



Social Planning Cowichan

Cowichan Valley Living Wage 2016



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Cowichan Valley Living Wage Update 2016

house, feed the children or pay rent. The result can be spiraling debt, constant anxiety, and long-term health problems.”⁷ 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.⁸

Meet Our Living Wage Family

The family characteristics and assumptions in the Living Wage 2016 Calculation are as follows: two parents, one female, one male, both between the ages of 31 and 50, receiving an equal hourly wage working 35 hours/week each. The two children include a boy aged 7, and a girl aged 4.

Methodology

The following expenses are estimates based on the best and most current information available. This method was developed by the Canadian Centre for Policy Alternatives, the Living Wage for Families Campaign, as well as First Call, and has been used to calculate Metro Vancouver and Greater Victoria living wages since 2008.⁹

Breakdown of Basic Household Expenses Per Month

This number was calculated using the report of the Provincial Health Services Authority, *Food Costing BC 2015*¹², 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.¹³ The report provides monthly food costs for both adults and children by gender and age categories, and is altered using specific values for the

Contents Insurance: \$28.57

This estimated monthly quote is based off of a 4 person, single detached house with electric heating, with a minimum claim of \$40,000 worth of possessions.

of full-time summer care.²² The cost of summer care was calculated by taking an average of the price of summer programs throughout the Cowichan Valley. 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.

Premiums are currently based on family size,²³ 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.

This estimate assumes the family's healthcare expenses are equivalent to the cost of purchasing private health insurance²⁴ under the following circumstances: the Blue Choice

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].²⁶

Summary of Monthly Expenses:

Monthly Expenses	Amount (\$)	% of Total
Food	842.43	15.3
Clothing and Footwear	183.53	3.3
Shelter	1114.44	20.2
Transportation	876.57	15.9
Other Household & Social Participation Expenses	773.57	14.0
Child Care	1106.33	20.0
MSP Premiums	150.00	2.7
Non-MSP Healthcare Expenses	145.00	2.6
Parent Education	109.08	2.0
Contingency Amount	219.45	4.0
Total Monthly Expenses	\$5,520.40	100%

- 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 member²⁷

²⁶ Working for a Living Wage Calculation Guide 2016, p.13

²⁷ http://www.livingwageforfamilies.ca/what_is_living_wage

*All government deductions, taxes, and subsidies are calculated in the spreadsheet provided by the CCPA based off of

History of the Living Wage

The living wage movement began in 1994 in Baltimore, Maryland, and since then has gained support throughout the United States, United Kingdom, and Canada. The Living Wage for Families Campaign currently works with 21 communities across BC who have calculated their local living wage. A regional calculation allows communities to identify policy advocacy that would positively impact poverty in their community²⁹.

"The Living Wage for Families Campaign was formally launched in the fall of 2008 with the publication of *Working a Living Wage* and is guided by an advisory committee made up of representatives from unions, businesses, parents, and immigrant and community groups. It has developed a Living Wage Employer recognition process to recognize employers across BC that pay a living wage. Furthermore, this campaign has worked with local partners to encourage local municipalities to pass living wage bylaws."³⁰

Becoming a Living Wage Employer

The goal of becoming a Living Wage employer is to improve working conditions and give employees the ability to adequately cover their expenses. However, Living Wages benefit employers as well, allowing them to gain a competitive advantage as an employer of choice, particularly in industries where the average pay is below the living wage. Furthermore, paying a higher wage and treating employees well decreases employee turnover and absenteeism, and increases staff retention and productivity. With fewer employees leaving, the business will save on hiring and training new staff. Employees who are paid sufficient wages also have fewer outside concerns, furthering the ability of employees to focus on superior quality of work or customer service, making them more

Social Case for the Living Wage

The goal of the living wage is to promote social sustainability. It is designed to enhance the long-term well-being of the employee, as well as that of their family. Children gain stability when their parents receive higher payments, as they tend to move less frequently because of adequate income. This allows for more stable education, which is thought to improve reading test scores.

Economically speaking, early childhood development is an investment in human capital.³¹ Giving parents the ability to adequately cover their children's expenses sufficiently sustains the family over time, which makes children less vulnerable, and more likely to enjoy happy, healthy development. The Living Wage can therefore be seen as an investment in our community's future, through investing in our community's children.

Supporting a Living Wage

Paying the Living Wage to all employees is not an option for some employers, but that does not limit them from moving towards to philosophy of the Living Wage. There are many ways to add value to employees with little to no cost involved. The following is a short list of ideas to help you become an employer of choice:

- **Flexible Hours** –Take employee needs into account when scheduling
- **Eliminate Split Shifts** -These increase transportation and childcare costs
- **Phone-in Policy** -Allows children to call in at any time they wish
- **Provide employees with discounts on goods and services**
- **Free meal for employees** (food industry specific)
- **Strive to promote from within** -Make this known to employees
- **Move employees out of starting wage quickly**
- **Provide staff with ongoing training** -Relevant skills for future positions or other employment
- **Provide incentives** -For obtaining specific training objectives
- **Offer "personal days" rather than "sick days"**

³¹ See for more info on this perspective: http://www.earlylearning.ubc.ca/wp-uploads/2010/02/2009-09_15-by-15-Brief-Exec-Summary.pdf

Conclusion:

At \$18.81, the Living Wage in the Cowichan Valley is lower than either Victoria or Metro Vancouver, but is in line with many other areas in the province. The main difference that makes the Living Wage in the Valley lower compared to the metropolises is the price of rental housing, where monthly rental prices differ up to \$200.³² In general, Living Wages in BC are greater than those across Canada, with other major cities including Calgary at \$18.15³³ and Toronto at \$18.52.³⁴ The Living Wage for Families Campaign is working to raise awareness about the negative impact of low-wage poverty on