

Working for a living wage: Making paid work meet basic family needs in Metro Vancouver ^[1]

2012 Update

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AVAILABILITY

Full report in pdf ^[2]

Excerpts:

Families who work for low wages face impossible choices - buy clothing or heat the house, feed the children or pay the rent. The result can be spiralling debt, constant anxiety and long-term health problems. In many cases it means that the adults in the family are working long hours, often at two or three jobs, just to pay for basic necessities. They have little time to spend with their family, much less to help their children with school work or participate in community activities.

The frustration of working harder only to fall further behind is one many Canadians can relate to. Recent CCPA research shows that most families are taking home a smaller share of the economic pie despite working longer hours, getting more education and contributing to a growing economy.

For eight years running, BC has had the highest child poverty rate in Canada. The story of child poverty is very much a story of low wages. The vast majority of BC's poor children live in families with some paid work. And in 2009 (the last year for which we have data), almost half (48%) lived in families where at least one adult had a full-time, full-year job.

The living wage is one of the most powerful tools available to address this troubling state of poverty amid plenty in BC. It allows us to get serious about reducing child poverty, and ensures that families who are working hard get what they deserve - a fair shake, and a life that's about more than a constant struggle to get by.

A living wage is not the same as the minimum wage, which is the legal minimum all employers must pay. The living wage sets a higher test - it reflects what earners in a family need to bring home, based on the actual costs of living in a specific community. The living wage is a call to private and public sector employers to pay wages to both direct and contract employees sufficient to provide the basics to families with children.

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The living wage calculation is based on the needs of two-parent families with young children, but would also support a family throughout the life cycle so that young adults are not discouraged from having children and older workers have some extra income as they age. Ideally the living wage should be enough for a single parent with one child to get by, and this was the case in Vancouver until this living wage update. However, the living wage in 2012 is no longer sufficient for a single parent with one child. (See page 25 of the original 2008 report for more on single parents.)

A Bare Bones Budget

At \$19.14 per hour for Metro Vancouver - or \$34,835 annually for each parent working full-time - here's what a family could afford:

FOOD: \$759/month (based on estimates by the Dietitians of Canada for a nutritious diet).

CLOTHING AND FOOTWEAR: \$183/month.

SHELTER: \$1,436/month (includes conservative rent estimate for a three-bedroom apartment, utilities, telephone, and insurance on home contents).

TRANSPORTATION: \$468/month (includes the cost of owning and operating a used

car as well as a two-zone bus pass for one of the parents, replaced by a discounted student transit pass, the U-Pass, for eight months of the year).

CHILD CARE: \$1,168/month (for a four year old in full-time care, a seven year old in after-school care, and six weeks of summer care). Notably, child care is the second most expensive item in the living wage family budget after shelter.

MEDICAL SERVICES PLAN (MSP) PREMIUMS: \$128/month

NON-MSP HEALTH CARE: \$133/month (the cost of a basic extended health and dental plan with Pacific Blue Cross Insurance; does not include expenses only partially covered by the insurance plan).

PARENTS' EDUCATION: \$91/month (allows for two college courses per year).

CONTINGENCY FUND: \$223/month (two week's wages for each parent, which provides some cushion for unexpected events like the serious illness of a family member, transition time between jobs, etc.).

OTHER: \$699/month (covers personal care, furniture, household supplies, school supplies, some reading materials, minimal recreation and entertainment).

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Related Links

It takes \$19.14 an hour - from both parents - to raise a family ^[3], Vancouver Sun, 27 Apr 12

Working for a living wage 2010 ^[4]

Region: British Columbia ^[5]

Tags: poverty ^[6]

work/life balance ^[7]

Source URL (modified on 27 Jan 2022): <https://childcarecanada.org/documents/research-policy-practice/12/05/working-living-wage-making-paid-work-meet-basic-family>

Links

[1] <https://childcarecanada.org/documents/research-policy-practice/12/05/working-living-wage-making-paid-work-meet-basic-family> ^[2]

[http://www.policyalternatives.ca/sites/default/files/uploads/publications/BC Office/2012/04/CCPA_Living_Wage_Update_2012.pdf](http://www.policyalternatives.ca/sites/default/files/uploads/publications/BC%20Office/2012/04/CCPA_Living_Wage_Update_2012.pdf) ^[3]

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