

Struggling To Get Ahead

Who Works for Less than a
Living Wage in Manitoba?

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Summary

NEW ANALYSIS FINDS that there are 171,072 workers earning less than the living wage in Manitoba (\$19.21 per hour), which is approximately 25% of all workers in the province. This means that approximately one in four workers across the province is struggling to afford the basics and escape poverty.

Using Statistics Canada's Labour Force Surveys from 2023, this report provides a view of who earns less than a living wage in Manitoba. These workers are disproportionately women and recent immigrants, and a majority are in the prime of their working years (age 25–54). The majority of workers earning less than a living wage have at least some post-secondary education, and these workers are just as likely as others to support children below the age of 18. Workers earning less than a living wage are more likely to work part-time, with many citing caregiving responsibilities and a lack of full-time work as the primary reasons for working part-time. Further, most workers earning less than a living wage work for a company with one hundred or more staff and have been with their current employer for more than five years.

Raising Manitoba's minimum wage to a living wage would benefit over 171,000 working Manitobans, reducing the financial strain these workers face. Further, raising the minimum wage to a living wage has the potential to reduce Manitoba's gender pay gap and reduce rates of child-poverty.

Background

THE FINANCIAL PRESSURE on households created by the rising cost of living over the last three years has become a political priority across Canada. The minimum wage is one of the tools governments have to ease the financial strain on low-income households and help workers get ahead. While the real minimum wage in Manitoba has been increasing (to \$15.30/hour on Oct. 1 2023), it still falls short of the living wage (\$19.21 in Winnipeg), which is what workers need to earn to meet their basic needs and to not live in poverty.

Families with lower incomes have been hit particularly hard by price increases since they tend to spend a greater proportion of their income on essentials such as food, shelter, and transportation, and have a smaller cushion of disposable income relative to others. A 2023 survey of Harvest Manitoba's clients found that 40% of people accessing the foodbank were currently employed, a 66% increase from the previous year (Harvest Manitoba, 2024). These findings indicate that rates of food insecurity are increasing amongst Manitobans regardless of employment status. Furthermore, there is evidence to suggest that lower-income households have generally faced higher rates of inflation. For instance, Kostyshyna & Ouellet (2024) find that lower-income households experienced higher food inflation rates. Bank of Canada's interest rate hikes in response to inflation disproportionately affected lower-income households, further constraining their consumption (Fan et al., 2022).

Taking the unequal effects of inflation and the gap between Manitoba's minimum wage and a living wage into view, this report provides a portrait of who earned less than a living wage across Manitoba in 2023 using data from Statistics Canada's 2023 Labour Force Surveys.

Who Works for Less than a Living Wage?

Demographics:

- There were **171,072 workers earning less than the living wage in 2023 across Manitoba, which is approximately 25% of the labour force** or 1 in 4 workers (see Appendix for full breakdown).
- **Workers earning less than a living wage are disproportionately female.** Women comprise 57.8% of workers earning less than a living wage, compared with 45.1% of other workers.
- The **majority of workers earning less than a living wage are between the ages of 25 and 54 (43.9%)**. 42.9% of workers earning less than the living wage are below the age of 25. Only a small fraction of workers below age 25 earn a living wage or more (6.8%),
- **Workers earning less than the living wage are more likely to be recent immigrants.** 16.1% of workers earning less than the living wage are immigrants who arrived in Canada within the last ten years, compared to 8.6% of workers earning more than a living wage.
- **61.3% of workers earning less than a living wage have some form of postsecondary education.** While workers earning less

than a living wage are more likely to be students (20.2%), most have at least some postsecondary education.

- **36.4% of workers earning less than the living wage have a child who is less than 18 years old, which is very similar to the share for workers earning at least a living wage (37.4%).** While most of these parents are part of a dual-earner household, 15.3% are part of a single earner-household with two parents and 16.1% are part of a single-parent household. This indicates that raising the minimum wage to a living wage would have significant implications for reducing child poverty in Manitoba.

Working Conditions

- **Workers earning less than the living wage are more likely to work part-time. For those of prime working age, caregiving responsibilities or a lack of full-time work were the most common reasons for part-time work.** 38.0% of workers earning less than the living wage work part-time, compared with 8.7% of other workers. For those of prime working age (25 to 54 years old), 21.3% are employed part-time.
- **Only 17.6% of workers earning less than the living wage are union members or covered by a collective agreement, compared with 40.8% of workers earning a living wage or more.** This has important implications for workers' non-wage working conditions, as well as their power to bargain for wage increases.
- **The majority of workers earning less than the living wage have been with their current employer for five or more years (32.9%).** The length of time spent with their current employment is slightly less for workers earning less than the living wage, however it is important to note that low-wage workers experience the largest lay-offs during pandemic lock-downs, which could contribute to this discrepancy.
- **Most workers earning less than the living wage work at firms with 100 or more employees (52.1%).** 25.5% are employed at organizations with fewer than 20 employees, the smallest category of business within the Labour Force Survey.

- **Workers earning less than the living wage are mainly in sales and service industries** (52.2%), though they are found across a range of other industries: trades, transport, and equipment operation (10.7%), business, finance, and administration (10.4%), education, law, and social, community, and government services (9.5%), manufacturing and utilities (5.9%), and health (4.8%). The vast majority (88.9%) are employed by the private sector.

Conclusion and Policy Recommendations

THIS ANALYSIS IS the first attempt to construct a detailed profile of workers in Manitoba earning less than a living wage. Overall, these workers are more likely to be female and recent immigrants. Though there are more workers below the age of 25 earning less than a living wage, the majority of these workers are in the prime of their working years. Further the majority of workers earning less than a living wage have at least some postsecondary education. They are as likely as other workers to have children, and having caregiving responsibilities is one of the primary reasons many of them are unable to work full-time. Finally, as was made clear during the COVID-19 pandemic, their employment is more precarious: they are far less likely to be unionized and have shorter job tenure.

Based on these results, the following policy recommendations should be considered:

- Raise the minimum wage to the level of the living wage. This should be done in a predictable manner in order to minimize disruption in the labour market and to allow employers to adjust. Raising the minimum wage to a living wage would significantly reduce Manitoba's gender pay gap and benefit over 171,000 Manitobans.
- The Government of Manitoba, the City of Winnipeg, and other public sector employers should pay all their workers the living wage. This

Methodology

The Labour Force Survey (LFS) is a monthly survey conducted by Statistics Canada. This study uses data from the twelve LFS conducted in 2023 to determine which workers earn less than the living wage in Manitoba.

The Canadian Centre for Policy Alternatives calculated the living wage in 2023 for Winnipeg, Brandon, and Thompson, as well as for two different family types (Harney et al., 2023). This study uses the Winnipeg living wage for a family of two parents each working 35 hours per week and two children: \$19.21 per hour. We use the Winnipeg wage because data is unavailable for other locations in Manitoba and Winnipeg is the largest population center. Furthermore, focussing on a single living wage makes sense from a policy advocacy perspective because Manitoba has a single statutory minimum wage.

5.6% of respondents reported earning less than the minimum wage. There are many potential explanations for this. Workers might be reporting their wage after taxes and deductions or misremembering their wage while being surveyed. Firms might be illegally underpaying their employees, though there is no further evidence for this. We decided not to exclude these observations, which does not significantly affect our results.

Our final dataset contains 13,096 workers earning less than the living wage and 34,876 workers earning the living wage or above. To estimate population parameters from the sample data, the LFS reports weights that were calculated for each observation (Statistics Canada, 2017). These weights can be used to estimate the number and share of workers in the population with particular characteristics. Furthermore, we will obtain yearly estimates by averaging the weighted monthly estimates.

This study takes a similar approach to Ivanova (2024), who constructed a profile of low-wage workers in British Columbia in 2023. She finds that 18% of employees in BC earn less than \$20 per hour, most of whom are women, over 25, and racialized.

would be “leading by example” and likely increase competition among private sector employers for low-wage workers, increasing their wages. Furthermore, it would not be costly to implement. For instance, the City of Winnipeg estimated that the cost would not be more than 0.1% of their annual budget (Adamski, 2024).

- Because caregiving responsibilities are a major impediment to full-time work for many workers, more must be done to achieve affordable and accessible child care. While much progress has been made on affordability, child care deserts remain widespread and should be addressed (Macdonald & Friendly, 2023).
- Other jurisdictions such as the United Kingdom have successful private sector-led living wage employer certification programs. In the absence of government action, this should be explored in Manitoba.

- Lower costs for households by improving access to social housing and affordable housing, by developing and implementing an affordable food strategy, and reducing the cost of public services such as public transportation.

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Appendix

TABLE 1 Number and Share of Workers

	Number of Workers	Share, Wage Workers	Share, All Workers
Less than living wage (A)	171,072	27.4%	24.6%
Living wage or above (B)	452,648	72.6%	65.2%
Wage workers (A+B)	623,720	100.0%	89.8%
Non-wage workers (C)	70,900		10.2%
All workers (A+B+C)	694,620		100.0%

TABLE 2 Tenure with Current Employer (Share within Wage Category)

	Less than Living Wage	Living Wage or Above
0–11 months	17.8%	12.6%
12–23 months	12.0%	9.8%
24–59 months	19.0%	18.2%
60–119 months	18.3%	20.6%
120+ months	32.9%	38.8%

TABLE 3 Share of Each Industry's Workers Earning Less than Living Wage

	Share
Sales and service	64.0%
Natural resources and agriculture	32.3%
Arts, culture, recreation, and sport	31.9%
Manufacturing and utilities	28.9%
Business, finance, and administration	18.2%
Education, law, and social, community, and government services	18.0%
Trades, transport, and equipment operators	17.2%
Health	14.6%
Natural and applied sciences	5.4%
Management	4.2%



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