

Unifor Submission to the Engagement on the Minimum Wage in New Brunswick

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Contact

Lana Payne

National President

lane.payne@unifor.org

Introduction

On behalf of Unifor, we welcome the opportunity to provide feedback on New Brunswick's minimum wage as part of the biannual review mandated by the *Employment Standards Act*. Unifor represents thousands of workers across nearly 50 locals in the province of New Brunswick, including those in key economic sectors such as forestry, food and beverage manufacturing, and transportation and warehousing. Our union fights for fairness for all workers by uplifting labour standards, improving working conditions, and ensuring that jobs are a source of good pay and a decent standard of living.

New Brunswickers have been coping with a difficult cost-of-living crisis over the past few years, with significant inflation in a number of key consumption categories – particularly food, shelter and energy. This inflationary period has eroded the standard of living for New Brunswick's workers and threatened affordability for many in the province in the form of stagnant real wages and therefore purchasing power. With their earnings lagging ever further behind average wages, minimum wage earners in the province need economic justice. The Government of New Brunswick must maintain indexation and consider making additional special increases to prevent minimum wage earners from falling further behind the province's low-wage and living wage benchmarks.

New Brunswick's Minimum Wage Compared

Despite the 25-cent increase to New Brunswick's minimum wage in April 2026 to \$15.90/hr, the province continues to mandate one of the lowest minimum wages in Canada, behind only Alberta (\$15.00/hr) and Saskatchewan (\$15.70/hr). As the engagement paper notes, the province's minimum wage continues to fall behind all other Atlantic provinces and is a full \$1.10/hour behind that of Prince Edward Island.

Not only is New Brunswick's minimum wage markedly low in comparison to other Atlantic jurisdictions, but the recent rate of increase has also seen it fall further behind average regional wages. In August of this year, a minimum wage earner in New Brunswick making \$15.90/hr would have earned less than half of the average hourly wage for the Atlantic region as a whole – \$32.98/hour.¹ And while the 25-cent increase in April bumped up New Brunswick's minimum wage by 1.6% year-over-year, the average wage earner in the Atlantic region has seen their hourly wage climb by an average of 3.6% in 2026 so far, on an annualized basis.

¹ <https://www.unifor.org/resources/our-resources/labour-market-insights-august-2026>

Semi-annual Adjustments During Periods of High Inflation

The time lag between the province's updating of the minimum wage and the annualized CPI figure it uses for indexation means that minimum wage workers must wait substantially more than a year before their wages reflect their current cost-of-living realities. Inflation in New Brunswick has picked up considerably this year, ranging from 2.9% in January to as high as 4.7% in May, and averaging 3.7% over the first eight months of 2026. Under the current 12-month indexation timetable, however, minimum wage workers must wait until April of the following year before their wages catch up.

During periods when inflation in the province consistently exceeds the 3% limit targeted by the Bank of Canada, the government should consider semi-annual adjustments so that minimum wage earners do not need to wait more than a year to see their wages catch up. To remain consistent with the current adjustment method, a semi-annual adjustment would use half the average year-over-year inflation increases from January to June. For the current year, annualized inflation averaged just over 3.4% during these months, which would yield a semi-annual adjustment of an additional 1.7%, i.e., a 27-cent increase in the minimum wage to \$16.17/hour.

Once a semi-annual adjustment has been made, the indexation formula for the standard April update to the minimum wage would be based on half the average year-over-year inflation increases from July to December.

A semi-annual adjustment to the minimum wage is not without precedence. New Brunswick saw a special increase of \$1.00/hour on October 1 of 2022, in recognition that minimum wage workers were falling behind. Semi-annual adjustments during periods of high inflation have the added benefit of smoothing out what would otherwise be a large annual jump in the minimum wage, giving employers time to adjust.

Impacts of Abandoning Indexation

Many opponents of the existing indexation formula in the business community want the province to adopt an alternative approach. Some would prefer few, if any, increases to the minimum wage, claiming that it harms their bottom line and suppresses business activity in the province.

While there is plenty of longitudinal evidence to point to the exact opposite effect – i.e., that raising minimum wages increases regional economic activity due to greater

purchasing power and disposable incomes and therefore higher consumption² – the simple fact of the matter is that eliminating indexation would see minimum wage earners take a significant real wage cut if future increases do not keep up with inflation. Such a measure would inevitably see New Brunswick's proportion of low-wage earners and rates of poverty quickly expand.

In light of the particularly high level of inflation in New Brunswick since January of this year, jettisoning indexation would be especially harmful to minimum wage workers who must wait until April 1, 2027 to see their wages catch up. In fact, the recent surge in inflation is likely playing a significant factor behind the push by some employers' groups to remove or delimit minimum wage indexation in the province. What their arguments ignore is that inflation has the largest impact on low-wage earners, who typically cannot find cheaper substitutes for the goods and services they require for survival. This means it is even more vital to maintain indexation during the present time.

The Case for a Special Increase

Unifor strongly supports the maintenance of inflation-indexed minimum wage increases in New Brunswick, but we also recognize that indexation does little to increase the purchasing power of low-wage earners, nor does it make up for the years of declining real wages for minimum wage earners prior to the introduction of indexation in 2019.

Using the standard definition of low pay as a wage falling below two-thirds of the median gross hourly wage, 16.8% of New Brunswickers, or close to 62,000 workers, qualified as a low-wage earner in 2025. Despite the increase to the minimum wage in April, this proportion actually increased during the first eight months of 2026 to 17.2%, or nearly 64,000 wage earners across the province.³

The primary cause was a full \$1.00/hour increase in New Brunswick's median wage, which lifted the provincial low-wage threshold by 3.6%, from \$18.00/hour to \$18.67/hour – far higher than the 1.6% minimum wage adjustment of 25 cents. In short, while minimum wage earners in the province saw their wages catch up to last year's inflation, they fell substantially further behind the low-wage mark.

Other metrics similarly suggest need for a series of special increases to ensure that New Brunswick's minimum wage is more aligned with cost-of-living realities in the province. Using a conservative estimate of the cost of ten core items needed for a basic household

² E.g., Jung, Y.C., McFarlane, A., & Das, A. (2020). "The effect of minimum wages on consumption in Canada." *The Economic and Labour Relations Review*, 32(1), pp. 65-89: <https://journals.sagepub.com/doi/10.1177/1035304620949950>

³ Calculations based on aggregated Statistics Canada [Labour Force Survey \(LFS\) microdata](#)

budget, the Human Development Council determined that a living wage in New Brunswick was \$24.77/hour in 2025, rising to as much as \$26.05/hour in urban centres such as Fredericton⁴. These figures underscore the extent to which a minimum wage of just \$15.90/hour remains drastically out of touch with the real costs of financial survival in the province.

To close the minimum-living wage gap and reduce the proportion of low-wage earners in the province, a series of special increases should be considered in combination with indexation to reach a minimum wage of at least \$19.00/hour by the end of 2028, to more closely align it with the current low-wage threshold. These special increases could be scheduled for fall 2027 and fall 2028 as half-year adjustments to the minimum wage, in a similar manner to 2022.

Conclusion: Unifor's Recommendations

To summarize, Unifor strongly supports the maintenance of minimum wage indexation in New Brunswick, but we also emphasize the fact that indexation does not resolve the gap between the minimum wage and a living wage, nor does it necessarily reduce the proportion of low-wage earners in the province. As a result, Unifor recommends that the Government of New Brunswick undertake the following measures:

- Maintain minimum wage indexation, i.e., adjustments to the minimum wage linked to year-over-year percentage increases in New Brunswick's All-Item Consumer Price Index.
- Make semi-annual adjustments to the minimum wage (on October 1 of the calendar year) when the average annualized rate of inflation exceeds the 3% mark during any 3-month period from January to June.
- Use a combination of indexation and special increases to ensure that New Brunswick's minimum wage reaches at least \$19.00/hour by the end of 2028, in line with the current low-wage threshold in the province.

These measures would certainly not eliminate poverty or low wages in the province, but they would go a long way towards improving the standard of living for some of the most vulnerable workers in New Brunswick and ensuring that minimum wage earners are better able to afford the bare necessities. Narrowing the minimum-living wage gap would both improve economic fairness in the province and boost the economy during a time of heightened economic uncertainty and a damaging trade war with the United States.

Once again, we thank you for the opportunity to provide input into this critical review of the minimum wage in New Brunswick. Should you have any questions about Unifor's recommendations, please do not hesitate to contact us.

⁴ <https://sjhdc.ca/wp-content/uploads/2025/11/living-wages-in-new-brunswick-2025.pdf>

