



Fast

FACTS

CANADIAN CENTRE FOR POLICY ALTERNATIVES – MANITOBA

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The sky will not fall with a higher minimum wage

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September 10th's election results were disappointing for progressive Manitobans who were looking for a decisive shift towards economic justice. We face four more years of austerity, cutbacks, and crumbs for the working class. The Progressive Conservatives were clear during the campaign that raising the minimum wage to a living wage is not their priority, and they intend to keep Manitoba in its shameful position of having the second-lowest minimum wage in the country. At a stingy \$11.35/hour, due to increase by only 30 cents in October, this is a poverty wage that traps minimum-wage workers in low-wage work.

Low-wage workers and supporters have called for a \$15/hour minimum wage – a living wage in Winnipeg – as a critical way to decrease poverty and improve our economy. The opposition parties made significant increases to the minimum wage part of their electoral platforms, but the PC party remained offside with their platform, which offered only inflationary increases to what is already inadequate.

The reality is that the minimum wage in Manitoba keeps low-wage workers in poverty. Immediately boosting the minimum wage to \$15 is about catching up, not leading the pack: Alberta, Ontario, and BC already either have a \$15 minimum wage or have made major moves in that direction. News of a \$15 minimum wage is everywhere: it will likely be a major election topic in the 2020 election in the US, where many states and cities have legislated sizable increases to their minimum wage in recent years. Manitoba desperately needs to do the same.

Low wages don't equate to low-value jobs. On the contrary, minimum wage jobs include some of the most vital jobs that ensure our society functions and people are cared for. Despite this, at full-time hours on a minimum wage, workers in Manitoba make barely \$23,000 a year. Instead of decisively raising the wage, the Manitoba government has raised the basic personal tax exemption. But this is deceiving; it's a tax cut that helps the rich more than it helps low-wage workers.

Examples in Canada and the United

there is an alternative.

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States have shown that even large increases to the minimum wage have not made the sky fall, as many opponents of a \$15 minimum wage would like us to believe. Research in both countries has found the overall impact on unemployment from minimum wage increases to be minimal or non-existent. Ontario and New York City recently raised their minimum wage substantially and both had an overall positive impact on employment. But the most compelling reason to support a \$15 minimum wage is that no one should be paid less than what it costs to get by.

While minimum-wage workers would benefit from a higher minimum wage, so would many other workers – and businesses – in Manitoba. The worker who makes a dollar or two above the minimum is also struggling to get by, and a higher minimum wage helps push their wage up too as their employer competes to retain staff. A minimum wage increase pushes up wages for everyone near the bottom; places with higher minimum wages generally have a fairer distribution of income and a less dramatic gap between the rich and the rest of us. While about 5% of working Manitobans currently make minimum wage, another 13% of workers earn 10% or less above the minimum, meaning the number of Manitobans who stand to see their incomes increased by a \$15 minimum wage is considerable, with all the benefits that brings: greater economic justice, but also a more money in low-wage workers pockets to spend their wages at local businesses, and a healthier and stronger tax base to help fund our public services.

Despite the election outcome, we should be encouraged by the fact that casting a vote once every few years is not the only way we can change course. Social change also happens in between elections when we organize collectively to make our communities healthier and stronger. The fight for a \$15 minimum wage is one of many ongoing movements for economic, social, and climate justice. Let's seize this opportunity to organize for economic justice now, rather than waiting for another election cycle.

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