

# NEWS RELEASE

## More than 90% of Alberta minimum-wage earners don't live in low-income households

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For immediate release

**CALGARY**—Raising Alberta's minimum wage will do little to reduce poverty because 92 per cent of minimum-wage earners in the province don't live in low-income households, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

Next week, the Alberta government will raise the province's minimum wage to \$15 per hour from \$13.60.

"Increasing the minimum wage is a poorly targeted anti-poverty measure, given that most minimum wage earners don't live in low income households. There are more effective strategies for helping the working poor," said Steve Lafleur, Fraser Institute senior policy analyst.

The study, *Increasing the Minimum Wage in Alberta: A Flawed Anti-Poverty Policy*, finds that 92 per cent of Alberta's minimum-wage earners don't live in low-income households, as defined by Statistics Canada's Low Income Cut-off (households below the cut-off likely devote larger shares of income to food, clothing and housing than the average family).

In fact, 50.1 per cent of Alberta minimum-wage earners in 2017 were teenagers or young adults aged 15 to 24, and among this group, 85.1 per cent lived with their parents or other relatives.

Only 2.1 per cent of all minimum-wage earners were single parents with young children.

Moreover, decades of Canadian academic research shows minimum-wage hikes can hurt young and inexperienced workers as employers adjust to higher labour costs, leading to less employment. Raising the minimum wage can also lead to reduced hours and fewer benefits for workers.

Finally, minimum-wage hikes can lead to higher prices for goods and services, disproportionately affecting the poor, as employers pass the increased cost of labour onto consumers in the form of higher prices.

"The decision to raise the minimum wage was surely motivated by good intentions, but the policy may ultimately hurt the very people it's supposed to help," Ben Eisen, Fraser Institute senior fellow and director of the Alberta Prosperity Initiative.

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