



No. 37

# **Which Best Helps the Poor:** Minimum Wages, Tax Credits or Tax Exemptions?



by David Pankratz

January 2008

## About the Author

David S. Pankratz  
**Director, Institute for Community  
Peacebuilding**

David was born and raised on a farm near Brandon, Manitoba. He is currently completing his MBA from Laurentian University, having completed a BA in Religious Studies from University of Winnipeg in 1980, as well as having completed programs of study at Winkler Bible Institute and Providence College. He also completed the CGA accounting professional designation in 1990.

Prior to coming to CMU, David was self-employed, taking on a variety of contracts, including delivering humanitarian aid in Iraq after the invasion of 2003. David is trained as an accountant and worked in that capacity both for Providence College and Mennonite Central Committee, with whom he has traveled to more than 30 countries on four continents, including three years in Zambia. Since 1996 he has been actively expanding his skill-set to include work more directly related to relieving human suffering and promoting a more peaceful world.

In his spare time, David likes to read, renovate his century-old home, and cook, as well as remain actively involved in a number of volunteer roles promoting peace and understanding.

## POLICY SERIES NO. 37

### Which Best Helps the Poor: Minimum Wages, Tax Credits or Tax Exemptions?



The Frontier Centre for Public Policy is an independent, non-profit organization that under-takes research and education in support of economic growth and social outcomes that will enhance the quality of life in our communities. Through a variety of publications and public forums, the Centre explores policy innovations required to make the eastern prairies region a winner in the open economy. It also provides new insights into solving important issues facing our cities, towns and provinces. These include improving the performance of public expenditures in important areas like local government, education, health and social policy.

The author of this study has worked independently and the opinions expressed are therefore his own, and do not necessarily reflect the opinions of the board of the Frontier Centre for Public Policy.

Copyright©2007 by the Frontier Centre for Public Policy  
MB: Suite 25 Lombard Concourse, One Lombard Place  
Winnipeg, Manitoba CANADA R3B 0X3  
Tel: 204 957-1567 Fax: 204 957-1570

SK: 2353 McIntyre Street  
Regina, Saskatchewan CANADA S4P 2S3  
Tel: 306 352-2915 Fax: 306 352-2938

[www.fcpp.org](http://www.fcpp.org)

Date of Issue: January 2008  
ISSN 1491-78

# Which Best Helps the Poor: Minimum Wages, Tax Credits or Tax Exemptions?



## Executive Summary

- Implementing the common social goal of better living standards for the disadvantaged requires that we expand incomes for the working poor.
- Three available methods for doing that are legislating higher minimum wages, expanding tax credits and increasing basic personal exemptions to remove people at the bottom from the tax rolls.
- Higher minimum wages create distortions in the labour market that have their own harmful effects. The worst of these is forbidding the least skilled from sharing in the dignity of work.
- A typical example of a tax credit is the proposed federal Working Income Tax Benefit. But restrictions in eligibility for the credit limit its impact, and it returns few dollars even to those who do qualify.
- Raising provincial income-tax exemptions to the level used in Alberta, however, does more than the other two alternatives discussed to help the working poor. In Manitoba and Saskatchewan, its benefits represent an equivalent minimum wage of \$9.20 an hour.
- All low-income levels in Manitoba and Saskatchewan would benefit from this change in taxation.
- Alberta's booming economy and its existing high exemptions obviate the value of such a reform in that province. But if federal exemptions were raised to the same level, that would increase the incomes of the working poor by 15%.
- Governments should stop meddling in labour markets with increased minimum wages and increasing the complexity of the tax code with tax credits of limited value.
- Removing more people at the bottom of the income ladder entirely from the tax code is a superior means of fighting poverty.

## Introduction

As societies prosper, they properly pay increasing attention to the problems of people at the bottom, those who fail to share in the generally increasing pool of wealth. But for a small salient of thinkers who mistakenly believe that the affluent and powerful enrich only themselves, everybody recognizes the universality of these benevolent motives and shares the general desire to improve standards of living for those who seem to have “missed the boat.”

Providing the means for people on low incomes not only to provide for themselves, but also with the opportunity to earn higher incomes in the future, is important work. Whether the motivation is caring for them as individuals and families, or a concern for child poverty, or the increased possibilities of movement towards unlawful means of income acquisition – or even simply the desire to improve the labour pool – we all agree that “the poor” need an improvement in their current circumstances.

That, however, is only where the debate begins. What’s the best way to translate those intentions into practice?

The data presented below compares two widely discussed methods of improving the lot of those with low incomes. One entails intervention in labour markets through legislating a floor on wages, a strategy familiarly called the “minimum wage” or, as devotees of that tool more often argue in recent years, a “living wage.”(1) An increased minimum wage ensures that, when people do work, they can earn enough money with the time they invest to provide themselves with an adequate or a better life.

Another method is to increase the incomes of the poor by using the tax system to limit the amount of money that governments are able to take from them. Income-tax filers see that expressed most clearly in the form of “basic personal exemptions” from taxable incomes, and also in a complex series of “tax credits” for those on low incomes.(2) Both allow them to keep more of the wages they earn and let the market set wages as it decides prices in most other sectors.

Which strategy works better? While theoretical discussions are useful, they cannot provide a clear answer to that question. The empirical approach, however it may be constricted by the limits of specific data sets, holds more promise. You have to start somewhere. What is presented here looks at existing minimum wages in Western Canada, and benchmarks their utility against a range of increases in personal exemptions. The usefulness of a new tax credit proposed by the federal government is also assessed.

The standard for measuring the effectiveness of the options presented is quite pristine, and applicable to all such comparisons. At the end of the day, which approach puts more money in the pockets of the disadvantaged? Our comparison makes it abundantly clear that we can best express the sincerity of our intentions to help the poor by expanding the value of their basic exemption from income taxes.

That works better than increasing minimum wages, and marginally better than the new Working Income Tax Benefit – see discussion of the WITB below. In fact, the numbers show that increased exemptions work spectacularly better than minimum wages or tax credits in meeting the goal of improved incomes.

## Minimum Wages

Although a federal minimum wage level does exist, it varies from province to province, and the rates of minimum wages that effect most workers are primarily a provincial responsibility of provincial governments. The table in Appendix I presents the rates in force on March 2, 2007: (3)

Why not just legislate minimum wage levels that are high enough to raise people out of poverty? The main reason is that such price-fixing has other direct consequences, the outlines of which are described in detail in a Frontier Centre essay, “The Minimum Wage: Forbidding People To Work.” (4)

The most important problem created by higher minimum wage rates is that they are accompanied by an increase in unemployment among those with the fewest skills. (5) An exhaustive study of this effect in 17 industrialized countries shows that unemployment rates among people between 19 and 24 years of age rises by one to three points for every ten-percent increase in the minimum wage and that those who remain employed tend to displace older low-skilled workers. (6) Higher minimum wage levels also create disincentives for the young to remain in school, a choice which usually means more problems with employability and wage levels in the future. (7) The fact that these effects disproportionately impact visible minorities is also well-documented. (8)

Another prevalent minimum wage myth is the complaint that those at the bottom of the wage scale cannot earn a “living wage” without that sort of intervention. But almost all the people at that wage level do not support themselves solely with these meagre earnings. (9) They are overwhelmingly teenagers living at home or housewives augmenting family incomes with part-time work. Those minimum-wage workers who are heads of households also face considerable risk when lawmakers legislate higher wage floors. (10) They tend to be displaced into unregulated, cash markets where wages are driven even lower by the scarcity of such opportunities.

“Minimum wage laws, like the road to hell, are paved with good intentions,” states an analysis of relevant Canadian laws in a review of existing literature on the subject. (11) But, as all but the most diehard ideologues admit, they are a flawed and ineffective means of eliminating poverty.

## The new Working Income Tax Benefit

As this document was in preparation, the federal government released its new budget, which includes a “Working Income Tax Benefit” (WITB). One summary of the benefit describes it in this way:

*The budget proposes a new Working Income Tax Benefit for Canadians with low income. The maximum credit for individuals and families will be \$500 and \$1,000, respectively. An additional \$250 credit will be available for those eligible for the Disability Tax Credit. The credit will equal 20 per cent of each dollar earned in excess of \$3,000. The credit will be phased out and eliminated when income exceeds \$12,833 for individuals and \$21,167 for families. Generally, individuals will become eligible for the credit in the year they turn 19 years old. Full-time post secondary students are not eligible for the credit. (12)*

This credit, as with others already in existence, increases the amount of income which taxpayers can earn before they are obliged to pay taxes. Since this mechanism is on the table, we have included it in the development of the various scenarios described below.

Although the proposed new benefit will help certain part-time workers, it would have no impact on a full-time worker at minimum wage, and do little to increase the living standards of those who participate in the workforce only on a part-time basis. Although any improvement in the lot of the poor is obviously welcome, the WITB’s impact will be small at best. As with other existing tax credits, it is hedged with eligibility requirements that cancel out its usefulness for the full-time working poor.

## Increasing Tax Exemptions

What if we increased basic personal exemptions instead? In essence, as with tax credits, this tool simply increases the value of a worker’s take-home pay by exposing less of his or her income to taxation. That option is all the more attractive in comparison with the minimum-wage lever because it carries none of the attendant baggage of labour-market distortions and unintended consequences. And it does much more than tax credits to improve bottom lines for the working poor.

The scenario presented below shows that, if the basic federal and provincial exemptions for a full-time worker earning a \$8.00-an-hour minimum wage in Manitoba – for a gross annual pay of \$16,000 – were increased by \$6,000, his or her net income would translate into the equivalent of \$9.18 an hour. That’s an extraordinary improvement in value, more than 31%. Under the same scenario, minimum-wage workers in Saskatchewan would experience the same benefits.

The situation in Alberta is different. That province has a lower minimum wage than Manitoba or Saskatchewan, but its economy makes no use of this wage level. A shortage of workers for these positions and much higher costs of living drive the

lowest wages up to double minimum wage or more. Further, its basic provincial exemption from taxable income is already much higher. This comparison is therefore moot for the Alberta market.

But if the federal tax threshold in Alberta were raised to the same level as the provincial threshold, which would put an additional 15% of income into workers' pockets. At the \$16,000 income level cited above, this translates into an additional \$915 annually, or \$76 per month.

## Assumptions

People earning low incomes face a number of deductions to their income, and are eligible for a number of income supplements. Their life situations also play a role – whether they are also in school, living with a partner for tax purposes, how much that partner earns, whether they have children, and the amount of rent they pay. In addition, deductions unrelated to the government, such as union dues or any other employer charges against income, play a part.

For purposes of simplicity, we have therefore calculated all the scenarios presented below with the same assumptions. The data presented here relate to a single person not in school who is paying \$300 per month in rent, not earning any income other than employment income, and not participating in any programs designed to impact their taxable income or tax payable. Thus the only deductions in addition to taxes shown on their pay cheques are premiums for the Canada Pension Plan and Employment Insurance.

The effective tax rate used is not the official rate used in the *Income Tax Act*, which is based on taxable income, not gross income. Rather it is based on that percentage of their gross income that they must pay in tax, a slightly different figure. The scenarios proposed, then, are simply the impact of increasing the amount of income which the taxpayer can earn before they are obliged to pay tax, at various wage levels.

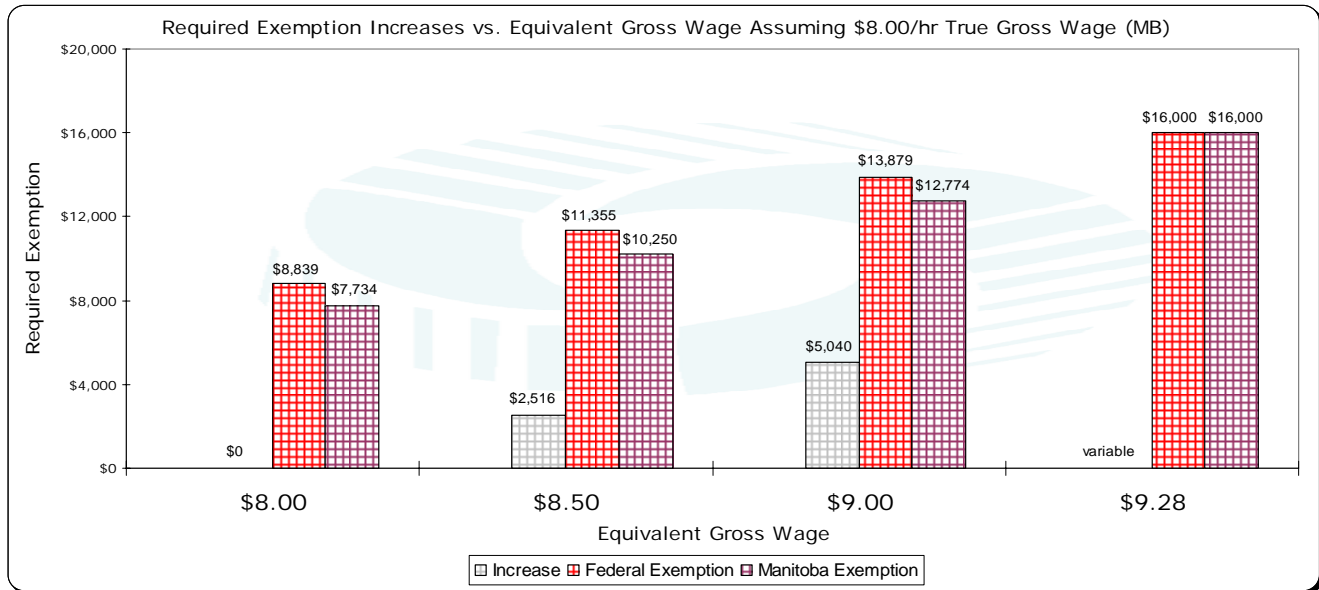
The recently implemented "Working Income Tax Benefit" is also included. As stated above, we also make some assumptions regarding the exact implementation of this provision.

The scenarios developed here are designed to provide general guidance as to the relative merits of an income retention plan versus an increased minimum wage rate, with the WITB added to compare its impact. The work is done for two provinces – Manitoba and Saskatchewan. The three Prairie provinces have differing minimum wage rates (see Appendix I), as well as provincial taxation rates (see Appendix II). Appendix III delineates gross income levels, expressed both annually and weekly, for various wage rates.

The minimum wage rates used as a base for calculations are those currently in place – some of which only became effective in 2007. The tax rates are those for 2007. Using the 2008 tax rates would marginally change some of the thresholds. It would not, however, affect any of the conclusions reached.

### A Graphical Expression of the Difference in Impacts, by Province

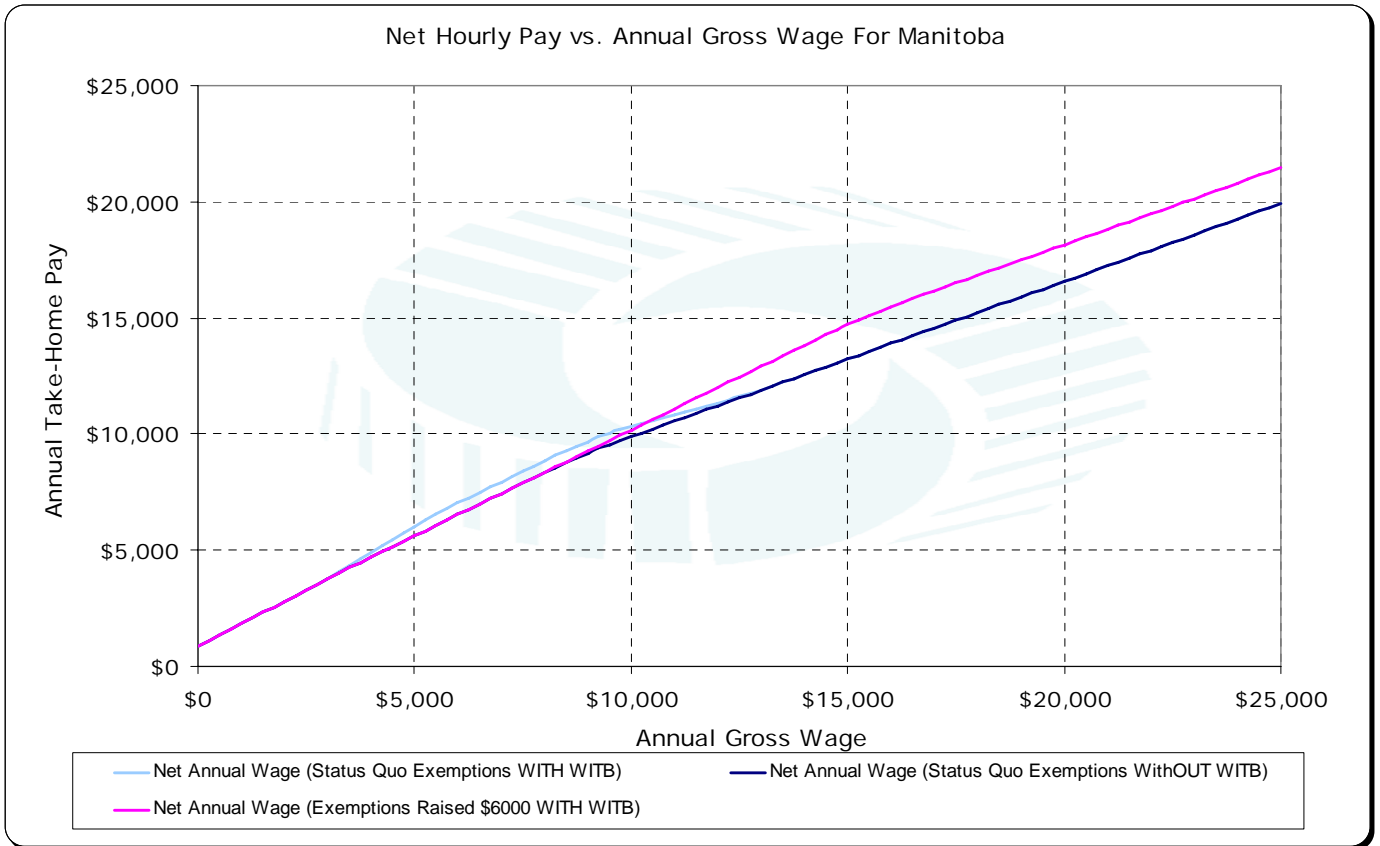
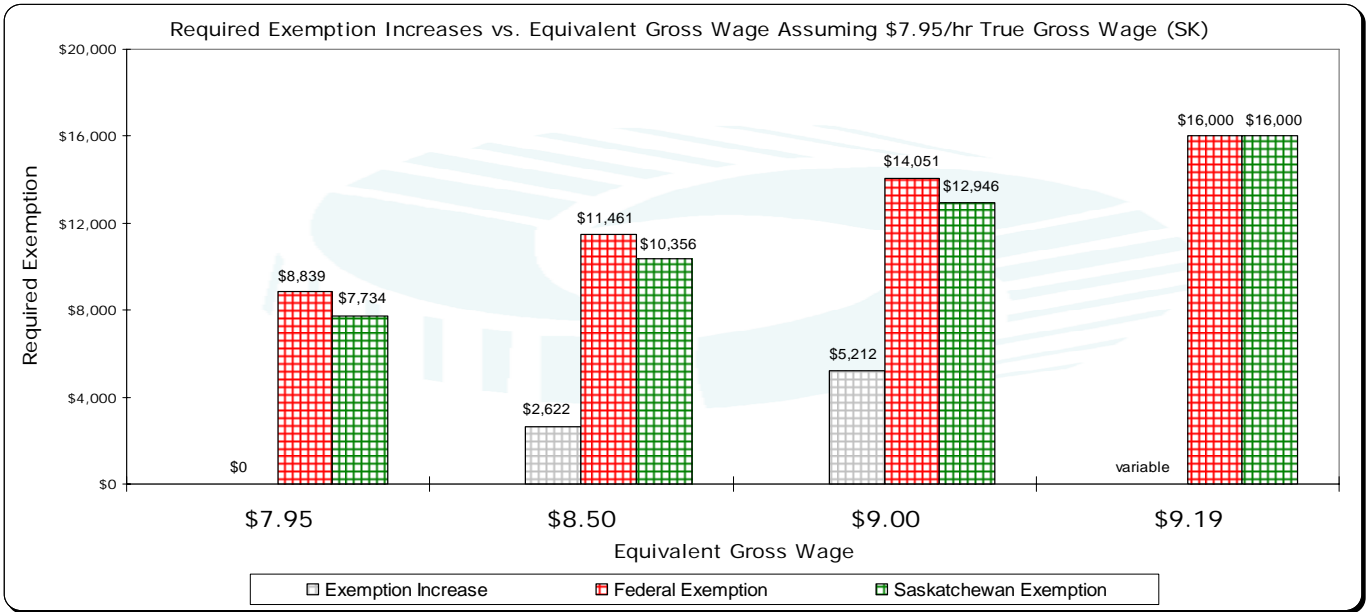
The graphs below provide a comparison of the impacts on annual usable income from the three methods, that is, increasing the minimum wage, increasing the basic exemption by \$6,000, and implementing the WITB for Manitoba and Saskatchewan.



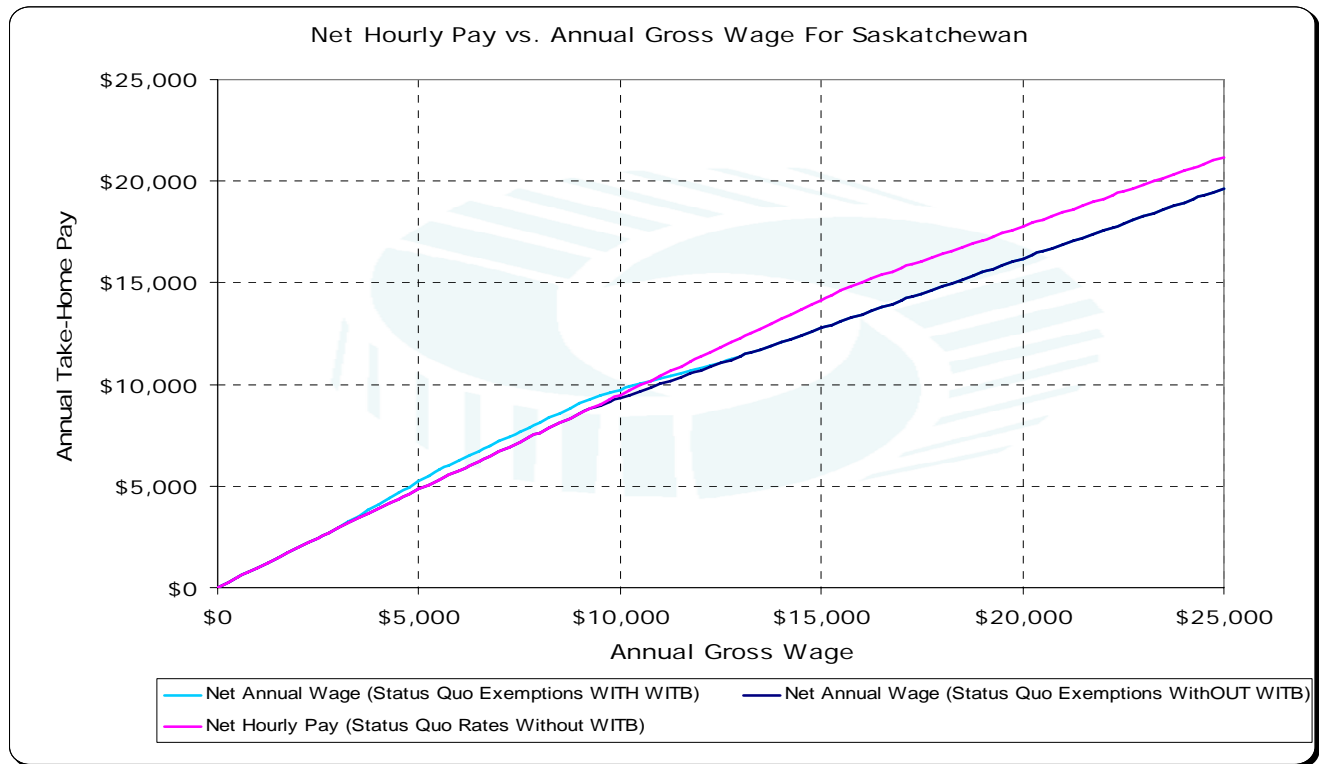
For each province, these charts show the effects of raising the threshold to different levels. Assuming a worker working 2000 hours at the minimum wage, the groups of bars are named after the equivalent gross wage that would be earned given the exemption level increases shown by the grey bars, resulting in the new tax free thresholds for Provincial and Federal Taxation shown by the coloured bars. For example, in Saskatchewan, raising both thresholds by \$2,622 would mean that a worker working 2000 hours at \$7.95/hr would move from a take-home pay of \$6.70/hour to \$7.08/hour. This is the equivalent of moving from a gross rate of \$7.95 to \$8.50 with the thresholds staying the same.

The groups of bars to the right show the effect of moving both thresholds to \$16,000. In this case the worker’s entire income is tax exempt and stands to make no further gains from increasing the tax-exemption threshold. Under this scenario a Manitoban worker on \$8.00/hr would earn the gross pay that is equivalent of \$9.28/hr under current exemption thresholds, and a Saskatchewan worker would earn the equivalent of \$9.19.





These charts illustrate the comparative effects of increases in the tax exemption thresholds by \$6,000, and the Working Income Tax Benefit. As can be seen, the Working Income Tax Benefit gives up to \$500 extra income for earners in the income band \$3000-\$12,833. Tax exemption increase gives up to (approximately) \$1,500 to all earners above the current thresholds.



These charts are not exhaustively precise reflections of an average worker's income, nor could they be. Because there are numerous possible combinations of family structures giving an array of possible child allowances, various accommodation situations that bring shelter allowances into play, and benefits for workers with disabilities, no presentation can express all of the possibilities with any level of simplicity. In this case there are a number of programs excluded from this analysis, including the Child Care Subsidies (SK), Transitional Employment Allowance (SK), Shelter Allowance (SK), and Saskatchewan Employment Supplement (SK). Further details of the parameters used for these calculations can be found in Appendix IV.

Despite these omissions, the charts compare the effects of the Federal Working Income Tax Benefit with various changes in tax exemptions. Other programs could be overlaid on top of these figures, however they would only obscure the marginal effects of the changes in question

**Observations**

1. A single person with no other tax credits working for minimum wage in Manitoba currently would have to work 1,200 hours in a year before they would begin to pay taxes. This equates roughly to 3 days a week. Therefore any change in tax legislation will have no impact on a minimum wage worker in this situation or working fewer hours.
2. A person working full-time at minimum wage would earn \$16,000 in a year. The total deduction for CPP and UIC would be \$918 and taxes would be \$1,715 (in

Manitoba), leaving a usable wage of \$13,367 (plus supplements of \$565 give a net annual take-home wage of 13,192.

3. The \$500 'Working Income Tax Benefit' (WITB) has no impact on a full-time worker at minimum wage because the benefit is scheduled to start decreasing at an income level of \$10,333 and scaled out completely at an income of \$12,833.

4. Further, at an income of \$10,200 – or working just over three days a week at \$8.00 an hour – the maximum annual benefit of the WITB would be approximately \$76. This translates into a wage increase of 17 cents an hour, or 2%.

5. Increasing by \$6,000 the (federal and provincial) income at which tax would start to be paid – the equivalent of the Alberta provincial tax schedule – would have a significant benefit to the full-time minimum-wage earner. The benefit would be an increase in usable income of \$1,569, or the equivalent of increasing the minimum wage to \$9.18 per hour.

6. All low-income levels would benefit from this change in taxation. Most notably, instead of individuals starting to pay tax at \$9,600 of income, they would start to pay tax at \$15,600 in income (full-time at \$8.00 an hour), freeing them to use their money for the daily needs and to improve the position of their economic lives.

7. Saskatchewan, with a minimum wage at \$7.95 (5 cents lower than that in Manitoba) and a tax rate of 11% (.1% higher than Manitoba) would experience similar benefits to Manitoba under the same scenarios.

8. For the reasons discussed above, the scenario has little applicability for Alberta. But raising the federal tax threshold to the same level as the provincial threshold would put an additional 15% of income into the pockets of the workers; at \$16,000 in annual income, this translates into an additional \$915 annually, or \$76 per month.

## Fiscal Impacts

A number of observations can be made about the fiscal impacts of this scenario. Some may see these as fatal to the thesis of this paper. However difficult it may be to reconcile the required tradeoffs of reduced taxation revenue against the enhanced incomes for low income earners, this paper has demonstrated that these enhanced incomes are real and are comparable to significant minimum wage increases without all of the attendant problems discussed above. Specifically regarding fiscal impacts:

- The impacts are significant; raising the exemption for all workers would give an overall fiscal change that is comparable to the tax cut package recently announced by the federal government.
- There may be a case for targeting these higher exemptions so that they only apply to lower income workers. Purely as an example, the raised exemption threshold could be progressively reduced for workers earning over \$25,000

declining steadily so that workers earning over \$35,000 would pay tax based on the existing exemption thresholds.

- The targeted threshold model is the same in concept as the Working Income Tax Benefit, with the only significant differences being administrative and applying to students as well as non-students. This is an important consideration, since penalizing people for going to school seems remarkably foolish in a society requiring skilled workers. An un-targeted exemption raise would be administratively simpler than either.
- Even without this targeting, it is important to recognize that the raising of exemption thresholds increases the overall progressivity of the taxation system. Raising the thresholds by \$6,000 would eliminate 100% of tax paid by a worker earning \$13,000 per year, but have a much less noticeable effect on a worker earning \$100,000 per year.

## Conclusion

If we want to put real teeth into the gears designed to steer more money towards citizens in need, the comparison above provides graphic evidence of the superiority of expanded basic tax exemptions.

Economists from the right and the left have long acknowledged that the simple removal of the working poor from the income-tax rolls is an uncomplicated method of fighting poverty. In a discussion paper released by the federal Department of Human Resources on 1994, *Improving Social Security in Canada*, the idea of a Guaranteed Annual Income (GAI) was analyzed. "For some," the paper said, "the purpose of a GAI is to increase the incentive to work while reducing the cost and complexity of the current system. For others, the goal is to establish a non-stigmatizing entitlement to an adequate floor level of income, regardless of work effort, for all members of society." (13)

It is also interesting to note, for the purpose of accentuating the main point of this policy study, that the GAI concept was first proposed in 1946 by University of Chicago economist George Stigler as a preferred alternative to the minimum wage. (14) The idea was developed by his colleague, Milton Friedman, into a full-scale alternative to traditional welfare programs, (15) and Friedman elegantly synthesized it as the Negative Income Tax, where, below a certain point of income, you would receive payments from the income-tax system rather than make them.

Even if social policy innovation never goes that far, it certainly makes no sense to tax away part of the incomes of people who earn very little. Taking a large segment of society out of poverty by exempting all low incomes from tax liability pays better dividends than legislated floors on wages or complicated tax credits with limited coverage. In fact, a strong case could be made for going even further than this discussion, and exempting all income below the poverty level.

## Appendix I

### Current minimum wage levels across Canada

Jurisdiction	Hourly Rate	Effective Date
Nunavut	\$8.50	March 3, 2003
Northwest Territories	\$8.25	December 28, 2003
Yukon	\$8.37	April 1, 2007
British Columbia	\$8.00	November 1, 2001
Ontario	\$8.00	February 1, 2007
Manitoba	\$8.00	April 1, 2007 To \$8.50 April 08
Saskatchewan	\$8.25	Jan 1, 2008 To \$8.60 May 08
Québec	\$8.00	May 1, 2007
Nova Scotia	\$7.60	May 1, 2007
Prince Edward Island	\$7.50	April 1, 2007
Alberta	\$8.00	September 1, 2007
New Brunswick	\$7.25	July 1, 2007
Newfoundland	\$7.50	October 1, 2007
AVERAGE	\$7.90	

NOTE: many jurisdictions have a variety of rates depending on experience, industry sector and other factors. The rates quoted are general rates for experienced workers.

## Appendix II

### Relevant wage and tax information for three provinces

	Federal	Manitoba	Saskatchewan	Alberta
Minimum Wage	Varies	\$ 8.00	\$ 7.95	\$ 7.00
Lowest Tax rate	15.25 %	10.90%	11.00%	10.00%
Basic Personal Exemption	\$ 8,839	\$ 7,734	\$ 8,589	\$ 14,799

Note: Many of these figures changed in 2007, however none by more than 2%. Thus the conclusions reached using these figures apply to 2007 figures as well.

### Appendix III

#### Gross pay at various wage and employment levels

##### 1. Gross Annual Pay

Hours _____	One day a Week (400)	Half-time (1,000)	Four days a Week (1,600)	Full-time (2,000)
Hourly Wage				
\$7.00	\$2,800	\$7,000	\$11,200	\$14,000
\$7.50	\$3,000	\$7,500	\$12,000	\$15,000
\$8.00	\$3,200	\$8,000	\$12,800	\$16,000
\$8.50	\$3,400	\$8,500	\$13,600	\$17,000
\$9.00	\$3,600	\$9,000	\$14,400	\$18,000
\$9.50	\$3,800	\$9,500	\$15,200	\$19,000
\$10.00	\$4,000	\$10,000	\$16,000	\$20,000
\$10.50	\$4,200	\$10,500	\$16,800	\$21,000
\$11.00	\$4,400	\$11,000	\$17,600	\$22,000
\$11.50	\$4,600	\$11,500	\$18,400	\$23,000
\$12.00	\$4,800	\$12,000	\$19,200	\$24,000

**Gross Weekly Pay**

<b>Hours</b> <hr/> <b>Hourly Wage</b>	<b>One day a Week (400)</b>	<b>Half-time (1,000)</b>	<b>Four days a Week (1,600)</b>	<b>Full-time (2,000)</b>
\$7.00	\$56	\$140	\$224	\$280
\$7.50	\$60	\$150	\$240	\$300
\$8.00	\$64	\$160	\$256	\$320
\$8.50	\$68	\$170	\$272	\$340
\$9.00	\$72	\$180	\$288	\$360
\$9.50	\$76	\$190	\$304	\$380
\$10.00	\$80	\$200	\$320	\$400
\$10.50	\$84	\$210	\$336	\$420
\$11.00	\$88	\$220	\$352	\$440
\$11.50	\$92	\$230	\$368	\$460
\$12.00	\$96	\$240	\$384	\$480

## Appendix IV

Summary of Values Used for Calculations:

PRIMARY INPUTS	MB	SK	FEDERAL
Annual Hours	2,000	2000	
Hourly Rate	\$8.00	7.95	
Provincial Tax Rate	10.90%	11000	
Provincial Tax Exemption Threshold	\$7,734	8859	
Federal Tax Rate			15.25%
Federal Tax Exemption Threshold			\$8,839
Provincial Tax Exemption Threshold Increase			Variable
Federal Tax Exemption Threshold Increase			Variable
Canada Employment Amount			\$250
Employment Insurance Rate			1.87%
Employment Insurance Upper Income Threshold			\$41,100
Canada Pension Plan Rate			4.95%
Canada Pension Plan Threshold			\$3,500
Canada Pension Plan Upper Threshold			\$44,900
Provincial Family Tax Refund Base	\$225		
Provincial Family Tax Refund Reduction Rate	1.00%		
Provincial Tax Refund Base	\$660		
Provincial Tax Refund Reduction Rate	1.00%		
WITB Lower Threshold			\$3,000
WITB Ceiling			\$500
WITB Phase-In Rate			20.00%
WITB Phase Out Rate			15.00%
WITB Upper Threshold			\$9,500

### ENDNOTES

- (1) Voluminous discussions of that position can be accessed at <http://www.canadiansocialresearch.net/minwage.htm>
- (2) For those with a taste for bizarre complexity, exemptions and tax credits are discussed on Canada Revenue's home page, at <http://www.cra-arc.gc.ca/menu-e.html>. Any qualified accountant might provide a clearer summary.
- (3) The source is <http://www.labour.gov.sk.ca/standards/minwage.htm>. These are the general minimum wage rates in each jurisdiction – some have different rates based on regional and occupational considerations and some have lower rates for students, inexperienced workers, and/or employees receiving gratuities.



- (4) [http://www.fcpp.org/main/publication\\_detail.php?PubID=933](http://www.fcpp.org/main/publication_detail.php?PubID=933)
- (5) See Thomas Sowell, "Minimum Wage Escalation," available at <http://www.amatecon.com/etext/mwe/mwe.html>
- (6) David Neumark and William Wascher "Minimum Wages, Labor Market Institutions, and Youth Employment: A Cross-National Analysis," *Industrial & Labor Relations Review*, Volume 57 (2004), Issue 2.
- (7) David Neumark and William Wascher, "Minimum Wage Effects on Employment and School Enrollment," Social Science Research Network, March, 1994, available at <http://ssrn.com/abstract=254552>
- (8) Walter Williams, "Why Racists and Unions Support Minimum Wages," *Capitalism Magazine*, November 12, 2003.
- (9) Mark D. Turner, "The Low-Wage Labor Market," available at <http://aspe.hhs.gov/hsp/lwlm99/turner.htm>
- (10) Alan Reynolds, "Below the Minimum Wage," Cato Institute, January 19, 2006, available at [http://www.cato.org/pub\\_display.php?pub\\_id=5409](http://www.cato.org/pub_display.php?pub_id=5409)
- (11) Keith Godin, Jason Clemens and Niels Veldhuis, "Misconceptions About Minimum Wages," *Fraser Forum*, the Fraser Institute, June, 2004.
- (12) Lazer Grant & Company, Bulletin, 2007 Federal Budget, Personal Taxation
- (13) See <http://www.canadiansocialresearch.net/ssrgai.htm#What%20is>
- (14) George Stigler, "The Economics of Minimum Wage Legislation," *American Economic Review*, 1946
- (15) Milton Friedman, *Capitalism and Freedom*, University of Chicago Press, 1962