

NEEDING MORE TO SURVIVE

CURRENT MINIMUM WAGE ISN'T 'CUTTING IT'

BARBARA SIMPSON TELEGRAPH-JOURNAL



Dick Daigle, owner of Saint John's Pizza Hut, says increasing minimum wages have forced him to reduce staff and store hours.

PHOTO: BARBARA SIMPSON/TELEGRAPH-JOURNAL



Steph Doucette PHOTO: BARBARA SIMPSON/ TELEGRAPH-JOURNAL

SAINT JOHN • Steph Doucette has never known a life outside of minimum wage work.

From the day she came into the world, the Saint Johner was introduced to the life of scraping by, with both her parents holding minimum wage jobs and collecting assistance to make ends meet.

At the age of 15, Doucette joined the cycle of minimum wage work, piecing together an income through fast food jobs - a pattern she said she's been caught up in for the last 15 years.

"At the present time, I'm working with Touch of Spice, I'm on assistance and I'm in N.B. Housing," said the now 30-year-old single mother, who said she brings in less than \$20,000 a year.

She said she's perfected the art of scrimping and saving - her young son has a wardrobe of hand-me-downs and she hunts for deals on food - but despite her best efforts, she says "this minimum wage stuff isn't cutting it."

Even the New Brunswick government's latest increase to minimum wage - it's now at \$11, as of April - hasn't helped Doucette out.

Minimum wage increases can instead have unintended consequences, pushing instead of pulling people out of poverty, according to a new policy paper from the Atlantic Institute for Market Studies.

As minimum wage increases, research has shown that employers often cut hours and/or slash jobs to keep their labour costs in check, said Marco Navarro-Génie, president and CEO of the Halifax-based think tank.

"Many studies have pointed at this in several ways, but what's most unique about ours is that we've gone out of our way to go and look at the concentration of people that are hovering around the area of where minimum wage is now and where they intend it to be," he said.

The new study found that most Maritime provinces - including New Brunswick - have a higher-than-average proportion of its workers earning at or near minimum wage, Navarro-Génie said, so when "we go ahead and push this wrong-headed policy we actually harm a greater number of people by concentration of population than you normally would elsewhere."

Dick Daigle, owner of Saint John's Pizza Hut, knows the impact it can have on workers firsthand.

He's said he's had to reduce his staff and his store hours to absorb increasing labour costs ever since the New Brunswick government started significantly raising minimum wage over the last seven years.

"When they raise minimum wage, we can't pass this on to our consumer," Daigle said.

Several other local businesses have also scaled back hours due to the minimum wage increase, said David Duplisea, CEO of the Saint John Region Chamber of Commerce.

The chamber has just under 800 members representing 35,000 employees.

"It's an emotional issue because everyone wants to help the working poor and everyone wants to help increase the social fabric of our community, but [minimum wage increases] could have unintended consequences," he said.

While Duplisea acknowledges the region has more minimum wage workers than average, he said the government's focus should be on training to help low-income earners land "better positions to make higher wages."

Instead, Daigle said, the government uses minimum wage increases as a "blunt instrument" to fix poverty.

For Navarro-Génie, the solution to addressing poverty is to grow the economy and that can be done in part by scrapping minimum wage legislation - something his think tank is calling for in its new policy paper directed at the public, including decision-makers. But Doucette isn't waiting for policy to change.

After 15 years of earning minimum wage, she's now training to become a Primerica financial coach to help other low-income earners break the cycle of poverty. She's even started up an education fund for her young son and an emergency fund.