

What is a living wage?

Living Wage is the basic hourly wage required for a family of four with both parents working full-time, to meet basic needs and maintain a decent standard of living. Based on the actual costs of living in a given community, Living Wage provides a basic level of economic security, but still represents a conservative, bare bones budget.

Living Wage Fraser Valley Update 2018

The provincial government introduced two substantial policy interventions: a 50% reduction to MSP premiums and the Child Care Fee Reduction Initiative, implemented April 1st. The fee reduction will result in savings this year for parents with children between three and five years of age if their child care provider opts into the program. A \$100 reduction per month for 6 months was calculated in to reflect the impact of this government intervention. If a family does not benefit from the child care fee reduction, the living wage rate is calculated at \$17.64.

Last year, child care was the highest monthly expense for Fraser Valley families. Thanks to the Child Care Fee Reduction Initiative, Fraser Valley monthly child care expenses decreased by 8% compared to 2017. Government transfers overall have increased 6.6% annually compared to 2017.

Regardless of government intervention, the living wage increased \$1.50 from 2017 due to the very high cost of rental housing. According to CMHC, median rent for a 3+ bedroom unit in the Fraser Valley increased a whopping 42% from 2017, a \$563 increase in Chilliwack alone.

\$17.40* per hour

Living Wage 2018

*The Child Care Fee Reduction Initiative was announced quickly before implementation so many child care providers were not able to meet the April 1st deadline. Given this reality the child care fee reduction is incorporated for 6 months into the 2018 living wage calculation.

Living Wage Fraser Valley is hosted by Vibrant Abbotsford.



In partnership with Living Wage for Families via the Living Wage Employer Certification Program.



To find out more or to get involved:

Call: 778-880-8516

Email: info@vibrantabbotsford.ca

Visit: www.vibrantabbotsford.ca/living-wage

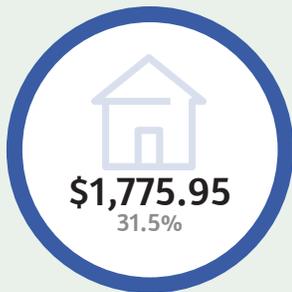
The Calculation

Living Wage is calculated based on a bare bones budget for a healthy family of four with two children (aged 4 and 7). Each parent works 35 hours per week and 52 weeks a year. With a Living Wage, this family can meet its basic living expenses once government transfers have been added and government deductions and taxes have been subtracted.

Employment Income (Living Wage) + Income from Government Transfers – EI, CPP, Federal & Provincial Taxes = Annual Family Expenses

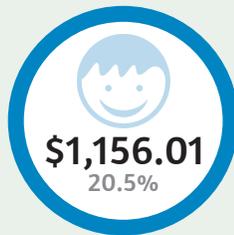
Where Does The Money Go?

Monthly Fraser Valley Expenses (Family of 4)



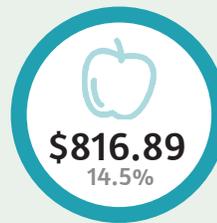
Shelter

3+ bedroom apartment (CMHC) plus utilities, 2 cell phones (cheapest unlimited text and talk), internet (cheapest available), and tenant insurance



Child Care

One 4 year old in full-time child care, one 7 year old in before & afterschool care, both in full-time care over school breaks (Child Care Resource & Referral locations throughout Fraser Valley).



Food

Cost of a nutritious food basket. (PHSA)



Transportation

One used car (Market Basket) and one bus pass.

Two Weeks Pay
Emergency sickness / illness contingency

\$203.23

Non-MSP Health Expenses
Private medical insurance premiums (Blue Cross)

\$148.00

Clothing Footwear
(Market Basket)

\$146.14

Parent Education
A 3 credit course, student fees & textbooks (UFW)

\$119.02

MSP
(BC Ministry of Health)

\$65.00

Other Household Expenses: \$726.12

Personal care, furniture, school supplies, minimal recreation (Market Basket)

Expenses not included:

The calculation does not account for costs such as (to name just a few) repaying credit card or loan debt, saving for a child's education or retirement, or caring for a disabled, ill, or elderly family member.

Total Monthly Expenses:
For a Fraser Valley Family of 4

\$5,632.95

Living Wage Calculation & the Bottom Line

After comparing Living Wage rates in the Fraser Valley for the past several years, it is clear good public policy is necessary to create healthy and vibrant communities. With improved income supports such as the provincial reduction to MSP premiums and the Child Care Fee Reduction Initiative, as well as tax/transfer systems such as the federal Canada Child Benefit, the Living Wage figure is reduced. Employees could earn less per hour while still maintaining a decent standard of living.

With that in mind, the increase in the Fraser Valley living wage underscores the need for **immediate action** in preserving current and building new affordable rental housing. Otherwise, the increasing cost of housing will swamp any other affordability measures that are implemented.

- Tie maximum rent increases to the unit, not the tenant
- Protect existing affordable housing stock
- Build rental housing with rates that are tied to local cost of living

Living Wage Employer Program

Paying a Living Wage to employees will help build a more productive, healthy, and engaged workforce. It also creates a more vibrant community. To calculate the Living Wage rate, employers take into account their employees' total wage plus benefits. If employees receive non-mandatory benefits, the living wage rate is reduced.

Employers Win

- ✓ Cost savings for staff hiring and training
- ✓ Decreased employee turnover
- ✓ Higher employee loyalty and productivity
- ✓ Build greater corporate social responsibility

Employees Win

- ✓ Increased wages and economic well-being
- ✓ Access to benefits and workplace support
- ✓ Reduced stress
- ✓ Reduced reliance on social programs

Community Wins

- ✓ Larger taxpayer base
- ✓ Increased consumer purchasing power
- ✓ Increased local investment
- ✓ Reduced costs of healthcare and social services

Living Wage Fraser Valley

The Living Wage Fraser Valley (LWV) campaign works to reduce poverty by raising community awareness, influencing government policies that would help families make ends meet, and recognizing local employers who sign on to pay their employees a living wage. We believe that people who work full time should not live in poverty and that working individuals should maintain a decent standard of living where they can participate fully in society. Living Wage Fraser Valley is hosted by Vibrant Abbotsford and partnered with Living Wage for Families via the Living Wage Employer Certification Program.

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