

Alberta Minimum Wage Profile

April 2010 - March 2011

May 2011

Government of Alberta ■
Employment and Immigration

Alberta Minimum Wage Profile

April 2010 - March 2011

Introduction

The *Alberta Minimum Wage Profile* presents current information on minimum wage earners in Alberta and other provinces. Statistics include the percentage of employees¹ earning minimum wage in each province plus the characteristics of Alberta minimum wage earners².

The profile is based on minimum wage rates that are effective for two reference periods: April 1, 2009 to March 31, 2010 and April 1, 2010 to March 31, 2011.

Interprovincial Analysis

Over the two reference periods, Alberta's minimum wage remained unchanged at \$8.80 on April 1, 2009 and April 1, 2010. The percentage of employees earning minimum wage in Alberta decreased over the two reference periods from 1.4% to 1.2%.

Employment in Alberta rose in the April 1, 2010 to March 31, 2011 reference period, compared to the previous period. For Canada, the proportion rose 1.6 percentage points between the two periods, from 5.9% to 7.5% as provinces raised their minimum wages. (Figure 1)

Figure 1: Percentage of Employees Earning Minimum Wage

	April 2009 – March 2010	April 2010 – March 2011
Alberta	1.4%	1.2%
Canada	5.9%	7.5%

Between March 31, 2010 and March 31, 2011, six provinces raised their minimum wage rates. (Figure 2)

Figure 2: Provinces with Increases in Minimum Wage between March 31, 2010 and March 31, 2011

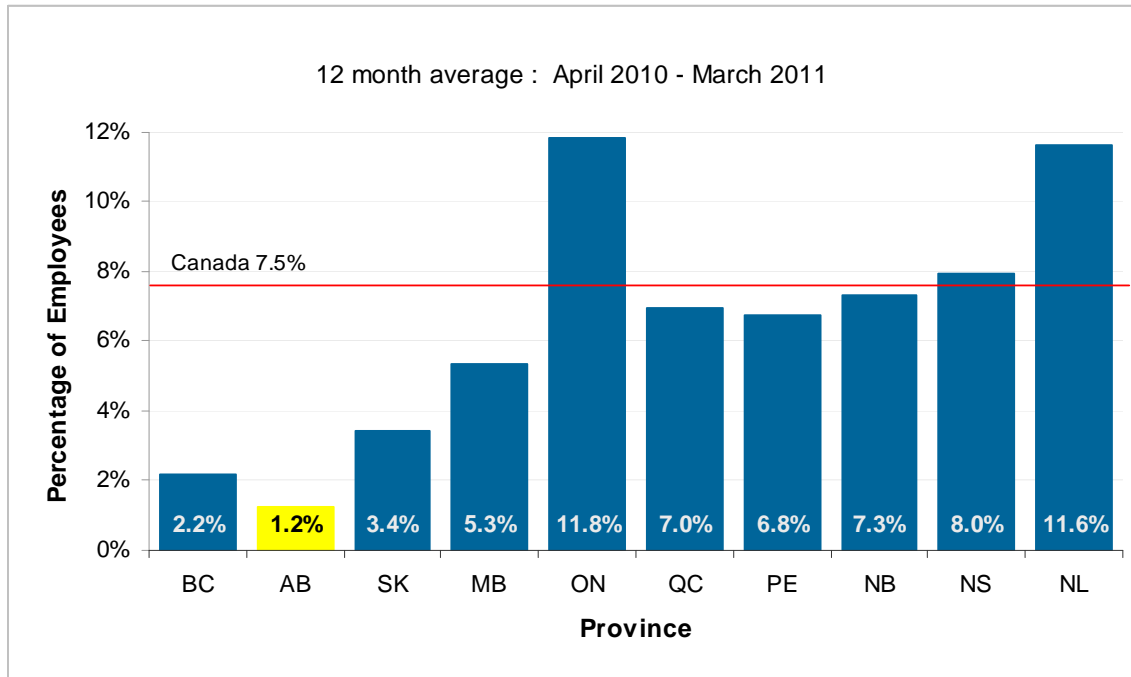
Province	March 31, 2010	March 31, 2011
Manitoba	\$9.00	\$9.50
New Brunswick	\$8.25	\$9.00
Newfoundland and Labrador	\$9.50	\$10.00
Nova Scotia	\$8.60	\$9.65
Prince Edward Island	\$8.40	\$9.00
Quebec	\$9.00	\$9.50

¹ See definition in Appendix A

² See definition in Appendix A

Most of Alberta's employees earned more than minimum wage. Between April 2010 and March 2011, of 1,520,200 employees³ in Alberta's organizations, 1.2% or 18,780 earned minimum wage. Alberta has the lowest percentage of minimum wage earners among Canadian provinces. (Figure 3)

Figure 3: Percentage of Employees Earning Minimum Wage by Province



³ The analyses in this profile exclude 348,100 individuals who were self-employed, unpaid family workers or who worked more than 44 hours per week.

Five provinces have scheduled increases to their minimum wage rates in 2011. Figure 4 shows a summary of upcoming minimum wage increases in 2011. (For more information, see Appendix B)

Figure 4: Provinces with Upcoming Minimum Wage Increases

Province	Minimum Hourly Wage Rate as of March 31, 2011	New Minimum Hourly Wage Rate	Effective Date
Alberta	\$8.80	\$9.40	September 1, 2011
British Columbia	\$8.00	\$8.75	May 1, 2011
		\$9.50	November 1, 2011
New Brunswick	\$9.00	\$9.50	April 1, 2011
		\$10.00	September 1, 2011
Prince Edward Island	\$9.00	\$9.30	June 1, 2011
		\$9.60	October 1, 2011
Quebec	\$9.50	\$9.65	May 1, 2011

Detailed information about minimum wage rates can also be found at the website:

<http://srv116.services.gc.ca/dimt-wid/sm-mw/rpt1.aspx?lang=eng>

Alberta Analysis

In Alberta, between April 2010 and March 2011, the summary profile of a minimum wage earner was as follows.

- 15-19 years old
- employed full-time
- in permanent employment
- non-union employee
- one to five years job experience
- in Accommodation and Food Services industry
- in Sales and service occupations, n.e.c.⁴
- some high school
- female

⁴ Not elsewhere classified

At 30.9%, the 15 to 19 year old group remained the largest group of Alberta's minimum wage earners, and the 20 to 24 year old group was the second largest in the April 2010 and March 2011 period. (Figure 5)

The proportion of minimum wage earners increased for the following five age groups in the April 2010 – March 2011 period compared to the April 2009 – March 2010 period: 20 to 24 year old, 30 to 34 year old, 35 to 39 year old, 40 to 44 year old, and the 50 to 54 year old. The proportion of minimum wage earners for all other age groups went down in the current reference period compared to the previous period. (Figure 5)

Figure 5: Proportion of Alberta Minimum Wage Earners by Age (years)

	April 2009 - March 2010	April 2010 - March 2011
15-19	36.4%	30.9%
20-24	11.6%	17.2%
25-29	11.0%	10.5%
30-34	6.4%	9.9%
35-39	6.7%	8.3%
40-44	3.8%	6.2%
45-49	7.4%	5.6%
50-54	4.1%	5.7%
55+	12.6%	5.7%
Total	100%	100%

In contrast to the previous twelve-month period, just over half, or 55.3%, of minimum wage earners worked full-time between April 2010 and March 2011. (Figure 6)

Figure 6: Proportion of Alberta Minimum Wage Earners by Type of Work

	April 2009 - March 2010	April 2010 - March 2011
Full-Time	46.2%	55.3%
Part-Time	53.8%	44.7%
Total	100%	100%

As in the previous reference period, a large proportion, or 71.5% of minimum wage earners was in permanent employment. (Figure 7)

Figure 7: Proportion of Alberta Minimum Wage Earners by Job Permanence

	April 2009 - March 2010	April 2010 - March 2011
Permanent	75.2%	71.5%
Temporary	24.8%	28.5%
Total	100%	100%

More than ninety per cent of Alberta's minimum wage earners were non-union employees. Compared to the previous period, the proportion of unionized employees earning minimum wage decreased by 2.4 percentage points in the April 2010 to March 2011 reference period. (Figure 8, next page)

Figure 8: Proportion of Alberta Minimum Wage Earners by Union Status

	April 2009 - March 2010	April 2010 - March 2011
Non-Union Employee	92.5%	95.1%
Union Member	7.0%	4.6%
Covered by Collective Agreement, Not Member	0.4%	0.4%
Total	100%	100%

Of all minimum wage earners, 42.5% had between one and five years of job tenure in the April 2010 – March 2011 reference period. The proportion that had less than one year of job tenure, at 41.2%, was higher than the 38.6% in the previous reference period.

Overall, the proportion of minimum wage earners with five years or less of job tenure rose from 80.3% in the previous period to 83.7% in the current reference period. (Figure 9)

Figure 9: Proportion of Alberta Minimum Wage Earners by Job Tenure

	April 2009 - March 2010	April 2010 - March 2011
Less than One Year	38.6%	41.2%
One to Five Years	41.7%	42.5%
More than Five Years	19.7%	16.3%
Total	100%	100%

Between April 2010 and March 2011, more than half, or 51.3%, of Alberta's minimum wage earners were employed in the following three industries: Accommodation and Food Services, 21.1%; Retail Trade, 16.7%; and Other Services⁵, 13.5%. (Figure 10)

Figure 10: Proportion of Alberta Minimum Wage Earners by Industry

	April 2009 - March 2010	April 2010 - March 2011
Accommodation and Food Services	24.4%	21.1%
Retail Trade	23.0%	16.7%
Other Services (except Public Administration)	8.4%	13.5%
Educational Services	4.9%	8.0%
Information, Culture and Recreation	7.2%	7.1%
All Other Industries	32.1%	33.6%
Total	100%	100%

Between April 2010 and March 2011, just over 50% of Alberta's minimum wage earners worked in the following three occupational groups: Sales and service occupations n.e.c.⁶, 26.8%; Retail salespersons, sales clerks, cashiers, including retail trade supervisors, 14.6%; and Chefs, cooks, and food and beverage service occupations, including supervisors, 9.5%. (Figure 11, next page)

⁵ This sector comprises establishments, not classified to any other sector, primarily engaged in repairing, or performing general or routine maintenance, on motor vehicles, machinery, equipment, and other products to ensure that they work efficiently; providing personal care services, funeral services, laundry services, and other services to individuals, such as pet care services and photo finishing services; organizing and promoting religious activities; supporting various causes through grant-making, advocating (promoting) various social and political causes, and promoting and defending the interests of their members. Private households are also included.

⁶ Not elsewhere classified

Figure 11: Proportion of Alberta Minimum Wage Earners by Occupation

	April 2009 - March 2010	April 2010 - March 2011
Sales and service occupations n.e.c.	22.8%	26.8%
Retail sales persons, sales clerk, cashiers	18.8%	14.6%
Chefs, cooks, food and beverage service	12.7%	9.5%
Financial, secretarial and administrative	4.9%	7.8%
Clerical occupations	5.7%	7.5%
All other occupations	35.1%	33.8%
Total	100%	100%

Of all Alberta minimum wage earners over the April 2010 to March 2011 period, 29.7% had some high school education and 22.1% were high school graduates. The proportion that did not complete high school was smaller in the current period, at 33.8%, compared to the previous period, at 43.9%. (Figure 12)

Figure 12: Proportion of Alberta Minimum Wage Earners by Highest Educational Attainment

	April 2009 - March 2010	April 2010 - March 2011
0-8 Years (Elementary)	5.1%	4.1%
Some High School	38.8%	29.7%
High School Graduate	22.5%	22.1%
Some Post-Secondary	5.6%	9.9%
Post-Secondary Certificate or Diploma	15.5%	20.4%
University Degree	12.6%	13.9%
Total	100%	100%

Females made up 64.6% of the minimum wage earners in Alberta in the current reference period, which is higher than the 58.2% in the previous period. The proportion of male minimum wage earners between April 2010 and March 2011 was 35.4%. (Figure 13)

Figure 13: Proportion of Alberta Minimum Wage Earners by Gender

	April 2009 - March 2010	April 2010 - March 2011
Female	58.2%	64.6%
Male	41.8%	35.4%
Total	100%	100%

Methodology, Definitions and Detailed Interprovincial Minimum Wage Information

For information on the methodology and definitions, see Appendix A. Appendix B gives detailed information on upcoming changes to minimum wage rates in the provinces.

Appendix A

Methodology

The data for this profile are gathered from the Labour Force Survey (LFS) conducted by Statistics Canada. Each month, the Data Development and Evaluation branch of Alberta Employment and Immigration receives LFS files from Statistics Canada. This includes a microdata file, which contains the complete file of all LFS responses.

The minimum wage analysis is performed on the microdata using the statistical software package SAS. The Canadian territories are excluded from this analysis. Twelve-month averages are used to ensure the results are not affected by seasonality. The microdata files for each of the twelve months examined are combined into one large data set and annual averages are then calculated. For example, in this profile, the results are an average of the April 2010 to March 2011 numbers.

Minimum wage rates often change; therefore the minimum wage profile will differ from one report to the next.

Occupational and industrial classifications were based on the following.

National Occupational Classification for Statistics 2006

<http://www.statcan.gc.ca/bsolc/olc-cel/olc-cel?lang=eng&catno=12-583-X>

North American Industry Classification System – Canada 2007

<http://www.statcan.gc.ca/pub/12-501-x/12-501-x2007001-eng.pdf>

All data are from Statistics Canada, Labour Force Survey microdata files, with the following exceptions:

Appendix B: Fact Sheet: Minimum Hourly Wage Rates

Source: Alberta Employment and Immigration Workplace Standards; Human Resources and Skills Development Canada; and various Provincial Government official websites

Appendix A (Continued)

Definitions

These definitions are from Statistics Canada, except for “Employees” and the occupational and industrial groups.

Employees

In this analysis, people who were either self-employed or listed as having an hourly wage rate of \$0.00 were removed from the overall employment figure to determine the number of employees. Employees working greater than 44 hours were also excluded from the analysis. Please note that the number of employees in organizations is different from the employment figure for Alberta.

Full-Time Employees

People who usually work 30 hours or more per week at their main or only job.

Minimum Wage Earner

People who earned minimum wage or less. Some employees fall outside the scope of the Employment Standards Code’s minimum wage provisions and may earn less than minimum wage. See Section 8 of the Employment Standards Regulation and section 2(3)(g) of the Code for more information.

Occupations in Social Science, Government Service and Religion

Occupations in this major group include Recreation, Sports and Fitness Program Supervisors and Early Childhood Educators and Assistants.

Other Services (except Public Administration) Industry

Consists of establishments engaged in repairing or performing general maintenance on motor vehicles, machinery, equipment, and other products; providing personal care services, funeral services, laundry services and other services to individuals, such as pet care services and photo finishing services; organizing and promoting religious activities, supporting various causes through grant-making, advocating (promoting) social and political causes, and promoting and defending the interests of their members. Private households are also included.

Part-Time Employees

People who usually work less than 30 hours per week at their main or only job.

Permanent Job

A permanent job is one that is expected to last as long as the employee wants it, given that business conditions permit. There is no pre-determined termination date.

Sales and Service Occupations n.e.c.

Occupations in this major group are primarily concerned with providing services not elsewhere classified in other Sales and service occupational groups, non-store retail sales

not elsewhere classified and providing services related to sales. Examples of occupations in this category include Attendants in Recreation and Sport as well as Supervisors.

Temporary Job

A temporary job has a predetermined end date, or will end as soon as a specified project is completed. Included in temporary jobs are seasonal, temporary, term or contract jobs; also include work done through a temporary help agency; casual jobs; and other temporary work.

Wage

Hourly wage/salary before taxes and other deductions, and include tips and commissions.

Appendix B

FACT SHEET: MINIMUM HOURLY WAGE RATES

Jurisdiction	General Rate for Adult Workers ⁱ	Effective Date (D/M/Y)	Rate for Young or Inexperienced Workers	Effective Date (D/M/Y)
Federal	Same as the general adult minimum wage rate of the province or territory where the work is performed.	18/12/96	Employees under 17: same as the general adult minimum wage rate of the province or territory where they work.	18/12/96
Alberta	\$8.40 \$8.80 \$9.40ⁱⁱ	01/04/08 01/04/09 01/09/11	Same as adult rate. \$9.05 (for liquor servers) ⁱⁱⁱ	01/09/11
British Columbia	\$8.00 \$8.75 \$9.50 \$10.25	01/11/01 01/05/11 01/11/11 01/05/12	\$6.00 (for inexperienced employees) ^{iv} \$8.50 \$8.75 \$9.00 (for liquor servers)	01/05/01 to 01/05/11 01/05/11 01/11/11 01/05/12
Manitoba	\$9.00 \$9.50 \$10.50	01/10/09 01/10/10 01/09/11	Same as adult rate.	
New Brunswick	\$8.50 \$9.00 \$9.50 \$10.00	01/04/10 01/09/10 01/04/11 01/09/11	Same as adult rate.	
Newfoundland and Labrador	\$9.00 \$9.50 \$10.00	01/07/09 01/01/10 01/07/10	Same as adult rate.	
Northwest Territories	\$8.25 \$9.00 \$10.00	28/12/03 01/04/10 01/04/11	Same as adult rate.	
Nova Scotia	\$8.60 \$9.20	01/04/09 01/04/10	\$8.10 \$8.70	01/04/09 01/04/10

Jurisdiction	General Rate for Adult Workers ⁱ	Effective Date (D/M/Y)	Rate for Young or Inexperienced Workers	Effective Date (D/M/Y)
	\$9.65	01/10/10	\$9.15 (for inexperienced employees) ^v	01/10/10
Nunavut	\$8.50 \$10.00 \$11.00	03/03/03 01/09/08 01/01/11	Same as adult rate.	
Ontario	\$8.75 \$9.50 \$10.25	31/03/08 31/03/09 31/03/10	\$8.20 \$8.25 \$8.90 (for liquor servers) \$9.60 (for students) ^{vi}	31/03/08 31/03/09 31/03/10 31/03/10
Prince Edward Island	\$8.50 \$8.70 \$9.00 \$9.30 \$9.60 \$10.00	01/10/09 01/06/10 01/10/10 01/06/11 01/10/11 01/04/12	Same as adult rate.	
Quebec	\$8.50 \$9.00 \$9.50 \$9.65	01/05/08 01/05/09 01/05/10 01/05/11	\$7.75 \$8.00 \$8.25 \$8.35 (employees receiving tips)	01/05/08 01/05/09 01/05/10 01/05/11
Saskatchewan	\$8.60 \$9.25 \$9.50	01/05/08 01/05/09 01/05/11	Same as adult rate.	
Yukon	\$8.58^{vii} \$8.89 \$8.93 \$9.00	01/04/08 01/04/09 01/04/10 01/04/11	Same as adult rate.	

Source: Labour Law Analysis
Employment Standards Policy and Legislation
Labour Program, Human Resources and Skills Development Canada
May 25, 2011

Notes:

ⁱIn many jurisdictions, special minimum wage rates apply to certain specific occupations (e.g., domestics, salespersons, crop harvesters and employees who usually receive gratuities).

ⁱⁱEffective September 1, 2011, a new mechanism for determining future increases to minimum wage will be introduced, which will be a simple average of changes to Alberta's average weekly earnings and changes to the Consumer Price Index in Alberta.

ⁱⁱⁱIn Alberta, liquor servers are defined as employees who serve alcohol to customers as a regular part of their job in a licensed establishment. This includes bartenders, waiters and waitresses.

^{iv}In British Columbia, "inexperienced employees" are those who had no paid employment experience prior to November 15, 2001 and who have since accumulated less than 500 hours of paid employment experience with one or more employers.

^vIn Nova Scotia, the term refers to those who have not been employed for more than three months by any employer to do the work for which they are presently employed.

^{vi}These rates apply to students under 18 who are employed up to 28 hours in a week, or during a school holiday.

^{vii}Effective April 1, 2007, and on April 1 of each subsequent year, this rate will increase by an amount corresponding to the annual increase for the preceding year in the Consumer Price Index (CPI) for the city of Whitehorse. To date, Yukon is the only jurisdiction to tie annual minimum wage increases to the CPI.

APPENDIX C

The following minimum wage comparison table factors in taxes (as of March 31, 2011) and then ranks the provinces with the highest to the lowest after tax wage rate. Please note that this table and the graph below it were based on the minimum wages as of March 31, 2011.

Minimum Wage Comparisons 2011

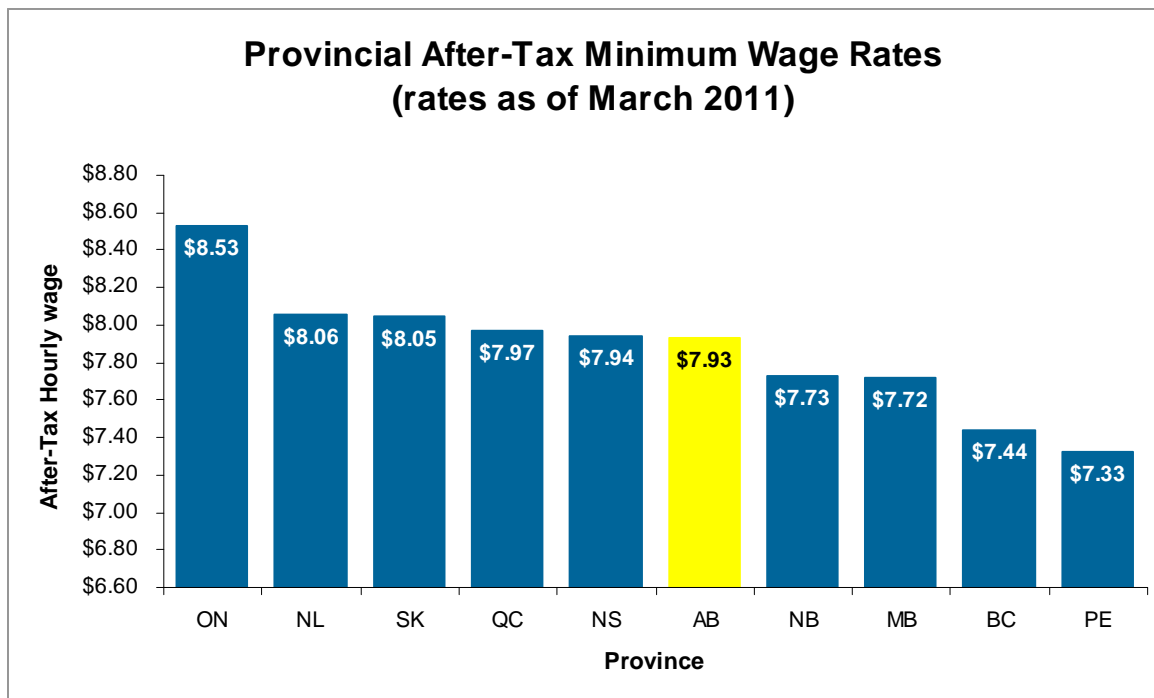
* For Single Income Earners

	AB	BC	SK	MB	ON	QC	NB	NS	PE	NL
Minimum Wage Rate	\$ 8.80	\$ 8.00	\$ 9.25	\$ 9.50	\$ 10.25	\$ 9.50	\$ 9.00	\$ 9.65	\$ 9.00	\$ 10.00
Salary (2000 hrs)	\$ 17,600	\$ 16,000	\$ 18,500	\$ 19,000	\$ 20,500	\$ 19,000	\$ 18,000	\$ 19,300	\$ 18,000	\$ 20,000
Federal Tax	\$ 1,737	\$ 1,004	\$ 2,013	\$ 2,104	\$ 2,464	\$ 2,157	\$ 1,901	\$ 2,185	\$ 1,880	\$ 2,336
Personal Income Tax	\$676	\$78	\$875	\$945	\$1,155	\$941	\$805	\$987	\$805	\$1,085
CPP/EI/QPP	\$1,011	\$904	\$1,072	\$1,105	\$1,206	\$1,137	\$1,038	\$1,126	\$1,038	\$1,173
GST	\$50	\$22	\$66	\$53	\$103	\$79	\$57	\$72	\$36	\$78
Provincial Tax	\$ -	\$ 123	\$ 396	\$ 1,461	\$ 968	\$ 895	\$ 643	\$ 1,239	\$ 1,464	\$ 1,548
Personal Income Tax	\$0	\$0	\$94	\$984	\$515	\$340	\$26	\$525	\$807	\$835
Sales Tax	\$0	\$123	\$302	\$477	\$424	\$455	\$618	\$714	\$657	\$713
Health Care Premium	\$0	\$0	\$0	\$0	\$30	\$100	\$0	\$0	\$0	\$0
Summary										
Before Tax Ranking	9	10	6	4	1	4	7	3	7	2
Total Tax	\$ 1,737	\$ 1,127	\$ 2,409	\$ 3,565	\$ 3,433	\$ 3,052	\$ 2,544	\$ 3,423	\$ 3,344	\$ 3,884
After Tax Salary	\$ 15,863	\$ 14,873	\$ 16,091	\$ 15,435	\$ 17,067	\$ 15,948	\$ 15,456	\$ 15,877	\$ 14,656	\$ 16,116
After Tax Wage Rate	\$ 7.93	\$ 7.44	\$ 8.05	\$ 7.72	\$ 8.53	\$ 7.97	\$ 7.73	\$ 7.94	\$ 7.33	\$ 8.06
After Tax Ranking	6	9	3	8	1	4	7	5	10	2

Based on the best information available as of: June 10, 2011 for the: 2011 provincial tax systems. Minimum wage rates as of: March 31, 2011

NOTE: This comparison assumes that all income is from employment and only personal, CPP, and EI credits are claimed. No shifting assumptions are made.

Appendix C (Continued)



Alberta had the sixth highest provincial after-tax minimum wage rate, as of March 2011. In April 2008, Alberta had the highest after-tax minimum wage rate of the ten provinces.

Before tax, Ontario has the highest minimum wage rate in the country, as of March 2011. Newfoundland and Nova Scotia had the next highest before tax minimum wage rate.

Source: Alberta Finance and Enterprise
June 2011