



Increase to Minimum Wage Leaves Workers in Poverty

Newfoundland & Labrador Federation of Labour (NLFL) President, Mary Shortall, is extremely disappointed about this Government's approach to minimum wage. "Indexing one of the lowest minimum wages in the country, does nothing to help low-wage workers," states Shortall. "One of the best tools to address poverty is to pay a living wage that allows workers to fully participate in the economy."

Today, April 1st, the government announced it was increasing the minimum wage by 25 cents, as a result of them indexing the minimum wage to inflation. Shortall notes that the 25 cents an hour increase is equivalent to \$8.25 for a 35 hour week, and comments that this is not even enough to cover basic food, heat, and rent increases. Says Shortall, "How can the government expect workers to accept wages that keep them entrenched in poverty? Such a low wage is forcing many workers and their families to turn to foodbanks to meet their basic needs."

The province currently has over 12,000 minimum wage workers. Over 70,000 workers earn less than \$15 an hour. The vast majority of these low-wage earners are women, at 67%. "Newfoundland and Labrador (NL) will soon have the lowest minimum wage in the country. Indexing our current minimum wage will mean we will forever stay the lowest. This is unacceptable," says Shortall. "The NLFL will continue to lobby for a \$15 minimum wage. A wage that treats workers with dignity and fairness."

Economic research, from Alberta and Ontario, has found that substantially raising the minimum wage has helped boost the economy, increased employment and helped local businesses. A higher minimum wage helps everyone. For example, if you live in Alberta and happen to work for a Walmart, Tim Hortons, or McDonalds, you can expect to be paid \$15 an hour. Yet the same worker here in Newfoundland and Labrador is paid \$3.60 less per hour. According to Shortall, this means millions of dollars are leaving NL in extra profits every year, ensuring big companies are the ones benefitting from our low minimum wage.

As Shortall stressed, "If this government is serious about addressing poverty, gender inequality and creating decent paying jobs, then there is no better tool than ensuring workers are paid a living wage. Indexing a low minimum wage is simply bad public policy."

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