
\$20.50

Wage per hour



The cost of living continues to increase in our region, and the Living Wage climbed to \$20.50 as a result.

The Living Wage is the hourly wage that two working parents with two young children must earn to meet their basic expenses (including rent, child care, food, and transportation), once government taxes, credits, deductions and subsidies have been taken into account. The Living Wage for our region is calculated annually by the Community Social Planning Council of Greater Victoria (CSPC).

The Living Wage for 2018 of \$20.50/hour is a \$0.49 increase from the 2017 Living Wage for Greater Victoria. The cost of living has been soaring in recent years, with shelter and child care costs being the two largest household expenses for families in our region.

While some greatly-needed policy changes have been introduced this year, such as reductions in Medical Services Plan premiums and child care, the rising cost of living continues to challenge families to make ends meet. Approximately 27 per cent of Greater Victoria's two-parent families with two children had incomes less than the living wage according to the most-recent Statistics Canada data available.¹

What is the Living Wage?

The Living Wage reflects the real costs of living through the hourly wage required to enjoy an adequate quality of life in our region. The Community Social Planning Council of Greater Victoria calculates and releases this number each year, based on the best data available about costs in our region.

The Living Wage is calculated based on a model family of four, with two full-time working parents and two young children, aged 7 and 4.

¹ First Call BC (2017). BC Child Poverty Report Card.

What does the living wage measure?

It is the hourly rate of pay that allows a family with two full-time wage earners each earning the living wage, and two children, to enjoy an adequate quality of life. While it is more than a survival wage or minimum wage, it is not an affluent wage, and it is lower than what is needed to obtain much of what is considered normal in our community.

With these earnings, a family ...

- ✓ Can adequately feed, clothe and shelter their household
- ✓ Can maintain the health of family members
- ✓ Can participate in activities that are an ordinary part of community life
- ✓ Can receive up to two weeks paid time off for illness annually
- ✓ Rents rather than owns their home
- ✓ Can own a car and uses public transit
- ✓ Can take two courses a year at Camosun College to increase earning potential and access low-cost public transit pass
- ✗ Cannot save for children’s education, to purchase a home, holidays or retirement
- ✗ Cannot service debts or credit card bills
- ✗ Cannot afford to care for an elderly relative or a disabled family member

Monthly Costs of Living for a family of four in BC’s Capital Region (April 2018)

Item	Monthly	% of total expenses
Shelter: 3-bedroom unit, utilities, contents insurance, 2 cell phones, internet	\$1,916.95	31.6%
Food	\$900.37	14.9%
Clothing	\$146.14	2.4%
Transportation	\$493.78	8.1%
Other Household Expenses*	\$789.07	13.0%
Child Care	\$1,267.50	20.9%
Medical Services Plan (MSP)	\$75.00	1.2%
Non MSP Health Expenses	\$148.00	2.4%
Emergencies (2 weeks' pay)	\$239.17	3.9%
Parent Education	\$86.92	1.4%
Total	\$ 6,062.89	100%

Living wage family:

- **Two full-time wage earners, at 35 hours per week**
- **Two children, aged seven (in grade two) and aged four (in preschool)**

* Other household expenses include personal care items, household supplies and furnishings, small appliances, recreation, laundry, banking, computer, and children’s toys.

Cost of Living Increases

Overall monthly household expenses went up by 4.7% (\$271.70/month) in the past year, from \$5,791.19 to \$6,062.89. This increase in living expenses is largely due to the increase in shelter costs and food costs, as well as the continued high costs of child care.

While some greatly-needed policy changes have been introduced this year, the rising cost of living continues to challenge families to make ends meet, and the Living Wage has increased despite the following:

- This year, effective January 1, 2018, MSP Premiums were reduced by 50% for all British Columbians.
- The Child Care Fee Reduction Initiative, announced in Provincial budget 2018 and came into effect April 1, 2018, allows child care providers funding that will offset fees for parents (if the provider opts into the program).

SHELTER COSTS | Shelter costs make up the largest portion (31.6%) of the Living Wage Family's total family expenses. Included in the calculation are: the median rent for a three-bedroom apartment (\$1,615 per month) in Greater Victoria, utilities for a typical couple family with two children, tenant's insurance, two mobile phones,² and home internet service.³

Over the last year, the median rent for a 3+ bedroom unit in Greater Victoria has gone up by \$65 per month, more than a 4 per cent increase. In some areas of the region, this increase is much more pronounced.

The Living Wage family is living in "core housing need,"⁴ paying a higher proportion of their income for rent and utilities than is considered to be affordable, like nearly half (47 per cent) of renter households in the Greater Victoria region.⁵

CHILD CARE COSTS | Despite some relief from the Child Care Fee Reduction initiative, child care costs continue to press heavily on families, accounting for over a fifth (20.9%) of the Living Wage family's expenses. In 2018, child care costs for the family amount to \$1,267.50 a month on average, or \$15,210.00 per year – and this includes the savings of \$900 this year as a result of the Child Care Fee Reduction program.

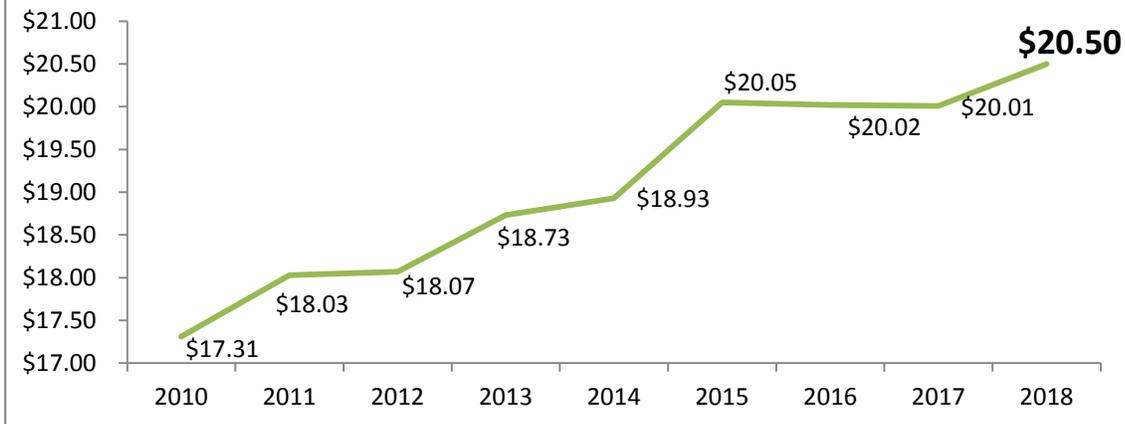
² According to the Canada Radio-Television and Telecommunications Commission (CRTC), the lowest income 40% of families are more likely to be cell-phone-only households rather than have a landline.

³ The CRTC has declared broadband internet service a basic telecommunications service.

⁴ According to the Canada Mortgage and Housing Corporation, affordable housing costs less than 30% of before-tax household income.

⁵ Capital Region Housing Data Book and Gap Analysis, 2015

Living Wage in Rates in Greater Victoria: General Increase Over Time



Understanding the Income

Income Earner	Hourly Wage	Annual Wage (Gross)	Monthly Wage (After Tax)
1 st Parent: 35 hours/week	\$20.50	\$37,310.00	\$2,794.95
2 nd Parent: 35 hours/week	\$20.50	\$37,310.00	\$2,555.87
TOTAL		\$74,620.00	\$5,350.83

The Living Wage is based upon the hours worked per week by both parents employed all year, each working 35 hours per week. If either parent is unable to work this number of hours per week, or does not have year-round employment, the wage amount will have to increase or the family will be unable to afford their monthly expenses.

Calculating the wage

This Living Wage calculation does include a sick time benefit but does **not** include other employment benefits such as pension plans, bonuses or transportation incentives.

Total Gross Income	\$74,620.00
minus EI, CPP, provincial and federal taxes	-\$10,410.07
equals Take Home Pay	=\$64,209.93
plus Canada Child Benefit and other tax rebates and benefits	+\$8,550.96
equals Total Disposable Income	=\$ 72,760.89
minus Family Expenses (\$6,062.89 x 12)	-\$72,754.71
Income less expenses equals	=\$6.18

Working Together, Let's Make Life More Affordable in Greater Victoria!

Greater Victoria is becoming a region that is simply unaffordable for families raising children. Our future is not sustainable, so we all need to work together to drive changes that will allow families to thrive, and employers to attract and retain high-quality workers.

Social Planning is the process of understanding community needs and using socioeconomic indicators to support policy decisions that drive community well-being and prosperity. Through tools like the Living Wage, the Community Social Planning Council seeks to engage partners from all sectors to take action to reduce costs of living, increase incomes, and reduce poverty. Here are some of the actions that community partners can take to address affordability:

Public Decision-Makers:

- Support the development of affordable housing options in neighbourhoods
- Begin to legalize secondary suites in all municipalities
- Improve accessibility and reduce costs of child care
- Explore solutions to reduce costs of transportation
- Support the implementation of Living Wage policies for your public-sector organization
- Create more opportunities for local suppliers through procurement practices.

Employers:

- Look at wage scales to see how long a person must be employed before earning a wage required for an adequate quality of life. Consider how you can work with employees to sustain higher wages through training, productivity improvements and reductions in turnover.
- Besides pay increases, look for other ways to improve the quality of life of your lowest wage earners such as flexible work hours, subsidized bus passes, on the job training.
- Learn more about your staff's housing and child care challenges and solutions.
- Demand the same integrity you aspire to from your suppliers and colleagues. Look beyond the lowest financial offer and consider how the firms you deal with treat their employees when awarding contracts.
- Consider ways you, your business partners, and your employees can work together to reduce costs of living related to child care, housing, food and transportation.

Consumers:

- Speak out to elected decision-makers and municipal officials in support of the development of affordable housing, transportation and child care options in your community.
- Consider your wage rates when hiring people for work around your home
- Shop with locally-owned businesses to promote a healthy local economy

INTERESTED IN BECOMING A BECOME A LIVING WAGE EMPLOYER?

The Community Social Planning Council leads the Living Wage Employers Campaign in the Capital Region, as part of a province wide project, to support and endorse employer commitments to contributing to a Living Wage and actions that reduce the costs of living for employees. The Employers Campaign is recognized as an important component to poverty reduction and prevention efforts at the community level.

About the Community Social Planning Council

The Community Social Planning Council is the leading independent, non-partisan, and knowledgeable voice on socio-economic issues in BC's Capital Region; it fosters social innovation and integrated action aimed at social, economic and environmental conditions to help create sustainable communities.

For more information on the Living Wage for the capital region contact:

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For more information:

- Visit the **Community Social Planning Council** website: www.communitycouncil.ca
- Visit the **Living Wage for Families** website: www.livingwageforfamilies.ca