

Election Proposal Costing

Raising the Federal Minimum Wage

April 9, 2025

Raising the federal minimum wage for all federally regulated employees to \$21 per hour from \$17.75 per hour on July 1, 2025, indexed annually to inflation thereafter.

Cost of Proposed Measure

Fiscal year	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	Total
Total cost \$ millions	8	11	12	12	13	56

Notes

- Estimates are presented on an accrual basis as would appear in the budget and public accounts.
- A positive number implies a deterioration in the budgetary balance (lower revenues or higher spending). A negative number implies an improvement in the budgetary balance (higher revenues or lower spending).
- Totals may not add due to rounding.

Estimation and Projection Method

The population (headcount) of students working in the Public Service was taken from PBO Information Request IR0671, which provided data up to 2021-22. Data for 2022-23 and 2023-24 were taken from publicly available data from the Treasury Board of Canada Secretariat (TBS). This amount was projected forward based on the growth in full-time equivalents (FTEs) in the EPC Baseline.

The total population was then distributed by level and year of study based on data from Statistics Canada, and the amount to increase the wages paid to all students to the \$21 per hour minimum wage was calculated. It was assumed that the average student worked the equivalent of one-third of an FTE per year. The EPC Baseline inflation projection was used for indexation in future years.

Sources of Uncertainty

The main sources of uncertainty relate to the projection of students working in the public service and the number of weeks and hours that they work.

Data Sources

Population (Headcount) of Students in Core Public Administrations and Separate Agencies

TBS response to PBO IR0671

Growth of total FTEs

PBO EPC 2025 Baseline

Educational attainment level (Share of post-secondary students)

Statistics Canada Table: 37-10-0130-01

Federal Minimum Wage Schedule, Hours worked per year

Government of Canada, Collective Agreements signed with the Public Service.

Consumer Price Index

PBO EPC 2025 Baseline

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