

Catalogue no. 11-630-X  
ISBN 978-0-660-25926-0

## Canadian Megatrends

# Minimum wage in Canada since 1975



Statistics  
Canada

Statistique  
Canada

Canada

---

## How to obtain more information

For information about this product or the wide range of services and data available from Statistics Canada, visit our website, [www.statcan.gc.ca](http://www.statcan.gc.ca).

You can also contact us by

email at [STATCAN.infostats-infostats.STATCAN@canada.ca](mailto:STATCAN.infostats-infostats.STATCAN@canada.ca)

telephone, from Monday to Friday, 8:30 a.m. to 4:30 p.m., at the following numbers:

- Statistical Information Service 1-800-263-1136
- National telecommunications device for the hearing impaired 1-800-363-7629
- Fax line 1-514-283-9350

### Depository Services Program

- Inquiries line 1-800-635-7943
- Fax line 1-800-565-7757

## Standards of service to the public

Statistics Canada is committed to serving its clients in a prompt, reliable and courteous manner. To this end, Statistics Canada has developed standards of service that its employees observe. To obtain a copy of these service standards, please contact Statistics Canada toll-free at 1-800-263-1136. The service standards are also published on [www.statcan.gc.ca](http://www.statcan.gc.ca) under “Contact us” > “Standards of service to the public.”

## Note of appreciation

Canada owes the success of its statistical system to a long-standing partnership between Statistics Canada, the citizens of Canada, its businesses, governments and other institutions. Accurate and timely statistical information could not be produced without their continued co-operation and goodwill.

## Standard table symbols

The following symbols are used in Statistics Canada publications:

- . not available for any reference period
- .. not available for a specific reference period
- ... not applicable
- 0 true zero or a value rounded to zero
- 0<sup>s</sup> value rounded to 0 (zero) where there is a meaningful distinction between true zero and the value that was rounded
- <sup>P</sup> preliminary
- <sup>r</sup> revised
- X suppressed to meet the confidentiality requirements of the *Statistics Act*
- <sup>E</sup> use with caution
- F too unreliable to be published
- \* significantly different from reference category ( $p < 0.05$ )

Published by authority of the Minister responsible for Statistics Canada

© Minister of Industry, 2015

All rights reserved. Use of this publication is governed by the Statistics Canada [Open Licence Agreement](#).

**An HTML version is also available.**

*Cette publication est aussi disponible en français.*

---



# Minimum wage in Canada since 1975

---

## CANADIAN MEGATRENDS

The first legislation in Canada governing minimum wage was introduced in the early 20th century and was intended, at the time, to prevent the exploitation of women and children. While some today see the minimum wage as a way to improve workers' standard of living and to reduce poverty and inequality, others believe that setting a legal minimum wage tends to eliminate jobs that require little specialization—often student jobs—and to increase unemployment and poverty among low-skilled workers.

In Canada, minimum wage is provincially regulated, but a national minimum wage can be calculated using the rate in each province.

### Minimum wage in synch with average hourly earnings

While Canada has undergone important economic, social and technological changes since the 1970s, the minimum wage and the average hourly wage are essentially unchanged.

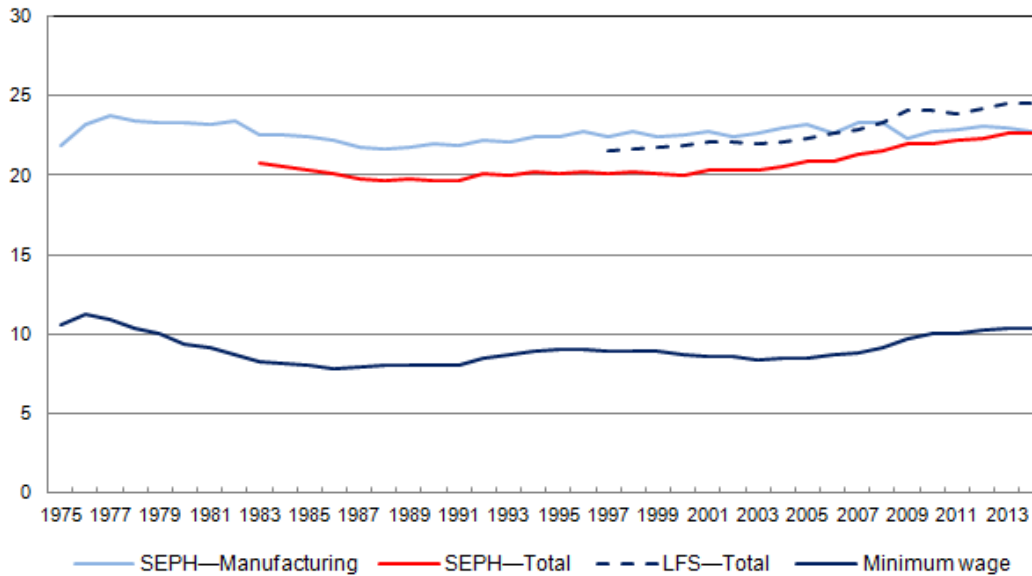
After adjusting the minimum wage and average hourly earnings for inflation, fluctuations in the minimum wage almost mimic fluctuations in employees' average hourly earnings. Taking inflation into account, the minimum wage peaked in 1976 at just over \$11 an hour in Canada. The following year—1977—average hourly earnings peaked at close to \$24.

Although these indicators have fluctuated since then, the minimum wage in 2014—after adjusting for inflation—had an average value of \$10.39 per hour, and average earnings were between \$22.70 and \$24.51 per hour, depending on the data source used. These values were comparable to those observed in the late 1970s.

**Chart 1**  
**Minimum wage and average hourly earnings in Canada, 1975 to 2014**

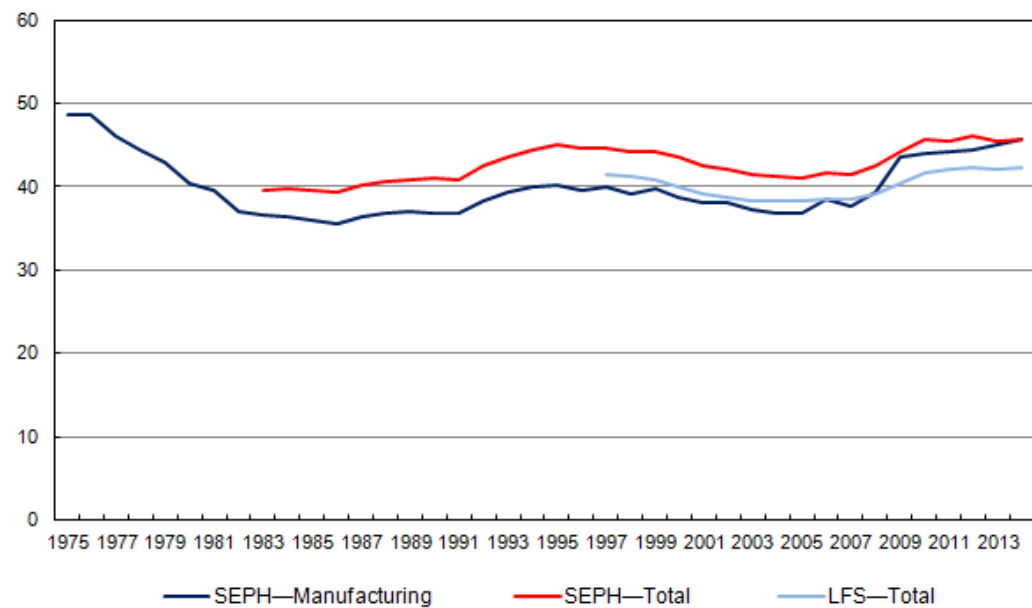
**A. Average hourly earnings by source and minimum wage**

\$ constant 2014



**B. Ratio between minimum wage and average hourly earnings**

percent



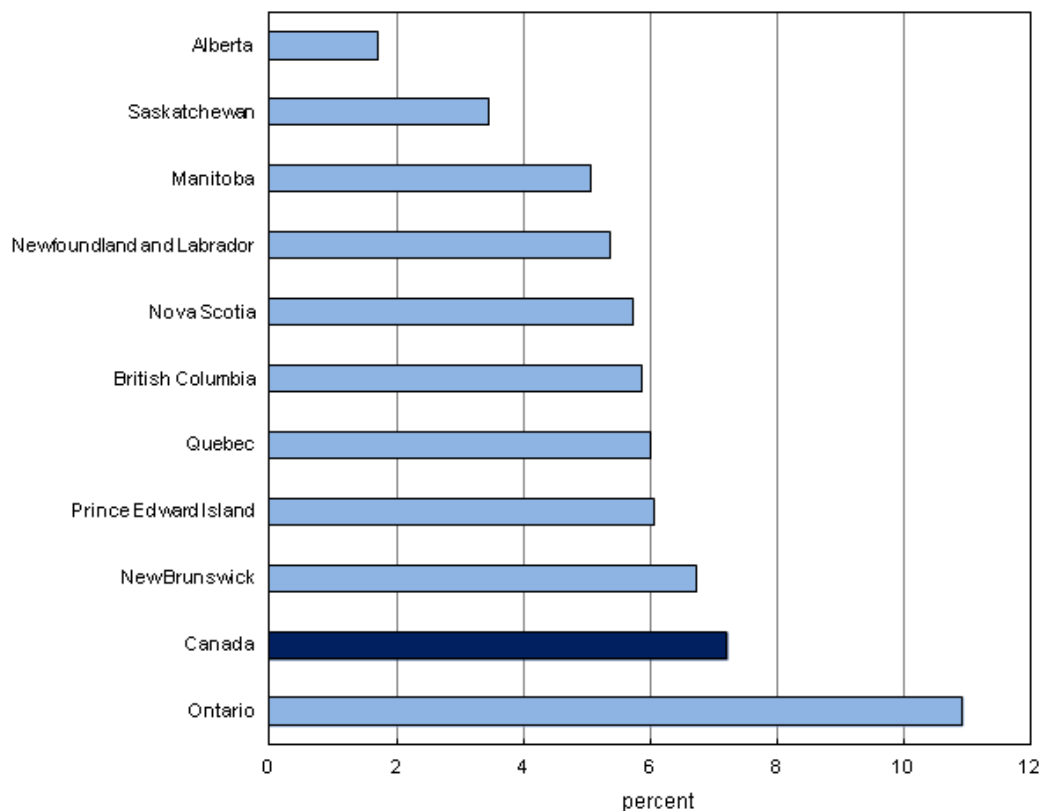
**Note:** The minimum wage for Canada is the average of the minimum wages of the provinces, weighted by the number of employees in each province. The average hourly earnings and the minimum wage are expressed in 2014 constant dollars, based on the consumer price indexes of each province. The average hourly earnings from the SEPH (manufacturing sector and total) are those of employees paid by the hour, whereas the LFS series for all employees includes both employees who are paid by the hour and employees with a fixed salary.  
**Sources:** Statistics Canada, Survey of Employment, Payrolls and Hours (SEPH); Labour Force Survey (LFS); Employment and Social Development Canada (minimum hourly rates by year and by province).

Minimum wage is often expressed on the basis of average hourly earnings. This ratio can vary depending on the data source used, but the trends are similar. In 1975, the minimum wage represented almost 49% of average hourly earnings, compared with a value of between 42% and 46% in 2014.

**Proportion of workforce earning minimum wage slightly increases**

Between 1997 and 2014, the proportion of employees receiving minimum wage rose from 5.0% to 7.2%. Most of this increase occurred between 2003 and 2010. This proportion was lowest in Alberta, at 1.7%, followed by Saskatchewan at 3.5%. Ontario had the highest proportion at 10.9%.

**Chart 2**  
**Proportion of employees paid at the minimum wage rate by province, 2014**



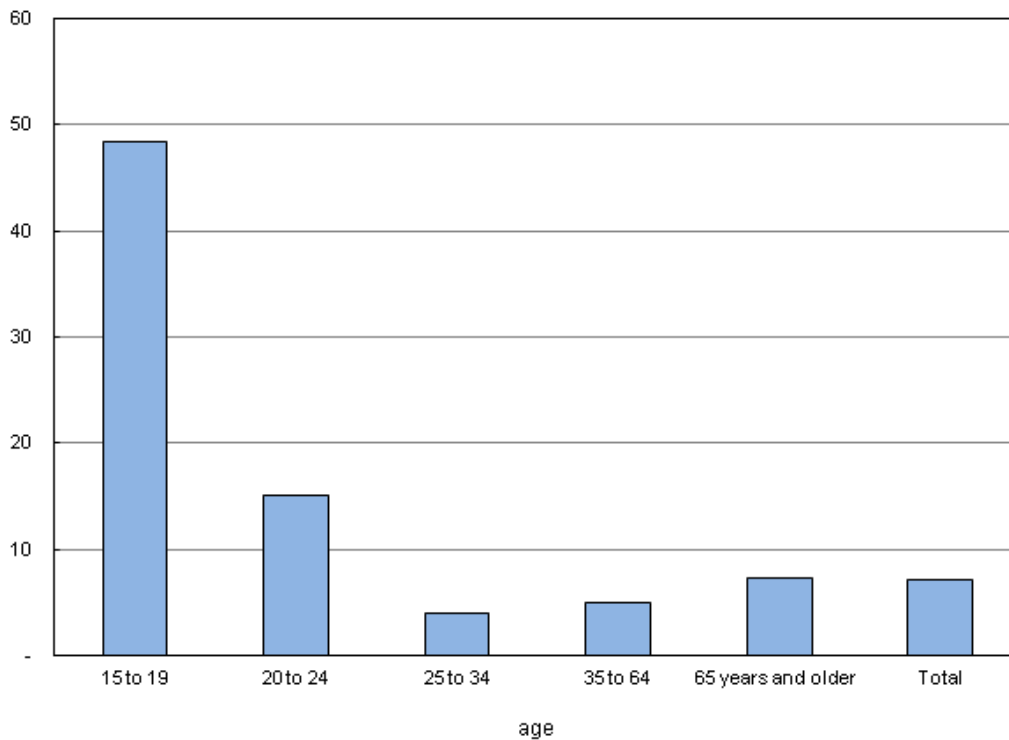
**Source:** Statistics Canada, Labour Force Survey, 2014.

When the minimum wage goes up, the proportion of employees paid at minimum wage may increase. This is because some employees who were earning above the minimum wage join the ranks of those earning the minimum wage.

In 2014, as in 1997, youth, women, students and people with a lower level of education were the groups most likely to be paid at minimum wage. In 2014, 49% of employees aged 15 to 19 years and 15% of those aged 20 to 24 were paid at minimum wage. The rate for women was 9%, compared with 6% for men. Among students, 29% were paid at minimum wage, versus 5% of non-students. Lastly, 20% of employees with less than a high school diploma were paid at minimum wage, compared with 3% of employees who had a university degree.

**Chart 3**  
**Proportion of employees paid at the minimum wage rate by age,**  
**2014**

percent



Source: Statistics Canada, Labour Force Survey, 2014.

## Definitions

**Minimum wage:** The lowest hourly wage rate that an employer can legally pay its employees.

**Average hourly earnings:** Amount obtained by dividing employees' weekly pay by the number of hours in their normal work week.

## References

Galarneau, D. and E. Fecteau. 2014. "The ups and downs of minimum wage ([www.statcan.gc.ca/pub/75-006-x/2014001/article/14035-eng.htm](http://www.statcan.gc.ca/pub/75-006-x/2014001/article/14035-eng.htm) )," *Insights on Canadian Society*, Statistics Canada Catalogue no. 75-006-X.

Fortin, P. 2010. "Salaire minimum, pauvreté et emploi : à la recherche du compromis idéal," *Regards sur le travail*. Vol. 7, no. 1 (French only).

## Resource persons

To enquire about the concepts, methods and data quality in this publication, contact Diane Galarneau (613-854-3018) or Sébastien Larochelle-Côté (613-951-0803), Labour Statistics Division.