

**Federal  
Election  
Alert**

# We need a \$15 federal minimum wage NOW!



The issue of a \$15 federal minimum wage is a key issue in the federal election.

The popularity of Fight for \$15 & Fairness campaigns in Ontario, BC, Nova Scotia and elsewhere, have given two federal parties – the New Democratic Party and the Green Party – the confidence to promise a \$15 minimum wage for all federally-regulated workers.

Establishing a \$15 federal minimum wage would be an important victory in the fight for decent work – and would send a message that workers in every province deserve at least \$15 an hour.

The vast majority of Canadians support calls for a higher minimum wage and we need to let our elected representatives know this – especially during the federal election.

When candidates request your vote, ask them these clear questions: “Does your party believe that a minimum wage should lift full-time workers out of poverty? And if so, does your party support a \$15 federal minimum wage that rises enough each year to keep up with price increases?”

**For more about why we need a \$15 federal minimum wage, read on.**

## Why do we need a federal \$15 minimum wage?

The federal minimum wage was eliminated in 1996 and at present, there is no federal minimum wage. When it was in place, the federal minimum wage applied to certain sectors of the economy that are regulated by the federal government (as opposed to provincial governments).

The industries regulated by the federal government are those that tend to cut across provincial boundaries. Such sectors include transportation, communication, fisheries and banking, to name only a few.

At present, minimum wage workers in federally-regulated sectors earn the minimum wage that is in place in the province where they usually work. In every province, the minimum wage falls far short of lifting full-time workers out of poverty. (Only Alberta has promised to phase in a

\$15 minimum wage and it won't be fully in place until 2018.)

And regardless of the specific provincial minimum wage, thousands of federally-regulated workers earn less than \$15 an hour. Bank tellers, for example, earn an average of about \$13.00/hr while banks themselves make billions of dollars in profit – year after year.

## Why can't a federal minimum wage apply to everyone?

By law, provincial governments – not the federal government – have primary responsibility for employment and minimum wage laws. When a federal party forms government, it is only allowed to change federal laws. That's why political parties can only promise to act directly in those areas where they have the legal power to make change if they get elected.



## The federal government must act!

Even if the role of the federal government is limited, a political party that is serious about raising wages for low-income workers should use every single policy tool available, from implementing a \$15 federal minimum wage to restoring and expanding the Fair Wages Act that stipulates workers be paid fairly (at least \$15 an hour) as a pre-condition for all service and construction contracts with the government of Canada. The federal government should also use its moral authority to call on the provinces to take similar steps.

By doing so, the federal government would be sending a powerful message to all workers – and their employers – that fighting for \$15 and fairness is the right thing to do. It would encourage other governments and other political parties to play their part in the fight for decent work.

## Winning a \$15 minimum wage federally will help us win it provincially

Establishing a \$15 federal minimum wage would be an important victory, reflecting a consensus among people across Canada and Quebec that no full-time worker should be living below the poverty line. It would also set a standard against which the provinces would be measured and help expose the present inadequacy of provincial minimum wages.

Any time we raise the wages of the lowest paid workers, we put upward pressure on wages everywhere. When

low and minimum wage workers have a greater range of employment choices, it means there is more room for workers to leave one job to take a better one. When this happens, employers may decide to pay their workers more in order to retain them or to reduce turnover. This is also why a raise for minimum wage workers tends to have a ripple effect throughout the economy, especially for lower income workers.

## A decent national standard

A federal minimum wage of \$15 an hour, that increases annually to keep up with rising prices (as measured through the Consumer Price Index), would create a national standard that raises the wages of low-income workers in federally-regulated sectors to at least 10% above the poverty line (the pre-tax Low Income Measure).

Because there is no single, high standard for a pan-Canadian minimum wage, workers doing the same job in one province can earn wages lower than others doing the same job elsewhere. Such wage differentials also mean that low income workers have uneven access to income support through the federal Employment Insurance program, which already suffers from regional unfairness thanks to its reliance on local economic indicators for determining workers' benefits.

All workers have an interest in re-asserting the importance of establishing a high, universal, pan-Canadian minimum standard for wages – and for high, universal standards for all social programs.

# Principles for a decent minimum wage

- ⊙ No worker should live in poverty.
- ⊙ Minimum wage earners should earn wages that are at least 10% above the poverty line (pre-tax low income measure).
- ⊙ The minimum wage should increase each year to keep pace with rising prices.
- ⊙ All workers need a \$15 minimum wage now!