



Report on Living Wage and Pay Equity

ESIC Advisory Committee on Living Wage and Pay Equity

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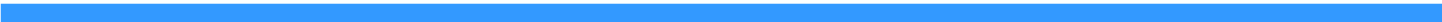
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Table of Contents

Executive Summary	1
Context	3
Part I: Pay Equity	4
Introduction	4
What is Pay Equity?	4
History of Pay Equity legislation in Canada	5
Jurisdictional Review	5
New Brunswick Legislation – <i>Pay Equity Act, 2009</i>	5
Future pay equity considerations for New Brunswick	6
Options for implementing comprehensive pay equity in New Brunswick	7
Other considerations	15
Next Steps	15
Part II: Explore the Concept of a Living Wage	16
Why Explore living wage in New Brunswick?	16
What is a living wage?	17
How is a living wage calculated?	18
How can the living wage be used?	19
Where is living wage being used?	19
What are the benefits and challenges associated with Living Wage?	20
Living wage versus minimum wage and other income security policy tools	21
Research findings	23
Next steps	23
Appendix A: Statistical Profile of New Brunswick employees by gender (2017)	24
Appendix B: Jurisdictional Review- Pay Equity Legislation in Canada	30





Executive Summary

Formed by the Economic and Social Inclusion Corporation, the Advisory committee on pay equity and living wage was created in April 2017 to address two items under the Economic Inclusion Pillar of Overcoming Poverty Together 2014-2019. The Advisory committee included representation from four sectors: citizens, non-profit, business, and government. The Advisory committee's mandate was to:

1. Consider the creation of comprehensive pay equity legislation, and
2. Explore the concept of a living wage.

Some New Brunswickers continue to face working poverty, income inequality and/or precarious employment. Considering comprehensive pay equity and exploring living wage in New Brunswick are important considerations in moving towards a more economically inclusive province.

Consider the creation of comprehensive pay equity legislation:

Pay equity is a compensation practice that is often referred to as “equal pay for work of equal or comparable value”.

Pay equity practices aim to address one of the contributors to the gender wage gap: the under-valuation of traditionally or predominantly female occupations. This under-valuation results in paying lower wages to women and men in female-dominated occupations even when those jobs have the same value as male-dominated occupations performed for the same employer.

Achieving pay equity requires evaluating and comparing, within an organization, jobs typically done by women to different jobs typically done by men. If these are found to be of equal/comparable value then they should be paid equally.

In 2017, New Brunswick had a gender wage gap of 7.4%.

The New Brunswick *Pay Equity Act, 2009 (Act)* came into force on April 1, 2010. It applies to all parts of the New Brunswick public service and defines minimum standards for employers to meet government's pay equity policy goals in their compensation practices. Employers must undertake job evaluations to compare female job classifications to male job classifications on the basis of qualification, responsibility, effort required and working conditions using a non-discriminatory job evaluation system. To meet the minimum standards associated with pay equity, female job classifications, which are found to be of equal or comparable value to male job classifications, within the same organization, must be paid the same.



The advisory committee on living wage and pay equity recommends that Government adopt comprehensive pay equity legislation that covers employees in both the public and private sector. The committee developed a list of options to consider in the development of comprehensive pay equity legislation, which were informed by lessons learned by Ontario and Québec (the two Canadian provinces with comprehensive pay equity legislation), as well as the 2004 federal pay equity task force.

Explore the concept of a living wage

The living wage is a conservative measure of the hourly wage that is necessary for workers to meet basic needs and for families to fully participate in the life of their community. It is based on the principle that full-time employment should allow people to live with dignity. The concept of living wage primarily enables education and advocacy around the issue of working poverty.

Living wage highlights the gap between the lowest legal wage rate and the cost of living a life of social inclusion in specific communities. Living wage rates are based on the inter-relationship between employment income, the tax and transfer system and the availability of social programming and community infrastructure.

The Canadian Living Wage Framework (CLWF) provides a formula for calculating the living wage for cities across Canada. This allows living wage rates to be compared across the country.

The Human Development Council (HDC) in Saint John, in conjunction with the Canadian Centre for Policy Alternatives, released New Brunswick's first living wage rate for the city of Saint John on June 20, 2018. The living wage for Saint John is \$18.18 per hour.

The advisory committee on Living Wage and Pay Equity recommends that the Economic and Social Inclusion Corporation work with partners to:

- Build on the momentum of the HDC and calculate the living wage rate for other cities in the Province, as data allows;
- Encourage New Brunswick employers to enhance the vibrancy of their communities by becoming certified Living Wage employers; and,
- Research policy tools to reduce poverty, including wage based policies, targeted subsidies and a guaranteed basic income and consider the availability of public services (e.g. social housing, transportation, child care, senior care, etc.) to determine which policies are expected to lead to the greatest impact on poverty reduction in the province.



Context

Overcoming Poverty Together: The New Brunswick Economic and Social Inclusion Plan, 2014-2019 (OPT2) serves as a roadmap for the province to move towards economic and social inclusion for all. The overarching principle of *the Plan* is the coming together of citizens, non-profit organizations, businesses and government to collaboratively create opportunities for socioeconomic development and to reduce poverty.



One of the priority actions under the Economic Inclusion Pillar of *the Plan* is to “consider the creation of comprehensive pay equity legislation”. The importance of this was echoed during the public dialogue sessions. Almost 60 comments were received during the public consultation pertaining to wages and pay equity, including the following: “*We need to ensure that women have adequate incomes. This includes pay equity and other pay equality measures, particularly in the private sector*”.

Formed by the Economic and Social Inclusion Corporation, the Advisory committee on pay equity and living wage was created in April 2017 to address two items under the Economic Inclusion Pillar of *Overcoming Poverty Together 2014-2019*. The Advisory committee included representation from four sectors: citizens, non-profit, business, and government. The Advisory committee's mandate was to:

1. consider the creation of comprehensive pay equity legislation
2. explore the concept of a living wage.



Part 1: Pay Equity

Introduction

In 2017, New Brunswick women (aged 15+) earned approximately 93% of the average hourly earnings and approximately 82% of the average weekly earnings of New Brunswick men (aged 15 and over). In 2017, New Brunswick's gender wage gap (based on hourly earnings) decreased from 8.2% to 7.4% and was the second lowest in the country. Nationally, in 2017, women (15+) earned approximately 87% of the average hourly earnings and 77% of the average weekly earnings of men. The national gender wage gap in 2017 was 13%.

Just over half (51%) of all employees in New Brunswick are female. The highest level of educational attainment is higher for females than males, except for those above the age of 55. Female employees have a higher incidence of part-time work compared to male employees in the province. There continue to be differences in occupational and industrial concentrations of employees by gender. A statistical profile of New Brunswick employees by gender is available in Appendix A.

What is Pay Equity?

Pay equity is a compensation practice that is often referred to as “equal pay for work of equal or comparable value”.

Pay equity practices aim to address one of the contributors to the gender wage gap: the under-valuation of traditionally or predominantly female occupations. This under-valuation results in paying lower wages to women and men in female-dominated occupations even when those jobs have the same value as male-dominated occupations performed for the same employer.

Achieving pay equity requires evaluating and comparing, within an organization, jobs typically done by women to different jobs typically done by men. If these are found to be of equal/comparable value then they should be paid equally.

The criteria used to evaluate jobs include:

- Skills and Qualifications;
- Responsibility;
- Effort required; and
- Working Conditions.

Terms that sometimes get confused with pay equity include “pay parity” and “gender wage gap”. Pay parity means equal pay for men and women doing the same work. It is narrower than pay equity. The gender wage gap refers to the difference between the average wages earned by men and the average wages earned by women. Pay equity issues are a contributor to the gender wage gap.



History of Pay Equity legislation in Canada

Pay equity is a fundamental human right that has been recognized since 1951 when Convention 100, the Equal Remuneration Convention, 1951, was adopted by the international Labour Organization (ILO). Convention 100 was ratified by Canada in 1972. This convention guaranteed the right to equal remuneration for work of equal value.

In 1977, the Canadian Human Rights Act came into force and provided the right to equal pay for work of equal value.

In 1982, the Royal Commission on Equality in Employment reports, also known as the Abella Report addressed both employment equity and pay equity.

By the mid 1980's provincial governments in Canada started to introduce their own pay equity legislation. Manitoba was the first province to pass proactive legislation but it was limited to the public sector. The Maritime Provinces soon followed Manitoba, passing legislation for part or all of the public sector, while Ontario and Quebec went on to enact comprehensive pay equity legislation, for both the public and private sectors, in 1987 and 1996 respectively.

Jurisdictional review

In Canada, six jurisdictions have specific pay equity legislation, including: New Brunswick, Nova Scotia, Prince Edward Island, Quebec, Ontario and Manitoba. Quebec and Ontario are the only two Canadian jurisdictions that have comprehensive pay equity legislation, covering both the public and private sectors. All jurisdictions, except Nunavut, have equal pay for equal work provisions in either their Human Rights Act or in their Employment Standards Act, or equivalent. Additional jurisdictional review information is available in Appendix B.

NB legislation - Pay Equity Act, 2009

The New Brunswick Pay Equity Act, 2009 (Act) came into force on April 1, 2010, replacing the 1989 Act which only applied to Part 1 of the public sector, i.e. government departments. The Act applies to all parts of the New Brunswick public service, including: Government Departments, School Districts, Schools, Health Authorities, Hospitals, and Government Corporations, Boards, Commissions and Agencies. The legislation set out minimum standards for all provincial public service employers to meet government's pay equity policy goals in their compensation practices. This means that employers must undertake job evaluations to compare female job classifications to male job classifications on the basis of skill, effort, responsibility and working conditions, using a non-discriminatory job evaluation system. To meet the minimum standards associated with pay equity, female job classifications, which are found to be of equal or comparable value to male job classifications, within the same organization, must be paid the same.

The Act required the establishment of a Pay Equity Bureau which provides assistance, guidance and oversight of the pay equity and maintenance processes to be undertaken by public sector employers.

Under the current legislation, pay equity is achieved when the job evaluation system has been applied, the female and male-dominated job classifications have been compared, and the pay adjustments have been completed. Once pay equity is achieved, employers must periodically review their pay equity compensation practices, make any necessary pay adjustments, and provide the results of the review to the Pay Equity Bureau.



Status update of NB Pay Equity implementation (January, 2018):

The provincial government has completed eight pay equity studies in Parts I, II and III of the public service for female-dominated groups of employees, including: Educational Assistants and School Administrative Assistants (CUPE 2745), Court Stenographers (CUPE 1840), Medical Science Professionals, Specialized Health Care Professionals, Professional Support in Schools, Laboratory and Medical, Nurses, and Nurse Supervisors. The two CUPE groups adjustments were approved in 2016 and the three groups with the New Brunswick Union had adjustments that were approved in 2017

Significant work has also been undertaken to ensure pay equity is being achieved in Part IV entities that are subject to the Act.

Five out of seven eligible Crown corporations have achieved compliance with the Act. The Crown corporations who are compliant with the Act are NB Power, NB Liquor, NB Legal Aid, CCNB and NBCC.

The remaining two Crown Corporations are working actively to achieve implementation by the end of 2018.

Future pay equity considerations for New Brunswick

Pay equity is not only an important compensation practice; it is a human right. When pay equity is absent, it results in an unequal standard of living between men and women and it contributes to growth in the gender wage gap over a lifetime. Even small amounts of pay inequity in hourly earnings can result in a large difference to overall employment and pension earnings over a lifetime.

It is difficult to assess the current state of pay equity in the private sector in New Brunswick because the data is not available to quantify it. Estimating the number of individuals not receiving equitable pay, would require a list of job-evaluated occupations and an evaluation of pay inequity by gender.

Comprehensive pay equity means pay equity requirements that apply to both the public and the private sector. It would apply to employers equally and protect employees in all sectors. Legislation requiring pay equity in the private sector would result in organizations completing a pay equity assessment at the entity level. If all employers achieved and maintained pay equity, there would be equality of pay in New Brunswick between female-dominated and male-dominated jobs of equal or comparable value.

In the absence of comprehensive pay equity legislation, some organizations may not be aware of the pay equity disparities they may have. Without the requirement for all organizations to conduct pay equity assessments, some individuals, most of whom are women, will be denied their human right to receive equal pay for work of equal value.

One important feature of the current public sector pay equity legislation in New Brunswick is that it is proactive rather than based on complaints. This feature should be carried forward into future comprehensive pay equity legislation. Comprehensive pay equity legislation would need to include resources to provide education, training and support to employers. An independent Pay Equity Bureau or commission would play an important role, including improving the ability to access and compile information, verifying compliance, and evaluating results of the legislation. Without legislation, pay equity is dependent on employers' will which is not always sufficient to ensure men and women are paid equitably.



Options for implementing comprehensive pay equity in New Brunswick

The following benefits and challenges were identified with respect to adopting comprehensive, pay equity legislation in New Brunswick.

<i>Benefits</i>	<i>Challenges</i>
Cover all employers and therefore better support the achievement of pay equity for all female employees in New Brunswick. For instance, 66% of New Brunswick’s female employees (those who work in the private sector) are currently not covered under the <i>Pay Equity Act, 2009</i> .	Ensuring full implementation and compliance among public and private sector employers would require expanded legislation, employer supports, and political will.
Increase women’s purchasing power which may boost the local economy in the long run.	Pay equity adjustments will increase wage-related costs for some employers.
Protect human rights of New Brunswickers by ensuring workers are receiving equal pay for work of equal value.	Pay equity is limited to comparisons of jobs of equal or comparable value within an organization.
Strengthen human resources management practices.	Conducting pay equity assessments may be more difficult for small employers, especially those who do not have human resource management systems in place. Conducting pay equity assessments is complex and may require subject-matter expertise (e.g. from a commission or from consultants).
Supports the equitable pay of non-unionized employees, who have no formal representation.	
Improve worker morale and can help with employee recruitment and retention.	Requires resources to support employers such as: a comprehensive guide to achieving and maintaining proactive pay equity, training on how to conduct job evaluations, and non-discriminatory methodology for job evaluations.
Help to narrow the wage gap in New Brunswick and make the economy work for women and men.	Addressing pay equity through legislation will not necessarily close the gender pay gap. For example, the two provinces in Canada with comprehensive pay equity legislation have larger gender wage gaps than the provinces without comprehensive pay equity legislation. Pay equity legislation should be supplemented by other tools such as pay transparency, employment equity, access to affordable quality childcare, etc.

Moving towards comprehensive pay equity in New Brunswick could include a purely legislative model or a combination of complementary legislation, regulations and policies. The use of regulations and policy could build in some flexibility while pursuing pay equity for employees in all sectors. Regardless of the model chosen, it will be important to legislate the fundamental right to pay equity and to provide a clear legislative framework for its implementation. It will also be important to empower appropriate bodies to make and maintain policy, regulations and handle dispute resolution. For example, regulations could be used to outline specific timeframes for implementation, while regulations and/or policies could define process details, job evaluation tools and comparison methods for pay equity assessments.



The advisory committee studied the topic of pay equity and has come up with a number of considerations for moving towards comprehensive pay equity legislation in New Brunswick. These considerations have been informed by lessons learned in Ontario and Quebec.

Proposed Commonalities with <i>Pay Equity Act, 2009</i>	Proposed Differences with <i>Pay Equity Act, 2009</i>	Rationale	Similar to Ontario Y/N	Similar to Quebec Y/N
	Comprehensive – to cover all employers both public and private	Comprehensive legislation would improve coverage for employees and require that men and women be paid equally for work of equal value, regardless of sector.	Yes	Yes
Proactive – reviews are mandated; not complaint based		Maintaining proactive pay equity legislation would ensure that pay equity is reviewed on a regular basis without being driven by complaint. A complaint-based system requires that employees trigger a review by issuing a complaint. It relies on the more vulnerable party in the working relationship to trigger action and may generate unnecessary disputes.	Yes	Yes
Minimum Employer size (10+)		Since pay equity evaluations are conducted within organizations by comparing different job classes, it may not be feasible for employers with less than 10 employees to participate.	Yes	Yes
	No minimum number of incumbents required for a job class to be eligible under the Act.	Employees should not miss the opportunity to have a pay equity assessment because they are in a job class with low employment.	Yes	Yes



Proposed Commonalities with <i>Pay Equity Act, 2009</i>	Proposed Differences with <i>Pay Equity Act, 2009</i>	Rationale	Similar to Ontario Y/N	Similar to Quebec Y/N
	No minimum number of incumbents required for a job class to be eligible under the Act.	Employees should not miss the opportunity to have a pay equity assessment because they are in a job class with low employment.	Yes	Yes
	Implementation could include a phase in period, of up to three years, based on employer size, as a transitional measure when the legislation comes into force. For example, employers could be required to start fulfilling pay equity requirements as follows: Year 1 – 300 or more employees; Year 2 – 100 – 299 employees; Year 3 – 10 – 99 employees.	Most large employers have greater human resources capacity than small employers. Resources and capacity will be further developed over time to support employers of all sizes. By requiring larger employers to start implementing requirements within one year, employee coverage will improve quickly.	Not applicable – has already been fully implemented. Upon introduction of the Act in 1987, provisions were made for a phase in period, depending on the number of employees. These timelines have now expired.	Not applicable – has already been fully implemented. Upon introduction of the Act in 1996, provisions were made for a phase in period, depending on the number of employees. These timelines have now expired.
Cover employees in all job types (e.g. Full-time, Part-time; Seasonal; Contract)		Pay equity is a human right and therefore should apply to all employees.		
60% incumbency or historical incumbency (e.g. if 60% of employees in that occupation are female)		This is a standard threshold of gender imbalance by occupation or job class.	60%+ incumbency (female) 70%+ incumbency (male); or using current and historical incumbency and stereotypical association.	Job is associated with women; or 60%+ incumbency male or female or significant disparity for the workplace or historical incumbency.
	Include dispute resolution process	Provisions are required for conflict resolution which would consider the specific issues in dispute between the parties in the context of the legislation and policy objectives.	Comprehensive, specialized tribunal	Comprehensive, generic administrative tribunal



Proposed Commonalities with <i>Pay Equity Act, 2009</i>	Proposed Differences with <i>Pay Equity Act, 2009</i>	Rationale	Similar to Ontario Y/N	Similar to Quebec Y/N
	<p>Consider the governance model to ensure it fits with expanded legislation. A Pay Equity Office / Commission could be structured with two distinct mandates. One responsible for enforcing the Act, provision of tools, resources and supports for employees / employers and investigating and attempting to resolve complaints. The second mandate would require formal dispute resolution and rendering of final decisions.</p>	<p>Adequate support will be required as pay equity requirements are expanded to all sectors.</p>	<p>Independent Pay Equity Office</p> <p>In Ontario, the Pay Equity Commission is organized into two independent bodies: the Pay Equity Office which manages and administers program delivery and the Pay Equity Hearings Tribunal, an independent, quasi-judicial, adjudicative body which hears and decides disputes between parties. They are agencies of government whose members are appointed by government, and the Commissioner for the Pay Equity Office is responsible to the Minister of Labour.</p>	<p>Independent Commission</p> <p>In Quebec, there was a stand alone commission when the legislation was adopted in 1996. The function of the Commission was integrated with La Commission des normes, de l'équité, de la santé, et de la sécurité du travail (CNESST) in 2015. The CNESST is a public body that is under the responsibility of the Minister of Labour.</p>



Proposed Commonalities with <i>Pay Equity Act, 2009</i>	Proposed Differences with <i>Pay Equity Act, 2009</i>	Rationale	Similar to Ontario Y/N	Similar to Quebec Y/N
<p>Non-biased job evaluation methodology.</p> <p>Includes four evaluation factors: qualifications, responsibility, effort, and working conditions.</p> <p>The job evaluation methodology used must adhere to the following principles: Allow for equal evaluation of predominantly female and predominantly male job classes. The content for the evaluation method, the tools for collecting data on job classes, the evaluation process for job classes, and the weighting grid should be developed and applied without gender discrimination: Include guidelines for workplaces without male comparators.</p>			Mandated job evaluations	Although there is a mandated process for organizations that have no male comparators, job evaluations themselves are not mandated.
	Pay to be defined as total compensation (e.g. base pay, pension, health benefits, and all other non-pay benefits).	Employees working in jobs of equal value should receive equal overall compensation, regardless of their gender.	All payments and benefits paid or provided (includes commissions, bonuses, tips, etc.).	Wages, paid leave, pension, other non-salary benefits.



Proposed Commonalities with <i>Pay Equity Act, 2009</i>	Proposed Differences with <i>Pay Equity Act, 2009</i>	Rationale	Similar to Ontario Y/N	Similar to Quebec Y/N
Pay equity evaluations	To be completed within two years	The evaluations need to be timely to ensure pay equity is established and remains in all organizations with ten or more employees.		
Pay equity adjustments	The timeline for employers to complete pay equity adjustments should be a maximum of four years.	Both employees and employers will benefit from shorter pay equity assessment and adjustment periods. It ensures employees don't have to wait for pay adjustments beyond the maximum period and it may benefit employers by maintaining employee morale.	No date, but a minimum of 1% of the previous year's payroll must go to pay equity adjustments until pay equity is achieved.	Adjustments can be spread over four years with a maximum of five adjustments.
	When adjustments are spread over a number of years, they are to be made on an annual basis and the amount must be spread equally across each year.	Employees should receive the adjustments in a predictable manner, without unnecessary delays.		When adjustments are spread over a number of years, they have to be made on an annual basis and the amount must be spread equally each year.
	Retroactive pay equity adjustments should be indexed to inflation, as defined by changes in Consumer Price Index (all-items) for New Brunswick. Retroactive adjustments should be calculated starting with the end of the evaluation period if the pay adjustment is not fully made at that time.	This will protect the purchasing power of the employees receiving adjustments over time.	Payable to the deadline under the Act, additional to adjustments.	Payable to the deadline for plan, additional to adjustments.



Proposed Commonalities with <i>Pay Equity Act, 2009</i>	Proposed Differences with <i>Pay Equity Act, 2009</i>	Rationale	Similar to Ontario Y/N	Similar to Quebec Y/N
Pay Equity Legislation should prohibit a reduction of salaries to reach pay equity.			Yes	Yes
<p>Maintenance of pay equity – A pay equity assessment should be conducted periodically (every five years) and when employers add or change positions.</p> <p>In addition, a review of an employer’s pay equity compensation practices shall be conducted every time:</p> <ul style="list-style-type: none"> (a) a job classification is eliminated, (b) an existing job classification is modified, (c) salary or pay scales are impacted by organizational restructuring, or (d) significant organizational change occurs. 		The complement of employees may change frequently for some employers, which will require an assessment to be done to maintain pay equity.	Maintenance obligations	Maintenance obligations



Proposed Commonalities with <i>Pay Equity Act, 2009</i>	Proposed Differences with <i>Pay Equity Act, 2009</i>	Rationale	Similar to Ontario Y/N	Similar to Quebec Y/N
Employee involvement: Joint evaluation committee with employee participation in job evaluation and comparisons, where employees comprise at least equal representation.	In non-bargaining situations, there should be one or more employees to represent each job class. Employees in classifications with low numbers could choose representatives from amongst themselves to ensure that no employee is forced to be on the joint evaluation committee. This individual could be responsible to seek input from the other classifications.	Employee involvement is the best way to ensure that their perspective is taken into account.		The Federal Task Force and the Quebec Pay Equity Legislation both call for two-thirds employee representation on the joint evaluation committees.
	Requirement for a full public report on employer compliance from the body responsible for pay equity. This report should be produced every five years, starting seven years after the comprehensive pay equity legislation comes into force.			
	Allow sector-based job evaluations where multiple employers in a given sector could participate on a joint evaluation committee, along with employee representatives, to determine job descriptions and assess pay equity using comparisons across the participating businesses as an alternative to each employer conducting its own.	This may facilitate the process for employers and reduce costs, especially among small employers.		



Other Considerations:

- Government is encouraged to consider best practices and lessons learned from Ontario and Quebec, as well as the recommendations of the 2004 federal Pay Equity Task Force, during the writing of the legislation and its implementation in New Brunswick;
- Address access to training for employers;
- Outline job evaluation methodology requirements:
 - ◇ Specify gender neutral evaluation tools;
 - ◇ Include guidelines for employers without male comparators; and
 - ◇ Consider mandating job evaluation methodology(ies)
- For the purposes of pay equity assessments, enterprises should be the organizational unit considered. If one employer owns more than one establishment, all related establishments should be considered in the pay equity assessment.
- Government should consider financial assistance (e.g. grant) for small employers (10-99 employees) to help pay for pay equity assessments.
 - ◇ In Quebec, many small employers relied on the help of consultants when comprehensive pay equity legislation came into force; however, now more resources are available from the Quebec Pay Equity Commission and employers no longer have the same reliance on consultants.

Next steps:

The advisory committee on living wage and pay equity recommends that Government adopt comprehensive pay equity legislation that covers employees in both the public and private sector.



Part II: Explore the Concept of a Living Wage

Living wage is a concept that has grown from the ground up. It has gained momentum through advocacy campaigns and the collaboration of multiple organizations and employers around the Canadian Living Wage Framework (CLWF). Calculated at a local level, living wage is estimated based on the cost of living a life of dignity and inclusion in specific communities. Living wage takes into account wages, taxes and transfers and community supports. The concept of living wage is based on the principle that people who work full time should earn enough to live a life of dignity and inclusion.

Overcoming Poverty Together 2014-2019 refers to living wage as follows: “The concept of living wage refers to the income needed for an individual or family to meet their basic needs, to maintain a safe and decent standard of living in their community and to save for future needs and goals. Put forward in several jurisdictions, this concept needs to be further explored to determine if it could be implemented in New Brunswick”.

Why explore the concept of Living Wage in New Brunswick?

Some of New Brunswick’s citizens are not able to fully experience social and economic inclusion due to poverty, income inequality, and rising levels of precarious employment.

Over the last decade, poverty rates in New Brunswick have been higher than in many other parts of Canada. From 2007 to 2016¹, New Brunswick had, on average, the second and third highest percentage of persons in low income compared to all Canadian provinces, according to the Low Income Measure (after tax) and the Market Basket Measure respectively. In 2017, New Brunswick had the second lowest Median hourly wage rate, after Prince Edward Island. In 2017, New Brunswick’s Median weekly wage rate was third lowest in Canada, the same as it had been ten years earlier. At \$760 per week, the 2017 median weekly wage rate in New Brunswick was 90% of the Canadian rate and 76% of the median weekly wage rate in Alberta².

Within New Brunswick, poverty rates vary by region. In 2015, poverty rates were highest in Campbellton (24.2 %) and lowest in Dieppe (8.5%). There were multiple regions with high levels of child poverty through the Province including: Campbellton (33.9%), Bathurst (29.2%), and Saint John (30%)³.

Many of the individuals in poverty in New Brunswick are not employed. In May 2018, one-third (36,636) of those in low-income according to the Market Basket Measure were social assistance recipients⁴, with little to no employment earnings.

Living wage is a concept that focuses on reducing poverty among the working poor⁵. In New Brunswick, the incidence of working poor ranged regionally, from 4.8% in Dieppe to 8.7% in Saint John. In 2017,

¹Statistics Canada, CANSIM 206-0041, retrieved in May, 2018. Data on low-income measures are available to 2016.

²Statistics Canada, CANSIM 282-0072, retrieved in February, 2018

³The Face of child poverty in New Brunswick 2017, Campaign 2000 and Saint John Human Development Council.

⁴Social Assistance Average Caseloads and Recipients, Social Development Department, May 2018

⁵Statistics Canada defines working poor as “those who work a minimum of 910 hours a year (equivalent to working full-time for at least half of the year) while remaining below the after tax low-income Cut-offs threshold. The rate of working poor applies to Canadians in families headed by a working-age main income recipient who worked at least 910 hours during the year”.



approximately 22,500 New Brunswick employees worked for the minimum wage, which was between \$10.65 (January to March) and \$11.00 (April to December) per hour. This represented approximately seven percent of the employees in the Province, a level that is comparable to the share of employees earning minimum wage in the rest of Canada, most of whom had between 6.2% and 7.4% of their total employees earning minimum wage. In 2017, Prince Edward Island had the highest share of employees earning minimum wage (8.5%) and Saskatchewan had the lowest (2.9%).

Many minimum wage earners are young (60% between 15 and 24 years of age) and most minimum wage earners live in a household with others (e.g. parents or spouse). Many minimum wage earners do not live in low income families. Although many minimum wage earners are young, the age composition of minimum wage earners has shifted over time. The proportion of minimum wage earners between 15 and 19 years of age decreased between 2008 and 2017, from 51% to 37%⁶, while the share of minimum wage earners who are young adults or older workers grew over the same period (by almost 9 percentage points and 5 percentage points, respectively). Many employees in New Brunswick work for low wages that are slightly or moderately above the minimum wage. In 2016, 34% of employees in New Brunswick worked for \$15 per hour or less. This represented over 105,000 employees in New Brunswick⁷.

Income inequality is on the rise. The share of adjusted market income is unequally distributed, with 6% of New Brunswick's market income earned by the 30% of households with the lowest earnings and almost 60% of the Province's market income being earned by the 30% of households with the highest earnings⁸. This unequal distribution of market income has not changed over the past 10 years. Adjusted market earnings of the top 10% of earners have increased by a household average of \$10,000 over 10 years (in constant 2016 dollars), while for the bottom 10% of earners, adjusted market income decreased by a household average of \$100 (in constant 2016 dollars) over the same 10 year period.

While Canada lacks a formal definition of precarious work or count of employees involved, precarious work is often described as insecure, low-paying, volatile and uncertain. Many employees working for low wages in New Brunswick face the challenge of insecure employment or insufficient work hours. The employment income of those with precarious employment is impacted by both their wage rate and their hours of work.

What is a living wage?

The living wage is a conservative measure of the hourly wage that is necessary for workers to meet basic needs and for families to participate in the civic and social life of their community. It is based on the principle that full-time employment should allow people to live with dignity. The concept of living wage primarily enables education and advocacy around the issue of working poverty.

The Canadian approach to the living wage has centered around a human rights approach to income security based on the United Nations *Universal Declaration of Human Rights*, which states:

Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity.

Living wage is one policy instrument related to income security that can be considered for addressing working poverty and income inequality. It highlights the gap between the lowest legal wage rate and the cost of living a life of social inclusion in specific communities. Living wage rates are based on the inter-relationship between employment income, the tax and transfer system and the availability of social programming and community infrastructure.

⁶ Statistics Canada, custom data order, 2018, as analyzed by the Department of Post-Secondary Education, Training and Labour.

⁷ Statistics Canada, custom data order, August, 2017.

⁸ Statistics Canada, CANSIM 206-0032, retrieved May 2018.



The Canadian Living Wage Framework states:

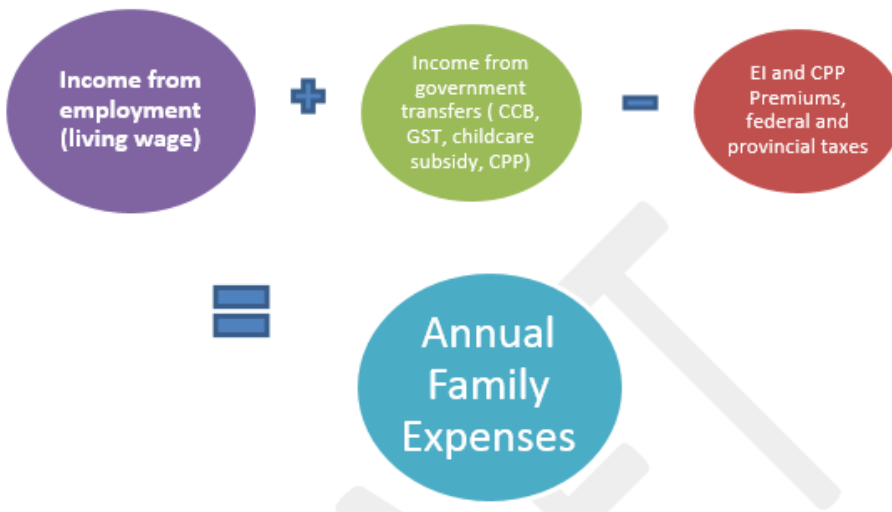
One important dimension of the living wage concept is its ability to integrate the role of social provision and public policy directly into the calculation. The greater is the income support and services provided through public policy (such as public health care, extensive and subsidized public transit, public child care services and so on), the lower is the required wage that must be earned privately in order for a family to attain a minimal threshold of living standards. The same is true of the operation of the tax and transfer system: the more generous, for example, are fiscal supports provided to families with children (through child tax credits or other policies), the lower is the private wage that parents must earn in order to support their families at a decent, minimal standard of living. This ability to expose and analyze the interaction between labour market practices and public and social policy levers is a major strength of the living wage concept.

How is living wage calculated?

The Canadian living wage calculation is nationally standardized, based on work done by the Canadian Centre for Policy Alternatives, Vibrant Communities Canada, Living wage for Families Campaign, and other civil society and community groups across Canada. This standard calculation, called the “Canadian Living Wage Framework”, is intended to allow comparisons between communities across the country, as well as enhance credibility in the calculations by providing a consistent methodology to work from.

The living wage is calculated as the hourly rate at which a family can meet its basic needs, while working full-time, taking into account government transfers and mandatory deductions, such as Employment Insurance premiums and income taxes. It is based on a reference family of four, with two adults working full-time and two young children. The CLWF assumes that the living wage required for this family composition is not substantially different than that of others, such as single parent families and single persons, because of economies of scale and government transfers such as childcare subsidies.

The basic CLWF formula is:



Data on family expenses in different categories is derived from public and custom data sets as well as data that is collected at the local level. Expenditures in the living wage calculation include the following categories of goods and services: food, clothing, shelter, transportation, childcare, healthcare expenses not covered by provincial Medicare, adult education, contingency fund, and other. The level of household expenditures can be impacted by the availability of social programming and

infrastructure (e.g. community/school food programs, availability of public transportation). The data on household expenditures is considered in conjunction with a model that accounts for employment income, taxes and transfers. Each time government changes the tax and transfer system, the model that is maintained by the Canadian Centre for Policy Alternatives must be updated.



How can the living wage be used?

Living wages are beneficial for education and advocacy purposes. The living wage can also be adopted voluntarily by private and public sector employers, or implemented through legislation and municipal bylaws. Corporate social responsibility is an important element of the concept of living wage. Attracting employers to voluntarily adopt living wage policies is more likely when positive recognition is in place which reinforces businesses' connection to, and investment in, the well-being and vitality of the communities in which they operate. To this end, the CLWF also recognizes living wage employers through formal certification.

Where is living wage being used?

A living wage rate has been calculated using the CLWF for over 60 communities across Canada, in seven provinces and two territories. The living wage rates range from \$13.81 per hour in Medicine Hat, Alberta, to \$21.01 per hour in Grey-Bruce, Ontario. As of June 16, 2018, three cities in Atlantic Canada had a published living wage rate. The living wage rate for Saint John, New Brunswick, was published for the first time at \$18.18 per hour, while the living wage rates for Halifax and Antigonish, Nova Scotia, were revised to \$19 per hour and \$17.75 per hour respectively.

Some cities are using their living wage rates for educational and advocacy purposes while others are becoming "living wage cities" by developing policies for employers and procurement practices at the municipal level.

In Canada, there are eight municipalities that are living wage employers. Seven are located in British Columbia, and one is in Ontario. Two of the municipal living wage employers are First Nations in British Columbia. Vancouver also has living wage provisions in its public procurement policies for contractors whose company has an annual service contract with the city of \$250,000 or more. Vancouver is Canada's largest municipal living wage employer.

There are many certified living wage employers in Canada. They cover multiple sectors. The employers in Canada that are formally certified as living wage employers are listed on www.livingwagecanada.ca.



A complete list of goods and services included in the Canadian living wage framework calculation is available from the Living Wage Canada website: <http://www.livingwagecanada.ca/index.php/about-living-wage/about-canadian-living-wage-framework/>.



What are the benefits and challenges associated with Living Wage?

Benefits of Living Wage	Challenges associated with Living Wage
Living wage would provide employees with higher compensation for their work which may lead to a better quality of life for families.	Living wage is an hourly wage rate. It cannot guarantee hours of work for employees and therefore cannot ensure that workers' incomes rise.
May help raise working families out of poverty.	Living wage policies are targeted to low income families.
If Living wage is paired with full-time work hours, it could result in the following benefits: <ul style="list-style-type: none"> • reduced income inequality; • improved health outcomes; • Increased opportunities for education/skills training; • Reduced absenteeism among employees; • Decreased turn-over of staff; and • Increased employee morale. 	There are very few families in New Brunswick with two adults working full-time, full-year at low wage jobs, with young children. Therefore, the reference family in the CLWF is not representative of New Brunswick's working poor.
	Increasing wages to provide employees with a living wage would increase costs for employers.
Living wage, paired with secure employment and full-time work could benefit communities in the following ways: <ul style="list-style-type: none"> • Support the local economy by increasing demand for goods and services; • Increase civic engagement; and • Increase equality. 	Community and household benefits from Living wage are dependent on employers choosing to become living wage employers.
Living wage can help inform the education and career decisions of youth and adults by providing better information on the cost of living a life of social and economic inclusion.	Living wage calculations are limited by a lack of data for small populations and therefore it may not be possible to calculate the living wage (based on the CLWF) for some communities.

Living wage calculations based on the CLWF are substantially higher than provincial minimum wages. For example, as of June 2018:

The living wage for Saint John NB is \$18.18, while New Brunswick's minimum wage is \$11.25

The living wage for Halifax is \$19.00, while Nova Scotia's minimum wage is \$11.00;

The living wage for Toronto is \$18.52, while Ontario's minimum wage is \$14.00;

The living wage for Vancouver is \$20.91, while British Columbia's minimum wage is \$12.65.

Aside from policy tools tied to wages, there are other, more targeted, policy tools that may impact poverty by providing subsidies or some form of guaranteed income to low-income individuals or households.

Targeted measures could be aimed at the working poor in New Brunswick or at all low-income households.



Living wage vs. minimum wage and other economic security policy tools

Category	Living Wage	Minimum Wage	Targeted subsidies	Guaranteed Basic Income (GBI)
Objective	<p>Promote income security, dignity and enable full participation in the community; and</p> <p>Advocate for the quality of life of workers and families by ensuring wages are high enough to afford the costs of a defined basket of basic needs at local prices.</p>	<p>Set an hourly wage floor that prevents exploitation of the most vulnerable workers; and</p> <p>Ensure workers do not undercut each other.</p>	<p>Provide supports to achieve an objective (e.g. reduce poverty, increase attachment to the labour market, enhance early childhood development milestones).</p>	<p>Providing a basic level of income to everyone.</p>
Coverage	<p>Applies selectively to an employer's labour force.</p>	<p>Minimum legal standards that apply to the entire labour force.</p>	<p>Targeted to specific groups to address defined objectives (e.g. low-income households; discouraged workers; families with children).</p>	<p>Universal GBI is distributed to everyone. GBI could also be targeted to specific sub-groups based on a set of criteria (e.g. income level).</p>
How it is operationalized	<p>By employers on a voluntary basis; and</p> <p>By municipal bylaws.</p>	<p>By government legislation and regulations. Minimum wage is reviewed by the Minister at least every two years.</p> <p>Minimum wage adjustments are made each year on April 1st (if applicable).</p>	<p>Monthly payments, income tax rebates, direct subsidies, etc.</p>	<p>Monthly payments, negative income tax, etc.</p> <p>It is more likely to be effective when provided more frequently.</p>



Indexed to inflation	Living wage rates could be indexed to inflation as a means to maintain the purchasing power of the living wage rate.	Minimum wage is not indexed to inflation by regulation or legislation. The minimum wage rate could be indexed to an indicator of inflation or average wage growth to maintain the purchasing power of it.	May differ by subsidy	Yes
Takes into account social programs and transfers	Yes	No	No	Yes
Takes into account part-time work	No – it is based on an assumption of full-time employment (35-40 hours per week).	Yes – minimum wage addresses only the hourly wage, not overall employment income.	No – Hours of work do not come into play.	No – Hours of work do not come into play.
Means-tested	No – living wage is meant to be adopted by employers and applied as a minimum standard of pay for all of their employees.	No – minimum wage is the lowest legal wage rate that applies to employees regardless of their personal or household income level. ¹	Yes - Subsidies are often distributed based on income levels	Depends on the model – GBI can be administered to sub-sets of the population based on income level or other factors or it could be administered to everyone (Guaranteed Annual Income).
Result in a specific income level	Only if paired with full-time hours	No	No	Yes

*Adapted from *Enhancing Democratic Citizenship, Deepening Distributive Justice: The Living Wage Movement*, Jordan Brennan, Canadian Centre for Policy Alternatives, 2012

¹In New Brunswick, the general minimum wage rate applies to the majority of employees; however some employees are eligible for different minimum wage rates under the *Minimum Wage for Counsellor and Program Staff at Residential Summer Camps Regulation – Employment Standards Act* and the *Minimum Wage for Categories of Employees in Crown Construction Work Regulation - Employment Standards Act*.



Research Findings

Research Findings

In a recent review of evidence-based studies on the impact of various policy tools on poverty reduction in New Brunswick, the New Brunswick Institute for Research, Data, and Training found that "there is currently a gap in the evidence for New Brunswick and Atlantic Canada. In order to make informed policy decisions for reducing poverty in New Brunswick, there needs to be more evidence-based evaluations of the impacts of various policies on poverty in [the region]".¹

While the limited studies on the impact of minimum wage or living wage policies on poverty reduction showed either no correlation between these wage-related policies and poverty reduction or in the case of some studies focused on the impact of minimum wage increases, little to no positive impact on poverty reduction, the evidence around other more targeted measures was more promising.

There are more evidence based studies available on the impact of the tax and transfer system on poverty reduction, including reports on transfers such as the Working Income Tax Benefit, social assistance, and old age security. These targeted policies are shown to have a significant impact on poverty for the groups they apply to.

The authors conclude that based on the evidence reviewed, "tax and transfer policies significantly reduce poverty levels in some groups more than others, and an income-based, prorated [Guaranteed Basic Income] could further reduce poverty", while noting that the effectiveness is likely to depend on a number of factors including how the program is implemented. With Ontario piloting a Guaranteed Basic Income program in three cities and Quebec planning to implement a basic income with caution, there will be more evidence on the outcomes of a Guaranteed Basic Income policy in the coming years.

Next Steps:

The advisory committee on Living Wage and Pay Equity recommends that the Economic and Social Inclusion Corporation work with partners to:

- Build on the momentum of the Human Development Council and calculate the living wage rate for other cities in the Province, as data allows;
- Encourage New Brunswick employers to enhance the vibrancy of their communities by becoming Living Wage employers; and,
- Research policy tools to reduce poverty, including wage based policies, targeted subsidies and a guaranteed basic income and consider the availability of public services (e.g. social housing, transportation, child care, senior care, etc.) to determine which policies are expected to lead to the greatest impact on poverty reduction in New Brunswick.

¹ Boyle, Daigle, McRae (2018, forthcoming) *Will a Higher Minimum Wage Decrease Poverty in New Brunswick? A Review of the Evidence on Minimum Wages and Other Policy Alternatives*, New Brunswick Institute for Research, Data, and Training.



Appendix A

Statistical profile of New Brunswick employees by gender, 2017

Prepared by the Policy, Research and Labour Market Analysis Branch (PETL), Government of New Brunswick

In New Brunswick, the majority of employed individuals work for an employer (88%). Of those who don't, men are almost twice as likely to be self-employed (15% of employed men) as women (8% of employed women). This profile reports characteristics of New Brunswick employees by age and gender.

Women account for 51% of total employees, across all age categories. Women represent almost half (48%) of full-time employees and the majority (70%) of part-time employees. Across all age categories, women have higher rates of part-time work than men. Youth (aged 15 to 24) is the only age category where women have almost equal rates of full-time and part-time employment.

Distribution of Employees by Full-Time/Part-Time Status by Sex and Age (New Brunswick, 2017)

Age Group	Women		Men	
	Full-time	Part-time	Full-time	Part-time
15+	81%	19%	92%	8%
15-24	52%	48%	69%	31%
25-54	89%	11%	97%	3%
55+	78%	22%	90%	10%

Source: Statistics Canada, CANSIM Table 282-0072

Labour force Survey results indicate that women and men at the core-working age (25 to 54) have different reasons for working part-time. At the core-working age, the top reason women give for working part-time is caring for children, while the top reasons men give for working part-time is poor business conditions resulting in them not looking for full-time work in the previous month. Among the total working age population (15+), which includes youth and older workers, women and men report the same reasons for working part-time. The top reason reported for part-time work among the total working age population is personal preference, followed by going to school.

Most Common Reasons for Working Part-Time for Selected Age Groups (New Brunswick, 2017)

Women 25-54	Men 25-54	Women 15+	Men 15+
Caring for Children	Business conditions – did not look for full-time work in the last month	Personal Preference	Personal Preference
Personal Preference	Personal Preference	Going to school	Going to School
Business conditions – did not look for full-time work in the last month	Business conditions – looked for full-time work in the last month	Business conditions – did not look for full-time work in the last month	Business conditions – did not look for full-time work in the last month

Source: Statistics Canada, CANSIM Table 282-0014



In New Brunswick, women, of working age, are more likely to have completed some form of post-secondary education than men of working age. Although the completion rates of a postsecondary certificate or diploma are very similar between women and men, the completion of a university degree is higher among females (aged 15-24 and aged 25-54) than men of the same age categories. The completion of a university degree is only higher for men than women among the older worker age category (aged 55+). The largest gaps in highest levels of educational attainment are seen among the core-working age population (aged 25-54) where 70% of women have completed some form of post-secondary education, compared to 60% of men. The gap between women and men in post-secondary attainment is almost completely due to a gap in the attainment of university degrees. The attainment of post-secondary certificates and diplomas (which includes trades certificates) is similar between women and men at the core working age.

Highest level of educational attainment by age and sex (New Brunswick, 2017)

	Women			Men		
	15-24	25-54	55+	15-24	25-54	55+
High School Diploma or equivalent	25%	20%	24%	30%	24%	20%
Post-secondary certificate or diploma ¹	15%	39%	34%	15%	38%	32%
University degree	9%	31%	12%	5%	22%	15%

Source: Statistics Canada, CANSIM Table 282-0004

Type of working situation:

The majority of employees in New Brunswick (72%) work in the private sector. Among the core working age population (aged 25-54), 79% of male employees work in the private sector, along with 59% of female employees. Approximately 28% of employees in New Brunswick work in the public sector. A larger share of female employees in New Brunswick work in the public sector compared to male employees. Among the core working age population (aged 25-54), 41% of female employees worked in the public sector, compared to 21% of male employees.

Unionization rates have remained fairly constant over the past twenty years, increasing somewhat in the public sector, while decreasing slightly in the private sector. In 2017, three quarters of employees working in the public sector were covered by a union, compared to 11% of employees in the private sector. From 1997 to 2017, there was a shift from a greater share of men having union coverage to a greater share of women having union coverage. In 2017, more women (31%) are covered by unions than men (26%). Union coverage by sex differs by age group. Among youth, there is no clear pattern over time of women or men having a higher proportion of employees covered by a union. For the core working age population, men had a greater proportion of union coverage until around 2004 when women started to consistently have a higher proportion. For older workers (55+), men continued to have higher rates of union coverage until the proportion of male and female employees covered by a union became equal around 2013.

Source: Statistics Canada, CANSIM Tables 282-0012 and 282-0078

¹ Completed a certificate (including a trade certificate) or diploma from an educational institution beyond the secondary level. This includes certificates from vocational schools, apprenticeship training, community college, Collège d'Enseignement Général et Professionnel (CEGEP), and school of nursing. Also included are certificates below a Bachelor's degree obtained at a university.



Earnings:

In 2017, the wage gap in New Brunswick was seven percent.

In 2017, there were more female minimum wage earners than men, with eight percent of female employees earning minimum wage, compared to six percent of men. Among minimum wage earners, women were more likely to work part-time than men. Part-time minimum wage earners in the Province worked on average 15 hours per week (men and women). The average usual hours worked per week for full-time minimum wage employees was 38 for women and 42 for men.

In 2017, male employees in New Brunswick had higher average hourly earnings than female employees across all age categories, resulting in a gender wage gap.

Average hourly earnings by age and sex (New Brunswick, 2017)

	Male (\$/hour)	Female (\$/hour)	Female earnings as a % of male earnings
15+	23.26	21.54	92.6%
15-24	13.94	13.42	96.3%
25-54	24.75	23.58	95.3%
55+	24.73	20.66	83.5%

Source: Statistics Canada, CANSIM Table 282-0072

When average hourly earnings are disaggregated by job type (full-time versus part-time), two important findings emerge. First, the average hourly earnings of full-time employees are significantly higher than those of part-time employees. Second, among part-time employees, women have higher average hourly wage rates than men, with the exception of those aged 55 and over. Male employees in New Brunswick are 11 times as likely to be employed full-time as they are to work part-time. Women on the other hand are only four times as likely to be employed full-time as they are to work part-time.

This suggests that the gender wage gap is not simply the result of men having higher hourly wage rates than women. Job type and hours of work are important factors to the gender wage gap and they tend to vary by occupation.

Average hourly earnings by age, sex and job type (New Brunswick, 2017)

	Full-time			Part-time		
	Female (\$/hour)	Male (\$/hour)	Female earnings as a % of male earnings	Female (\$/hour)	Male (\$/hour)	Female earnings as a % of male earnings
15+	22.69	24.01	94.5%	16.49	15.09	109%
15-24	14.39	14.97	96.1%	12.38	11.7	106%
25-54	24.09	25.01	96.3%	19.47	15.96	122%
55+	21.44	25.16	85.2%	17.88	20.91	86%



There is a large gap in average weekly earnings between full-time and part-time employees. Women working part-time make average weekly earnings that are approximately 35%-43% of the average weekly earnings of full-time women. Men working part-time make average weekly earnings that are 24%-31% of the average weekly earnings of full-time men. This is because part-time employees work fewer hours per week and receive, on average, lower hourly wage rates compared to full-time employees.

Average weekly earnings disaggregated by sex and job type identify a larger gender wage gap among full-time employees than is noticeable when looking at all employees together (between 10% and 22% depending on the age group). Among full-time employees, men earn higher average weekly earnings than women but among part-time employees, women earn higher weekly earnings than men. Among full-time employees, older workers have the largest gender wage gap, with women earning 78% of what men earn. Among part-time employees, the gender wage gap is smallest among youth.

	Full-time			Part-time		
	Female (\$/week)	Male (\$/week)	Female earnings as a % of male earnings	Female (\$/week)	Male (\$/week)	Female earnings as a % of male earnings
15+	864.33	993.71	87.0%	301.98	243.35	124%
15-24	542.86	600.12	90.5%	193.62	179.41	108%
25-54	917.56	1,036.41	88.5%	391.22	296.53	132%
55+	819.62	1,046.49	78.3%	321.7	323.28	100%

Employment by Occupational and Industrial categories:

There is a gender gap in the occupational and industrial composition of employment in New Brunswick. The majority of employees, both male and female, work in the services-producing sector (67% and 92% respectively). Among all age categories, a larger share of men work in the goods-producing sector than women. In 2017, approximately one quarter of male youth (aged 15-24) were employed in the goods-producing sector, compared to only 10% of females. Among the core working age population (aged 25-54), approximately one-third of men were employed in the goods-producing sector, compared to 9% of women. Among older workers (55+), approximately one-third of men were employed in the goods-producing sector compared to 10% of female employees. Men aged 55 and over compose the one group whose proportion of employment in the goods-producing sector has not declined over the last twenty years.



There are marked differences between the usual hours worked in the top sectors that women are employed in compared to the top sectors that men are employed in. The top sectors that men are employed in have higher average usual hours worked than the top sectors women are employed in.

When average hourly wage rates are compared between women and men who are 15 years of age or older, men have higher hourly earnings in 17 out of 18 (94%) industrial categories examined (North American Industry Classification System, 2012). The one sector in which women have higher average hourly wage rates than men is the Educational services sector.

Sectors with highest employment levels by sex (New Brunswick, 2017)

Male	Usual hours worked	Average Hourly Wage	Female	Usual hours worked	Average Hourly Wage
Wholesale and retail trade	35-41	\$18.51	Health care and social assistance	35	\$23.60
Manufacturing	42	\$23.78	Wholesale and retail trade	31-38	\$15.76
Construction	44	\$23.20	Educational services	35	\$29.51
Transportation and warehousing	45	\$20.90	Accommodation and food services	31	\$13.55
Public administration	39	\$32.44	Public administration	37	\$29.18

Source: Statistics Canada, CANSIM Table 282-0020

Average usual hours worked by gender and average hourly earnings are for the total working age population (aged 15+).

The average usual hours worked per week among men in the top three occupational categories they are employed in range from 42 to 46 hours per week. The average usual hours worked per week among women in the top three occupational categories are lower at a range of 33 to 36 hours per week.

When average hourly wage rates are compared between women and men who are 15 years of age or older, men have higher average hourly wages in 84% of the occupational categories. The top occupational categories by employment level for both women and men are shown in the table below. In 2017, there were six occupational categories in which women's average hourly wages were equal to or higher than men's. They are:

- Professional occupations in business and finance;
- Distribution, tracking and scheduling co-ordination occupations;
- Professional occupations in education services;
- Occupations in art, culture, recreation and sport;
- Service representatives and other customer and personal services occupations; and,
- Transport and heavy equipment operation and related maintenance occupations.



Occupational groups with highest employment levels by sex (New Brunswick, 2017)

Male	Usual hours worked	Average Hourly Wage	Female	Usual hours worked	Average Hourly Wage
Industrial, electrical and construction trades	42	\$24.54	Administrative and financial supervisors and administrative occupations	36	\$21.19
Maintenance and equipment operation trades	43	\$23.89	Service representatives and other customer and personal services occupations	33	\$15.96
Transport and heavy equipment operation and related maintenance occupations	46	\$18.80	Office support occupations	35	\$19.55
Technical occupations related to natural and applied sciences	41	\$27.47	Service support and other service occupations, n.e.c.	31	\$13.70
Service support and other service occupations, n.e.c.	31	\$14.13	Professional occupations in education services	36	\$32.43
Sales representatives and salespersons - wholesale and retail trade	38	\$17.77	Professional occupations in nursing	35	\$35.77
Professional occupations in natural and applied sciences	39	\$34.93	Sales support occupations	26	\$12.22
Middle management occupations in trades, transportation, production and utilities	45	\$36.04	Service supervisors and specialized service occupations	33	\$15.19
Retail sales supervisors and specialized sales occupations	39	\$21.29	Paraprofessional occupations in legal, social, community and education services	36	\$17.08
Middle management occupations in retail and wholesale trade and customer services	47	\$28.14	Care providers and educational, legal and public protection support occupations	33	\$18.38

Source: Statistics Canada, CANSIM Table 282-0144



Appendix B

Jurisdictional Review – Pay Equity Legislation in Canada

Prepared by the Women’s Equality Branch, Government of New Brunswick

Jurisdiction	Pay Equity Legislation/ Initiatives/ Programs	Application: Public Sector Private Sector	Additional Information
Alberta	No specific pay equity legislation Human Rights Act	-n/a -Private & public sector	Equal pay for equal work provision
Ontario	Pay Equity Act Employment Standard Act Wage Gap Pilot Program Gender Wage Gap Strategy Steering Committee Gender Wage Gap Grant Program	-Proactive legislation -Applies to private sector employers (with 10 or more employees) and public sectors employers. Establishes 3 job evaluation methodology – 1) The job-to-job comparison method directly compares female job classes with male job classes in the same organization 2) The proportional value comparison method indirectly compares female job classes with a group of representative male job classes in the same organization. 3) Proxy method – used as a last resort and only available to broader public sector. Seeking employers borrow job and pay equity adjusted job rate information about similar female job classes from the proxy employer. Comparison is done by using a proportional value method. -Private & public sectors -n/a -n/a -n/a	There has been no change in legislation or any new policy or initiatives to focus policy makers on including a “closing the gender gap impact” analysis in their decision-making. Equal pay for equal work provision Pay Equity Office launched the Wage Gap Pilot Program, designed to examine current compensation data and assess the likelihood of gender wage gaps for non-unionized employees in private sector workplaces of Ontario. Report is now available. Development of a Gender Wage Gap Strategy to build on the progress made so far. Launched in 2015 with the intent to advance actions to promote equality between women and men that support efforts to close Ontario’s gender wage gap. The Steering Committee produced the following report: https://www.ontario.ca/page/final-report-and-recommendations See web page at: Gender Wage Gap Program



Quebec	<p>Pay Equity Act</p> <p>Quebec's Human Rights Act</p> <p>Contract Compliance Program (1989)</p>	<p>-Proactive legislation -Applies to private and public sector employer (who employ 10 or more employees – have established methodology and regulation respecting enterprises that do not have male comparators.</p> <p>-Private and public sectors</p> <p>-Private sector -employers with more than 100 employees; and employers that obtain a contract of \$100,000 or more & Employers who receive a grant of \$100,000 or more.</p>	<p>There has been no change in legislation or any new policy or initiatives. Quebec's Commission de l'équité salariale recently announced that it will be investigating employers who had to perform a pay equity initiative by December 31, 2010 by have yet to comply. Employers failing to comply with the Act's obligation can be liable to a fine ranging from \$1000 to \$45,000.</p> <p>Equal pay for equal work provision and refers to the Pay Equity Act</p> <p>Must implement an affirmative action program for women, aboriginal peoples, visible minorities and handicapped persons. Employers must report on their report or progress. There is also an employment equity legislation for public bodies "An Act Respecting Equal Access to Employment in Public Bodies".</p>
Federal	<p>Pay Equity</p> <p>Employment Equity Act</p> <p>Legislated Employment Equity Program (LEEP)</p> <p>The Federal Contractors Program (FCP)</p> <p>Public Sector Equitable Compensation Act (2009)</p> <p>Special Committee on Pay Equity</p>	<p>Future legislation to cover public servants and employees of Crown corporations and federally regulated companies such as banks, airlines, telephone and cable companies, and radio and television broadcasters.</p> <p>-Private and public sectors</p> <p>-Federally regulated private sector employers, Crown Corporations, and other federal organization with more than a 100 employees</p> <p>-Contractors awarded federal contracts estimated at \$1.0m</p> <p>-Public sector</p> <p>-Public Sector & the federally regulated private sector</p>	<p>The government expects to table the legislation by the end of 2018.</p> <p>Achieve equality in the workplace</p> <p>Focuses on employment equity. The FCP ensures that contractors who do business with the Government of Canada achieve and maintain a workforce representative of the Canadian workforce.</p> <p>Equitable compensation through established wage-setting practices. As yet to come into force. Federal government will not be moving forward with this legislation.</p> <p>For report go to: Special Committee Pay Equity Report - It's time to Act</p> <p>For Government Response got to: Government Response to Special Committee Pay Equity Report</p>
New Brunswick	<p>Pay Equity Act</p> <p>NB Family Plan – Advancing women's equality</p> <p>Human Rights Act</p> <p>Employment Standards Act</p>	<p>-Public sector</p> <p>-Public and private sectors</p> <p>-Private & public sectors</p>	<p>To see plan go to: NB Family Plan - advancing women's equality. For news release go to: Advancing women's equality</p> <p>Prohibits discrimination</p> <p>Equal pay for equal work provision</p>
Newfoundland and Labrador	<p>No specific pay equity legislation</p> <p>Agreement between government and 5 unions to conduct a review of the classification system</p> <p>Human Rights Code</p>	<p>-n/a</p> <p>-Public sector</p> <p>-Public & private sectors</p>	<p>-equal pay for equal or similar work provision</p>



Prince Edward Island	Pay Equity Act PEI Human Rights Act Human Resource Policy and Procedures Manual	-Public sector -Private & public sectors -Public sector	Equal pay for work of equal value provision. The province continues to monitor the wage gap. In 2017, it is the narrowest in Canada @ -1.9% Prohibits paying different rates of pay based on any of the grounds of discrimination Diversity and Equity Policy - to create a workplace that represents the diversity of the population it serves, and to foster a work environment that recognizes, respects and accommodates the "diversity of individuals".
Nova Scotia	Pay Equity Act Labour Standards Code	-Public sector including universities and municipalities -Private & public (except schools) sectors	Increase the pay of employees in classes which are predominately female where it is determined, by the process set out in this Act, that, by reason of sex discrimination, those employees are paid less than they should be based on the principle of equal pay for work of equal value. The process outlined is similar to the one prescribed by NB's legislation. -Equal pay for equal work provision
Manitoba	The Manitoba Pay Equity Act (1985); Manitoba's Human Rights Code Employment Standards Code	-Civil service, universities, crown corporation and health care facilities -Private & public sectors -Private & public sectors	No complaint provision under the Act. Equal pay for equal work Equal pay for equal work for women and men doing the same or substantially the same work in the same establishment
Saskatchewan	No specific pay equity legislation Government adopted pay equity and internal equity in the public sector through the Equal pay for work of equal value and pay equity policy framework (1997) Labour Standards Act	-n/a -Public Sector -Private & public sectors	Now governs the introduction of job evaluation plans in the broader public sector and is the basis of all classification and compensation plans. Law is used to promote and protect rights and equality in Saskatchewan. Employers shall not discriminate between male & female employees doing similar work
British Columbia	No specific legislation BC Human Rights Act	-n/a -Private & public sectors	Prohibits discrimination based on gender for similar or substantially similar work.
Nunavut	No specific legislation Nunavut Land Claims Agreement	-n/a Public sector	Increase Inuit representation in government employment and develop employment and training programs for Inuit workers.
NWT	No specific legislation NWT Human Rights Act NWT Public Service Act	-n/a -Private & public sectors -Public sector	Prohibited to pay an individual less for work that is the same or substantially similar. There is to be no difference in the rate of pay between male and female employees of the same establishment who perform work of equal value.
Yukon	No specific legislation Yukon Human Rights Act	-n/a -Private & public sectors	Equal pay for work of equal value provision

