



The Calculation of a Living Wage for the Capital Regional District of B.C.

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Quality of Life CHALLENGE
Community Social Planning Council of Greater Victoria

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Acronyms

ALL	Acceptable Living Level 2003: Report of the Winnipeg Harvest & the Social Planning Council of Winnipeg
CCTB	Canadian Child Tax Benefit
CCP	Canada Pension Plan
CMA	Capital Metropolitan Area
CMHC	Canada Mortgage and Housing Corporation
CRD	Capital Regional District
CSPC	Community Social Planning Council of Greater Victoria
EI	Employment Insurance
FB	BC Family Bonus
GST	Goods and Services Tax
HRDC	Human Resources Development Canada
HRSDC	Human Resources and Skills Development Canada
LICO	Low Income Cut-Off Lines
MBM	Market Basket Measure
MSP	Medical Services Plan
NCBS	National Child Benefit Supplement

Executive Summary

This report presents the results of research into the amount of a living wage for BC's Capital Region. The research was prompted by the Quality of Life CHALLENGE's ongoing work to improve the quality of life in our community, in part by increasing the number of people earning sustainable incomes. As part of the work around sustainable incomes, the CHALLENGE has engaged employers interested in reducing poverty through the workforce. These employers have developed a range of human resource options which both build businesses and better support employees. Along with these options, employers continued to ask: *what is a living wage?*

The objective of the study was to answer this question, and to further a dialogue in our community of how to ensure citizens earn an income that enables them to meet their household's needs. Local data indicates that the stock of rental apartments is shrinking, the cost of renting housing is increasing significantly, and consequently citizens are less able to afford to live in our community. In contrast to comparable cities such as Windsor and Halifax, BC's Capital Region is experiencing an outmigration of youth between 25 and 29 years of age. At the same time employers are facing challenges in their work places. In March 2006 unemployment was at an almost record low of 3.8%. Employers are having difficulty in finding and retaining employees.

The dialogue we are seeking to further addresses both the needs of employees and employers, and to promote action towards the sustainability of our community. A living wage benefits employees, employers and our community as a whole.

The living wages calculated by this study are:

1. for a two parent, two children, two income family,
 - \$14.88 per hour the parent employed 40 per week, and
 - \$14.88 per hour for the parent employed 20 hours per week.
2. for a single parent with one child, \$13.03 per hour based upon 35 hours per week of employment.
3. for a single person, \$11.06 per hour based upon 40 hours per week of employment.

The process of estimating these living wages required:

1. determining the level of material well being and security provided by the living wage,
2. choosing the size and composition of the families or households,
3. establishing categories of expenses, and amounts for each category,
4. choosing the number of wage earners and their hours of employment, and
5. factoring in government deductions and taxes on earnings, and government program payments to households.

This study defines a living wage as the hourly rate of pay that allows a family to enjoy a basic, modest quality of life. It is higher than a survival or minimum wage, and lower than an affluent wage. It is intended to provide for a basic level of security, but is also below an amount necessary to obtain much of what is considered normal in our community. Thus the income from the living wage allows the family to:

- a. obtain food, clothing and shelter,
- b. maintain the health of family members, and
- c. participate in activities that are an ordinary element of life in the community.

The family

- rents rather than owns their home,
- use public transportation rather than owning a car,
- can not save for retirement or their children's education,
- can not service loans or debts,
- can not afford to care for an elderly relative or a disabled family member, and
- has no savings for temporary unemployment due to injury or illness.

This report presents a living wage for the following three household compositions.

1. a two parent family with two children, with one parent working 40 hours per week and the other parent working 20 hours per week.
2. a single parent with one child, working 35 hours per week.
3. a single person working 40 hours per week.

We chose to use the two parent, two children, two income family as the reference family for this report because

- demographically, it is a common family situation.
- raising a family is an ordinary aspect of life in our community.
- while raising children is a personal choice, citizens should not be precluded from having children due to low earnings, and
- the wellbeing and sustainability of our community requires families with children.

This study chose to estimate expenses by means of a Market Basket Measure. This entails determining categories of household expenses and amounts for each expense. The list of expenses for this study is comprehensive and detailed, and includes 17 categories. The study involved secondary source research and some primary source research into amounts for the expenses. It focused on sources that provided information on local expenses. For example, local data for monthly apartment rents were obtained from Canada Mortgage and Housing and the CRD 2004 Survey of Household Spending was used as a reference for many household expenditures.

The following information demonstrates the calculation of a living wage for the two parent, two child, two income family.

Household Expenses

Table 1.1: Model 1: Family Expenses

Item	\$ Monthly	\$ Annually
Rent	\$950.00	\$11,400.00
Utilities	75.83	910.00
Food	654.46	7,853.52
Phone	52.30	627.60
Transportation	183.00	2196.00
Clothing	173.28	2079.31
Child Care	570.00	6,840.00
Health Care	245.16	2,941.92
Personal Care	72.5	870.00

Schooling	12.50	150.00
Recreation	229.01	2,748.12
Household Furniture	46.00	552.00
Household Supplies	40.42	485.00
Laundry	54.17	650.00
Banking	10.00	120.00
Emergencies, Contingencies	60.00	720.00
RRSP & RESP	0.00	0.00
Other	51.67	620.00
Total Family Expenses	\$3,480.29	\$41,763.47

Government Deductions, Taxes and Transfers

The calculation of the living wage then required determining the income required by the family to meet these expenses. This required factoring in both government deductions and taxes on wages and government transfers through programs. The deductions and taxes incorporated into the living wage are EI Premiums, CPP Premiums, federal income tax, and provincial income tax. Their effect is to increase the wage required by the family to meet their expenses. The government transfers incorporated into the living wage calculation are the Canadian Child Tax Benefit, the BC Family Bonus, the GST Rebate and the provincial child care subsidy. Their effect is to decrease the amount of the living wage.

For the two parent, two child, two income family, the effects of the government deductions, taxes and transfers is as follows.

Total Gross Annual Family Income	\$46,410.00
minus EI, CPP, provincial and federal taxes	- 7,133.65
equals Family Take Home Pay	= \$39,276.35
Plus Child Tax Benefit and GST Rebate	+ 2,493.40
equals Total Take Home Family Income	= \$41,769.75
minus Family Expenses	- \$41,763.47
Income less expenses equals	= \$6.28

The Living Wage

Based upon the preceding, the living wage for the two parent, two child, two income family is as presented below.

Income Earner	Living Wage Annually	Living Wage Monthly	Living Wage Hourly
1 st Parent: 40 hrs/wk	\$30,940.00	\$2,578.33	\$14.88
2 nd Parent: 20 hrs/wk	\$15,470.00	1,289.17	\$14.88

The dialogue now begins as to how we can reconcile what households need to earn to be able to stay in our community and what employers can afford to pay.

Part I: Introduction

Background

The Quality of Life CHALLENGE is a bold new way for all sectors to work together to find solutions to critical concerns and to create a sustainably vibrant community. The Quality of Life CHALLENGE mobilizes action and monitors change in the quality of life in BC's Capital Region.

Until 2006, the CHALLENGE is focused on creating solutions around three critical interconnected priorities:

- Homes
- Sustainable incomes
- Community connection

As part of the work around sustainable incomes, the CHALLENGE has engaged employers interested in reducing poverty through the workforce. These employers have developed a range of human resource options which both build businesses and better support employees. Along with these options, employers continued to ask: *what is a living wage?*

The purpose of this study is to provide information on the real costs of living to further dialogue in the community of how to ensure citizens earn an income that enables them to meet their family's needs and participate in the life of this community.

Why a Living Wage?

It is important for all of us to talk seriously about the living wage. Current indicators are warning signs about the sustainability of this region. Housing costs are among the highest in the country. While the unemployment rate (3.8%¹) is the lowest in nearly four decades, employment trends are toward more low-waged, part-time jobs that support the service sector including tourism. The labour pool will continue shrinking as the boomers retire. Not many families with children can afford to settle here. Only a small number of new immigrants make their home here. Young people tend to move away.

When more people are paid a living wage the quality of life in the community improves. A healthy economy attracts families, business and tourists. A living wage begins to close the income gap and reduce the number of people who are disadvantaged because of poverty, suffering hardships such as poor health, low quality of housing and lack of nutritious food. More people are able to fully participate in community life.

As a voluntary measure for a broad range of employers, businesses will have an additional tool to become employers of choice. Paying a living wage can help to lower costs related to employee turnover and absenteeism, increase the skill level, morale and productivity of employees, improve customer retention and satisfaction and contribute to corporate social responsibility.

¹ Statistics Canada, Labour Force Survey data, Victoria CMA, March 2006

What is a Living Wage?

A living wage is an hourly rate of pay that enables the wage earners in a household to:

- d. feed, clothe and shelter their family,
- e. maintain the health of family members, and
- f. participate in activities that are an ordinary element of life in the community.

The living wage, as defined for this study, is not a level of income necessary to purchase a home, save for retirement, pay debts such as student loans, or save for the post secondary education of children. It is a modest income that would allow a family to achieve the three conditions set out above.

Part II: Methods

This section of the report presents the process followed to estimate a living wage. It addresses the following set of assumptions which influenced the amount of the living wage.

1. The level of material well being and security provided by the living wage.
2. Estimating family expenses and whether a relative or absolute measurement of basic household expenses is used.
3. The size and composition of the families or households.
4. The number of wage earners and their hours per week of employment.
5. The incorporation of government deductions and taxes and transfers (CCTB, FB, GST rebate, child care subsidy).

This section also presents how the living wage was calculated using the following formula.

$$\begin{array}{rclcl} \text{Annual} & & \text{Income from} & & \text{EI Premiums} & & \text{Income from} \\ \text{Family} & = & \text{Employment} & - & \text{CPP Premiums} & + & \text{Government Transfers:} \\ \text{Expenses} & & \text{(Living Wage)} & & \text{Federal Taxes} & & \text{CCTB, FB, GST,} \\ & & & & \text{Provincial Taxes} & & \text{Child Care Subsidy} \end{array}$$

Thus, the living wage is the hourly rate of pay at which a household can meet its expenses once government deductions from wages and taxes have been subtracted and government transfers have been added.

1. Assumptions Concerning the Material Well being and Security Provided by the Living Wage

The living wage is intended to provide an adequate but modest income which ensures a basic level of quality of life. It is neither a survival level nor an affluent level wage. It is based on "conservative" estimates (i.e. tending on the low side) of expenses that are necessary for meeting essential needs and participating in life in the community.

The following household characteristics convey the quality of life provided by the living wage estimated in this report. The household:

- rents rather than owns their home,
- uses public transportation rather than owning a vehicle,
- can not save for their education of that of their children, or for their retirement,
- can not service loans or other debt (the exception is student loan repayment for the single person household),
- can not financially care for a disable family member or elderly parent,
- does not have savings to provide for a period of unemployment due to job transition or disability,
- does not have insurance.

To convey the quality of life assumed in this study, this report provides further itemized lists of expenses for categories such as medical, recreation or personal care that aggregate many items.

When considering the living wage amount it is important to remember that some families will have expenses greater than those used in this estimate. This may be because of additional

expenses due to a medical condition of one of the family members (medications, transportation, medical devices) or supporting another family member such as an elderly parent.

2. Estimating Family Expenses and Whether a Relative and Absolute Measurements of Household Expenses

Past approaches to calculating household expenses have used both relative and absolute measurements. The two most common two approaches are the Statistics Canada Low Income Cut Off Lines and the Market Basket Measure.

The Low Income Cut Off Lines (LICO)

The Low Income Cut Off lines are income thresholds calculated by Statistics Canada, below which individuals and families are said to live in straitened circumstances. Statistics Canada explains “The approach is essentially to estimate an income threshold at which families are expected to spend 20 percentage points more than the average family on food, shelter and clothing.”² Thus it is a relative approach to calculating low income. LICO numbers are calculated by size of the community and number of persons in a household.

The CHALLENGE chose not to use the LICO measure for calculating a living wage because the cut off lines are not based on specific local costs for specific categories of expenses.

The Market Basket Measure (MBM)

In 2000, Human Resources Development Canada developed a Market Basket Measure which they described as follows. “The MBM estimates the cost of a specific basket of goods and services for the year 2000 assuming that all items in the basket were entirely provided for out of the spending of the household.”³ “The market basket on which the MBM is based includes specified quantities and qualities of goods and services related to food, clothing and footwear, shelter, and transportation. It also contains other goods and services such as personal and household needs, furniture, telephone service and modest levels of reading and entertainment.”⁴ The costs of the items in the Market Basket Measure vary by province and are adjusted for community and household size.

The Market Basket Measure was chosen for this study because it

- a. identifies and estimates the specific expenses faced by a family, and
- b. is based on actual expenses in the local area.

In comparison to other Market Basket Measures, the list of household expenses in this study is relatively detailed. While the HRDC MBM reports on five expense categories, this study reports on seventeen expense items. The reasons for this are so that the list of expenses is complete and so that the reader can assess the reasonableness of the amounts.

Sources of Data for Household Expenses

Data has been gathered from both primary and secondary sources.

² Statistics Canada, “Low income cut-offs for 2004 and low income measures for 2002”, April 2005, page 7.

³ HRDC: “Understanding the 2000 Low Income Statistics Based on the Market Basket Measure”, May 2003, page 2.

⁴ HRDC: “Understanding the 2000 Low Income Statistics Based on the Market Basket Measure”, May 2003, page 4.

Whenever possible, expense amounts are from sources that compile data from the local area. Examples of this are the Canada Mortgage and Housing Corporation (CMHC) data on average apartment rents and the data from the CRD 2004 Survey of Household Spending.

Data for some expenses has been obtained directly from those that provide the service. Examples of this include BC Transit, Telus and Shaw Cable for cable and internet services.

Expense information for some items has been collected through telephone conversations with fee setting bodies or local suppliers. For example, information concerning the College of Dental Surgeons fee schedule rates was obtained in telephone conversation with a dentist's office, and the estimates for eyewear expenses was obtained by calling two optical suppliers.

The CRD 2004 Survey of Household Spending has been a source of expense information. Its strengths are that the source of the data is Statistics Canada, the information is local and the categories are extremely detailed. The weaknesses of this data source are that it is based on 2004 information (one year old) and that it is an average of all households from single persons to the largest families and from the poorest to the richest. For the purposes of this report, for non essential expenses it would tend to overstate expenses as the average pre tax income was \$62,581, and it would tend to understate expenses for a two parent two child family as the average household size was 2.23.

Where specific local data is not available, estimates have been developed as follows. The CRD 2004 Survey of Household Spending has been a starting reference amount. This amount has been reduced by subtracting expense items from this survey that are not relevant or essential. Finally, the estimated expense amount has then been compared to the amounts in the Winnipeg Social Planning Council Acceptable Living Level Report (ALL Report) and Human Resources Development Canada Market Basket Measure (HRDC MBM) estimates to determine whether it is reasonable in comparison to information from these studies.

Estimates higher than the ALL Report and HRDC MBM have not been made unless they are based on specific local data from independent sources. Examples of this include the CMHC rental data and Medical Services Plan premium information.

Under some expenses, such as clothing and personal care, tables of monthly family expenses are presented. These have been developed taking into consideration expenses compiled in the ALL Report. They are not primary data, and their purpose is to present rough estimates to support the monthly expense amounts presented.

Expense information has been taken from the most recent collections of data. No adjustments for cost of living increases have been made. As a result, in most cases the estimates used likely understate actual current expenses.

The Canadian Child Tax Benefit and GST amounts are those for the July 2005 – June 2006 year. The tax calculations in the spreadsheet used to estimate the living wage are based on the EI and CPP premiums and the Federal and Provincial tax rates of the 2004 tax year.

3. Assumptions Concerning the Size and Composition of the Families or Households

This report presents a living wage for the following three household compositions.

1. A two parent family with two children, with one parent working 40 hours per week and the other parent working 20 hours per week.
2. A single parent with one child, working 35 hours per week.
3. A single person working 40 hours per week.

However, the CHALLENGE chose to focus on a living wage for one reference family for two reasons.

- First, employers may find it confusing to be presented with multiple wages based on a variety of household sizes and compositions.
- Second, employers may not be aware of the household situation of their employees and thus not be able to set appropriate wages for household needs.

When choosing a reference family for this report, consideration was made to the demographics of families in BC's Capital Region⁵:

- 84% of families are two parent families, though only 52% of families living below the Low Income Cut Off line⁶.
- 45% of the two parent families have children at home
- 60% of two parent families with children at home have two or more children⁷.

It should be noted that average family size is slightly lower than our reference family of 4, ranging from 2.4 to 2.9⁸. However, a family of four is a consistent reference family in many similar calculations.

The CHALLENGE chose to use the two parent, two children, two income family as the reference family for this report for the following reasons.

- Demographically, it is a common family situation.
- Raising a family is an ordinary aspect of life in our community.
- While raising children is a personal choice, citizens should not be precluded from having children due to low earnings, and
- The wellbeing and sustainability of our community requires families with children.

4. Assumptions Concerning the Number of Wage Earners and Hours Per Week of Employment

As indicated in the table below, the most common family circumstance in British Columbia (24.0%) is where one parent works full-time and one works part-time. The next most common is the family where both parents are employed full time (21.7%)⁹.

Families in BC by Income of Parents Year 2000			
	Family Members Working	Number	Percentage
1	2 Full time	192,695	21.70 %
2	1 Full time	72,075	8.12 %
3	1 Full time, 1 Part time	213,755	24.07 %

⁵ CRD Regional Planning Services, Municipal Profiles, using Statistics Canada 2001 Census data

⁶ Statistics Canada, 2001 Census data, Capital Regional District

⁷ Statistics Canada, 2001 Census data, Capital Regional District

⁸ Statistics Canada, 2001 Census data, Capital Regional District

⁹ Statistics Canada, 2001 Census data, British Columbia

4	2 Part time	136,390	15.36 %
5	1 Part time	58,080	6.54 %
6	None Employed	169,610	19.10 %
7	All other	45,565	5.13 %
	Total	888,170	100.00 %

The amount of the Living Wage is directly affected by the hours of employment of the wage earners in the family. As a family works fewer hours the amount they require as a living wage increases. The fewer hours could arise either as a result of fewer hours per week or through seasonal employment. This could occur either through the choice of the person or the restriction imposed by employers and industries. Some employers may prefer that employees work less than full time so that they have a pool of employees to draw upon when another employee is unavailable. This can reduce their overtime expenses.

The calculations in this report are based upon full time equivalents of 35 or 40 hours per week, and a part time equivalent of 20 hours per week. The Statistics Canada data for B.C. found in Appendix A indicates that in the majority of industries employees average significantly fewer hours than this.

5. Government Deductions, Transfers and Taxes

Relevant government transfers, deductions and taxes were factored into the calculation of the living wage. It should be noted that this calculation assumes that people are aware of and are accessing all possible benefits and subsidies to help reduce their expenses. Studies in other communities have shown that many people are not accessing all available credits¹⁰, so this assumption may again result in an underestimation of the living wage.

Government Transfers

The effect of government transfers to households is to reduce the amount of the living wage required by the households to meet their expenses. The transfers relevant to this study are the:

- Canadian Child Tax Benefit,
- British Columbia Family Bonus,
- GST rebate, and
- provincial child care subsidy.

These transfers are income tested, and as household income increases the amounts for the transfers decrease.

Canadian Child Tax Benefit

The Canadian Child Tax Benefit is a payment from the federal government and is the Basic Benefit plus the National Child Benefit Supplement. The amount increases with the number of children in the family and decreases as family income increases. For more information see:

http://www.cra-arc.gc.ca/benefits/cctb/cctb_payment04-e.html.

BC Family Bonus

The BC Family Bonus is a program of the British Columbia government that provides low income families with a monthly payment in addition to the Canadian Child Tax Benefit. The

¹⁰ Policy Research Initiative, Financial Capability and Poverty: Discussion Paper, July 2004

amount also increases with the number of children in the family and decreases as family income increases.

Goods and Services Tax Rebate (GST)

The GST rebate is an income-tested payment from the federal government. The amount of the GST increases with the number of children in the family and decreases as family income increases. For more information see: http://www.cra-arc.gc.ca/benefits/gsthst/gstc_payment04-e.html

The Provincial Child Care Subsidy

The provincial Child Care Subsidy is a program of the British Columbia government that reimburses families for their child care expenses. It is income-tested.

Government Deductions and Taxes

The payroll deductions for EI and CPP are factored into the living wage calculation. Their effect is to increase the wage required by the household to meet its expenses.

The federal and provincial taxes are based on the 2005 tax year. The relevant factors for the calculation of the living wage are:

- The household's child care expense,
- The tax rates (15% for federal tax and 6.05% for provincial tax, for the households in this study),
- The basic personal amount (\$8,648 for federal tax and \$8,676 for provincial tax for the households in this study), and
- The amount for an eligible dependent (\$7,344 for federal tax and \$7,429 for provincial tax for the households in this study).

The formulas for the various transfers, deductions and taxes include elements that have fixed dollar amounts, income thresholds and percentages for benefits or tax rates. For each transfer, deduction or tax each of these elements can vary from year to year based upon decisions of the federal and provincial government.

Performing the Calculation

The following formula was used as a framework for calculating a living wage:

$$\begin{array}{rclcl} \text{Annual} & & \text{Income from} & & \text{EI Premiums} & & \text{Income from} \\ \text{Family} & = & \text{Employment} & - & \text{CPP Premiums} & + & \text{Government Transfers:} \\ \text{Expenses} & & \text{(Living Wage)} & & \text{Federal Taxes} & & \text{CCTB, FB, GST,} \\ & & & & \text{Provincial Taxes} & & \text{Child Care Subsidy} \end{array}$$

The living wage was calculated by means of a spreadsheet with four tables.

Table I. The first table determined the household expenses. The sources of these expenses are indicated above and the amounts itemized below in this report. They are independent of income, except the category of medical expenses. In B.C., MSP premiums are income tested, and thus the household's medical expenses increase as their income increases.

Table II. The second table calculated the household's income from government transfers. The formulas for these programs were inserted into the spreadsheet and tied to family net income. These formulas for government transfers are dependent on the household's level of income, and thus correspond to the living wage income level of the household.

Table III. The third table calculated the income from employment required by the household to meet its expenses once government transfers were factored in.

Table IV. The fourth table calculated the household's deductions for EI, CPP, and federal and provincial income taxes. The formulas for these are dependent on the household's level of income, and thus the formulas corresponding to the household's income level are inserted into the spreadsheet. The formulas for these deductions and taxes are tied to pre tax income or net income as appropriate. The first line in the table was pre tax income, and the last line was after tax income. The living wage is the hourly wage that corresponds to pre tax income.

The process of determining the living wage was to adjust pre-tax income upward or downward to equalize the annual amount of family expenses less government transfers with the employment income less deductions and taxes. Note that the calculation of government transfers and the calculation of government deductions and taxes are both income dependent. Thus adjusting employment income up or down alters both amounts. The pretax annual income was then converted to a living wage amount based upon the assumptions concerning hours of work per week of the wage earners.

Part III: The Living Wage Models and Estimates

Model 1: Two Parent, Two Child, Two Income Family

The expenses for the two parent, two child, two income family are based on a family with children aged thirteen and four years old. The family rents a three bedroom apartment, and requires day care for one child for the time that the second income earning parent is at work.

Based upon the estimates of family expenses that follow and applicable government deductions, taxes and transfers, the living wage for the two parent, two children, two income family is:

- **\$14.88** per hour the parent in full time employment of 40 hours per week, and
- **\$14.88** per hour for the parent employed in half time employment of 20 hours per week.

1.1: Model 1 Family Expenses

Table 1.1: Model 1: Family Expenses				
	Item	\$ Monthly	\$ Annually	Source
1.1.1	Rent	\$950.00	\$11,400.00	CMHC
1.1.2	Utilities	75.83	910.00	CRD 2004
1.1.3	Food	654.46	7,853.52	Dietitians of Canada
1.1.4	Phone	52.30	627.60	Telus
1.1.5	Transportation	183.00	2196.00	BC Transit
1.1.6	Clothing	173.28	2079.31	ALL
1.1.7	Child Care	570.00	6,840.00	Victoria Child Care Resource and Referral Centre
1.1.8	Health Care	245.16	2,941.92	Various sources - see notes
1.1.9	Personal Care	72.5	870.00	CRD 2004
1.1.10	Schooling	12.50	150.00	See notes
1.1.11	Recreation	229.01	2,748.12	See notes
1.1.12	Household Furniture	46.00	552.00	CRD 2004
1.1.13	Household Supplies	40.42	485.00	CRD 2004
1.1.14	Laundry	54.17	650.00	See notes
1.1.15	Banking	10.00	120.00	ALL
1.1.16	Emergencies, Contingencies	60.00	720.00	ALL
1.1.17	RRSP & RESP	0.00	0.00	See notes
1.1.18	Other	51.67	620.00	See notes
	Total Family Expenses	\$3,480.29	\$41,763.47	

1.1.1 Rent

The Canada Mortgage and Housing Corporation Rent Range data for three bedroom apartments indicates that the median rent for a three bedroom apartment in the Victoria Metropolitan Area was approximately **\$950.00** in October of 2005. The median rather than the average rent was chosen as apartments at the high end of rental amounts will skew the average to be greater than the median.

The CMHC National Occupancy Standards state children over five years of age and of different genders should have separate bedrooms. The assumption in this report is that a two adult and two children family requires the living space of a three bedroom apartment.

1.1.2. Utilities

The amount of **\$75.83** per month or **\$910.00** per year is based on the annual electricity expenses for the Victoria CMA from the CRD 2004 Survey of Household Spending.

1.1.3 Food

The Dietitians of Canada's report, "The Cost of Eating in BC November 2005", estimates the total monthly cost of food for a family of four as \$654.46.

The food expense amount likely understates the costs since working people often have less time to prepare meals and eat the occasional meal out with co-workers at lunch.

1.1.4 Phone

The phone expense has been based on the family using a land line phone with an answering service and long distance plan. As of August, 2005, the Telus charges for this service are as follows.

Table 1.1.4: Breakdown of Phone Expense	
Item	Monthly
Residence line (GST, no PST)	\$23.96
Voice mail (GST, no PST)	2.95
911 levy (GST, no PST)	.66
Long distance (GST and PST)	20.00
<i>Subtotal</i>	\$45.57
PST (7%)	1.40
GST (7%)	3.33
Total	\$52.30

1.1.5 Transportation

The family does not own a vehicle and instead uses public transportation. The monthly expenses for this are as follows:

Table 1.1.5: Breakdown of Transportation Expense	
Item	Monthly
2 adult bus passes	\$130.00
1 youth bus pass	37.00
Taxi (one grocery trip a month)	16.00
Total	\$183.00

The bus pass amounts are based on BC Transit's fees for adults and youth. The youth pass is for the thirteen year old child, and the four year old travels for free as children under 12 ride for free if accompanied by an adult.

The \$16.00 monthly amount for taxis is that used in the HRDC MBM of estimating family expenses.

On an annual basis, this would be \$2,196.00. This is considerable less than the cost of owning and operating a vehicle, which ALL estimates as \$2,901.10 annually and the HRDC MBM estimates as ranging from \$3,500.00 to \$4,100.00 annually for rural areas.

1.1.6 Clothing

The annual expense for clothing is **\$2,079.31** or **\$173.28** for the family per month. It is based on the ALL calculation of \$1,839.31 annually with an additional amount of \$240.00 for work clothing for the second parent in employment. This estimate is conservative in comparison with the CRD 2004 Survey of Household Spending which reported \$1990.00 annually on clothes for an average family of 2.13 persons and the Service Canada (formerly Human Resources and Skills Development Canada) Market Basket Measure of \$2,292.00 per year.

An accounting of this yearly expense could break down as follows:

Table 1.1.6: Breakdown of Clothing Expense	
Item	Annually
Pants (\$40 a pair, 2 pairs per person, x 4 people)	\$320.00
Shorts (\$20 a pair x 4 people)	80.00
Shirts (\$40 a shirt, 2 shirts per person x 4 people)	320.00
Footwear (\$50 x 4 people)	200.00
Coats (\$80 a pair x 4 people)	320.00
Underwear (\$40 x 4 people)	160.00
Socks (\$20 x 4 people)	80.00
Other – pajamas, bathing suits, hats, sweaters (\$30 x 4 people)	120.00
Work Clothes (\$240 x 2 people)	480.00
Total	\$2,080.00

These prices include all applicable sales taxes.

1.1.7 Child Care

The child care expense for the family's four year old child is **\$570.00** per month. The source for this amount is information from the Victoria Child Care Resource and Referral Centre, and is the average monthly amount for a child age three to five years of age in licensed Group Day Care (information current as of November 2005).

Note also that a two parent, two child family with two pre school children would require day care for two children. This would add a further annual child care expense \$6,840.00 and increase significantly the expenses for the family.

1.1.8 Health Care

Health care is a complicated and significant expense.

The following table presents the basis of the amount used to calculate the family's health care expense.

Table 1.1.8: Breakdown of Health Care Expense			
	Item	Monthly	Annually
1.1.8.1	MSP Premiums	\$108.00	\$1,296.00
1.1.8.2	Medications	42.58	511.00
1.1.8.3	Eyewear	18.75	225.00
1.1.8.4	Dental	75.83	910.00
	Total	\$245.16	\$2942.00

This table of expenses does not budget for medical services that are not covered by MSP such as physiotherapy, chiropractic or massage treatments, or eye exams.

1.1.8.1: MSP Premiums

MSP premiums are based on adjusted net income, which is net income for income tax purposes less \$3,000 for a spouse and each child. See Appendix B for a table of MSP Monthly Premium Rates by family size and income threshold. Therefore, the family's medical expenses will increase as it crosses the applicable income thresholds. At the family net income level of the living wage, the family pays the highest MSP rate of \$108.00 per month.

1.1.8.2 Medications

The medications amount for this family is **\$511.00** annually or **\$42.58** per month.

This expense is for both the non-pharmacare covered portion of prescription medications and over the counter non prescription medications such as vitamins and pain medication. The amount of \$511.00 is from the CRD 2004 Survey of Household Spending of average household expenditure in BC. This amount was used rather than the higher Victoria CMA average of \$707.00, as the CMA amount is likely higher due to the higher proportion of seniors in our area. The provincial average reflects more accurately the circumstances of an average family of four.

1.1.8.3 Eyewear

The eyewear amount for this family is **\$225.00** annually or **\$18.75** per month.

This expense is based on one parent and one child in the family needing eyewear. The child is assumed to require a new pair of glasses every two years due to changes in prescription, and the adult to require a new pair of glasses every four years. Including taxes, frames are budgeted at \$125.00 and lenses at \$175.00, for a total of \$300.00. These amounts are based on information received in telephone conversations with local optical suppliers. Thus the parent's average annual cost for eyewear is \$75.00 and the child's is \$150.00.

This total annual expense of \$225.00 is substantially less than the \$317.00 amount from the CRD 2004 Survey of Household Spending for households reporting expenses for eye-care goods and services.

1.1.8.4 Dental

The dental amount for this family is **\$880.00** annually or **\$73.33** per month.

Approximate costs for a patient check-up would be:

Table 1.1.8.4: Breakdown of Dental Expense	
Item	Monthly
Recall Examination	\$21.50
Scaling - 2 units	54.80
Root Planing - 1 unit	27.40
Polishing	29.70
Fluoride Treatment	11.60
<i>Subtotal</i>	<i>\$145.00</i>

Cost of annual check-up x four people	\$580.00
Fillings (\$165 each x 2 over the year)	330.00
Total	\$910.00

All the amounts in the table above except for the amount for fillings are based upon information provided by a local dental professional consultant. The amount for two fillings a year was calculated by averaging the costs for fillings from the College of Dental Surgeons Fee Schedule for fillings (Appendix C). This budget for dental care does not include expenses for orthodontia or expenses such as braces.

Less frequent the visits can lead to greater dental expenses as infrequent treatment can lead to greater deterioration in dental health and the need for more expensive treatments.

1.1.9 Personal Care

The person care amount is **\$870.00** annually or **\$72.50** per month.

This category includes hygiene products such as toothbrushes, toothpaste, soap, shampoo and feminine hygiene products. It also includes shaving supplies, sunscreen, haircuts and hair products. The amount of \$870.00 per year is from the CRD 2004 Survey of Household Spending. This is a conservative estimate as this family has four members in comparison to the average 2.23 persons in the CRD 2004 Survey of Household Spending. It is significantly less than the ALL estimate of \$1,043.22 (\$86.97 per month) for a 4 person family.

Table 1.1.9: Breakdown of Personal Care Expense	
Item	Monthly
haircuts	\$20.00
toothbrushes, toothpaste, dental floss	10.00
feminine hygiene products	15.00
soaps, shampoos and hair products	15.00
other: deodorants, razors, shaving cream	12.50
Total	\$72.50

1.1.10 Schooling

The amount of **\$150** is based on an expense of **\$15** per month for the school aged child for 10 months (or \$12.50 per month divided over 12 months). This is for items such as binders, notebooks, paper, pens and pencils, calculators, art, field trips and special event days. This amount represents a rough estimate generated by the author of this report. This amount is substantially less than the annual amount of \$844.04 in the ALL Report.

1.1.11 Recreation

The monthly recreation expense for the family is estimated at **\$2748.12** annually or **\$229.01** per month. This is substantially less than the \$4,560.00 estimated by the ALL report.

This amount is an estimate based on the following expenses.

Item	Monthly
Movie: one per month: \$7.95/person = \$31.80 + refreshments (Famous Players)	\$40.00
Videos: two at \$5.00 + two at \$2.00 per month	14.00
Shaw Cable and Internet (Basic cable + low speed internet)	45.01
Music CD: one per month (including taxes)	20.00
Books, Magazines & Newspaper	30.00
Restaurant meals: one \$60.00 meal every two months	30.00
Other: Games, sports equipment, tickets, coffee out, baby sitting	50.00
Total	\$229.01

1.1.12 Household Furniture

The amount of **\$552.00** per year is based on the amount from the CRD 2004 Survey of Household Spending Report for "Furniture" and "Small electric food prep. appliances."

1.1.13 Household Supplies

The amount of **\$485.00** per year is sum of the expenses for "Household cleaning supplies", "Paper, plastic and foil household supplies" and "other household supplies" from the CRD 2004 Survey of Household Spending. This compares to \$1,207.14 in the ALL budget for "Household Operations".

1.1.14 Laundry

The amount of **\$650.00** per year for laundry is based upon the family doing five loads of laundry a week and paying \$2.50 per load in a coin operated machine for washing and drying.

1.1.15 Banking

The amount of **\$120.00** per year for service charges on bank accounts is the amount budgeted in the ALL Report.

1.1.16 Emergencies, Contingencies

The amount of **\$720** a year is the amount budgeted in the ALL Report. This is amount is for unforeseen expenses such as medical, moving, or travel costs.

1.1.17 RRSP & RESP

This family cannot afford to save money for retirement or for their children's education.

1.1.18 Other

This amount is an estimate based on the following expenses.

Table 1.1.18 Breakdown of Other Expenses	
Item	Monthly
Gifts - Presents for each family member for their birthday and cultural holiday (such as Christmas): 4 family members x 2 gifts per year at \$20 a gift	\$160.00
Gifts - An equal amount for gifts for other family members, friends of parents and children	160.00
Pets – Food	170.00
Pets – Veterinary expenses	130.00
Total	\$620.00

1.2: Model 1: Non-wage Income

The living wage calculations incorporate government transfers of the CCTB, the FB, the GST Rebate and the provincial Child Care Subsidy. The effect of these transfers is to reduce the hourly wage required by the family to meet its expenses.

The following table presents the family's income from government transfers.

Table 1.2: Model 1: Non-wage Income			
Government Transfers	Monthly	Annually	Notes
Canadian Child Tax Benefit	\$191.41	\$2297.00	If family net income is more than \$35,595.00 and \$35,620.35
BC Family Bonus	0.00	0.00	This family is not eligible for the Family Bonus as its net income is more than \$35,300.00
GST Rebate	16.37	196.40	If family net income is less than \$43,498.00
Prov. Child Care Subsidy	0.00	0.00	This family is not eligible for the provincial Child Care Subsidy as its take home monthly income is more than \$2,721.00
Total	\$207.78	\$2,493.40	

For the purposes of this table, net income is that calculated for income tax purposes. Take home monthly income is calculated according to the provincial Child Care Subsidy Act. The latter deducts payroll deductions of EI and CPP premiums, as well as federal and provincial taxes.

These calculations are complex because the formula that calculates the amount available in each program has several elements or components. These components vary either with whether there is a spouse in the family or the number of children in the family. Some of the components are also income dependent, and as the family net income reaches or exceeds certain threshold, the components are not applicable.

The section that follows presents the calculation for each of the programs.

The Canadian Child Tax Benefit

The formula for the CCTB is:

$$\text{CCTB} = \text{Basic Benefit} - \text{Benefit Reduction} + \text{National Child Benefit Supplement}$$

The Basic Benefit for this family is:

\$1,228.00 for each child – [\$243.00 for each child under 7 – (Child care expenses claimed x 25%)]

The family's claim for child care expenses on their income tax eliminates the \$243.00 for the child under 7, and thus their basic benefit is \$2,456.00.

The Benefit reduction for this family is [(family net income - \$35,595.00) x 4%].

The National Child Benefit Supplement is not available for this family as, at the living wage, their family net income is above the income ceiling for this family composition.

The BC Family Bonus

The formula for the Family Bonus is:

$$\text{FB} = \text{Basic Bonus} - \text{Bonus Reduction} - \text{NCBS Reduction}$$

The Basic Bonus for this Family is \$1,332.00 for each child, and thus \$2,664.00.

The Bonus Reduction for this family is [(family net income - \$20,500.00) x 18%].

The NCBS Reduction for this family is:

[\$1,361.00 for the first child + \$1,160.00 – ((family net income - \$22,615.00) x 25%)]

This family does not receive a Family Bonus because at the income level of the living wage, the Bonus Reduction and NCBS Reduction reduce the Basic Bonus to zero.

The GST Rebate

The formula for the GST rebate is:

$$\text{GST Rebate} = \text{Basic Credits} + \text{Additional Credit} + \text{Credit Reduction}$$

The Basic Credits for this family is \$227.00 for each parent, and \$120.00 for each child. Thus the total is \$694.00.

The Additional Credit is not available because there is a spouse in this family.

The Credit Reduction is [(family net income - \$29,618.00) x 5%].

The Provincial Child Care Subsidy

The formula for the provincial child care subsidy is:

$$\text{Child Care Subsidy} = \text{Subsidy Rate} - \text{Subsidy Reduction}$$

The Subsidy Rate is set forth in Schedule A of the Child Care Subsidy Regulation. For licensed group day care for children over 36 months it is \$394.00.

The Subsidy Reduction is [(Monthly Take Home Pay – Adjusted Threshold Income) / 2].

Monthly Take Home Pay is family's monthly income minus EI and CCP premiums, and federal and provincial income taxes

The Adjusted Threshold Income is determined according to the Child Care Subsidy Regulation.

It is affected by the number of persons in the family and factors such as whether a parent is in paid work. For this family, the Adjusted Threshold Income is \$1,933.00.

This family is not eligible for a Child Care Subsidy because at their level of income the Subsidy Reduction reduces the Subsidy Rate to zero.

1.3: Model 1 Required After-Tax Income

The family's budget (section 1.1) shows how much income they require after government deductions and taxes and other deductions to meet their expenses. However, since this family is eligible for some government transfers (section 1.2), the amount of the transfers must be subtracted from the total amount of their expenses in order calculate the actual amount of income this family will require.

The calculation is:

$$\text{Family Expenses} - \text{Non-Wage Income} = \text{Required After-Tax Income.}$$

Table 1.3: Model 1 Required After-Tax Income		
Calculation	Monthly	Annually
Family Expenses	\$3,480.29	\$41,763.47
<i>minus</i> Non-Wage Income	207.78	2,493.40
<i>equals</i> Required After-Tax Income	\$3,272.51	\$39,270.07

1.4: Model 1 Pre-Tax Income or Living Wage

The top row of Table 1.4 gives pre-tax income or living wage necessary to result in the Required After-Tax Income after Employment Insurance Premiums, Canada Pension Plan Premiums, Federal and Provincial Income Tax have been deducted.

Table 1.4: Model 1 Living Wage							
Calculation	Parent One – 40 Hours per Week			Parent Two – 20 Hours per Week			Combined Annual Income
	Monthly	Annually	40 hour/ week	Monthly	Annually	20 hour/ week	
Pre-Tax Income or Living Wage	\$2,578.33	\$30,940.00	\$14.88	\$1,289.17	\$15,470.00	\$14.88	\$46,410.00
<i>minus</i> EI Premiums		603.33			301.67		905.00
<i>minus</i> CPP Premiums		1,358.28			592.52		1,950.80
<i>Minus</i> Federal Income Tax		3,049.56			0.00		3,049.56
<i>minus</i> Provincial Income Tax		1,228.29			0.00		1,1228.29
<i>equals</i> Required After-Tax Income	\$2,058.38	\$24,700.54		\$1,214.65	\$14,575.82		\$39,276.36

The following formulas apply to calculate government deductions and taxes.

For each parent, the following are applicable.

EI Premiums = Employment income x 1.95%

CPP Premiums = (Employment income - \$3,500) x 4.95%

Federal Income Tax = Net Income x 15% - [(\$8,648 + EI Premiums + CPP Premiums) x 15%]

The tax rate of 15% increases to 22% on income above \$35,595.

Provincial Income Tax = Net Income x 6.05% - [(\$8,676 + EI Premiums + CPP Premiums) x 6.05%] – [(Net Income - \$16,000) x 3.6%]

The tax rate of 9.15% increases to 22% on income above \$33,601.

The [(Net Income - \$16,000) x 3.6%] portion of the formula is available only if the person's net income is less than \$26,000.

For the parent with the lower employment income the following is applicable.

Child Care Expenses:

Child care expenses:

- must be claimed by the parent with the lower employment income,
- are deducted from employment income to calculate net income for income tax purposes, and
- any provincial child care subsidy received is deducted from the child care expenses that can be claimed for income tax purposes.

For this model of family, at the living wage, the parent with the lower employment income does not pay federal or provincial income taxes because the combination of claiming the child care expenses and the tax credits eliminates these taxes.

The employment income available for family expenses is as follows.

	Pre tax employment income
minus	EI Premiums
minus	CPP Premiums
minus	Federal Income Tax
minus	Provincial Income Tax
=	Living Wage Income

Model 2: Single Parent, One Child Family

The living wage calculation for the single parent, one child family is based on a family in which the mother is between 19 and 24 years of age, and the child between 3 and 5 years of age. This family lives in a two bedroom apartment.

Based upon the estimates of family expenses that follow and applicable government deductions, taxes and transfers, the living wage for the single parent, one child family is:

- **\$13.03** per hour the parent working 35 hours per week.

This living wage is calculated based on 35 hours of work for two reasons. The first is that there is only one parent in this family able to provide child care, and this parent who is working full time also must devote time to dropping off and picking up their child from day care. The second is that the data for average hours of work per week indicates that in the majority of industries employees work fewer than 35 hours per week.

2.1: Model 2: Family Expenses

Table 2.1: Model 2: Family Expenses				
	Item	Monthly	Annually	Source
2.1.1	Rent	\$812.00	\$9,744.00	CMHC
2.1.2	Utilities	56.88	682.50	CRD 2004
2.1.3	Food	260.35	3,124.20	Dietitians of Canada
2.1.4	Phone	52.30	627.60	Telus
2.1.5	Transportation	81.00	972.00	BC Transit
2.1.6	Clothing	86.67	1,040.00	ALL
2.1.7	Child Care	570.00	6,840.00	Victoria Child Care Resource and Referral Centre
2.1.8	Health Care	79.21	950.52	Various sources - see notes
2.1.9	Personal Care	36.25	435.00	CRD 2004
2.1.10	Schooling	0.00	0.00	See notes
2.1.11	Recreation	184.01	2,208.12	See notes
2.1.12	Household Furniture	34.50	414.00	CRD 2004
2.1.13	Household Supplies	30.31	363.75	CRD 2004
2.1.14	Laundry	32.50	390.00	See notes
2.1.15	Banking	10.00	120.00	ALL
2.1.16	Emergencies, Contingencies	60.00	720.00	ALL
2.1.17	RRSP & RESP	0.00	0.00	See notes
2.1.18	Other	38.33	460.00	See notes
	Total Family Expenses	\$2,424.31	\$29,091.69	

Compared to the two parent, two child family, the reduction in the number of family members does not proportionally reduce monthly expenses. Some expenses such as utilities, for example electricity to run a fridge or stove, are fixed costs and will not decrease significantly with a decrease in the size of the family. As well, a family requires furniture such as kitchen tables and chairs regardless of the family size, and cleaning supplies for floors and bathrooms will be comparable between a three and a two bedroom apartment.

The presentation of monthly expenses for a single parent family parallels the explanation of the monthly expense for the previous model. The sources of data for the two models are the same.

2.1.1 Rent

The Canada Mortgage and Housing Corporation Rent Range data for two bedroom apartments indicates that the median rent for a three bedroom apartment in the Victoria Metropolitan Area was approximately **\$812.00** in October of 2005. The CMHC National Occupancy Standards state children over five years of age and of different genders should have separate bedrooms. The assumption in this report is that a single adult and one child family requires the living space of a two bedroom apartment.

2.1.2 Utilities

The amount of **\$56.88** per month, or **\$682.50** annually, is 75% of the annual electricity expenses from the CRD 2004 Survey of Household Spending of \$910.00 per year (section 1.1.2).

2.1.3 Food

The Dietitians of Canada's report, "The Cost of Eating in BC November 2005", estimates the total monthly cost of food for a family of two as **\$260.35**. If the single parent in this model was a man, the food costs would increase by \$55.00 a month or \$660.00 annually.

The food expense amount likely understates the costs since a working person often has less time to prepare meals and eats the occasional meal out with co-workers at lunch.

2.1.4 Phone

The phone costs for this family are the same as those estimated for Model 1 (section 1.1.4).

2.1.5 Transportation

The family does not own a vehicle and instead uses public transportation. The monthly expenses for this are as follows:

Table 2.1.5: Breakdown of Transportation Expense	
Item	Monthly
1 adult bus pass	\$65.00
Taxi (one grocery trip a month)	16.00
Total	\$81.00

The bus pass amounts are based on BC Transit's fees for adults. The child in this family is under 6 years of age and would therefore ride for free.

On an annual basis, this would be \$972.00 and is considerably less than the ALL estimate of approximately \$2,900.00 annually to operate a vehicle.

2.1.6 Clothing

The annual expense for clothing is **\$1,040.00** annually or **\$86.67** for the family per month. It is based on 50% of the everyday clothing costs for the Model 1 family plus \$240.00 for work clothing.

An accounting of this yearly expense could breakdown as follows:

Table 2.1.6: Breakdown of Clothing Expense	
Item	Annually
Pants (\$40 a pair, 2 pairs per person, x 2 people)	\$160.00
Shorts (\$20 a pair x 2 people)	40.00
Four shirts (\$80 x 2 people)	160.00
Footwear (\$50 x 2 people)	100.00
Coats (\$80 a pair x 2 people)	160.00
Underwear (\$40 x 2 people)	80.00
Socks (\$20 x 2 people)	40.00
Other – pajamas, bathing suits, hats, sweaters (\$30 x 2 people)	60.00
Work Clothes (\$240 x 1 people)	240.00
Total	\$1,040.00

These prices include all applicable sales taxes.

2.1.7 Child Care

The child care expense for the family's four year old child is the same amount as in Model 1 (section 1.1.7)

2.1.8 Health Care

The following table presents the basis of the amount used to calculate the family's health care expense.

Table 2.1.8: Breakdown of Health Care Expense			
	Item	Monthly	Annually
2.1.8.1	MSP Premiums	\$0.00	\$0.00
2.1.8.2	Medications	21.29	\$255.50
2.1.8.3	Eyewear	6.25	75.00
2.1.8.4	Dental	51.67	620.00
	Total	\$79.21	\$950.52

This table of expenses does not budget for medical services that are not covered by MSP such as physiotherapy, chiropractic or massage treatments, or eye exams.

2.1.8.1: MSP Premiums

MSP premiums are based on adjusted net income, which is net income for tax purposes less \$3,000 for a spouse and each child. See Appendix B. The family does not have to pay MSP premiums because its net adjusted income is below the income threshold at which premiums are paid.

2.1.8.2 Medications

The medications amount for this family is **\$255.50** annually or **\$21.29** per month. This amount is 50% of the model 1 amount for medications.

2.1.8.3 Eyewear

The eyewear amount for this family is **\$75.00** annually or **\$6.25** per month.

This expense is based on only the adult in the family needing eyewear. The adult is assumed to require a new pair of glasses every four years. Including taxes, frames are budgeted at \$125.00 and lenses at \$175.00, for a total of \$300.00. These amounts are based on information received in telephone conversations with optical suppliers. Thus the adult's average annual cost for eyewear is \$75.00.

2.1.8.4 Dental

The dental amount for this family is **\$630.00** annually or **\$51.67** per month.

Approximate costs for a patient check-up would be:

Table 2.1.8.4: Breakdown of Dental Expense	
Item	Monthly
Recall Examination	\$21.50
Scaling - 2 units	54.80
Root Planing - 1 unit	27.40
Polishing	29.70
Fluoride Treatment	11.60
<i>Subtotal</i>	<i>\$145.00</i>

Cost of annual check-up x 2 people	\$290.00
Fillings (\$165 each x 2 over the year)	300.00
Total	\$620.00

All the amounts in the table above except for the amount for fillings are based upon information provided by a local dental professional consultant. The amount for two fillings a year was calculated by averaging the costs for fillings from the College of Dental Surgeons Fee Schedule for fillings (Appendix C).

Less frequent the visits can lead to greater dental expenses as infrequent treatment can lead to greater deterioration in dental health and the need for more expensive treatments.

2.1.9 Personal Care

The person care amount is **\$435.00** annually or **\$36.25** per month. This amount is 50% of the amount for the model 1 family.

Table 2.1.9: Breakdown of Personal Care Expense	
Item	Monthly
haircuts	\$10.00

toothbrushes, toothpaste, dental floss	5.00
feminine hygiene product	7.50
soaps, shampoos and hair products	7.50
other: deodorants, razors, shaving cream	6.25
Total	\$36.25

2.1.10 Schooling

There is no school amount budgeted for this family because the child is not school aged.

2.1.11 Recreation

The monthly recreation expense for the family is estimated at **\$2,208.12** annually or **\$184.01** per month.

This amount is an estimate based on the following expenses.

Table 2.1.11: Breakdown of Recreation Expense	
Item	Monthly
Movie: one per month: \$7.95/person = \$15.90 + refreshments (Famous Players)	\$20.00
Videos: two at \$5.00 + two at \$2.00 per month	14.00
Shaw Cable and Internet (Basic cable + low speed internet)	45.01
Music CD: one per month (including taxes)	20.00
Books, Magazines & Newspaper	20.00
Restaurant meals: one \$30.00 meal every two months	15.00
Other: Games, sports equipment, tickets, coffee out, baby sitting	50.00
Total	\$184.01

The Other amount in table 2.1.11 was calculated at double the amount for the model 1 family to allow an extra amount for babysitting. This is because, in the Model 2 family, the single parent does not have a second adult to provide child care while they are involved in recreation activities.

2.1.12 Household Furniture

The amount of **\$414.00** per year is 75% of the Model 1 amount from the CRD 2004 Survey of Household Spending Report for "Furniture" and "Small electric food prep. appliances."

2.1.13 Household Supplies

The amount of **\$363.75** per year is 75% of the Model 1 sum of the expenses for "Household cleaning supplies", "Paper, plastic and foil household supplies" and "other household supplies" from the CRD 2004 Survey of Household Spending.

2.1.14 Laundry

The amount of **\$390.00** per year for laundry is based upon the family doing three loads of laundry a week and paying \$2.50 per load in a coin operated machine for washing and drying. This amount represents a rough estimate generated by the author of this report.

2.1.15 Banking

The amount of **\$120.00** per year for service charges on bank accounts is the amount budgeted in the ALL Report.

2.1.16 Emergencies, Contingencies

The amount of **\$720** a year is the amount budgeted in the ALL Report.

2.1.17 RRSP & RESP

This family cannot afford to save money for retirement or for their children's education.

2.1.18 Other

This amount is an estimate based on the following expenses.

Table 2.1.18 Breakdown of Other Expense	
Item	Monthly
Gifts - Presents for each family member for their birthday and cultural holiday (such as Christmas): 2 family members x 2 gifts per year at \$20 a gift	\$80.00
Gifts - An equal amount for gifts for other family members, friends of parents and children	80.00
Pets – Food	170.00
Pets – Veterinary expenses	130.00
Total	\$460.00

2.2: Model 2 Non-wage Income

The living wage calculations incorporate government transfers of the CCTB, the FB, the GST Rebate and the provincial Child Care Subsidy. The effect of these transfers is to reduce the hourly wage required by the family to meet its expenses.

The following table presents the family's income from government transfers.

Table 2.2: Model 2 Non-wage Income			
Government Transfers	Monthly	Annually	Notes
Canadian Child Tax Benefit	\$245.83	\$2,950.00	If net family income less than \$35,595.00 and \$21,480.00
BC Family Bonus	0.00	0.00	A family with one child is not entitled to the BC Family Bonus
GST Rebate	47.83	574.00	If family net income is between \$13,377.00 and \$29,618.00
Prov. Child Care Subsidy	316.38	3,796.60	If family monthly take home is less than \$2,385.00
Total	\$610.05	\$7,320.60	

For the purposes of this table, net income is that calculated for income tax purposes. Take home monthly income is calculated according to the provincial Child Care Subsidy Act. The latter deducts payroll deductions of EI and CPP premiums, as well as federal and provincial taxes.

These calculations are complex because the formula that calculates the amount available in each program has several elements or components. These components vary either with whether there is a spouse in the family or the number of children in the family. Some of the components are also income dependent, and as the family net income reaches or exceeds certain threshold, the components are not applicable.

The section that follows presents the calculation for each of the programs.

The Canadian Child Tax Benefit

The formula for the CCTB is:

$$\text{CCT B} = \text{Basic Benefit} - \text{Benefit Reduction} + \text{National Child Benefit Supplement}$$

The Basic Benefit for this family is:

\$1,228.00 for each child – [\$243.00 for each child under 7 – (Child care expenses claimed x 25%)]

The family's claim for child care expenses on their income tax eliminates the \$243 for the child under 7, and thus their basic benefit is \$1,228.00.

The Benefit reduction for this family is [(family net income - \$35,595.00) x 2%].

The National Child Benefit Supplement is:

[\$1,722.00 for the first child – [(family net income - \$21,480.00) x 12.2%].

The NCBS for this family is \$1, 722.00 because their net income is less than \$21,480.00.

The BC Family Bonus

The Family Bonus program does not pay benefits to a family with only one child, and thus this family does not receive a family bonus.

The GST Rebate

The formula for the GST rebate is:

$$\text{GST Rebate} = \text{Basic Credits} + \text{Additional Credit} + \text{Credit Reduction}$$

The Basic Credits for this family is \$227.00 for the parent. Thus the total is \$227.00.

The Additional Credit is the lesser of \$120.00 or [(family net income - \$7,377.00) x 2%]. For this family, at the living wage, this is \$120.00.

The Credit Reduction is [(family net income - \$29,618.00) x 5%]. This is not applicable, because the family's net income is less than \$29,618.00.

The Provincial Child Care Subsidy

The formula for the provincial child care subsidy is:

$$\text{Child Care Subsidy} = \text{Subsidy Rate} - \text{Subsidy Reduction}$$

The Subsidy Rate is set forth in Schedule A of the Child Care Subsidy Regulation. For licensed group day care for children over 36 months it is \$394.00.

The Subsidy Reduction is [(Monthly Take Home Pay – Adjusted Threshold Income) / 2].

Monthly Take Home Pay is family's monthly income minus EI and CCP premiums, and federal and provincial income taxes

The Adjusted Threshold Income is determined according to the Child Care Subsidy Regulation. It is affected by the number of persons in the family and factors such as whether a parent is in paid work. For this family, the Adjusted Threshold Income is \$1,597.00.

2.3: Model 2 Required After-Tax Income

The family's budget (section 2.1) show how much income they'll need after taxes and other deductions have been taken off to meet their expenses. However, since this family is eligible for some government transfers (section 2.2), the amount of the transfers must be subtracted from the total amount of their expenses in order calculate the actual amount of income this family will require.

The calculation is:

$$\text{Family Expenses} - \text{Non-Wage Income} = \text{Required After-Tax Income.}$$

Table 2.3: Model 2 Required After-Tax Income		
Calculation	Monthly	Annually
Family Expenses	\$2,424.31	\$29,091.69
<i>minus</i> Non-Wage Income	610.05	7,320.60
<i>equals</i> Required After-Tax Income	\$1,814.26	\$21,771.09

2.4: Model 2 Pre-Tax Income or Living Wage

The top row of Table 2.4 gives pre-tax income or living wage necessary to result in the Required After-Tax Income after Empowerment Insurance Premiums, Canada Pension Plan Premiums, Federal and Provincial Income Tax have been deducted.

Table 2.4 is based on a pre-tax income of between \$35,000 and \$64,954 a year.

Table 2.4: Model 2 Living Wage					
Calculation	Monthly	Annually	35 hour week	40 hour week	Notes
Pre-Tax Income or Living Wage	\$1,976.67	\$23,720.00	\$13.03	\$11.40	Total employment income
<i>minus</i> (child care expense less prov. subsidy)		3043.40			
<i>Equals net income</i>		20,676.60			
<i>minus</i> EI Premiums		462.54			Pre-Tax Income x 0.0195
<i>minus</i> CPP Premiums		1,000.89			(Pre-Tax Income - \$3,500) x 0.0495
<i>minus</i> Federal Income Tax		483.18			
<i>minus</i> Provincial Income Tax		0.00			
<i>equals</i> Required After-Tax Income	\$21,773.39	\$1,814.45			

The following formulas apply to calculate government deductions and taxes.

EI Premiums = Employment income x 1.95%

CPP Premiums = (Employment income - \$3,500) x 4.95%

Federal Income Tax = Net Income x 15% - [(\$8,648 + \$7,344 + EI Premiums + CPP Premiums) x 15%]

The tax rate of 15% increases to 22% on income above \$35,595.

Provincial Income Tax = Net Income x 6.05% - [(\$8,676 + \$7,429 + EI Premiums + CPP Premiums) x 6.05%] – [(Net Income - \$16,000) x 3.6%]

The tax rate of 9.15% increases to 22% on income above \$33,601.

The [(Net Income - \$16,000) x 3.6%] portion of the formula is available only if the person's net income is less than \$26,000.

Child Care Expenses:

Child care expenses:

- must be claimed by the parent with the lower employment income,
- are deducted from employment income to calculate net income for income tax purposes, and
- any provincial child care subsidy received is deducted from the child care expenses that can be claimed for income tax purposes.

For this model of family, at the living wage, the parent with the lower employment income does not pay provincial income taxes because the combination of claiming the child care expenses and the tax credits eliminates these taxes.

The employment income available for family expenses is as follows.

	Pre tax employment income
minus	EI Premiums
minus	CPP Premiums
minus	Federal Income Tax
minus	Provincial Income Tax
=	Living Wage Income

Model 3: The Single Person Household

This model assumes the individual is a man, aged 19 to 24 years. This person lives in a one bedroom apartment.

The expenses faced by single women and men will differ. For example, the Dietitians of Canada "The Cost of Eating in BC, November 2005" reports that a man between 19 and 24 years of age requires \$207.65 per month for food. A woman in the same age range requires \$152.49. However, women have greater expenses than men, including female hygiene products, and also expenses related to personal safety. These may be in relation to transportation at night, or living in safer housing. For this reason the following living wage is applicable to both women and men.

Based upon the estimates of expenses that follow and applicable government deductions, taxes and transfers, the living wage for a single person is:

- **\$11.06** per hour working 40 hours per week, or
- **\$12.64** per hour working 35 hours per week.

3.1: Model 3 Household Expenses

Table 3.1: Model 3 Expenses				
	Item	Monthly	Annually	Source
3.1.1	Rent	\$650.00	\$7,800.00	CMHC
3.1.2	Utilities	37.92	455.00	CRD 2004
3.1.3	Food	207.65	2,491.80	Dieticians of Canada
3.1.4	Phone	52.30	627.60	Telus
3.1.5	Transportation	81.00	972.00	BC Transit
3.1.6	Clothing	53.33	640.00	CRD 2004
3.1.7	Child Care	0.00	0.00	n.a.
3.1.8	Health Care	64.33	771.96	Various sources - see notes
3.1.9	Personal Care	18.20	218.40	CRD 2004
3.1.10	Schooling	165.00	1,980.00	CRD 2004
3.1.11	Recreation	157.01	1,884.12	See notes
3.1.12	Household Furniture	23.00	276.00	CRD 2004
3.1.13	Household Supplies	20.21	242.50	CRD 2004
3.1.14	Laundry	21.67	260.00	See notes
3.1.15	Banking	10.00	120.00	ALL
3.1.16	Emergencies, Contingencies	30.00	360.00	ALL
3.1.17	RRSP & RESP	0.00	0.00	See notes
3.1.18	Other	30.00	360.00	See notes
	Total Expenses	\$1,621.62	\$19,459.38	

The presentation of monthly expenses for an individual parallels the explanation of monthly expense for the model 1 family. The sources of data are the same.

3.1.1 Rent

The Canada Mortgage and Housing Corporation Rent Range data for one bedroom apartments indicates that the median rent for a one bedroom apartment in the Victoria Metropolitan Area was approximately **\$650.00** in October of 2005.

3.1.2 Utilities

The amount of **\$37.92** per month or **\$455** annually is based on 50% of the annual electricity expenses from the CRD 2004 Survey of Household Spending of \$910.00 per year (section 1.1.2).

3.1.3 Food

The Dieticians of Canada’s report, “The Cost of Eating in BC,” November 2005, estimates the total monthly cost of food for an adult man as **\$207.65** monthly or **\$2,491.80** annually.

The food expense amount likely understates the costs since a person in paid employment often has less time to prepare meals and eats the occasional meal out with co-workers at lunch.

3.1.4 Phone

The phone costs for this person are the same as those estimated for Model 1 (section 1.1.4).

3.1.5 Transportation

This person does not use a vehicle and relies on public transportation. The transportation costs for this person are the same as those estimated for Model 2 (section 2.1.5).

3.1.6 Clothing

The annual expense for clothing is **\$640.00** or **\$53.33** for the person per month. It is based on 25% of the everyday clothing costs for the Model 1 family plus \$240.00 for work clothing.

An accounting of this yearly expense could breakdown as follows:

Table 3.1.6: Breakdown of Clothing Expense	
Item	Annually
Pants	\$80.00
Shorts	20.00
Four shirts	80.00
Footwear	50.00
Coats	80.00
Underwear	40.00
Socks	20.00
Other – pajamas, bathing suits, hats, sweaters	30.00
Work Clothes	240.00
Total	\$640.00

These prices include all applicable sales taxes.

3.1.7 Child Care

This expense is not applicable to the single person household

3.1.8 Health Care

The following table presents the basis of the amount used to calculate the family's health care expense.

Table 3.1.8: Breakdown of Health Care Expense			
	Item	Monthly	Annually
3.1.8.1	MSP Premiums	\$21.60	\$259.20
3.1.8.2	Medications	10.65	\$127.75
3.1.8.3	Eyewear	6.25	75.00
3.1.8.4	Dental	25.83	310.00
	Total	\$64.33	\$771.96

This table of expenses does not budget for medical services that are not covered by MSP such as physiotherapy, chiropractic or massage treatments, or eye exams.

3.1.8.1: MSP Premiums

MSP premiums are based on adjusted net income, which is net income for tax purposes less \$3,000 for a spouse and each child. See Appendix B. At the living wage for this individual, their MSP premiums are \$21.60 per month.

3.1.8.2 Medications

The medications amount for this family is **\$127.75** annually or **\$38.75** per month. This amount is 25% of the Model 1 amount for medications.

3.1.8.3 Eyewear

The eyewear amount for this individual is **\$75.00** annually or **\$6.25** per month.

This individual is assumed to require a new pair of glasses every four years. Including taxes, frames are budgeted at \$125.00 and lenses at \$175.00, for a total of \$300.00. These amounts are based on information received in telephone conversations with optical suppliers. Thus this person's average annual cost for eyewear is \$75.00.

3.1.8.4 Dental

The dental amount for this person is **\$310.00** annually or **\$25.83** per month.

Approximate costs for a patient check-up would be:

Table 3.1.8.4: Breakdown of Dental Expense	
Item	Monthly
Recall Examination	\$21.50
Scaling - 2 units	54.80
Root Planing - 1 unit	27.40
Polishing	29.70
Fluoride Treatment	11.60

<i>Subtotal</i>	<i>\$145.00</i>
Cost of annual check-up	\$145.00
Fillings (\$165 each x 1 over the year)	165.00
Total	\$310.00

All the amounts in the table above except for the amount for fillings are based upon information provided by a local dental professional consultant. The amount for two fillings a year was calculated by averaging the costs for fillings from the College of Dental Surgeons Fee Schedule for fillings (Appendix C).

Less frequent the visits can lead to greater dental expenses as infrequent treatment can lead to greater deterioration in dental health and the need for more expensive treatments.

3.1.9 Personal Care

The person care amount is **\$217.5** annually or **\$18.13** per month. This amount is 50% of the amount for the model 1 family minus \$15.00 for feminine hygiene products.

Table 3.1.9: Breakdown of Personal Care Expense	
Item	Monthly
Haircuts	\$10.00
toothbrushes, toothpaste, dental floss	2.50
soaps, shampoos and hair products	4.00
other: deodorants, razors, shaving cream	1.63
Total	\$18.13

3.1.10 Schooling

Student loan debt was included for the single person household while not for the other models as it seemed most likely that this group would be faced with this expense. According to the Statistics Canada 2001 Census, in 2001, 53% of 20-24 year olds (11,425) in BC's Capital Regional District were enrolled in schooling. The June 2005 Canadian University Survey Consortium, Survey of Undergraduate University Students, reported that 47% of UVIC undergraduate students had some debt associated with education:

The schooling expense is \$165.00 per month. This amount is for the repayment of student loans, and is for a loan of \$20,000.00 repaid over a 15 year period, based on findings from the Statistics Canada 2002 National Graduate Survey. This amount is less than the average amount of a student loan, which in 2003 was 25,000.00.

3.1.11 Recreation

The monthly recreation expense for this person is estimated at **\$1,884.12** annually or **\$157.01** per month.

This amount is an estimate based on the following expenses.

Table 2.1.11: Breakdown of Recreation Expense
--

Item	Monthly
Movie: one per month: \$7.95/person = \$7.95 + refreshments (Famous Players)	\$13.00
Videos: two at \$5.00 + two at \$2.00 per month	14.00
Shaw Cable and Internet (Basic cable + low speed internet)	45.01
Music CD: one per month (including taxes)	20.00
Books, Magazines & Newspaper	20.00
Restaurant meals: one \$20.00 meal every two months	10.00
Other: Games, sports equipment, tickets, coffee out	25.00
Total	\$157.01

3.1.12 Household Furniture

The amount of **\$276.00** per year is based on 50% of the amount for the Model 1 family from the CRD 2004 Survey of Household Spending Report for "Furniture" and "Small electric food prep. appliances."

3.1.13 Household Supplies

The amount of **\$242.50** per year is based on 50% of the amount for the Model 1 family (section 1.1.13), which is the sum of the expenses for "Household cleaning supplies", "Paper, plastic and foil household supplies" and "other household supplies" from the CRD 2004 Survey of Household Spending.

3.1.14 Laundry

The amount of **\$260.00** per year for laundry is based upon the person doing two loads of laundry a week and paying \$2.50 per load in a coin operated machine for washing and drying. This amount represents a rough estimate generated by the author of this report.

3.1.15 Banking

The amount of **\$120.00** per year for service charges on bank accounts is the amount budgeted in the ALL Report.

3.1.16 Emergencies, Contingencies

The amount of **\$360.00** a year is 50% of the amount budgeted for the Model 1 family.

3.1.17 RRSP & RESP

This person cannot afford to set aside money for future saving.

3.1.18 Other

This amount is an estimate based on the following expenses.

Table 3.1.18 Breakdown of Other Expense	
Item	Monthly
Gifts - Presents for each family member for their birthday and cultural holiday (such as Christmas): 1 person x 3 gifts per year at \$20 a gift	\$60.00
Pets – Food	170.00
Pets – Veterinary expenses	130.00
Total	\$360.00

3.2: Model 3 Non-wage Income

The living wage calculations incorporate government transfers of the CCTB, the FB, the GST Rebate and the provincial Child Care Subsidy. The effect of these transfers is to reduce the hourly wage required by the family to meet its expenses.

The following table presents the family's income from government transfers.

Table 3.2: Model 3 Non-wage Income			
Government Transfers	Monthly	Annually	Notes
Canadian Child Tax Benefit	\$0.00	\$0.00	Not applicable
BC Family Bonus	0.00	0.00	Not applicable
GST	28.92	347.00	If net income is between \$13,377.00 and \$29,618.00
Prov. Child Care Subsidy	0.00	0.00	Not applicable
Total	\$28.92	\$347.00	

For the purposes of this table, net income is that calculated for income tax purposes.

These calculations are complex because the formula that calculates the amount available in each program has several elements or components. These components vary either with whether there is a spouse in the family or the number of children in the family. Some of the components are also income dependent, and as the family net income reaches or exceeds certain threshold, the components are not applicable.

The section that follows presents the calculation for each of the programs.

The Canadian Child Tax Benefit

This benefit is not applicable to a single person.

The BC Family Bonus

This benefit is not applicable to a single person.

The GST Rebate

The formula for the GST rebate is:

$$\text{GST Rebate} = \text{Basic Credits} + \text{Additional Credit} + \text{Credit Reduction}$$

The Basic Credits for a single person is \$227.00 for the parent.

The Additional Credit is the lesser of \$120.00 or [(family net income - \$7,377.00) x 2%]. For this person, at the living wage, this is \$120.00.

The Credit Reduction is [(family net income - \$29,618.00) x 5%]. This is not applicable, because the family's net income is less than \$29,618.00.

The Provincial Child Care Subsidy

This benefit is not applicable to a single person.

3.3: Model 3 Required After-Tax Income

The person's budget (section 3.1) show how much income they'll need after taxes and other deductions have been taken off to meet their expenses. However, since this person is eligible for some government transfers (section 3.2), the amount of the transfers must be subtracted from the total amount of their expenses in order calculate the actual amount of income this person will require.

The calculation is:

$$\text{Expenses} - \text{Non-Wage Income} = \text{Required After-Tax Income.}$$

Table 3.3: Model 3 Required After-Tax Income		
Calculation	Monthly	Annually
Expenses	\$1,621.62	\$19,459.38
<i>minus</i> Non-Wage Income	28.92	347.00
<i>equals</i> Required After-Tax Income	\$1,592.70	\$19,122.38

3.4: Model 4 Pre-Tax Income or Living Wage

The top row of Table 3.4 gives pre-tax income or living wage necessary to result in the Required After-Tax Income after Empowerment Insurance Premiums, Canada Pension Plan Premiums, Federal and Provincial Income Tax have been deducted.

Table 3.4 is based on a pre-tax income of between \$35,000 and \$64,954 a year.

Table 3.4: Model 3 Living Wage					
Calculation	Monthly	Annually	35 hour week	40 hour week	Notes
Pre-Tax Income or Living Wage	\$1,916.67	\$23,000.00	\$12.64	\$11.06	
<i>minus</i> EI Premiums		448.50			
<i>minus</i> CPP Premiums		965.25			
<i>minus</i> Federal Income Tax		1,841.74			
<i>minus</i> Provincial Income Tax		633.14			
<i>equals</i> Required After-Tax Income	\$1,592.61	\$19,111.37			

The following formulas apply to calculate government deductions and taxes.

$$\text{EI Premiums} = \text{Employment income} \times 1.95\%$$

$$\text{CPP Premiums} = (\text{Employment income} - \$3,500) \times 4.95\%$$

$$\text{Federal Income Tax} = \text{Net Income} \times 15\% - [(\$8,648 + \text{EI Premiums} + \text{CPP Premiums}) \times 15\%]$$

The tax rate of 15% increases to 22% on income above \$35,595.

Provincial Income Tax = Net Income x 6.05% - [(\$8,676 + EI Premiums + CPP Premiums) x 6.05%] – [(Net Income - \$16,000) x 3.6%]

The tax rate of 9.15% increases to 22% on income above \$33,601.

The [(Net Income - \$16,000) x 3.6%] portion of the formula is available only if the person's net income is less than \$26,000.

The employment income available for family expenses is as follows.

	Pre tax employment income
minus	EI Premiums
minus	CPP Premiums
minus	Federal Income Tax
minus	Provincial Income Tax
=	Living Wage Income

Part V: Summary

The research in this report has yielded the following estimations of a living wage for the Greater Victoria CRD.

The living wages calculated by this study are:

1. for a two parent, two children, two income family,
 - \$14.88 per hour the parent employed 40 per week, and
 - \$14.88 per hour for the parent employed 20 hours per week.
2. for a single parent with one child, \$13.03 per hour based upon 35 hours per week of employment.
3. for a single person, \$11.06 per hour based upon 40 hours per week of employment.

Part VI: Sources:

The sources of information for this report consist of:

- I. Documents,
- II. Government Websites, and
- III. Statistics Canada
- IV. Businesses and Service Providers

I. Documents

Canada Mortgage and Housing Corporation. "Rental Range by Area", October 2005.

Canada Revenue Agency. "Calculation Sheet: BCFB and BCEIB – Base Year 2003".

Capital Regional District – Regional Planning Services. "2004 Survey of Household Spending: Average Household Expenditures, Victoria Metropolitan Area".

Dietitians of Canada. "The Cost of Eating in BC, November 2005".

Human Resource Development Canada. "Understanding the 2000 Low Income Statistics Based on the Market Basket Measure", May 2003.

Winnipeg Harvest & the Social Planning Council of Winnipeg. "Acceptable Living Level 2003".

Victoria Child Care Resource and Referral. "Range of Fees", February 2005.

II. Government Websites

CCTB: http://www.cra-arc.gc.ca/benefits/cctb/cctb_payment04-e.html.

GST: http://www.cra-arc.gc.ca/benefits/gsthst/gstc_payment04-e.html

CCP premiums:

<http://www.hrsdc.gc.ca/asp/gateway.asp?hr=/en/isp/cpp/contribrates.shtml&hs=cpr#examB>

MSP premiums: <http://healthservices.gov.bc.ca/msp/infoben/premium.html>

III. Statistics Canada

IV. Business and Service Providers (through emails and telephone calls)

BC Transit

Dental Offices (2)

Opticians (2)

Shaw Cable

Telus

Victoria Child Care Services, Ministry of Human Resources

Part VII: Appendices

Appendix A: Average Weekly Hours of Employment in B.C. by Industry

Table 281-0033

Average weekly hours for employees paid by the hour (SEPH), unadjusted for seasonal variation, for selected industries classified using the North American Industry Classification System (NAICS), annual

Survey or program details: Survey of Employment, Payrolls and Hours - [2612](#)

Geography=British Columbia
Overtime=Including overtime

North American Industry Classification System (NAICS)	2000	2001	2002	2003	2004	2005
Industrial aggregate excluding unclassified	31.2	31.2	31.3	31.5	31.2	31.1
Residential building construction [2361]	35.5	37.4	37.6	36.3	38.1	39.0
Non-residential building construction [2362]	39.7	38.8	40.8	38.1	37.3	38.2
Bakeries and tortilla manufacturing [3118]	30.6	33.3	35.1	35.7	36.4	35.7
Printing and related support activities [323]	34.0	36.9	38.9	40.0	39.1	37.4
Plastics and rubber products manufacturing [326]	38.2	37.6	38.1	38.2	39.5	40.1
Household and institutional furniture and kitchen cabinet manufacturing [3371]	39.0	38.8	38.6	38.8	39.2	37.7
Motor vehicle and parts wholesaler-distributors [415]	37.3	37.0	36.2	35.6	37.0	33.1
Retail trade [44-45]	27.0	26.5	26.6	27.3	26.3	25.9
Motor vehicle and parts dealers [441]	37.2	38.1	39.2	39.2	36.1	35.9
Furniture and home furnishings stores [442]	29.6	29.6	30.4	30.7	29.5	29.8
Building material and garden equipment and supplies dealers [444]	31.7	31.9	31.4	31.0	31.8	32.2
Grocery stores [4451]	25.9	24.7	25.1	25.6	24.2	23.9
Specialty food stores [4452]	24.7	24.0	24.1	x	x	23.5
Gasoline stations [447]	28.1	28.3	27.9	28.8	28.5	27.7
Sporting goods, hobby, book and music stores [451]	25.7	25.5	24.6	25.1	24.5	26.0
Department stores [4521]	24.0	23.7	23.8	28.7	25.7	21.8
Florists [4531]	25.5	25.0	24.4	23.7	23.7	22.1
Office supplies, stationery and gift stores [4532]	27.0	25.9	25.4	24.7	26.9	26.2
Used merchandise stores [4533]	25.3	23.8	23.6	23.3	25.3	23.9

Couriers and messengers [492]	32.1	37.8	36.2	32.5	35.6	36.0
Internet service providers, web search portals, and data processing services [518]	x	x	x	x	x	x
Finance and insurance [52]	29.5	29.0	27.7	28.0	27.0	27.7
Real estate and rental and leasing [53]	28.9	28.9	28.8	27.7	29.0	28.3
Employment services [5613]	29.0	31.1	32.2	33.6	32.7	31.2
Health care and social assistance [62]	29.7	30.6	30.4	30.1	29.8	29.5
Nursing care facilities [6231]	28.4	30.3	29.8	29.6	29.6	28.7
Residential developmental handicap, mental health and substance abuse facilities [6232]	26.0	23.0	23.5	26.8	24.8	22.4
Community care facilities for the elderly [6233]	27.3	28.1	28.7	28.8	27.3	26.8
Child day-care services [6244]	28.9	29.1	27.7	29.2	32.5	32.2
Arts, entertainment and recreation [71]	21.0	22.1	23.5	24.3	22.2	22.6
Amusement, gambling and recreation industries [713]	19.7	21.0	22.8	23.9	21.0	21.4
Accommodation and food services [72]	22.7	22.0	23.3	24.6	24.2	24.4
Traveller accommodation [7211]	26.4	27.5	28.7	29.8	26.2	27.6
Full-service restaurants [7221]	21.3	20.4	21.6	22.6	22.7	22.4
Personal care services [8121]	25.9	27.6	28.2	28.6	28.0	27.8
Public administration [91]	40.3	41.3	40.2	39.5	37.5	36.9
Local, municipal and regional public administration [913]	42.0	41.3	40.0	40.1	38.2	36.9

Source: Statistics Canada

**Appendix B:
MSP Monthly Premium Rates by Family Size and Income Threshold**

Five levels of assistance, based on adjusted net income for the previous year, are available. Table 1.1.8.1 shows the current MSP assistance levels:

MSP Monthly Premium Rates				
Adjusted Net Income	Subsidy Level	One Person	Family of Two	Family of 3 or more
\$0 - \$20,000	100% premium assistance	\$0.00	\$0.00	\$0.00
\$20,001 - \$22,000	80% premium assistance	\$10.80	\$19.20	\$21.60
\$22,001 - \$24,000	60% premium assistance	\$21.60	\$38.40	\$43.20
\$24,001 - \$26,000	40% premium assistance	\$32.40	\$57.60	\$64.80
\$26,001 - \$28,000	20% premium assistance	\$43.20	\$76.80	\$86.40
Over \$28,000	Full Rate	\$54.00	\$96.00	\$108.00

(Source: <http://www.healthservices.gov.bc.ca/msp/infoben/premium.html#monthly>)

**Appendix C:
The College of Dental Surgeons Fee Schedule for fillings**

The cost of a filling, calculated by averaging the amounts shown below, is \$165 per filling. The College of Dental Surgeons Fee Schedule for fillings is as follows.

College of Dental Surgeons Fee Schedule for fillings			
	Front Teeth Tooth coloured	Back Teeth Tooth coloured	Back Teeth Metal amalgam
One surface	\$94.80	\$118.30	\$79.00
Multiple surfaces	\$215.50	\$305.00	\$177.00
Average	\$155.15	\$211.65	\$128.00

(Source: College of Dental Surgeon (data current as of August 2005))