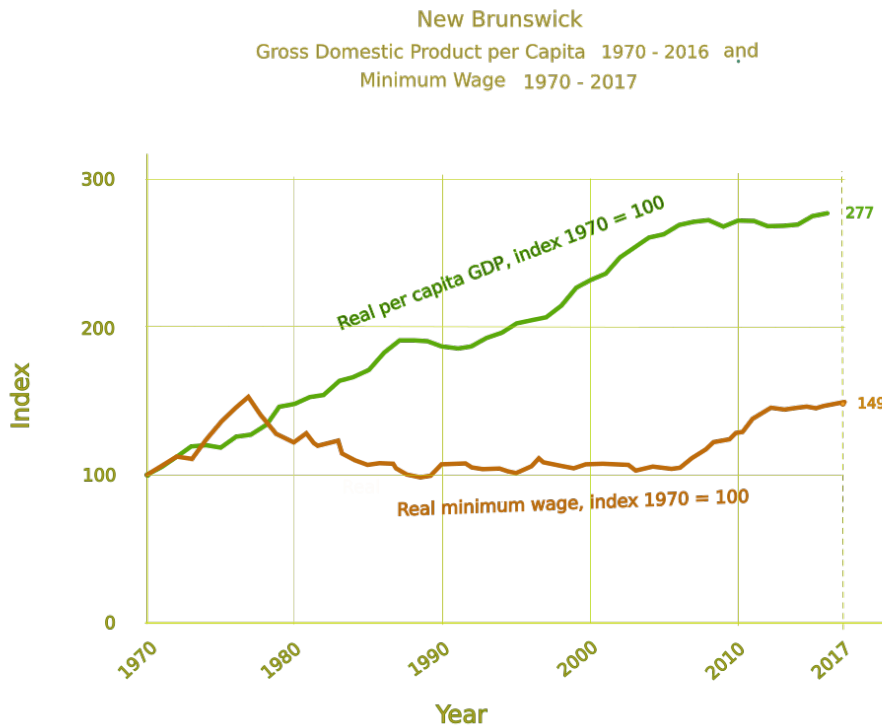


# Labour's decreasing share of society's wealth

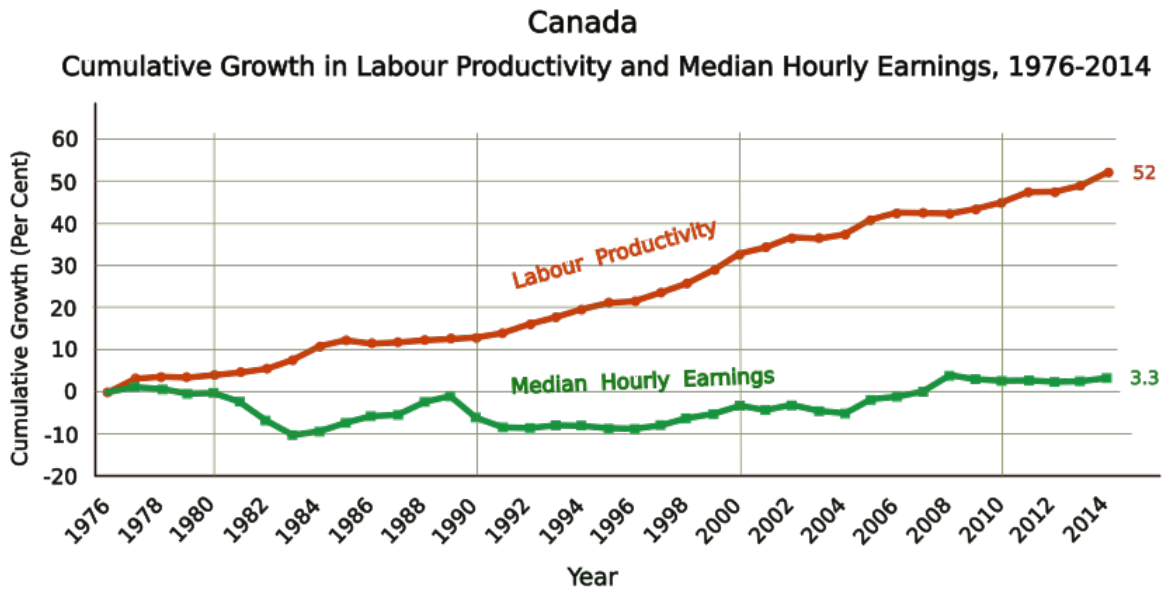
The economy can well afford a raise in the minimum wage. The chart below shows New Brunswick's per-capita gross domestic product (GDP) and minimum wage over the last half century:



Sources: CANSIM 384-0015, 384-0038, 380-0501, 326, 0021;  
Statcan Minimum Wage Database;  
NB Post-Secondary Education, Training and Labour, "New Brunswick Minimum Wage Factsheet 2017".

The amount of wealth produced per person per year has vastly outgrown what we pay to our low-wage workers. This is a symptom of two things: 1) increasing income inequality; 2) the decreasing share of produced wealth that is returned to labour as wages.

Nationally, the picture is the same. The chart below is from U of T economist James Uguccioni. Canadian labour productivity – the amount of goods and services produced in the average hour of work – increased 52.5% between 1976 and 2014. But the median wage only rose 3.3%. (Both figures are inflation-adjusted.) Almost all of the gains resulting from technology and improved production methods introduced in this period went to the wealthy. Production-line labour basically receives the same amount of stuff it did in the mid-1970s, despite the fact that it is producing much more.



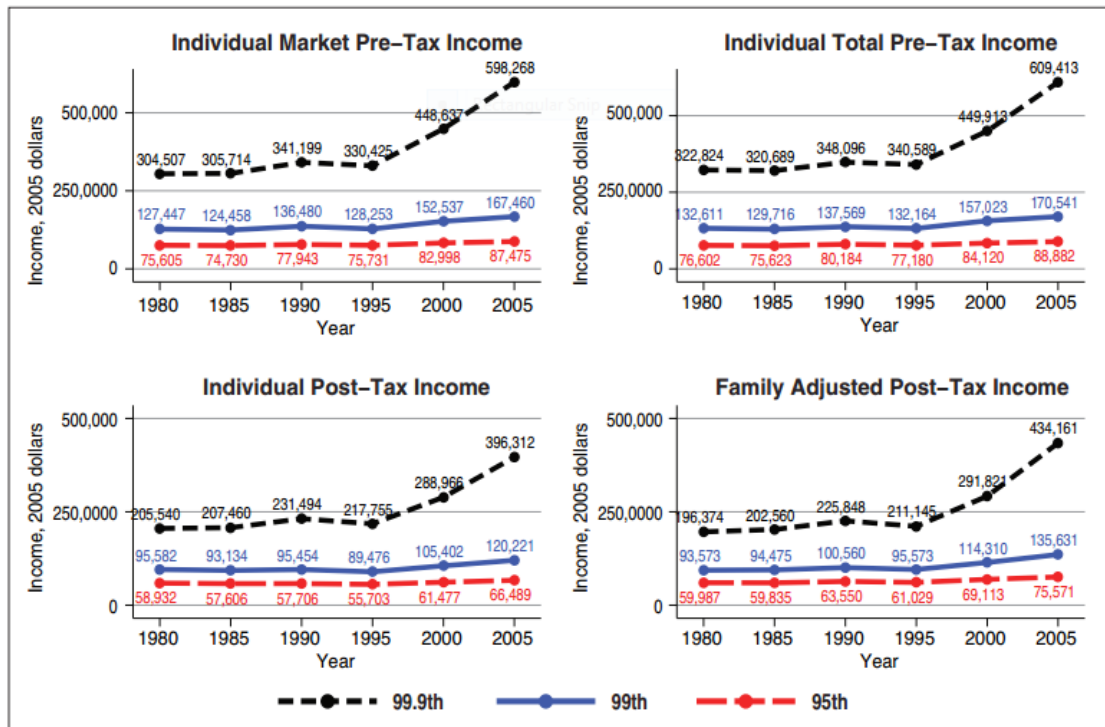
Source: James Uguccioni. 2006. "Explaining the Gap between Productivity and Median Wage Growth in Canada, 1976-2014", Chart 1.

The gains are especially concentrated at the very top of the income distribution. Not so much the famous "One Percent", but the top 0.1 percent. Economist Kevin Milligan of UBC has figures for the period 1980-2005:

## Incomes of the Wealthiest Canadians 1980-2005

(From Kevin Milligan, *Income Inequality and Income Taxation in Canada: Trends in the Census 1980-2005*. University of Calgary, School of Public Policy Research Papers. Vol. 6, Issue 24, August 2013. P. 19. )

**FIGURE 7: PERCENTILE INCOME CUT-OFFS NEAR THE TOP**



Incomes of top percentiles of the Canadian income distribution. The graphs show the income at the *lower* bound of each percentile. Note the very large increases in income of the top 0.1 percent of Canadians over this 25 year period.

The political-economic causes of all this, labour's losses to capital in the last few decades, etc., are discussed in Jordan Brennan, "A shrinking universe: How concentrated corporate power is shaping income inequality in Canada" (CCPA: 2012). [Download](#)

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