

SOCIAL PLANNING COWICHAN
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**2017
ANNUAL
REPORT**

COWICHAN VALLEY LIVING WAGE

WHAT IS A LIVING WAGE?

A living wage is the hourly pay an individual would need to earn in order to adequately cover basic expenses such as food, clothing, rental housing, transportation, childcare (in the case of families), and a small amount of savings for illness or emergencies . This amount is intended to provide individuals and families with a basic income that ensures all their needs are met, improving both health and overall happiness.

According to the living wage for families campaign, income is perhaps the most important determinant of health . This is because our level of income shapes our overall living conditions, affecting psychological functioning and influencing health-related behaviours, such as quality of diet, extent of physical activity, tobacco use, and excessive alcohol use.

The living wage varies based on costs in each region, but consistently encourages employers to pay a fair wage that ensures their employees have enough financial security to achieve a quality of life beyond living paycheck to paycheck, or constantly being faced with difficult decisions in order to make ends meet. The living wage calculation considers factors that promote healthy child development, the ability to participate in activities that are an ordinary element of life in a community, as well as avoiding the chronic stress of living in poverty and having to make sacrifices on a regular basis. Ensuring individuals can meet their core living expenses supports peace of mind, including mental, physical and emotional well-being.

- promotes social inclusion
- is a conservative, reasonable estimate
- engenders significant and wide ranging community support
- is a vehicle for promoting the benefits of social programs such as childcare





WHY CHILD POVERTY IN BC IS A LOW-WAGE STORY

“Families who work for low wages face impossible choices: buy food or heat the house, feed the children or pay rent. The result can be spiraling debt, constant anxiety, and long-term health problems.” Many parents are forced to work multiple jobs and often more than full time to earn enough to support their families, which leaves little time to spend with their children or to participate in community life outside of work.

-First Call BC



1 in 5 children in BC are poor

According to the updated Child Poverty Report Card for 2016, produced by First Call, 1 out of 5 BC children are poor (163,260 children) . This is an especially sad story when you compare this number to the first report card they produced two decades ago, which also showed that 1 out of 5 children in BC were poor.

Child poverty is largely a low-wage story, as one out of every three children facing poverty in BC have at least one adult working full-time, all year. In fact, the majority of poor children in BC live in working poor families.



AN INTRODUCTION TO OUR LIVING WAGE MODELS

TWO PARENT-TWO CHILD FAMILY

Traditionally, the living wage is calculated for a family with two parents: one male and one female, both aged 31-50, and two children: a boy aged 7 and a girl aged 4. The parents earn an equal hourly wage, and both work 35 hours per week. The living wage is typically determined for a two-parent family with two children, as this is the most common family unit in BC.



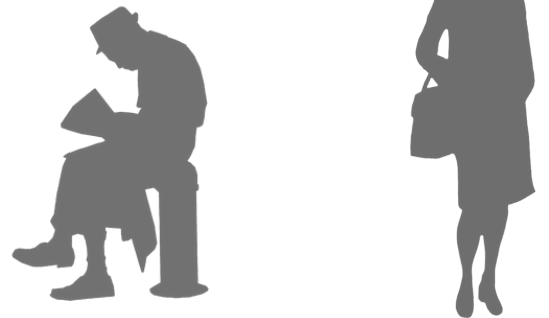
The calculation guide is based on this family model, but it is important to acknowledge that household sizes and needs vary widely and individual family circumstances may mean that a family requires more or less income to make ends meet. Other types of families will require different wage levels to achieve the same standard of living as our model family. For example, a single-parent family with 2 children may expect to see reduced costs from having a smaller family unit, however the loss of a second income is not equivalent to those reduced costs.

ADDITIONAL LIVING WAGE MODELS

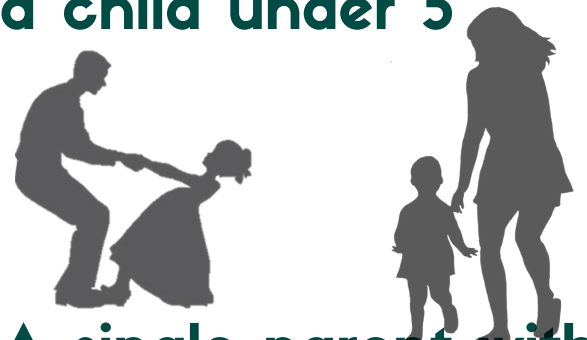
We have included additional calculations in this report in order to more accurately reflect the demographics of the Cowichan Valley.

The following models include:

- **An individual above the age of 50**



- **A single parent with a child under 5**



- **A single parent with a child 5 and older**

For consistency purposes, it is assumed that all adults in the following calculations are enrolled in one class per semester, in addition to their 35 hour work week.

METHODOLOGY

Working for a Living Wage Campaign

Working for a Living Wage is a calculation guide developed by the Canadian Centre for Policy Alternatives (CCPA) and First Call, and is part of the Living Wage for Families Campaign. This guide has been used to calculate Metro Vancouver and Greater Victoria living wages since 2008, and is updated annually to reflect the most current and accurate information available. It takes into account all of the factors necessary to determine a basic living wage to make paid work meet basic family needs in your region. The calculation guide, sources, and methodology can be downloaded at <https://www.policyalternatives.ca/livingwage2017>.

Family expenses are divided into ten categories. The living wage calculation uses Human Resources and Skills Development Canada's Market Basket Measure (MBM) to determine expenses for the following areas: clothing and footwear, transportation, and other household expenses.

Local data is used to determine prices for food, shelter, child care, and parent education and transportation. MSP Premiums, non-MSP medical expenses, and a contingency amounts are calculated separately.

The 2017 living wage calculation differs slightly from previous calculations in response to community feedback from around the province, which is supported by data from the Canadian Radio-television and Telecommunications Commission (CRTC). Most low wage parents use cell phones instead of landline phones, and Internet access at home has become a requirement for participating in community life and accessing government services and education, particularly in small towns. The 2017 living wage calculation reflects these changes. Since the calculation guide was designed to reflect the living wage for a two parent, two child family, it is important to note that the new calculations are as accurate as possible, but may vary slightly in accuracy due to missing information or an increased need to use averages to determine certain expenses.

*Please note: The living wage amount is based on ever-changing information regarding family expenses and government transfers and taxes. Therefore, the information provided is accurate as of the date of this writing. The living wage calculation is updated annually to ensure its accuracy and reflect market conditions as closely as possible.

BREAKDOWN OF BASIC HOUSEHOLD EXPENSES PER MONTH

FOOD

Obtaining food costs can provide valuable information for population and public health planning, as sufficient, safe, and nutritious food is critical to the health and well-being of our communities. Food security is concerned with much more than simply having enough food; a key indicator is an individual's or household's ability to afford a nutritionally adequate, balanced diet that is safe and culturally appropriate. Statistics demonstrate that the monthly cost of the National Nutritious Food Basket (NNFB) in BC is steadily increasing over time, which can have the highest impact among households with the lowest incomes.

The cost of food was calculated using the report of the Provincial Health Services Authority, Food Costing in BC 2015, which calculates the cost of food in each provincial health authority based on a random sample of grocery stores and on the federal government's standardized food costing tool. The report provides monthly food costs for both adults and children by gender and age categories, and is altered using specific values for the Cowichan Valley.

Two Parent Two Child Model	\$849.53
Single Parent w/ Child Under 5	\$846.01
Single Parent w/ Child 5+	\$846.01
Individual 50+	\$282.76

CLOTHING AND FOOTWEAR: \$183.53

This figure was calculated using the Stats Canada Market Basket Measure (MBM) amount for 2013, and adjusted to reflect current prices using the CPI for 2014 and 2016.

BREAKDOWN OF BASIC HOUSEHOLD EXPENSES PER MONTH

SHELTER (Rent + Utilities + Telephone + Content Insurance on Possessions)

Rent

According to the Canada Mortgage and Housing Corporation, the Housing Market Information Portal shows the average cost for a three-plus bedroom apartment/row house in the Cowichan Valley as **\$926.00/month**. This number applies to the two-parent, two-child model.

For a two bedroom apartment/row house in the Cowichan Valley, the average cost is: **\$812.00/month**. This applies to the single parent single child model.

For a one bedroom apartment/row house, the average cost for an individual is **\$677.00/month**.

Utilities **\$128.94**

This figure was obtained using BC provincial data from 2007, and updated using the CPI for “Water, fuel and electricity” 2007 and 2016 from Stats Canada, CANSIM Table 326-0021.

Cell Phone and Internet Plans:

The least expensive unlimited talk and text cell phone plan in our community is offered by Rogers at **\$25.00 per month** per person. The cheapest Internet provider is TekSavvy, offering High Speed DSL 6 internet for **29.99/month**.

Two Parent Two Child Model	\$89.59
Single Parent with Child or Individual	\$61.59

BREAKDOWN OF BASIC HOUSEHOLD EXPENSES PER MONTH

SHELTER (Rent + Utilities + Telephone + Content Insurance on Possessions)

Contents Insurance

This estimated monthly quote was obtained through BCAA Home Insurance.

For a two parent, two child model, this number is based off of a 4 person, single detached house with electric heating, with a minimum claim of \$60,000 worth of possessions.

For a single parent with child, this number is based off a two person apartment with electric heating and a minimum claim of \$30,000 worth of possessions.

For an individual, this number is based off of a one-bedroom apartment with electric heating and a minimum claim of \$20,000 worth of possessions.

Two Parent Two Child Model	\$46.81
Single Parent with Child	\$39.68
Individual 50+	\$37.79

Total Shelter Costs:

Two Parent Two Child Model	\$46.81
Single Parent w/ Child Under 5	\$39.68
Single Parent w/ Child 5+	
Individual 50+	\$37.79

BREAKDOWN OF BASIC HOUSEHOLD EXPENSES PER MONTH

TRANSPORTATION

Although the methodology from the CCPA calculation guide includes the use of one car for a 4 person family, and an eight-month public transit pass, this has been modified for our calculations to account for the sporadically spaced urban centers of the Cowichan Valley and the commutes its residents are often required to make in order to go to work/school. For a two parent, two child family, this cost assumes the family has two vehicles, as it is unrealistic to expect them to rely on one car and public transit, particularly with both parents in school. For the single parent models, as well as the individual, it is assumed they have one vehicle. This calculation was based on the MBM 2014 and 2016 amounts for rural communities in BC (which represents the costs of owning and operating a second-hand vehicle), and was adjusted by the CPI to reflect current prices.

Two Parent Two Child Model	\$9990.48
Single Parent w/ Child	\$4995.24
Individual 50+	\$4995.24

OTHER HOUSEHOLD AND SOCIAL PARTICIPATION EXPENSES: \$762.70

This number was automatically calculated in the spreadsheet, whereby the MBM calculation for the 'Other' expense is at 75.4% of the combined expense for Food, Clothing and Footwear. This amount is intended to cover toiletries and personal care, furniture, household supplies, laundry, school supplies and fees, bank fees, some reading materials, Internet, minimal recreation and entertainment, family outings (ex. museums and cultural events), birthday presents, modest family vacation and some sports and/or arts classes for the children.

BREAKDOWN OF BASIC HOUSEHOLD EXPENSES PER MONTH

CHILD CARE

For the family models, this estimate assumes the four year old is in full-time day care (licensed group child care) and the seven year old is in before and after school care during the school year, with three weeks of full-time care during winter and spring breaks, and in one month and two weeks of full-time summer care. It is notable to mention that childcare for infants up to three years old is substantially more expensive and can be more difficult to find, which would alter this figure significantly for a younger family.

A 2 parent family with two children (aged 5 and 7) would pay a total of \$14,074.66 annually for childcare.

Childcare for a single parent with a child aged 3-5 (age 4 for this report) would cost \$8803.32 for 12 months of full-time, licensed group care, based on monthly fee averages for 24 Licensed group programs in the Valley.

Childcare for a single parent with a school-aged child (age 7 for the purposes of this report) is based on monthly fee averages taken from 6 licensed school-age programs providing care to children kindergarten to 12 years. The cost of 10 months out of school care (before and after school, including 6 PD days) is \$3480. Summer programs lasting 1 month and 2 weeks is \$1016.25. Full-day care during winter and spring school breaks (3 weeks) is \$775.09, bringing childcare to a total of \$5271.34 annually.

MSP PREMIUMS

\$150.00

Premiums are currently based on family size, and are mandatory contributions to the provincial health program. This calculation was made automatically in the spreadsheet based off of “net adjusted income,” where families with an amount lower than \$30,000 are eligible for at least partial subsidy.

BREAKDOWN OF BASIC HOUSEHOLD EXPENSES PER MONTH

NON-MSP PREMIUMS

This estimate assumes that the family's health care expenses are equivalent to the cost of purchasing private health insurance. This amount has been obtained from the expense of purchasing Pacific Blue Cross Insurance, including the following coverage: extended health care plan, prescription drug option, dental option. For the two parent, two child model, this amount is \$148.00 per month. For a single parent, this amounts to \$104.00 monthly. Non-MSP healthcare for an individual would cost \$77.00 monthly.

PARENT EDUCATION

For credit-based undergraduate programs (including career and technical programs) at Vancouver Island University (VIU), tuition fees are \$144.86 per semester credit hour. This calculation includes two courses (3 credits/course), with a student activity fee at 4% of tuition (\$11.59), and a student services fee of \$6.40/credit. The Cowichan campus also has a student union monthly fee of \$11.40. The cost of textbooks for two courses is an estimated \$175. For two parents, the cost of education is \$604.70 annually. For one parent or an individual, it is \$301.35 annually.

CONTINGENCY AMOUNT

This amount provides some cushion for unexpected events, like the serious illness of a family member, transition times between jobs, etc. It is provided as an expense for each parent, and is calculated at [The living wage amount x hours worked per week x 2 weeks].

Two Parent Two Child Model	\$213.15
Single Parent w/ Child Under 5	\$143.38
Single Parent w/ Child 5+	\$130.08
Individual 50+	\$116.84

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Two Parent Two Child Model	\$19.05
Single Parent w/ Child Under 5	\$24.35
Single Parent w/ Child 5+	\$22.06
Individual 50+	\$20.03

It is important to note that this does not include additional expenses such as:

- Debt repayments from credit cards, loans or other interest payments
- Future savings for home ownership, retirement or children's university education
- Anything beyond minimal recreation, entertainment and holiday costs
- Costs of caring for a disabled, seriously ill or elderly family member

12% ↑

Increase in the living wage from 2014-2017

6% ↑

Increase in the minimum wage from 2014-2017

COWICHAN VALLEY LIVING WAGE OVER THE YEARS

The living wage for Cowichan has been steadily increasing since our calculations began.

