

SREDA INSIGHTS

▶ SASKATCHEWAN MINIMUM WAGE INCREASING

ISSUE

The Saskatchewan minimum wage will increase by \$0.22/hour to \$10.72 starting October 1, 2016.

CONTEXT

Currently, Saskatchewan's general hourly minimum wage is the third lowest among provinces, with British Columbia the lowest (\$10.45) and Ontario the highest (\$11.25). After the increase, Saskatchewan's minimum wage will be higher than in Newfoundland and Labrador, New Brunswick and Nova Scotia, although projected increases in British Columbia mean Saskatchewan will move to having the lowest in Western Canada. The Alberta Provincial Government has pledged to increase the minimum wage by \$1/hour this year and ultimately to \$15/hour by October 2018. In British Columbia the projected increase is to \$10.85 this year and to \$11.25 in September 2017.

POLICY

In Saskatchewan the minimum wage is increased according to a formula using consumer inflation and average wages. This method is also used in other

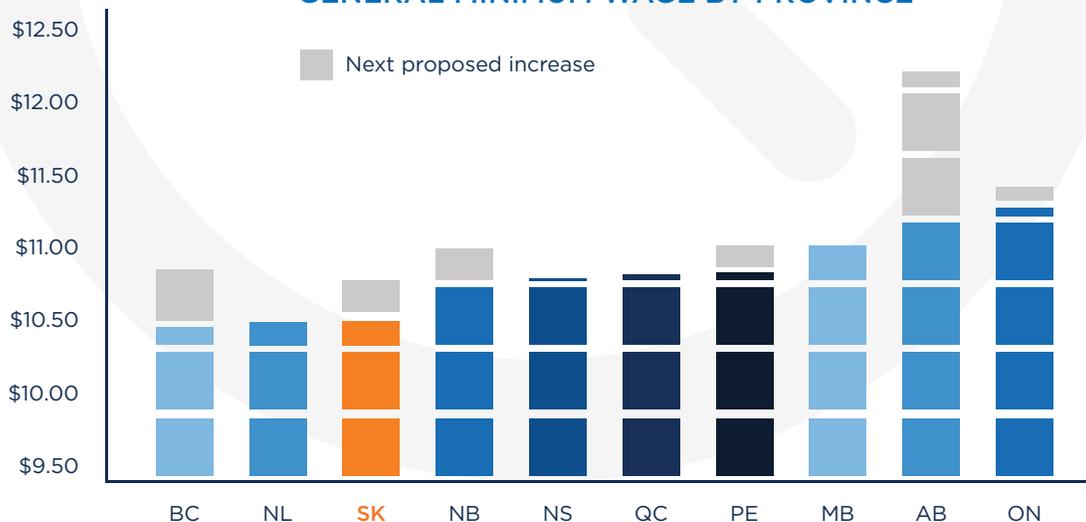
provinces, although in some such as Alberta, raising the minimum wage has been a political mandate. Deciding the level of the minimum wage can be tricky for governments who must balance between business interests claiming that higher wages raise unemployment and the fact that living off the minimum wage can be difficult for some.

IMPACT

The Saskatchewan Government reports that approximately 23,000 people earn the minimum wage, half of whom are under the age of 25. Whether raising the minimum wage is a good or bad thing depends on who you ask. And as such, there will continue to be debate about what the right minimum wage is in Saskatchewan.

What is for sure is that some local businesses will need to adjust their pay scales October 1st and, considering Saskatchewan currently has a low minimum wage compared to other provinces, be conscious the rate may increase in years ahead.

GENERAL MINIMUM WAGE BY PROVINCE



Source: Statistics Canada, Retail Council of Canada, AB Government

SREDA Insights provides commentary and analysis on key economic issues influencing Saskatoon Region businesses and industry. By providing timely, digestible and relevant economic analysis, SREDA helps local businesses adapt to changing market conditions. SREDA provides SREDA Insights to its members in conjunction with other ongoing initiatives through its Economic Forecasting & Analysis division.