For a Minimum Wage that Reflects the Cost of Living

Submission presented as part of the 2026 Engagement on the Minimum Wage in New Brunswick

October 2026

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

We are pleased to give our thoughts and recommendations on the minimum wage to the Department of Post-secondary Education, Training and Labour.

The New Brunswick Coalition for Pay Equity, a group of 1,000 people and 112 organizations, advocates for pay equity and fair working conditions for women. Pay equity is defined as equal pay for work of equal value; it recognizes the value of work done mostly by women and guarantees that remuneration for these jobs corresponds to that of jobs done mostly by men.

Women represent 57.9% of workers earning the minimum wage.[1] They are also more likely to work in women-dominated jobs which, historically, have often been underpaid compared to men-dominated jobs. In fact, the majority of people earning minimum wage work in retail (41.5%) and in accommodation and food services (24.6%), two women-dominant sectors.[2] These jobs often offer fewer working hours and few or no paid sick leave or employee benefits. Racialized and Indigenous women are particularly overrepresented in poorly paid occupations, jobs that rely on tips, and jobs paid at minimum wage or a little above it.

Wages are lower and labour shortages more acute in women-dominated sectors. Motivation is therefore low for women to enter or re-enter the labour market.

Contrary to popular beliefs, the majority of workers earning the minimum wage are not teenagers. In fact, they are people over 19 years of age (62.9%). Since the cost of living keeps climbing, these workers struggle to provide for their basic needs.

We applaud the Minister of Finance and Treasury Board, René Legacy, for his firm resolve to invest in measures that reduce the effects of the rising cost of living.[3] In this context, the minimum wage becomes a vital tool to deal with the high cost of living, climb out of poverty, and earn a decent salary.

In this submission, we answer questions posed in the Department of Post-Secondary Education, Training and Labour's discussion paper for the 2026 Engagement on the Minimum Wage. Our document will also offer other recommendations on policies we deem essential to women's economic well-being.

[1] The Government of New Brunswick. (April 2026). New Brunswick Minimum Wage Report.
[2] Ibid.
[3] Department of Finance and Treasury Board. (September 2026). Public Accounts 2025-2026.

On April 1, 2026, the minimum wage rose to $15.90 per hour, an increase of 25 cents. What are your thoughts on that rate?

Indexing the minimum wage each year is a step in the right direction to help the many people in New Brunswick suffering from economic insecurity. The current minimum wage, however, does not cover the cost of living. Based on data from the Labour Force Survey, the **Human Development Council** determined that, in 2024, 45% of New Brunswick workers earned a salary insufficient to cover essential expenses such as food, housing, transportation, childcare, health care, etc.[4]

The government should set the minimum wage based on a living wage, which, according to the Human Development Council, was $24.77 per hour for the province in 2025 (weighted average in three main cities: $26.05 in Fredericton, $24.49 in Saint John and $24.43 in Moncton).[5]

With a living wage, households would be able to cover their expenses and have a decent quality of life. According to an Economic and Social Inclusion Corporation's report on a living wage (ESIC),[6] a full-time job guaranteeing a living wage would:

- Reduce income disparities;
- Improve health;
- Increase education and training opportunities:
- Reduce absenteeism at work; and
- Boost employee morale.

The Coalition recommends a provincial living wage of $24.77 per hour starting April 2027 that will be adjusted annually to the Consumer Price Index (CPI) in New Brunswick. This would ensure workers can maintain a stable and predictable purchasing power. In case of deflation, we ask that the rate remain the same, without any reduction.

Do you support the method used to update the minimum wage?

We support the minimum wage annual indexation to the CPI in the province. However, as mentioned earlier, **the minimum wage should be a living wage and then indexed annually**. Otherwise, the gap between the minimum wage and a living wage would remain.

[4] Human Development Council. (2026). Living Wages in New Brunswick in 2025.
[5] Ibid.
[6] Economic and Social Inclusion Corporation. (November 2018). Report on Living Wage and Pay Equity.

How does the minimum wage and the method used to update it affect businesses and the New Brunswick economy?

At the moment, the gap between the minimum wage and the living wage means the minimum wage is still inadequate to provide for essential needs. In total, 45% of New Brunswick workers earn less than a living wage. When they remain in a precarious financial position, the economy stagnates.

On the contrary, when the minimum wage is raised, people's purchasing power increases and they spend more in their communities. So, a dollar invested in the minimum wage is a dollar invested in New Brunswick's economy.

When businesses offer a living wage, it clearly shows they value their workers. When employees' work is paid adequately, they get involved more at work and workplace culture improves, which helps recruit and retain employees in a competitive labour market. Better employee retention means fewer job vacancies, lower recruiting and training costs, and a more stable workforce.

Furthermore, if all workers earning the minimum wage right now were paid a living wage, they would rely less on government help and would need fewer health services, as income is an important health indicator. They would also pay more taxes, which would better support social programs and ensure a healthier and more resilient society.

In your opinion, can a person working full-time at minimum wage in this province provide for their essential needs, such as housing, food, transportation and other essential expenses?

No. As has noted by the Human Development Council, "the minimum wage is often synonymous with poverty." [7] It is too low for people to provide for their essential needs or to save money. Many have to make impossible choices: to feed themselves, heat the house, or pay the rent on time[8].

This problem is intensified by the rising cost of living. For example, between 2022 and 2026, food banks saw a 60% increase in their clientele, and community kitchens served 24% more meals in 2026 than they did in 2023.[9] The use of these resources has increased rapidly among salaried workers, students, and newcomers, reflecting that wages and existing support programs are no longer enough to live with dignity in New Brunswick. A minimum wage equal to the living wage is necessary to help people deal with the cost of living and bring an end to financial insecurity.

Should the minimum wage in other Atlantic Provinces be considered in deciding the minimum wage in New Brunswick?

It would be preferable to coordinate the minimum wage with the other Atlantic Provinces, as long as they all agree that it must be equivalent to a living wage. The standard of living in New Brunswick, however, should not be lowered in order to match the other provinces' minimum wage rates.

---

[7] Human Development Council. (2026). Op. Cit.
[8] Ibid.
[9] Human Development Council & Feed NB. (2026). The State of Food Banks and Community Kitchens in New Brunswick.

What are your thoughts on the current hourly rate for overtime ($23.85) in New Brunswick? Should the government look at other ways to set the minimum rate for overtime, such as time and half the employee's regular wage?

The current hourly rate for overtime is not fair to employees. The rate does not consider an employee's real wage nor the value of his or her work. A fixed rate such as the current one creates inequalities: it can be lower than an employee's regular wage and does not reflect the extra effort required.

Overtime should instead be paid as time and a half the employee's regular wage for time worked over 40 hours a week. This model guarantees that overtime is truly recognized and compensated, no matter the sector or salary level.

Other considerations to ensure women's economic security in New Brunswick

In addition to a minimum wage increase, women's economic security relies on investments in public services and on policies that better redistribute income, such as a law on pay equity in the private sector, paid sick leave, and affordable and accessible childcare.

Pay equity law in the private sector

A pay equity law in the private sector would guarantee that workers in women-dominated jobs earn equitable wages. At present, more than 60% of the women in the labour force work in the private sector. In women-dominated occupations, the wages often do not reflect the value of their work compared to those of men-dominant jobs of comparable value.

In 2025, the hourly wage gap between men and women was 5%.[10] When several sociodemographic factors are considered, such as racial dimensions, bigger income gaps are revealed (see Table below).

Income gaps in New Brunswick (2021)[11]

	Annual Income	Income Gap
Indigenous women	$29,120	55.5%
Racialized women	$29, 640	54.7%
Immigrant women	$34, 040	48%
Non permanent residents (women)	$22, 920	65%
All women	$55, 993	14.4%
All men	$65, 428	

[10] Statistics Canada. Table 14-10-0064-01 Employee wages by industry, annual
[11] Centre Canadien de politiques alternatives. (2026) Closing the gaps: gender pay inequity in Atlantic Canada.

Paid Sick Leave

Under the current *Employment Standards Act*, employers must offer unpaid sick leave of up to 5 days per year. **We recommend amending it to offer 10 noncumulative days of paid sick leave per year** so employees can take care of their and their families' health. This amendment is all the more important for workers who earn the minimum wage because their employer often does not offer other benefits. Consequently, an unpaid leave can make the difference between putting food on the table or not.

Affordable and Accessible Childcare

The provincial-federal agreement on childcare services is transformative for women and parents in New Brunswick. It includes a wage increase for the personnel, a $10 per day fee, and additional places, mostly in the non-profit sector. To build on this agreement and work toward a public, inclusive childcare system of high quality, we recommend:

- **Guaranteeing pay equity for all workers**; and
- **Adding new places solely in the non-profit sector** so that access rests primarily on community needs rather than on market forces, and reinvesting funds in the centres.