



Coalition for Pay Equity
Coalition pour l'équité salariale
New Brunswick • Nouveau-Brunswick

No Equity, No Resilience

Pre-Budget Consultation 2022

We thank the Minister of Finance, Ernie Steeves, for giving us this opportunity to present our perspective on issues related to the provincial budget.

The New Brunswick Coalition for Pay Equity is a group of 100 organizations and more than 1000 individuals that advocates for pay equity and fair working conditions for women. Pay equity means equal pay for work of equal value; it recognizes the value of female-dominated jobs when compared to that of male-dominated ones.

We have considered the challenges and key questions in the 2022-2023 Pre-Budget Consultation. In this document, we share our thoughts and economic priorities from the perspective of women and people working in female-dominated jobs.

1. Strengthen resilience in our systems

Gender-inclusive analysis

We believe the Government of New Brunswick should increase gender equality and equality among social groups in the province as it develops the budget and public policies.

Gender-based analysis + (GBA+) is an approach designed to prevent and correct structural discrimination between women and men and also among diverse social groups. It offers tools to determine how specific public policies, programs, and initiatives affect specific population groups in different ways depending on such factors as gender, age, race, residence, and language. This analysis is vital in developing public policy that is effective and evidence based.

For this reason, we applaud the publication of the *Gender Impact Statement 2021* that accompanied the 2021-2022 budget. This was a major step, and now we must build on it.

We recommend that the provincial government continue in this direction, performing a gender-inclusive analysis at each step of its budget develop and making its findings public.

An adequate income

We know that income is a major factor in resilience and a determinant of health. The minimum wage must continue to increase. We welcomed the decision to increase it by \$2.00 per hour to \$13.75. However, the goal must be a liveable income. This would range from \$17.50 per hour in Bathurst and \$21.20 per hour in Fredericton in 2021, according to Human Development organization.¹

Along the same lines, we recommend increasing the amount provided to households receiving social assistance by \$100 per month, starting this year.

A fair tax system

We have seen that governments are the institutions best equipped to deal with crises such as the pandemic. Government measures have avoided a catastrophic economic crisis. It is, therefore, important to protect and even improve the government's capacity to offer adequate programs and social services.

To accomplish this, there must be sufficient income and a tax system that is fair and equitable. Income and corporate taxes should not be reduced in the hopes of stimulating investments. A recent study by Canadians for Tax Fairness has shown that investments by Canadian corporations consistently declined, despite tax cuts, between 1998 and 2012 (figure 1).

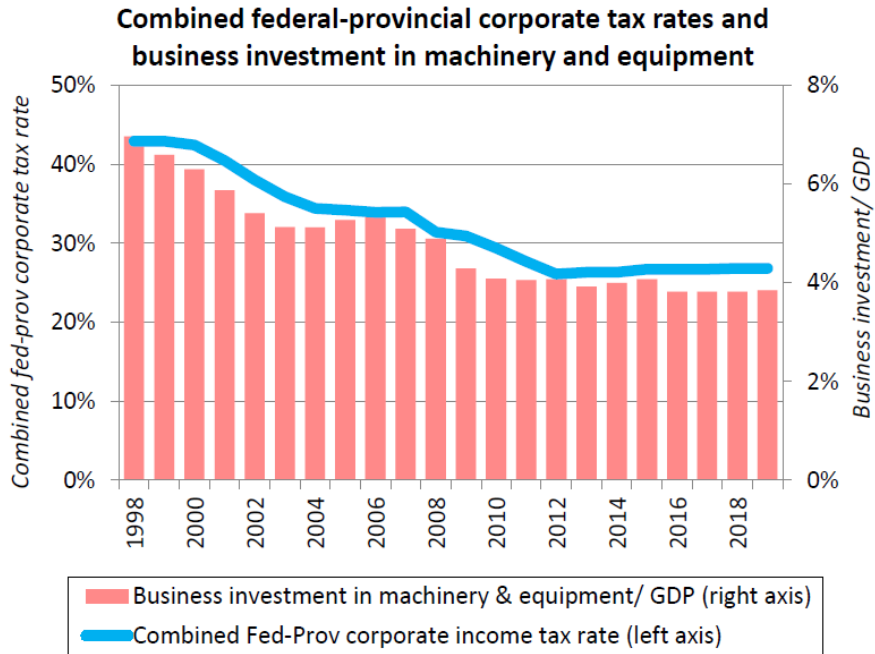
The author of this study concludes:

...Corporations won't increase their productive investments in the economy unless they expect people or businesses will buy their increased production, and they won't do that while demand is low. If corporate tax cuts don't lead to increased investment, if their benefits don't trickle down and if governments cut public spending to pay for these corporate tax cuts, then demand will decline and corporations will invest less as well.²

¹ [Living wages in New Brunswick – 2021](#).

² Toby Singer. 2020. [Corporate Income Tax Freedom Day](#). Canadians for Tax Fairness.

Figure 1



It is counterproductive to reduce individual income tax, especially on the wealthiest individuals. In fact, cutting taxes on the income of the extremely wealthy over several decades has widened the gap between the richest and poorest citizens. Another study by Canadians for Tax Fairness shows that Canadian billionaires, some of whom live in New Brunswick, have become even wealthier during the pandemic, while some of their fellow citizens experienced and continue to experience serious economic insecurity.³

The tax credit for owner-occupied properties should not be extended to those which are not owner-occupied. This tax credit allows people to own a property where they can afford to live.⁴ Extending it will reduce the resources and investment capacity of the Government permanently, without ensuring a greater number of available housing units.

Instead, we invite the Government of New Brunswick to work with governments in other provinces and the federal government to combat tax avoidance and tax evasion, which jeopardize the ability of all levels of government to act and to create social programs and systems capable of adequately supporting vulnerable groups during a crisis.

³ Toby Sanger and Erika Beauchesne. 2020. It's time to tax extreme wealth inequality. Canadians for Tax Fairness. https://www.taxfairness.ca/sites/default/files/resource/canadian_for_tax_fairness_-_billionaires_report_2020_final.pdf

⁴ Kristi Allain. 13 avril 2021. "Is New Brunswick's so-called "double tax" increasing your rent?" NB Media Co-op. Page retrieved February 22, 2022.

To increase the resilience of our systems, we recommend that the Government

- **perform and publish a gender-based analysis +, as an administrative tool, at each step of the budget process,**
- **increase minimum wage to the rate of a liveable income,**
- **increase the amount provided to households receiving social assistance by \$100.00 per month,**
- **avoid reducing taxes and income tax on the wealthiest individuals and corporations,**
- **retain the tax credit for owner-occupied properties without extending it to properties that are not occupied by their owner, and**
- **work with the other provincial governments and the federal government to reduce tax avoidance and tax evasion.**

2. Help businesses mitigate economic disruptions

With 60,000 jobs to fill over the next five years,⁵ one of the most pressing issues for businesses in the province is labour recruitment and retention. For many years, the Government of New Brunswick has expressed concerns about the exodus of New Brunswickers. The number of immigrants has increased recently, and the Government should make efforts to maintain this trend. We must ensure full participation in the labour force for all segments of the population, including women.

Currently, labour force participation of women 15 years and over in New Brunswick is the second lowest in the country, standing at 57.7% compared to 60.3% for Canada as a whole and 64.7% for men in the province.⁶

Despite their higher levels of education (60.6% of women have a postsecondary degree or diploma compared to 54.4% of men), women earn lower wages than men (\$24.38 vs. \$26.12 in 2021).⁷ They are overrepresented in all female-dominated sectors, which are often undervalued and underpaid. An estimated 70% of New Brunswick women have jobs that are traditionally female or female-dominated. These women work primarily in the fields of health, administrative support, teaching, legal and social services, retail, and services.⁸

To make the labour market more attractive to women, particularly marginalized and immigrant women, we must ensure pay equity and fair working conditions.

A pay equity law for the private sector

Pay equity is a human right and a social justice issue. New Brunswick adopted the *Pay Equity Act, 2009* for the public sector. However, between 65% and 70% of women in the labour force work in the private sector.

Under pay equity legislation, employers must perform job evaluations to compare the value of traditionally female or female-dominated jobs with those of traditionally male or male-dominated jobs, then adjust salaries for female jobs that are underpaid compared to male jobs. Job evaluations use four criteria: skills, responsibilities, effort, and working conditions.

⁵ Nojoud Al Mallees. July 21, 2021. "Labour crisis in N.B. doesn't have to be inevitable as workforce ages, economists say." <https://www.cbc.ca/news/canada/new-brunswick/job-vacancies-new-brunswick-1.6076510>. Retrieved February 22, 2022.

⁶ Statistics Canada. Table 14-10-0287-03: Labour force characteristics by province, monthly, seasonally adjusted. <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1410028703#timeframe>. Retrieved February 9, 2021.

⁷ Statistics Canada, 2016 Census and 2021 Labour Force Survey.

⁸ Women's Equality Branch, Province of New Brunswick, Equality Profile, p. 83. For more details, please see Appendix A, Advisory committee on pay equity and living wage, Economic and Social Inclusion Corporation. (2018). Report on Living Wage and Pay Equity.

A pay equity law would ensure competitive wages for traditionally female or female-dominated jobs. Quebec and Ontario already have pay equity legislation covering both the public and the private sector. These laws improve the living conditions of families who benefit from them.

In addition, pay equity can be a powerful tool in human resource management and can strengthen employee recruitment and retention strategies. After conducting a pay equity exercise, many business owners in Quebec reported that they were surprised by the process' practicality and that they benefitted by developing better compensation management policies, better working environment, and sense of fairness and satisfaction in the workplace.⁹ As for employees, women workers stated that they experienced a greater sense of fairness, better recognition of their skills, a sense of belonging and commitment to the company, and greater motivation at work.¹⁰

Pay equity would also increase the purchase power of people who work in traditionally female or female-dominated occupations. This, in turn, would have a noticeable economic impact on New Brunswick businesses and local economies. It is also a tool to reduce poverty. In 2018, the Advisory committee on pay equity and living wage of the Economic and Social Inclusion Corporation recommended the adoption of a pay equity law for the private sector.¹¹

The fact that immigrant and racialized women are overrepresented in occupations that are female-dominated and underpaid is undeniable. If we want to have a growing, diverse population, we must ensure fair and equitable wages for all workers.

In 2020, the World Economic Forum concluded its annual report on gender disparities with a reminder of “the strong correlation between a country’s gender gap and its economic performance.”¹² The province could gain 3 to 4% in its GDP in 2026 if progress is made in gender equality in the labour force.¹³ Thus, it is clear that women play a significant role in the economy. When participation is equitable, everyone benefits. An article in *The Economist* emphasizes that increasing women’s employment in wealthy countries has been the primary driver of economic growth in the last few decades, surpassing even the impact of new technologies.¹⁴

We recommend that the Government

- **focus on improving the economy by encouraging the participation of women in the labour force, and**
- **adopt, as soon as possible, proactive provincial legislation on pay equity covering the entire private sector.**

⁹ Québec. La loi sur l'équité salariale : un apport indéniable pour contrer la discrimination salariale. 2019. Rapport du Ministre 2019 sur la mise en œuvre de la Loi sur l'équité salariale.

¹⁰ Ibid.

¹¹ Advisory committee on pay equity and living wage, Economic and Social Inclusion Corporation. (2018). Report on Living Wage and Pay Equity.

¹² World Economic Forum. (2020). The Global Gender Gap Report 2020, p. 33.

¹³ Sandra Devillard, Tiffany Vogel. (2017). *The Power of parity*: Advancing women's equality in Canada. McKinsey Global Institute.

¹⁴ The Economist. (2006). Women in the Workforce. The Importance of Sex: Forget China, India and the Internet: Economic Growth Is Driven by Women.

3. Establish a health and care system for seniors that is resilient, accessible, and patient-centered, and that can adapt to the disruptions caused by the pandemic







It would be wise to review health and care services for seniors. The community care sector is closely connected to the health care sector; they are complementary and, together, ensure the well-being of the most vulnerable citizens: seniors, women leaving violent situations, children, and people living with disabilities or mental illness.

Because care cannot be provided in their homes or in long-term care (LTC) facilities, hundreds of seniors resort to living in hospitals. This is a burden on a health system already under considerable pressure.¹⁵ The best way to improve access to health care in a timely manner and to reduce costs in the long term is to deal with the recruitment and retention challenges facing the care sector.

Today, the care sector is undergoing a growing crisis. The pandemic has made its problems obvious. The population has realized the degree to which qualified workers are not only essential but must be paid accordingly. The provincial government has recognized this and paid temporary bonuses. But this crisis was not caused by the pandemic; it will continue and no doubt will worsen in the future if effective measures are not introduced.

The quality of care depends on the quality of jobs. Care workers cannot ensure quality care without appropriate wages, working conditions, resources, and training. With an aging population and increasing needs, the care sector faces unprecedented difficulties recruiting and retaining sufficient staff. Low pay and poor working conditions make careers in the care sector unappealing.

TABLE 1. The New Brunswick community care sector in numbers (2021)

	 Home Care services	 Community Residences	 Transition Houses for women fleeing violence	 Special Care Homes	 Family Support Services	 Employment and Support Services Program
Agencies and facilities	55	85	14	404	48	38
Clients per year	9,300	570	1,100	6,100	N.D.	1,200
Staff members	4,500	1,000	170	4,500	600	400

¹⁵ C. Cassista, 2022. "Nursing Home Wait List January 2022"

More than 11,000 people work in the community care sector of New Brunswick and the majority are women (Table 1). The New Brunswick Coalition for Pay Equity has conducted pay equity exercises in six types of care settings, with the help of employees and employers in the sector. These exercises revealed that equitable wages for the jobs we reviewed would range from \$22.44 to \$25.91 per hour (Table 2). Two reports that provide details on the process and the results obtained from the evaluation are available online.

Table 2. Fair wages according to the Coalition’s pay equity exercises compared to 2021-2022 wages for eight care-giving positions

Services	Job categories	Fair hourly wages	Entry-level wages (estimates)	Difference
Home support	Home support Workers	\$22.44	\$15.50	\$6.94
Transition houses	Crisis interveners	\$25.67	\$13.55	\$12.12
Community residences	Direct caregivers (adults)	\$25.79	\$16.80	\$8.99
	Direct caregivers (children)	\$25.79	\$16.80	\$8.99
Special care homes	Special care home workers	\$22.44	\$14.50	\$7.94
Family support services	Family support workers (adults)	\$24.60	\$16.80	\$7.80
	Family support workers (children)	\$25.91	\$16.80	\$9.11
Employment and support services program	ESSP workers	\$24.60	\$16.64	\$7.96

We welcome the investments made by the Government of New Brunswick in recent years. They resulted in wages of \$13.55 to \$16.80 in 2021-2022. However, these wages do not yet reflect the value of the work when compared to male-dominated jobs of comparable value. The gap to close is between \$7 and \$12 per hour.

Wages have to rise more quickly. Without more targeted investment from the Government, the recruitment and retention of care workers will become increasingly difficult, and families will have trouble obtaining the services they need. Promotional campaigns to encourage young people to enter studies and careers in these fields will have little impact unless the wages and working conditions improve.

We need to remember that these investments will be profitable in the long term. Most wage increases in the community care sector will be spent in New Brunswick. Because these services exist in every region of the province, the increases will contribute to regional economic development. Furthermore, when adequate care services are in place, families are better

positioned to fully participate in the labour force. This is especially true for women, who continue to be responsible for a sizable portion of unpaid caregiving in the home.

We recommend that the Government:

- **develop and implement a five-year plan for achieving pay equity in the entire community care sector, including**
 - **increased public investments in wages in the sector until pay equity is achieved,**
 - **the development of pay scales that take pay equity into consideration,**
 - **annual indexing of these pay scales according to the Consumer Price Index,**
 - **pay equity evaluations of all jobs in the community care sector which have not yet been evaluated, such as administrative and kitchen staff,**
- **plan to review pay equity in the community care sector every five years to ensure it is maintained, and**
- **take measures to ensure that vulnerable people have access to a level of care that is appropriate for their condition.**

4. Support and strengthen educational systems in the province to ensure they provide a healthy and flexible learning environment

Education begins in early childhood. Studies show that early childhood education services make a positive contribution to child development, encourage women's participation in the labour force, have substantial economic benefits, and improve the integration and success of children from more disadvantaged backgrounds.

We greeted the federal-provincial child care agreement with enthusiasm. This agreement will lead to a publicly-managed, universally accessible, affordable, quality, inclusive, and flexible child care system that will meet the diverse needs of parents and children and the needs of Indigenous families in rural as well as urban settings. This system will be one of the pillars of our social infrastructure.

The keys to quality child care services are equitable wages and good working conditions for early childhood educators and child care workers. We appreciate the Government's investment in wages for early childhood educators in recent years. The Government should act on this momentum and strive to achieve pay equity as soon as possible. Higher salaries will attract qualified child care workers and reduce staff turnover in this sector, as in the care sector.

Furthermore, we strongly support the creation of new child care spaces in public or not-for-profit facilities. Studies have shown that child care services in public or not-for-profit centres are generally of better quality, simply because budget surpluses are directly reinvested in services. In addition, when a not-for-profit facility closes, clauses in its bylaws and regulations usually stipulate that property and resources be redistributed to a similar organization. In the case of private facilities, resources remain in the hands of the owners, regardless of the level of government investment.

However, we recognize that in New Brunswick, the majority of child care services are currently provided by the private sector and that the New Brunswick Early Learning Centre designation program, introduced in recent years, ensures good quality care. For this reason, we support public investment in existing day care spaces, whether they are in private or not-for-profit facilities. This will ensure the stability and continuity of child care services for New Brunswick families.

We recommend that the Government

- **increase the wages of early childhood educators until pay equity has been achieved, through the federal-provincial child care agreement,**
- **put into place a system of public, universally accessible, affordable, quality, inclusive, and flexible child care services that will meet the diverse needs of parents and children and the needs of Indigenous families, and**
- **encourage the development of new child care spaces in public and not-for-profit facilities but contribute to the funding of existing spaces regardless of the sector.**

5. Conclusion: resilience and equity

A resilient, dynamic, and dependable province rests on an equitable economy and fiscal system, as well as comprehensive and adequately funded social infrastructures.

Pay equity in all sectors, liveable wages, and fair working conditions foster the full participation of women in the labour force and are especially important for marginalized and immigrant women.

Women and families in New Brunswick need affordable, quality child care services and community care services to support the most vulnerable people in our communities, as well as education and health systems that are adapted to their needs, to be able to thrive and engage in the provincial economy and the labour market.

All levels of government should work together to ensure an equitable fiscal system rather than cut income tax and other taxes for the wealthiest individuals and corporations. This will strengthen the Province's economy.