

A Living Wage for Guelph & Wellington: 2015 Update

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ABOUT THE AUTHOR

Randalin Ellery is the Coordinator of the Guelph & Wellington Task Force for Poverty Elimination. She holds a Master's degree in Sociology and Collaborative International Development Studies from the University of Guelph.

ACKNOWLEDGEMENTS

Guelph and Wellington's living wage calculation is based on the National Living Wage Framework – a document outlining national methodology to ensure consistency across Canada. The living wage calculator was provided by the Canadian Centre for Policy Alternatives Ontario Office. The Poverty Task Force (PTF) is grateful for the support and guidance provided by the CCPA. A special thank you is extended to CCPA Economist Kaylie Tiessen and CCPA intern Zohra Jamasi for peer reviewing and validating the living wage calculation.

Further discussion, development, and refinement of the calculation was conducted by the PTF Income Security Action Group and the Living Wage Advisory Committee. These groups met regularly to review and discuss the family expenditures that inform the calculation. Thank you to both groups for providing leadership and support to the calculation process.

INCOME SECURITY ACTION GROUP MEMBERS:

- David Thornley (co-chair), Executive Director, Guelph Community Health Centre
- Ashley Coleman (co-chair), Social Planning & Policy Analyst, County of Wellington Ontario Works
- Jenni Brooks, Program Manager, 2nd Chance Employment Counselling Wellington Inc.
- Meg Penstone, Manager, Financial Health & Literacy, Family Counselling & Support Services for Guelph & Wellington
- Ron MacKinnon, Executive Director, Community Resource Centre of North and Centre Wellington
- Stuart Beumer, Director, County of Wellington Ontario Works
- Terry O'Connor, Labour Coordinator, United Way Guelph Wellington Dufferin

LIVING WAGE ADVISORY COMMITTEE MEMBERS:

- Carol Simpson, Workforce Planning Board of Waterloo Wellington Dufferin
- Curt Hammond, Chief Listening Officer, Pearl Street Communications
- Kristine Flora, Director, Compensation and Benefits, The Co-operators
- Marty Williams, Executive Director, Downtown Guelph Business Association
- Peter Cameron, Co-op Development Manager, The Ontario Co-operative Association

ABOUT THE GUELPH & WELLINGTON TASK FORCE FOR POVERTY ELIMINATION

The Guelph and Wellington Task Force for Poverty Elimination works collaboratively, informed by diverse voices of experience, to take local action and advocate for system and policy change that address the root causes of poverty.

www.gwpoverty.ca



Introduction

A living wage is defined as “the hourly rate at which a household can meet its basic needs, once government transfers have been added to the family’s income (such as the Universal Child Care Benefit) and deductions have been subtracted (such as income taxes and Employment Insurance premiums.¹” It is calculated based on a modest budget, which provides an estimate of what that family needs to earn to meet basic living expenses, support the healthy development of their children, and fully participate in work, family life, and community activities. While based on a National Living Wage Framework, the methodology for calculating a living wage incorporates provincial and municipal differences. This flexibility allows communities to determine the real cost of living and the hourly wage required to meet those costs in the municipality it is calculated in².

The living wage is not the same as the minimum wage. The minimum wage is provincially mandated and is the lowest rate an employer can pay an employee. In 2014, the Government of Ontario introduced new legislation that tied the minimum wage to inflation, yet failed to determine an appropriate benchmark for setting the rate. Instead, the government chose to simply adjust 2010’s arbitrary rate of \$10.25 per hour by inflation.³ On October 1, 2015, the minimum wage increased to \$11.25 per hour. Unlike the minimum wage, “the living wage takes into account the cost of basic necessities – rent, transit, food, and child care – that a working family must have to get by.⁴”

The living wage in Guelph and Wellington has been calculated to understand the adequacy – or inadequacy – of pay for a significant number of low-wage workers and to encourage community dialogue about what it takes for workers to get by in this community.⁵ First calculated in 2013, this report provides an in-depth overview of the updated Guelph and Wellington living wage in 2015.

¹ (Living Wage Canada)

² (Living Wage Canada)

³ (Tiessen, Raising the Bar: Revisiting the Benchmark Question for Ontario’s Minimum Wage)

⁴ (Tiessen, Raising the Bar: Revisiting the Benchmark Question for Ontario’s Minimum Wage)

⁵ (Tiessen, Making Ends Meet: Toronto’s 2015 Living Wage)

Background & Review of Living Wage Methodology

In 2013, the Guelph & Wellington Task Force for Poverty Elimination joined communities across Canada and released the first ever calculated living wage for Guelph and Wellington at \$15.95 per hour. The calculation was based on methodology provided by the Canadian Centre for Policy Alternatives (CCPA) and involved deep engagement with diverse community stakeholders, including those with lived experience in poverty.

Over the past two years, the Poverty Task Force (PTF) has played a critical role in nurturing community dialogue and building community understanding and support for the living wage. In 2014, the PTF, along with key partners, supported a community conversation series, which highlighted significant expenses in the living wage calculation (e.g. housing, food, health). The purpose of these conversations was to expand understanding of how each component was calculated, as well as to recognize the impact of government policy on the overall living wage.

During the same two-year period, a living wage community of practice was convened to guide the development of a National Living Wage Framework. This framework “includes a consistent living wage definition, calculation methodology and strategy for recognizing corporate and community leadership who commit to pass a living wage policy.”⁶

Additionally, the PTF has worked diligently in the past two years to explore living wage employer recognition programs. This has involved reaching out and drawing on the expertise and experiences of those that have led the way in this area, including Windsor, Waterloo Region, and Hamilton. Earlier this year, the PTF asked business leaders from Guelph & Wellington to join a Living Wage Advisory Committee. This committee has provided important guidance and feedback to the development of a local living wage employer recognition program, to be launched later this year.

In the summer of 2015, the PTF began the process of updating the Guelph & Wellington living wage, following their commitment to do so on a bi-annual basis. Once again, the living wage methodology was provided by the CCPA and the

⁶ (Living Wage Canada)

National Living Wage Framework informed the process. While the PTF fully supports the move toward greater national consistency in the calculation, it is important to note that the updated methodology required the PTF to make three important changes to the living wage calculation in 2015, as compared to 2013.

The first change is the addition of some expenses that were not part of the 2013 calculation. These expenses include hydro, laundry, and adult education for both parents rather than one parent per year. Further, a decision was made at the local level to include a basic cell phone plan for both parents. More detailed information about these expenses is included under “Family Expenditures.”

The second change is related to the family composition used in the living wage calculation. In 2013, the local living wage was determined by calculating the living wage for three different reference families (a family of four, a single person, and a lone-parent family) and using a blended average of the three. Following the National Living Wage Framework, the 2015 calculation is based on a family of four, with two parents and two children. The shift toward using a family of four is based on an effort to build a consistent national standard and is based on the understanding that the living wage should “support a family through the life cycle so that young adults are not discouraged from having children and older adults have some extra income as they age.”⁷ While the 2015 Guelph & Wellington living wage is calculated based on a reference family of four, the calculation was also completed for the two other reference families used in 2013 which can be found in *Appendix 1* (single person) and *Appendix 2* (Lone-Parent).

The third change to the 2015 calculation is also related to the family composition. Included in the National Living Wage Framework is the assumption that one child is in full-time child care and one child is in school full-time. In 2013, the Guelph & Wellington living wage assumed both children were in school full-time. The 2015 calculation follows the national framework and has adjusted the ages so that one child is now in full-time child care. This update to the calculation provides a more accurate understanding of the true cost of raising younger children.

⁷ (Living Wage Canada)

While these changes have contributed to the rise of the Guelph & Wellington living wage, other improvements to the methodology were able to offset the increase. As the result of refinements in how certain expenses are calculated, as well the availability of additional data, some expenses decreased from 2013, such as the cost of operating a car and school fees and supplies. Additionally, a decision was made to assume that the family would receive a child care subsidy for all child care expenses. In 2013 it was assumed that while the family qualified, they could only find a subsidized spot for some of their child care needs. Where possible, practical efforts have been made to following the emerging standards in the National Living Wage Framework to support and be part of the national living wage movement.

Together, these decisions have played a balancing role in producing an updated calculation in Guelph and Wellington that reflects a 3.4 per cent increase from 2013 to 2015 (the cost of inflation in Canada from 2013 to 2015 is 3.1 per cent⁸).

Guelph & Wellington 2015 Living Wage

The National Living Wage Framework provides the basic living wage calculation: household employment income + government transfers (e.g. Universal Child Care Benefit) – Canada Pension Plan (CPP) and Employment Insurance (EI) contributions, federal and provincial taxes = annual family expenses. Based on this methodology, it is possible to calculate the household employment income necessary to meet basic family expenditures. In Guelph and Wellington, a family of four with two adults working full-time (37.5 hours per week) must earn a net income of \$64,410 to meet basic living expenses, and allow them to fully participate in work, family life, and community activities. This means that each parent needs to earn **\$16.50 per hour** to earn a living wage.

Figure 1 shows a comparison of annual incomes for a family of four in Guelph and Wellington, based on their income source (social assistance) or rate of pay (minimum wage, living wage) and how it measures up to local income measures (Low-Income Measure, median and average full-time employment income). This data assumes

⁸ (Bank of Canada)

both parents are receiving income from the same source, at the same rate, based on working 37.5 hours per week.

Figure 2 uses the same information from *Figure 1*, but divides the annual income by half (to determine individual income) and then divides by number of weeks in a year (52) and number of hours worked per week (37.5) to determine the hourly rate, per person. These figures allow the reader to see how the living wage compares to other wages and sources of income, as well as different income measures.

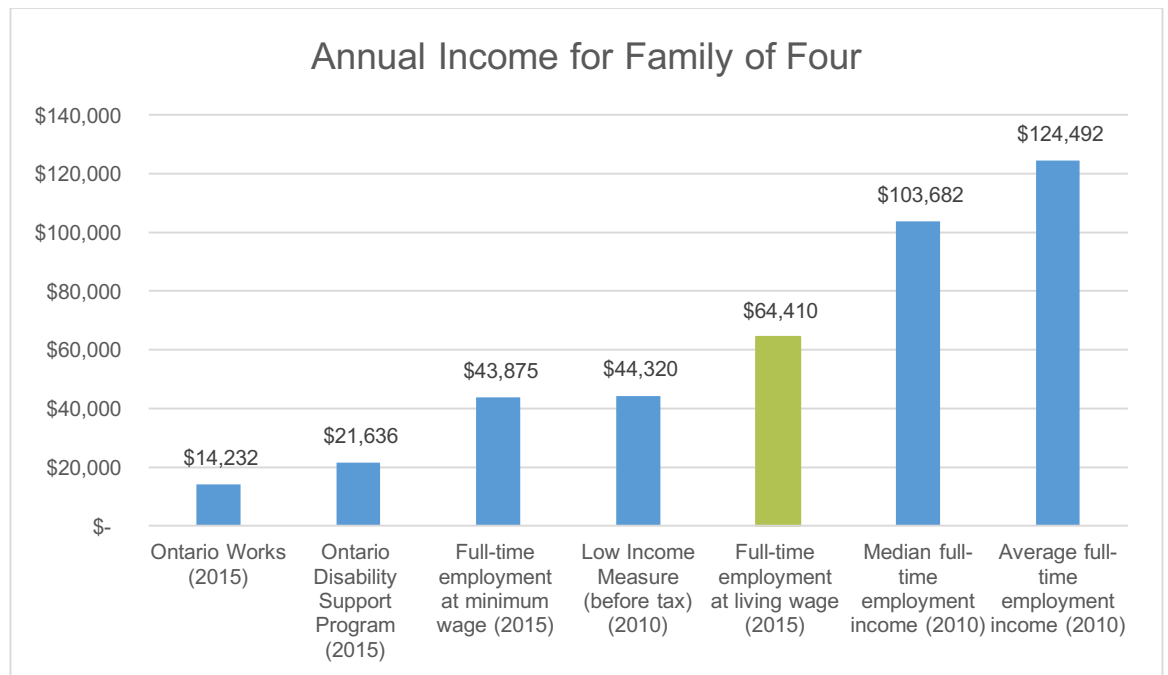


Figure 1: Annual Income for Family of Four

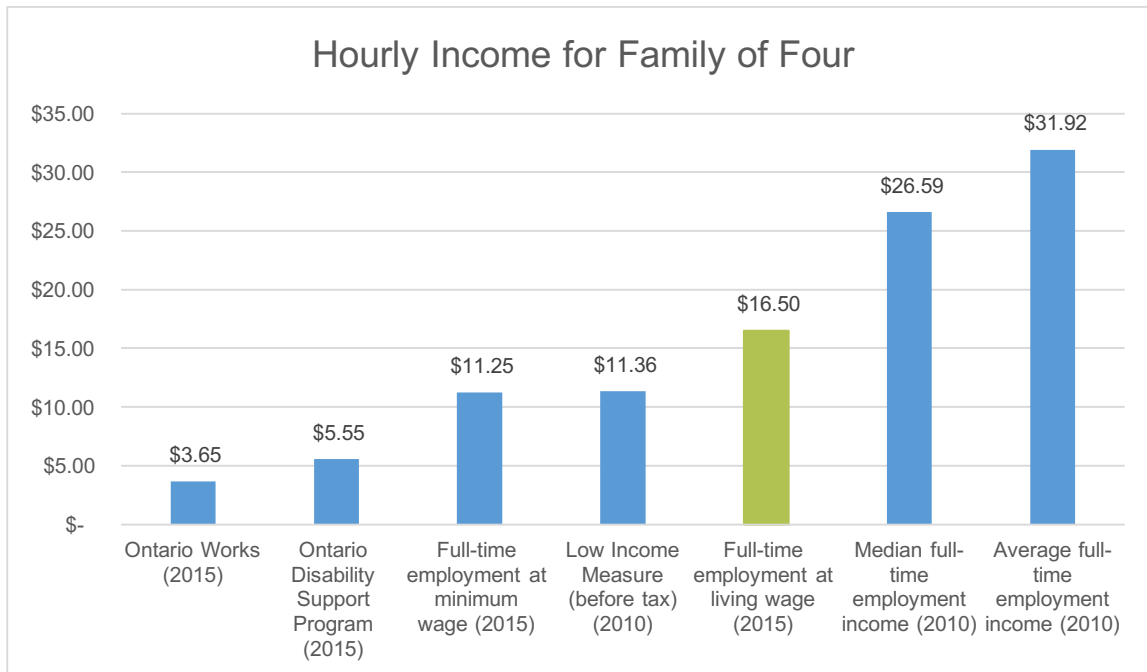


Figure 2: Hourly Income for Family of Four

Family Composition

Informed by the National Living Wage Framework, the methodology provided by the Canadian Centre for Policy Alternatives (CCPA) assumes a reference family of four, including two parents and two children ages 7 and 3. *Table 1* outlines the make up of this composite family.

Table 1: Family Composition

Family Member	Hours Worked
Parent A	37.5
Parent B	37.5
Child A (7 year old)	Attends school
Child B (3 year old)	Attends child care full-time

Family Expenditures

The first step in the calculation process is to determine the average total cost of living for the living wage reference family. A full summary of expenses can be found in *Table 15*. The remainder of this section provides a detailed description of how each expense was calculated.

Healthy Food

The cost of food is based on Wellington-Dufferin-Guelph Public Health's 2014 Nutritious Food Basket (NFB)⁹. The NFB is a survey tool that is a measure of the cost of basic healthy eating that represents current nutritional recommendations based on Eat Well with Canada's Food Guide and the Dietary Reference Intakes. The 2014 NFB was completed by calculating the cost of one week of food based on 67 items across 7 different local grocery stores¹⁰.

The NFB calculation determines weekly food costs by gender and by age and is adjusted for family size. The annual cost of healthy food for the living wage reference family is \$8,799.96 (\$733.33 per month). *Table 2* shows a breakdown of this calculation.

Table 2: Healthy Food

Family Member	Monthly Cost	Annual Cost
Parent A: Female, 35 years old	\$215.45	\$2,585.44
Parent B: Male, 35 years old	\$255.06	\$3,060.72
Child A: Male, 7 years old	\$149.50	\$1,794.00
Child B: Female, 3 years old	\$113.32	\$1,359.80
Total	\$733.33	\$8,799.96

⁹ (Needham)

¹⁰ (Needham)

Shelter

The cost of shelter includes rent, hydro, tenant insurance, and household furnishings and equipment. *Table 4* outlines the shelter costs for the living wage reference family.

Rent

The cost of rent is based on Canadian Mortgage and Housing Corporation's (CMHC) Rental Market Report, 2015. The CMHC conducts the Rental Market Survey every year in April and October to estimate the relative strengths in the rental market. The report provides a snapshot of vacancy and availability rates, as well as average rents in both new and existing structures¹¹. Based on this report, the annual cost of a three-bedroom apartment for the living wage reference family is \$14,148 (\$1,179 per month).

Rent is a significant expense for the reference family, requiring them to pay 21.5 per cent of their annual income on rent. However, it is worth noting that even if families and individuals have sufficient income, they may not be able to find a unit due to low vacancy rates. At 0.6 per cent, Guelph CMA has the lowest vacancy rate among Canada's 35 major centres¹². The vacancy rate for 3+ bedroom apartments is only slightly higher at 0.8%¹³.

Hydro

The CMHC notes that utilities such as heating, electricity and hot water may or may not be included in the average rents they report¹⁴. When the living wage was calculated in 2013 for Guelph and Wellington, it was assumed that utilities *were* included in rent. Based on feedback from the community and stakeholders, including the CCPA, the Income Security Action Group, and the Living Wage Advisory

¹¹ (Canada Mortgage and Housing Corporation)

¹² (Canada Mortgage and Housing Corporation)

¹³ (City of Guelph)

¹⁴ (Canada Mortgage and Housing Corporation)

Committee, a decision was made to calculate hydro as an added expense for the 2015 living wage calculation.

The cost of hydro was calculated based on a methodology provided by the CCPA. This methodology estimates the cost of hydro based on average monthly energy usage in a unit in a low- or high-rise apartment building (414 kilowatt-hour per month)¹⁵. The cost was then estimated using the online electricity calculator for three main hydro providers in Guelph and Wellington on the Ontario Energy Board's website. The average annual cost of hydro for the living wage reference family is \$984.16 (\$82.01 per month)¹⁶. A breakdown of the calculation is included in *Table 3*.

Table 3: Hydro

Provider	Monthly	Annually
Guelph Hydro Electric Systems Inc.	\$80.33	\$963.96
Wellington North Power Inc.	\$86.20	\$1,034.40
Centre Wellington Hydro Ltd.	\$79.51	\$954.12
Total	\$82.01	\$984.16

Tenant Insurance

The best rate for tenant insurance was determined using the Kanetix website (www.kanetix.ca). This site provides insurance quotes and rates for over 40 providers in Canada. Based on a replacement value set at \$40,000 (minimum requirement) and a deductible of \$500, the annual cost of tenant insurance for the living wage reference family is \$259 (\$21.58 per month).

Household Furnishings & Equipment

The annual expenditure on household furnishings and equipment is based on Statistics Canada's 2013 Survey of Household Spending for households in Ontario with an income in the second quintile. The cost of household furnishings and equipment includes items such as furniture, linens, rugs, and household appliances

¹⁵ (Tiessen)

¹⁶ (Ontario Energy Board)

such as microwave ovens. The annual cost of household furnishings and equipment for the living wage reference family is \$1,501 (\$125.02 per month)¹⁷.

Table 4: Shelter Costs

	Monthly Cost	Annual Cost
Rent – 3 bedroom apartment	\$1,179	\$14,148
Utilities	\$82.01	\$984.16
Tenant Insurance	\$21.58	\$259
Household furnishings & equipment	\$125.08	\$1,501
Total	\$1,407.67	\$16,892.16

Transportation

The cost of transportation includes ownership of a four-year-old car, as well as one adult pass and 10 youth tickets for Guelph Transit on a monthly basis. *Table 5* outlines the transportation costs for the living wage reference family.

It is important to note that public transit is not an option outside of the City of Guelph. The living wage calculation assumes that families living in the County would share a car and use the money reserved for public transit on additional gas costs. If an additional car was added to the family, the living wage would increase by just over \$4 per hour.

Vehicle

The cost of owning and operating a vehicle includes depreciation, insurance, service and repairs, winter tires, gasoline, oil changes, and registration. The insurance amount was determined based on the best rate found using the Kanetix website (www.kanetix.com) for full coverage with a \$500 deductible. The remaining calculation was based on methodology provided by the the CCPA and rates from

¹⁷ (Statistics Canada)

local auto-care providers. The annual cost of owning and operating a vehicle for the living wage reference family is \$5,826.96 (\$485.58 per month).

Public Transit

With two parents working full-time and owning one vehicle, it is assumed that at least one parent will require a monthly transit pass. It is also assumed that the children will use public transit 5 times per month.

Table 5: Transportation Expenses

Vehicle	Monthly Cost	Annual Cost
Depreciation	\$173.21	\$2,078.49
Insurance	\$97	\$1,164
Gasoline	\$138.67	\$1,664
Winter tires	\$5	\$60
Oil changes (4 per year)	\$15.83	\$190
License plate sticker	\$8.17	\$98
Service and repair	\$47.70	\$572.40
Total	\$485.58	\$5,826.96

Public Transit	Monthly Cost	Annual Cost
Adult transit pass	\$75	\$900
10 Youth transit tickets	\$19	\$228
Total	\$94	\$1,128

	Monthly Cost	Annual Cost
Total Transportation Cost	\$579.58	\$6,954.96

Child Care

The cost of child care is calculated based on the assumption that the 3-year-old requires full-time child care, and the 7-year-old requires after-school care and attends camps during March break, summer holiday's, and on PD days. It is assumed that the parents will take some of their vacation time over the winter holiday break. The

rates are based on those provided by the YMCA-YWCA Guelph, where the needs of both children can be met through licensed programs. The fee structure at the YMCA-YWCA closely aligns with average costs of local licensed care¹⁸. Based on these assumptions, the annual cost of child care for the living wage reference family is \$14,775.25 (\$1,231.27 per month). *Table 6* provides a full breakdown of child care costs for the living wage reference family.

Table 6: Cost of Child Care

Child	Type of Child Care	Length of Time	Annual Cost
3-year-old Child	Full-time child care (pre-school program)	52 weeks	\$10,140.00
Total (3 year old)			\$10,140.00
7-year-old Child	After-school child care	39 weeks	\$2,681.25
	March break camp	1 week	\$175.00
	Summer camp	9 weeks	\$1,575.00
	PD camps	6 days	\$204.00
Total (7 year old)			\$4,635.25

	Monthly Cost	Annual Cost
3-year-old Child	\$845	\$10,140
7-year-old Child	\$386.27	\$4,635.25
Total	\$1,231.27	\$14,775.25

Fee subsidies for child care costs based on family income are provided by the County of Wellington as the Consolidated Municipal Service Manager for Guelph and Wellington. The living wage reference family would receive an annual child care subsidy totalling \$4,506 for both children (included under “income” in the living wage calculation). Child care costs are a significant expense, requiring the family of four to spend nearly 16 per cent of their total household income on child care (after subsidy). However, if the subsidy was not available, the per cent of income spent on child care would jump to 23% and increase the living wage by \$1.25 per hour. While some communities, such as Toronto, have a long wait list, the County of Wellington has been able to support most requests once a subsidized space is secured¹⁹.

¹⁸ (McComb)
¹⁹ (McComb)

Economic and Community Participation

Communication

The cost of communication includes a cell phone plan for each parent and internet, cable and a home phone. *Table 7* outlines the communication costs for the living wage reference family.

Cell Phone

Based on input from the Income Security Action Group and the Living Wage Advisory Committee, a decision was made to include a basic cell phone plan for each parent in the living wage reference family. This expense was not a part of the 2013 calculation. The basic plan, provided through Wind Mobile, includes modest data, and unlimited Canada-wide calling and texting. The plan also provides credits to purchase a simple smart phone at no additional cost. The plan costs both parents a total of \$840 annually (\$35 per phone, per month).

Internet, Cable & Home Phone

Bundled packages including internet (100 GB), basic cable, and a home phone were reviewed from Canada's two main providers (Bell Canada and Rogers Communications) to determine the lowest rate. Based on this approach, the bundled package for the living wage reference family is \$1,380 per year (\$115 per month).

Table 7: Communication

	Monthly Cost	Annual Cost
Cell phones (2)	\$70	\$840
Internet, cable & home phone	\$115	\$1,380
Total Communication	\$185	\$2,220

Personal Maintenance

The cost of personal maintenance includes personal care, laundry, and reading.

Table 8 outlines the personal care costs for the living wage reference family.

Personal Care

The annual expenditure on personal care is based on Statistics Canada's 2013 Survey of Household Spending for households in Ontario with an income in the second quintile. The cost of personal care includes items such as soap, shampoo, cosmetics, oral hygiene, and haircuts. The annual cost of personal care for the living wage reference family is \$892 (\$74.31 per month)²⁰.

Laundry

Based on the National Living Wage Framework, a decision was made by the Income Security Action Group and the Living Wage Advisory Committee to calculate laundry as an added expense for the 2015 living wage calculation. This calculation assumes that the family will do four loads of laundry per week at a local laundromat. The estimated cost of washing and drying a load is \$5 and the cost of detergent and dryer sheets is included at an additional \$0.35 per load. The annual cost of laundry for the living wage reference family is \$1,112.80 (\$92.73 per month).

Reading

The annual expenditure on reading is based on Statistics Canada's 2013 Survey of Household Spending for households in Ontario with an income in the second quintile. The cost of reading includes items such as books, magazines, and newspapers. The annual cost of reading for the living wage reference family is \$156.23 (\$13.02 per month)²¹.

²⁰ (Statistics Canada)

²¹ (Statistics Canada)

Table 8: Personal Maintenance

	Monthly cost	Annual Cost
Personal care	\$74.30	\$891.67
Laundry	\$92.73	\$1,112.80
Reading	\$13.02	\$156.23
Total	180.06	\$2,160.70

School Fees and Supplies

According to a 2011 study by Social Planning Toronto²², a family of four in Toronto spent at least \$320 a year on additional fees and participation in school activities, including field trips, pizza days, fundraisers, and school photographs. In the absence of local data from Guelph and Wellington, the Toronto data was adjusted for inflation to determine that the 2015 annual cost for the living wage reference family is \$335.46 (\$27.96 per month).

Table 9: Cost of School Fees and Supplies

	Monthly Cost	Annual Cost
School Activity Fee	\$5.24	\$62.90
School Photos	\$2.62	\$31.45
Field Trips	\$8.74	\$104.83
Pizza Day & Other Fundraisers	\$5.24	\$62.90
School Supplies	\$6.12	\$73.38
Total Cost	\$27.95	\$335.45

Family Outings

The cost of family outings is a modest estimate. It is based on the assumption that the family will go out to eat once per month - much lower than the national average, which shows that 60% of Canadians eat out one or more times a week, spending between \$7.00 and \$13.00²³. The cost of eating out for the living wage calculation is

²² (Johnston)

²³ (CBC News)

based on the average cost for a family of four at four different restaurants (East Side Mario’s, A&W, Pizza Pizza, and Montana’s).

The cost of family outings also assumes the family will attend four movies per year and purchase a family membership to the Guelph Civic Museum. Based on this methodology, the annual cost of family outings is \$635.60 (\$52.97 per month).

Table 10: Cost of Family Outings

	Individual or Family Fee	Annual Cost
Guelph Civic Museum Family Membership	\$40	\$40
4 movies per year (adult)	\$10.99	\$87.92
4 movies per year (child)	\$7.99	\$63.92
12 meals out	\$36.98	\$443.76
Total		\$635.60

Recreation

Recreation costs are based on opportunities provided by the City of Guelph and YMCA-YWCA of Guelph. Similar programs were reviewed across Wellington County, which confirmed that costs are consistent across the region.

A family membership to YMCA-YWCA of Guelph is included in the calculation, which allows access to all facilities, programs and activities, as well one registered swimming lesson per week. Additional children’s arts and activity programs were selected, which are eligible for Federal tax credits (Children’s Art Tax Credit and Children’s Fitness Tax Credit).

Based on these assumptions, the annual cost of recreation for the living wage reference family is \$2,302.59 (\$191.88 per month). *Table 11* provides a full breakdown of these costs.

Table 11: Cost of Recreation

	Individual or Family Fee	Annual Cost
10 skating tickets (adult)	\$34.81	\$69.62
10 skating tickets (child) ²⁴	\$25.62	\$25.62
Art program (7 year old)	\$93.75	\$93.75
Art program (3 year old)	\$73.00	\$73.00
Activity program (7 year old)	\$71.60	\$71.60
Activity program (3 year old)	\$73.00	\$73.00
YMCA membership (adult)	\$49.00/month	\$1,176
YMCA membership (child)	\$30.00/month	\$720.00
Total		\$2,302.59

Two Weeks Vacation

The calculation assumes the family will take two-weeks of vacation every year. One week is spent camping at a provincial park; the other week is taken as a “staycation,” in which the family will spend time visiting local attractions, as well as a one day-trip to Canada’s Wonderland. Based on these assumptions, the cost of two-week vacation for the living wage reference family is \$1,333.65 (\$111.14 per month). *Table 12* provides a full breakdown of this calculation.

Table 12: Cost of Two-Week Vacation

	Monthly Cost	Annual Cost
Tickets to Canada’s Wonderland	\$13.50	\$161.96
Parking at Canada’s Wonderland	\$1.48	\$17.70
Fuel to Canada’s Wonderland	\$4.17	\$50.00
Campsite (one week)	\$29.50	\$353.99
Entertainment and food	\$20.83	\$250.00
Staycation/Day Trips	\$41.67	\$500.00
Total	\$111.14	\$1,333.65

²⁴ There is no fee for skating for children 3 years and under

Other Family Expenditures

Other family expenditures include non-OHIP medical insurance, parent education, bank fees, other, and a contingency amount. *Table 13* outlines the other family expenditures for the living wage reference family.

Non-OHIP Medical Insurance

Non-OHIP medical expenses can quickly add up over the course of the year for those without employer-provided benefits. The living wage calculation assumes the reference family will purchase medical insurance through a private provider to help cover these costs. The cost of this expense is based on the Blue Cross Core Health and Dental Benefits Plan²⁵. Core Health Benefits include extended health care benefits like vision care, hearing aids, ambulance services, as well as modest coverage for registered therapists and specialists. Dental benefits provide 70-80% coverage for basic dental care. Based on this calculation, the annual cost of non-OHIP medical insurance for the living wage reference family is \$2,820 (\$235 per month).

It is important to note that if an employer does provide non-OHIP medical insurance as part of an overall compensation package, the living wage is offset by \$1.55 per hour. This means that to be recognized as a living wage employer, the living wage an employer is required to pay could be as low as \$14.95 per hour.

Parent Education

The living wage calculation assumes that both parents will each take a 36-hour course offered at Conestoga College to improve personal and economic opportunities. The average cost of the course was determined by reviewing a sample of courses in four programs, including computing and information technology, community and social services, health and wellness, and business. The average

²⁵ (Ontario Blue Cross)

tuition cost was added to the cost of other mandatory fees (administrative, resource enhancement, student priority). Based on this calculation, the annual cost of education for both parents is \$804.16 (\$402.08 per parent).

It should be noted that in 2013, this expense was based on the assumption that only one parent per year would engage in education opportunities. The 2015 living wage calculation was updated to better reflect the methodology developed through the National Living Wage Framework.

Bank Fees

The cost of bank fees is based on a TD Canada Trust Infinity Chequing Account. The amount covers unlimited transactions per month. Assuming that both parents share one account, the annual cost of bank fees for the living wage reference family is \$179.40 (\$14.95 per month).

Other

The amount for other is based on Statistics Canada's 2013 Survey of Household Spending for households in Ontario with an income in the second quintile²⁶. This expense includes items such as computer equipment, television equipment, and gifts. The annual cost of for the living wage reference family is \$1,279.44 (\$106.62 per month).

Contingency Amount

The contingency amount is calculated at roughly 4% of total expenses, or about two weeks' pay. The amount is meant for emergency situations and to cover medical treatments not covered by the insurance plan. However, it could also be used to establish savings that could be accessed for future post-secondary education, retirement savings, or a down payment for a home. None of these expenses are

²⁶ (Statistics Canada)

included in other areas of the living wage calculation. The annual contingency amount for the living wage reference family is \$2,534 (\$211 per month).

Table 13: Other Family Expenditures

	Monthly Costs	Annual Costs
Non-OHIP medical insurance	\$235.00	\$2,820
Parent education	\$67.01	\$804.16
Bank fees	\$14.95	\$179.40
Other	\$106.62	\$1,279.44
Contingency	\$211.00	\$2,534.00
Total	\$634.58	\$7,617.00

Summary of Family Income

The living wage calculator provided by the CCPA provides a net income reconciliation once all expenses have been calculated. This process takes into account payroll deductions, federal benefits, provincial benefits and refundable credits, federal and provincial taxes, and other deductions. The full summary of income can be found in *Table 16*. The following section provides a detailed breakdown of the taxes, transfers, and other payroll deductions associated with the living wage reference family.

Universal Child Care Benefit

The Universal Child Care Benefit (UCCB) provides a taxable benefit to all Canadian families with children. On January 1, 2015, the UCCB was expanded to include a new \$60 per month benefit for children aged 6 through 17, and the payments that parents receive for children under the age of 6 were increased to \$160 per month (previously \$100 per month).²⁷ The living wage reference family has one child under the age of 6 and one child over the age of 6, so the calculation includes UCCB income of \$220 per month or \$2,640 per year.

²⁷ (Canada Revenue Agency)

Canada Child Tax Benefit

The Canada Child Tax Benefit (CCTB) is a tax-free monthly payment made to eligible families meant to help them with the cost of raising children under the age of 18.²⁸ In Guelph and Wellington, a family of four with two parents earning a living wage qualify to receive \$2,478.30 over the course of one year.

Child Care Subsidy

In Ontario, families with children under the age of 12 (or 18 if the child has special needs) can apply for a child care subsidy. The cost of this program is shared by the Ontario government, municipal governments and First Nations communities. The amount of funding depends on the family's adjusted net income, meaning that those with lower income receive more support.²⁹ The living wage calculation determined that the reference family would receive a subsidy of \$388 per month or \$4,660.06 per year.

Working Income Tax Benefit

The Working Income Tax Benefit (WITB) is a refundable tax credit intended to provide tax relief for eligible working low-income individuals and families who are already in the workforce and to encourage other Canadians to enter the workforce.³⁰ The living wage reference family is not eligible to receive the WITB.

Ontario Child Benefit

The Ontario Child Benefit is provided for low- to moderate-income families to provide financial assistance in raising their children.³¹ The living wage reference family earns

²⁸ (Canada Revenue Agency)

²⁹ (Government of Ontario)

³⁰ (Canada Revenue Agency)

³¹ (Ministry of Children and Youth Services)

an income higher than the cut-off for OCB eligibility and so they do not qualify for this benefit.

Federal and Provincial Income Tax

The living wage calculation takes into account federal and provincial income tax, after all credits and deductions. The living wage reference family will pay \$4,245.29 combined federal and provincial income tax.

Canada Pension Plan and Employment Insurance contributions

Almost all individuals who work in Canada contribute to the Canada Pension Plan (CPP). The CPP provides pensions and benefits when contributors retire, become disabled, or die.³² Similarly, working Canadians must contribute to Employment Insurance (EI), which provides temporary assistance to unemployed Canadians who have lost their job.³³ The living wage reference family would contribute \$4,052.75 over the course of one year to EI and CPP.

Review of Guelph & Wellington Living Wage Income and Expenses

Based on the summary of family expenditures and family income, the 2015 living wage in Guelph and Wellington is \$16.50 per hour. A full breakdown is reviewed in *Table 15 – Summary of Family Expenses* and *Table 16 – Summary of Family Income*.

³² (Government of Canada)

³³ (Government of Canada)

Table 14: Guelph & Wellington Living Wage: Summary of Family Expenses

	Annual Amount
Food	\$8,800
Clothing and Footwear	\$1,864
Rent 3 bedroom	\$14,148
Hydro	\$984
Tenant Insurance	\$259
Household Furniture & Equipment	\$1,500
Vehicle	\$5,827
Public Transit	\$1,128
Child Care (before subsidy)	\$14,775
Cell Phone	\$840
Internet, Cable & Home Phone	\$1,380
Recreation	\$2,303
Personal Care	\$892
Reading	\$156
Laundry	\$1,113
School Supplies and Fees	\$335
Monthly Family Outings	\$636
Family Vacation	\$1,334
Non-OHIP Medical Insurance	\$2,820
Parent Education	\$804
Bank Fees	\$179
Other	\$1,279
Contingency	\$2,534
Total Family Expenses	\$65,891

Table 15: Guelph & Wellington Living Wage: Summary of Family Income

	Annual Amount
Household Employment Income	\$64,411
Universal Child Care Benefit	\$2,640
Canada Child Tax Benefit	\$2,478
Child Care Subsidy	\$4,660
Working Income Tax Benefit	\$0
Ontario Child Benefit	\$0
PLUS Total Government Transfers	\$9,778
Federal and Provincial Tax after Credits	\$4,245
CPP & EI Contributions	\$4,053
MINUS Total Taxes and Payroll Deductions	\$8,298
Household Expenditures	\$65,891
Guelph & Wellington's Living Wage	\$16.50

Conclusion

Guelph and Wellington, and the people that make up our community, are rich in many ways. We live in a vibrant part of the province that includes Canada's most caring city, the safest community, and one of the most livable cities for singles and families. Guelph has an unemployment rate well below the provincial average (3.6 per cent compared to 6.5 per cent) and the prevalence of low-income is lower as well (10.6 per cent compared to 13.9 per cent). Yet many in Guelph and Wellington, including those working full-time, struggle to make ends meet and to fully participate in this great community. This is a problem that we should all be working together to solve.

The Guelph & Wellington Task Force for Poverty Elimination believes that the living wage is one part of the solution. By supporting the living wage movement, we can ensure that families and individuals working full-time can meet their basic living expenses, support the healthy development of their children, and fully participate in work, family life, and community activities.

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Appendix 1 – Living Wage Calculation – Single Person

The following living wage calculation is based on the following assumptions:

- The individual is a male, age 35.
- The individual rents a 1-bedroom apartment.
- The individual does not own a vehicle and requires a public transit pass and four round-trip taxi rides per month.
- Recreation includes a soccer league, in addition to the YMCA membership and skating tickets.
- Outings include tickets for 3 Guelph Storm games, instead of a Guelph Civic Museum membership.

All other expense scenarios are the same as the living wage reference family of four and adjusted for family size.

Summary of Expenses

	Annual Amount
Food	\$3,673
Clothing and Footwear	\$932
Shelter	
Rent 1 bedroom	\$10,536
Hydro	\$779
Tenant Insurance	\$259
Household Furniture & Equipment	\$750
Transportation	
Vehicle	\$0
Public Transit	\$2,088
Child Care (before subsidy)	\$0
Social Inclusion	
Cell Phone	\$420
Internet, Cable & Home Phone	\$1,380
Recreation	\$803
Personal Care	\$446
Reading	\$78
Laundry	\$556
School Supplies and Fees	\$0
Monthly Family Outings	\$283
Family Vacation	\$1,173
Other	

Non-OHIP Medical Insurance	\$965
Parent Education	\$402
Bank Fees	\$179
Other	\$640
Contingency	\$1,054
Total Family Expenses	\$27,396

Summary of Income

	Annual Amount
Household Employment Income	\$31,961
Universal Child Care Benefit	\$0
Canada Child Tax Benefit	\$0
Child Care Subsidy	\$0
Working Income Tax Benefit	\$0
Ontario Child Benefit	\$0
PLUS Total Government Transfers	\$0
Federal and Provincial Tax after Credits	\$2,556
CPP & EI Contributions	\$2,010
MINUS Total Taxes and Payroll Deductions	\$4,565
Household Expenditures	\$27,396
Guelph & Wellington's Living Wage	\$16.40

Appendix 2 – Living Wage Calculation – Lone-Parent Family

The following living wage calculation is based on the following assumptions:

- The family is composed of one female parent, age 35, and one male child, age 5.
- The child is in school full-time and requires after-school care, as well as care for March break, summer holidays, and PD days.
- The family has a vehicle and does not require a public transit pass.
- The family rents a 2-bedroom apartment.

All other expense scenarios are the same as the living wage reference family of four and adjusted for family size.

Summary of Expenses

	Annual Amount
Food	\$4,817
Clothing and Footwear	\$1,212
Shelter	
Rent 2 bedroom	\$11,928
Hydro	\$871
Tenant Insurance	\$259
Household Furniture & Equipment	\$975
Transportation	
Vehicle	\$5,935
Public Transit	\$0
Child Care (before subsidy)	\$4,635
Social Inclusion	
Cell Phone	\$420
Internet, Cable & Home Phone	\$1,380
Recreation	\$1,154
Personal Care	\$580
Reading	\$102
Laundry	\$835
School Supplies and Fees	\$335
Monthly Family Outings	\$416
Family Vacation	\$1,142
Other	
Non-OHIP Medical Insurance	\$1,687
Parent Education	\$402
Bank Fees	\$179
Other	\$832
Contingency	\$1,604

Total Family Expenses	\$41,701
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Summary of Income

	Annual Amount
Household Employment Income	\$33,142
Universal Child Care Benefit	\$1,920
Canada Child Tax Benefit	\$2,765
Child Care Subsidy	\$2,171
Working Income Tax Benefit	\$0
Ontario Child Benefit	\$0
Child Support Payment	\$3,402
PLUS Total Government Transfers & Child Support	\$10,258
Federal and Provincial Tax after Credits	\$-391
CPP & EI Contributions	\$2,090
MINUS Total Taxes and Payroll Deductions	\$1,699
Household Expenditures	\$41,701
Guelph & Wellington's Living Wage	\$17.00