
\$19.39



Despite continued growth in the cost of living in our region, good government policy has *reduced* the living wage to \$19.39 per hour!

The Living Wage is the hourly rate of pay that allows a family with two full-time wage earners, each earning the living wage, and two young children, to enjoy an adequate quality of life.

At \$19.39/hour the 2019 Living Wage for Greater Victoria is \$1.04 lower than the 2018 rate. As those in the region can attest, this isn't because expenses went down; the cost of living continued to soar. However, government policies, particularly those targeting child care costs, have more than made up for this year's inflation for families with small children.

Despite these positive changes, too many families still struggle to make ends meet. Almost 1 in 5 two-parent families with children in Great Victoria had incomes below The Living Wage last year.¹

The threshold for a living wage will have gone up, not down, for individuals, for couples and for families whose children are not eligible for the new child benefits. Housing costs are still a big driver; average rent for all bedroom types in B.C.'s capital increased by 7.5 per cent in 2018.

How is The Living Wage calculated?

The Living Wage is calculated based on a model family of four, with two full-time working parents and two young children, aged 7 (in Grade 2) and 4 (in child care). It is the hourly wage that the parents need to earn to meet their basic expenses (including rent, child care, food, transportation and incidentals), once government taxes, credits, deductions, and subsidies have been taken into account.

While it is more than a survival wage, it is not an affluent wage; it is lower than what is needed to obtain much of what is considered normal in our community.

¹ First Call BC (2018). BC Child Poverty Report Card. <https://firstcallbc.org/publications/2018-bc-child-poverty-report-card/>.

With these earnings, a family:

<ul style="list-style-type: none">✓ Can adequately feed, clothe and shelter their household✓ Can own two talk-and-text cell phones and basic internet (no landline or cellular data)✓ Can maintain the health of family members✓ Can receive up to two weeks of paid time off for illness annually²✓ Rents rather than owns their home✓ Can own a car and use public transit✓ Can take two courses a year at a community college to increase future earning potential	<ul style="list-style-type: none">✗ Cannot save for children's education✗ Cannot save to purchase a home✗ Cannot save for holidays✗ Cannot save for retirement✗ Cannot service credit card or other debts✗ Cannot afford to care for an elderly relative or a disabled family member
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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 and in collaboration with BC's Living Wage for Families Campaign.

Changes from 2018

The drop in the family Living Wage this year shows that good government policy can and does help reduce the cost of living.

The annual household expenses for our model family of four actually rose by \$2,961 compared to 2018, a 4.1 per cent increase. Not surprisingly, the largest contributor to this increase was median rent for a 3-bedroom apartment, which rose by \$135 per month, to \$1,750 per month. For some areas of the region, the rental rates are considerably higher. The Living Wage family is living in *core housing need*, paying a higher proportion of their income for rent and utilities than is considered by CMHC to be affordable,³ like nearly half (44 per cent) of renter households in the Greater Victoria region.⁴

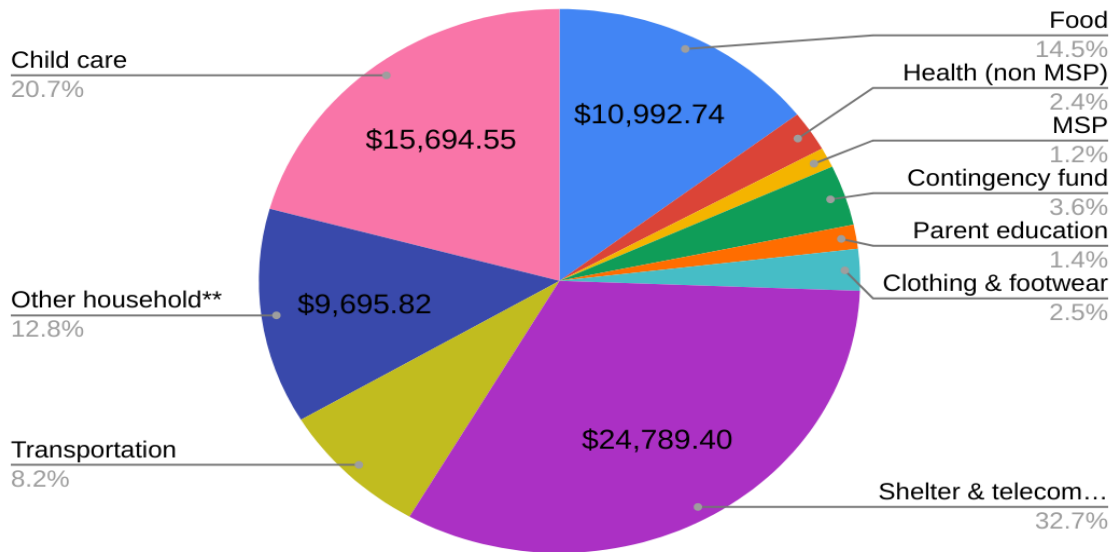
² This includes a sick time benefit but does not include other employment benefits such as long term sick leave, disability, pension plans, bonuses or transportation incentives.

³ According to the Canada Mortgage and Housing Corporation, affordable housing costs less than 30% of before-tax household income.

⁴ Capital Region District, "2018 Regional Housing Affordability Strategy" https://www.crd.bc.ca/docs/default-source/housing-pdf/2234-rhas_v20_pgs_sml.pdf.

* **Household expenses, Greater Victoria**

Two full-time living-wage earners, children 4 and 7. Total exp: \$75,732.42.



Shelter and telecommunications include rent (three-bedroom apartment), tenant insurance, utilities, cheapest two cell phones and plans available (talk and text only – no data, nor landline), and the cheapest Internet plan available (see table above for more detail).⁵

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

Last year some greatly needed public policy changes took effect in BC, and they reduced the living wage from what it would have been:

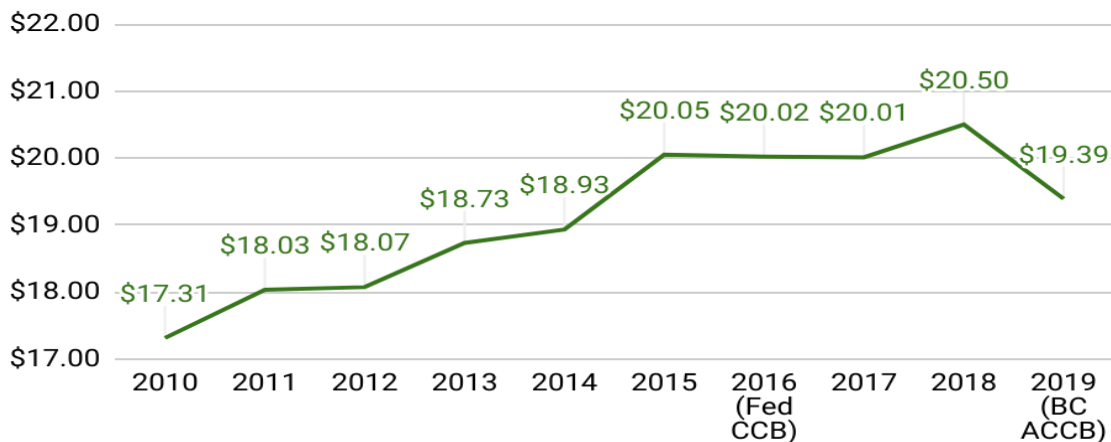
- MSP premiums were reduced by 50 per cent for all British Columbians. In the case of our model family, that means \$900 less paid in MSP premiums. MSP premiums are slated to be eliminated entirely in 2020, saving our model family a total of \$1,800 per year across the two changes.
- BC Government’s Child Care Fee Reduction Initiative came into effect, and in 2019 saved our model family \$100 per month.
- The BC Child Care Subsidy was replaced by the Affordable Child Care Benefit (ACCB). This benefit changed the eligibility requirements, which resulted in our model family receiving \$7,104.

These three changes saved our model family over \$9,000, more than offsetting the increase in family expenses. This is very good news for families. However, there is a shortage of quality child care, and of qualified early childhood education workers, with the result that many providers are full, and new users face waiting lists. If families cannot find good quality care, they risk losing an income if one parent needs to stay home with a child.

⁵ The CRTC has declared broadband Internet service a basic telecommunications service: M. Kupfer, "CRTC declares broadband internet access a basic service" CBC News Dec 21, 2016. <https://www.cbc.ca/news/politics/crtc-internet-essential-service-1.3906664>.

Living Wage Greater Victoria

Will government policy stem the long-term upward trend?



Governments also have taken policy action on the largest component of cost of living for our model family: housing. The federal government has adopted a [National Housing Strategy](#), which includes a commitment of \$55 billion or more over 10 years to build up to 125,000 new homes. The BC government has adopted a [30-point plan](#), Homes for BC, which includes over \$6 billion for affordable housing. The City of Victoria has also introduced a housing [strategy](#) aimed at improving affordability. It is too early to know how much impact these programs will have on availability or price of rental housing in the longer term.

Note that individuals and couples without children do not benefit from the largest government policy initiatives to date - those that target child care costs.

Many will benefit from BC's boost to the minimum wage, (which will also help a number of families). It is scheduled to increase to \$15 per hour by 2021. However, it must be remembered that the minimum wage is still well below a living wage.⁶

Inflation — in housing and more generally — will undermine the effect of last year's policy changes on The Living Wage. To address poverty, it is critical for ongoing action with the right mix of policy changes to both reduce the cost of living and increase incomes.

Recent BC and federal government actions have reduced the cost of living, and this shows up on the living wage trends (see figure above). Both BC and the federal government now have poverty reduction strategies that include substantive changes with a real impact — changes that provide dollars, not just rhetoric.

It is clear that more action is needed to address poverty for families and individuals in Greater Victoria. Will governments — at all levels — continue to implement policy measures with a real impact?

⁶ The government's Fair Wages Commission was, at time of writing, seeking public input on closing the gap between the minimum wage and the living wage (we encourage groups to provide input before the May 31, 2019 deadline). Check online after May 31 for the CSPC submission.

Working together, let's make life more affordable in Greater Victoria!

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.

Employers:

- Explore how paying a living wage can increase productivity and reduce turnover, and how your business can be sustainable while paying employees a living wage.
- Support government policies that lift workers out of poverty, such as the MSP reductions and child care improvements did for this year's living wage.
- Besides pay increases, look for other ways to improve the quality of life of your lowest wage earners, such as flexible work hours, subsidized transit passes, and 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.
- If you already pay a living wage, join the campaign to help show other businesses that it is doable. Become a champion.

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 employer commitments to pay a Living Wage and actions that reduce the costs of living for employees.

The Employers Campaign is an important component to poverty reduction and prevention efforts at the community level.

Public decision-makers:

- Support the development of affordable housing options in neighbourhoods.
- Legalize secondary suites in all municipalities.
- Improve accessibility and reduce costs of child care — the BC and federal governments have recently made significant improvements in this area.
- Explore solutions to reduce transportation costs.
- Support the implementation of Living Wage policies for your public-sector organization.
- Create more opportunities for local suppliers through procurement practices.
- Boost the minimum wage — the BC government has recently increased it somewhat, and set a schedule for further increases and a process to bring it into alignment with the Living Wage.

Consumers:

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

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. We offer research, evaluation, and public engagement services across Vancouver Island and conduct research in key areas of social planning from housing affordability to employment services and from food security indicators to the social economy.

Acknowledgements: The CPSC would like to thank David Thompson of PolicyLink Research Canada for data collection, analysis, and drafting.

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Visit the Living Wage for Families website: www.livingwageforfamilies.ca