, the numbers show there is a high representation of the young (57%) despite the fact they represent only 16 per cent of the overall workforce. If minimum wage earners are expressed as a proportion of employees in that age group, it shows that the probability of being a minimum wage earner decreases dramatically with age. This of course makes sense as experience commands higher wages -- most entry level jobs pay minimum wage, at least for the duration of the training period.

As Would Be Expected, the Young are the Most Likely to Earn Minimum Wage*



*Wage Includes tips and commissions.

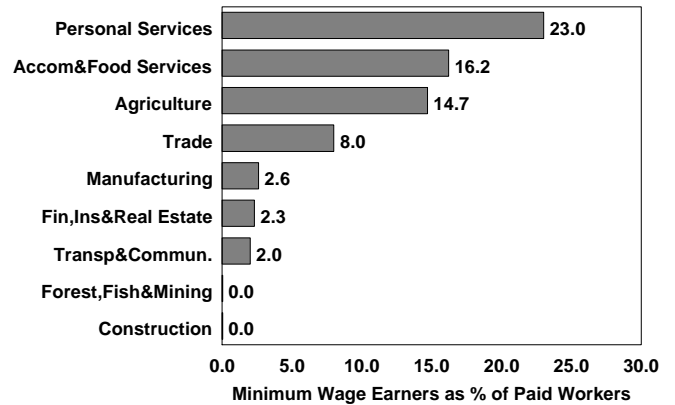
The relatively high level of minimum wage earners among teenagers is not surprising -- in fact the surprise is that the rate is so low. Among 15 and 16 year olds, more than one half earn more than minimum wage. This could reflect that many young people get a job as

soon as they turn 15. Most would probably start at minimum wage but by the time they are 16 would be the experienced members of the workforce and have received a raise.

The largest employers of minimum wage earners are the Trade and Accommodation & Food Service² industries. Together, these two sectors employ 3 of every 5 minimum wage earners in the province. In general, industries that have high turnover will be the sectors with relatively high numbers of minimum wage earners as employees often do not stay long enough to receive pay raises.

As the following chart illustrates, the four industries that are most inclined to employ minimum wage earners are the sectors that have many temporary and seasonal jobs as well as low unionization. At the other extreme, virtually no employees receive minimum wage in the highly unionized sectors of Forestry, Mining and Construction.

Industries with High Turnover are the Ones Most Likely to Pay Minimum Wage*



*Wage Includes tips and commissions.

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² Minimum wage earners in the Restaurant sector would be those who did not earn any tips, primarily those working for the fast-food restaurants.