

It was a surprise to many, including post-secondary students, when the Government of Alberta reversed the previous commitment to raise our province's minimum wage in February and freeze it at \$8.80 per hour. Tying Alberta's minimum wage to the average weekly earnings was important for those students who are working part-time or during the summer to save for school. We would encourage Alberta to continue to use that model.

Basing annual increases of the minimum wage offers a measure of predictability and stability to both employers and employees, and removes politics from the equation. Thousands of Alberta's post-secondary students rely upon their minimum wage employment and while the costs of getting a post-secondary education are rising, student unemployment and underemployment are at their highest levels in Alberta's history.

The Council of Alberta University Students (CAUS) is recommending that the Government of Alberta:

- **Increase the minimum wage in Alberta to \$9.00 an hour as per the average weekly earnings;**
- **Increase the minimum wage in Alberta annually by the average weekly earnings.**

Setting the right minimum wage in Alberta is undoubtedly a delicate balance, ensuring that Alberta's lowest wage earners can have sufficient opportunity to live in dignity while at the same time ensuring the existence of those jobs are not in jeopardy. CAUS believes that providing modest annual increases and benchmarking those increases against the average weekly earnings struck the right balance between those two. Certainty and predictability are principles that we advocate for in educational costs and are equally applicable to the wages that students earn in order to pay for those costs.

Number of hours at minimum wage to pay average undergraduate tuition

Province	Minimum Wage	Average Tuition	Hours to Pay Tuition
Quebec	\$9.50	\$2,272	239
Newfoundland	\$9.50	\$2,619	276
Manitoba	\$9.00	\$3,377	375
PEI	\$8.40	\$4,710	561
Saskatchewan	\$9.25	\$5,238	566
Ontario	\$10.25	\$5,951	581
British Columbia	\$8.00	\$4,840	605
Nova Scotia	\$9.20	\$5,696	619
Alberta	\$8.80	\$5,520	627
New Brunswick	\$8.50	\$5,479	645

Source: Statistics Canada, October 2009

Looking beyond and comparing minimum wage levels between provinces, we see that a dollar in Alberta buys less than it does in other provinces, and that is just as true in post-secondary education. Alberta has the third highest tuition level in the country – over \$600 more than the national average. However, with higher minimum wages in Ontario and Nova Scotia it would actually take an Alberta student longer working at minimum wage to pay for a year's tuition. Keeping in mind that tuition is only one of many costs in attending an Alberta college or university, it is obvious that it is a struggle relying on minimum wage to pay for one's education.

Unemployment and Underemployment

In October 2009 Statistics Canada reported that the unemployment rate among Canada's 15-24 year old demographic had hit its highest level in 30 years, as a result of the global economic downturn. It also reported tremendous underemployment, with the average number of work hours during the summer of 2009 at 23.4 hours a week – across a 16-week summer that amounts to only 374 hours.

Concerned about these figures, CAUS participated in a cross-Canada survey of university students that studied many items including summer earnings and published the report *Summer Work and Paying for Post-Secondary Education* which can be downloaded at <http://bit.ly/summerearnings>.

The survey confirmed Statistics Canada's findings that Canada's university students are working less than they desire and are unable to meet the government-mandated contributions for post-secondary education. According to the Student Financial Aid system in Alberta, students are expected to save \$1,350 over the 16-week period during the summer months if they are not in school, over and above their ordinary living costs throughout the 16 week period. Sadly, the survey found that over half of university students were unable to save more than \$2,000, and a startling 26.8% were unable to save any money from their summer earnings.

The lack of savings is explained by underemployment, with 61% of students earning less than \$4,500 over the summer months. On that same note, 59% of students said they would have worked more hours if given the opportunity.

Our post-secondary students need quality opportunities to earn money during their studies, which speaks again to the need for balance and predictability to our province's minimum wage. Drastic increases, just prior to an election for example, place employers in a difficult position of letting staff go due to the sudden increase. But freezing minimum wage places students in the impossible situation of needing to work more hours just to make ends meet and continue their studies. Moreover, in the current economic climate, additional hours for students continue to be scarce if not completely absent.

The Made-in-Alberta Solution

As the Standing Committee on the Economy considers different options for Alberta's minimum wage, CAUS hopes that they take into consideration the rising cost of education and the expectation that students contribute directly to that cost. Often this contribution is made from employment at minimum

wage. The made-in-Alberta solution does not require a radical approach, rather CAUS would suggest you re-visit the decision to freeze minimum wage in February 2010 and continue to increase minimum wage annual by the difference in average weekly earnings in Alberta. The most recent figures from Statistics Canada report that difference as 2.3%, which would increase the minimum wage by \$0.20 to \$9.00.

Who is CAUS?

CAUS represents the interests of over 70,000 university students across Alberta. We represent undergraduate students from the University of Alberta, the University of Calgary and the University of Lethbridge to the public, government and other post-secondary education stakeholders.

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