



## Public policy must address living-wage shortfall

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For families with young children, the costs of basic necessities like food, rent and child care quickly add up. Even with full-time work year-round, both parents in a family of four must earn at least \$18.73 per hour to escape severe financial stress in Greater Victoria.

This year's calculation of the living wage for Greater Victoria shows an ever-increasing affordability crunch. The living wage is now \$18.73 an hour for two parents, each working 35 hours a week with two young children, up from \$18.07 an hour in 2012. A living wage is the wage a family would need to earn to cover their essential living costs and stay out of poverty. The living-wage rate increased at a rate triple the inflation rate for Greater Victoria in 2012.

The living wage has been calculated in Greater Victoria by the Community Social Planning Council, a non-profit organization concerned with responding to social issues. The Community Council has been doing this work since 2006, and now steers the Community Action Plan on Poverty in the region that unites business, government, social and faith-based organizations in preventing and reducing poverty.

However, the living wage goes beyond issues of poverty, important as they are. It speaks to the underlying affordability challenges that the majority of residents in our region face.

With housing, transportation, food and child-care costs increasing, income has not been keeping up. In fact, average real income in the region declined by nine per cent the last five years and affected people from all walks of life and all parts of the region.

The most dramatic increase in household costs for the living-wage family in the last year was for shelter costs. The monthly amount increased by \$75 per month, an increase of six per cent. Monthly transportation also saw an increase of \$21.61 per month, due in large part to rising costs associated with owning and operating a motor vehicle.

Rising food costs also contributed to the rise in the living wage. The price of food for the living-wage family increased by \$16.13 a month in 2012.

Other communities in B.C. are facing similar challenges. The living wage for Metro Vancouver is now \$19.62 an hour.

These trends of decreasing affordability are affecting not just individuals and households, but our whole economy. Debt levels are increasing as people use credit to make ends meet, and real purchasing power is decreasing, affecting our local businesses, of which more than 90 per cent are locally owned small enterprises that generate community benefit by creating local jobs and producing local goods and services that meet community needs.

So what needs to be done?

Public policy plays a key role in enhancing affordability. The highest-cost items in the living-wage calculation, such as shelter and child-care fees, should be tackled first.

For example, the \$10-a-day child-care community plan proposed by the Child Care Advocates of B.C. and the Early Childhood Educators of B.C., would considerably reduce family expenses, which in turn would reduce the living wage rate needed by about \$3 an hour.

Employers have a role to play, too. The Community Council is offering a new resource to employers to help address this. An employer-certification program will recognize those who take action, and will help them identify measures to help their employees, such as providing bus passes for staff, paying MSP premiums or allowing for scheduling flexibility.

The Community Council is walking the talk on this issue, moving to become a certified living-wage employer itself despite its non-profit and charitable status. We hope other employers will join to make a commitment to the quality of life of their staff and their community.

More information on the living-wage calculation and employer-certification program can be found at [lwemployers.ca](http://lwemployers.ca).

Rupert Downing is executive director of the Community Social Planning Council of Greater Victoria. Michael McCarthy Flynn is the campaign organizer with Metro Vancouver Living Wage for Families campaign.

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