



Calculating a Living Wage for Halton

A Discussion Paper

March 2013



POVERTY **FREE** HALTON

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Any mistakes and shortcoming in this report are solely due to the author.

Richard Lau, Research Associate

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Introduction

This report documents the process and data used in the calculation of a living wage for Halton Region. It is intended to initiate a dialogue on the concept of a living wage in the context of poverty reduction. It also provides an opportunity for the discussion of the various household expenditures included in the calculation.

What is a Living Wage?

A living wage is envisioned as a wage that allows working people not just to survive (in minimal physiological terms) but to enjoy a decent quality of life in which one can raise a family, be healthy and enjoy recreation, culture, entertainment and participate fully in social life.¹ The amount of a living wage varies depending on the living expenses in a particular community as well as the tax and benefit system. As those items change over time, a living wage is often recalculated annually.

In contrast, minimum wages are set by governments without taking into consideration the ability of the working people to have a quality of life. In addition, a minimum wage does not reflect the differences in a cost of living geographically. The current minimum wage in Ontario is \$10.25 per hour. A person working full time at minimum wage would earn less than Statistics Canada's Low Income Cut-off (LICO). As such, minimum wage earners and their families are living in poverty.

Minimum wage is about survival. A Living Wage is about participation and inclusion.

Review of Literature on Living Wage

Since the mid-1990s, living wage ordinances have been implemented in over 150 municipalities in the United States. Municipalities, universities and businesses within the UK and Canada are increasingly adopting living wage policies and the movement is growing. The impact of implementing a living wage has been well documented in the literature. Although much of the research has been prospective in nature, post-implementation studies are increasing, which contributes to well-informed policy development. Proponents of the living wage point to the benefits reaped by individual workers, employers, and communities. Skeptics raise concerns about the economic viability of mandating a living wage. Both perspectives are addressed in the literature and demonstrate that while there are little to no negative impacts documented, there are many positive outcomes associated with living wage implementation.

¹ Canadian Centre for Policy Alternatives, *A Living Wage for Toronto*, Ottawa, Ontario, 2008.

Raising workers out of poverty through the provision of a fair wage is one of the primary goals of the living wage movement. In Boston, workers benefiting from the living wage policy were disproportionately poor and low-income.² This is one of many examples indicating that implementing a living wage standard impacts those who are in the greatest need.

Questions have been raised whether employers would favour hiring higher-skilled workers as an unintended consequence of being required to pay a living wage. Instead of substituting their workforce with higher-skilled workers, many employers have increased the level of training provided to their current employees.³ For example, when a living wage was implemented at the San Francisco Airport, employers incurred the cost of increased training of current employees rather than replacing them with higher-skilled workers.⁴ Employees retain their job, increase their skills and are paid fairly, which leads to benefits for the employer as well.

Increased satisfaction, security and ability to meet the needs of themselves and their families appear to improve various aspects of worker performance. An analysis of living wage implementation in Boston found that 25 percent of living wage firms reported greater employee work effort and improved morale.⁵ The improved morale and increased work effort is not attributed to former low-wage workers being replaced with higher-skilled substitutes, but to current employees' response to higher wages.⁶

Most studies that assess the issue of turnover, absenteeism, and employee work effort have found evidence supporting the beneficial impacts of living wages.⁷ A study of the living wage ordinance implemented in Los Angeles found that absenteeism declined and the decrease in turnover alone offset 16 percent of the total cost of paying the higher wages.⁸ A study of San Francisco home-care workers found that turnover fell by 57 percent after the implementation of a living wage policy.⁹ A broad-reaching study found that organizations paying a living wage had turnover rates for low-wage positions that were 35 percent lower than establishments that do not pay a living wage.¹⁰ When paid a living wage, workers

² J. Chapman & J. Thompson, *The Economic Impact of Local Living Wages*, Economic Policy Institute, Washington, DC, 2006.

³ M. Reich, P. Hall & K. Jacobs, *Living Wage Policies at the San Francisco Airport: Impacts on Workers and Businesses*, Malden, MA, 2005.

⁴ Chapman & Thompson, 2006.

⁵ M. Brenner, *The Economic Impact of the Boston Living Wage Ordinance*, Malden, MA, 2005.

⁶ Chapman & Thompson, 2006.

⁷ Chapman & Thompson, 2006.

⁸ Chapman & Thompson, 2006.

⁹ C. Howes, *Living Wages and Retention in Homecare Workers in San Francisco*, Malden, MA, 2005.

¹⁰ D. Fairris, *The Impact of Living Wages on Employers: A Control Group Analysis of the Los Angeles Ordinance*, Malden, MA, 2005.

appear to be less likely to leave their job, which reduces the costs of recruiting and training new workers.¹¹

There are economic benefits experienced by the wider community when citizens earn higher wages. Lower income workers with increased income spend their income locally and the majority of these purchases are on necessities.¹² Increasing individual purchasing power stimulates the local economy and benefits small business.

Benefits of a Living Wage

Living Wage Hamilton¹³ summarizes the benefits of a living wage for workers, employers and their communities in the following ways:

Benefits for workers:

- Receive fair compensation
- Raised out of poverty
- Better quality of life
- Improved health
- Opportunities for education/skill training

Benefits for employers:

- Reduced absenteeism
- Decreased turnover rates
- Lowered recruitment and training costs (retention)
- Increased morale, productivity and loyalty
- Recognition for responsible employers

Benefits for the community:

- Greater consumer spending power
- Increased spending in local economy
- Increased civic participation

A living wage provides the opportunity to participate in the community. This includes opportunities to engage in recreational and cultural activities.

¹¹ Chapman & Thompson, 2006.

¹² M. Reich & A. Laitenen, *Raising Low Pay in a High Income Economy: The Economics of the San Francisco Minimum Wage*, Institute for Research on Labor and Employment, Berkeley, CA.

¹³ http://livingwagehamilton.ca/wp/?page_id=56

Living Wage Public Sector Employers

On December 13, 2010 the Council of the Township of Esquimalt, B.C. Council voted to support the full implementation of a complete Living Wage Policy and Program for the Township's operations.¹⁴

The City of New Westminster, B.C. became the first municipality in Canada to become a "Living Wage Employer" municipality in Canada on January 1st, 2011. The City has established a living wage policy that requires all firms that are contracted directly or subcontracted by the City to provide services on city premises, to pay their employees who perform the services a "Living Wage" as calculated by the Living Wage for Families Campaign.¹⁵

In March 2013, the Hamilton-Wentworth District School Board (HWDSB) adopted a "living wage" policy which would see all its employees earn at least \$14.95 an hour.¹⁶ While existing HWDSB employees all earn more than \$14.95, the Board felt it was important to set an example for other employers.

Living Wage Private Sector Employers

The number of living wage private sector employers has outnumbered their public sector counterparts. According to *Living Wages for Families*¹⁷ in British Columbia, their list of certified living wage employers is growing. For example, on May 24, 2011, Vancity, Canada's largest credit union became the largest organization in Canada to become a Living Wage Employer.¹⁸ Vancity has an asset over \$16 billion, employs 2,500 workers in 58 branches province-wide and serves over 475,500 members.

¹⁴ <http://www.esquimalt.ca/news/news12171001.aspx>

¹⁵ http://www.newwestcity.ca/2010/05/13/living_wage_policy/2010-05

¹⁶ <http://www.thespec.com/news/local/article/905160--school-board-sends-message-on-poverty>

¹⁷ Living Wage Employers listed at http://www.lwemployers.ca/?page_id=7

¹⁸ <https://www.vancity.com/AboutUs/OurValues/livingwage/>

Living Wage Calculation for Halton

The calculation of a living wage for Halton is based on the custom spreadsheet developed and made available by Hugh Mackenzie, Hugh Mackenzie Inc. The spreadsheet includes a list of family expenditures, all relevant tax credits, income and payroll taxes and eligible family subsidies (e.g. childcare subsidy program).

The living wage for Halton was calculated for each of three different households:-

- Single person
 - Male, age 32, working full time (37.5 hours/week)
- Family of two
 - Lone parent, female, age 30, working full time (37.5 hours/week)
 - One child: boy, age 3
- Family of four
 - Two parents: both age 37, both working full time (37.5 hours/week)
 - Two children: boy, age 10 and girl, age 14

Childcare requirement:

- Family of two
 - Requires full time childcare (5 days a week)
- Family of four
 - Boy age 10, requires childcare for after school, summer camp and PA (Professional Development) days
 - Girl age 14, does not require any childcare

The following family expenditure items are included in the calculation:

- Basic needs which can make up to 60% of total expenditure
 - Food
 - Shelter
 - Clothing
 - Transportation
- Essential items
 - Private health insurance
 - Childcare for children
 - Continuing education for parents/adults
 - Household operation, maintenance, furnishing and equipment
- Items that contribute to fuller participation in society (also known as “social inclusion”)
 - Children’s school fees, field trips and fundraising events:
 - Basic phone, cable and internet
 - Recreation

- Monthly family outing
- Family vacation in Ontario
- Gifts
- Reading and entertainment supplies
- Other items:
 - Tenant's insurance
 - Personal care
- Contingency fund – about 4% of household budget in case of emergencies or unforeseen expenses

The following items¹⁹ are **not** included in the calculation of the living wage:

- Debt
- Savings other than the 4% contingency fund
- Owning a house
- Take-out dinners or lunches
- Special dietary needs
- Difficulty receiving child support payments
- Difficulty accessing childcare fee subsidy
- Costs related to disability that might not be covered by insurance
- Pets
- Poker nights or drinks with friends
- Extended cable package or satellite television, or upgraded internet package
- Cell phones
- Smoking or alcohol purchases

¹⁹ The Social Planning and Research Council of Hamilton. *Calculating a Living Wage for Hamilton*. December 2011, Hamilton, Ontario.

Average annual and monthly cost of household expenditure Halton Region

Category	Item	Average annual cost			Data source
		Family of 4	Family of 2	Single person	
Food		\$9,087 (\$757/mo)	\$3,796 (\$316/mo)	\$3,133 (\$261/mo)	<i>The Price of Eating Well in Halton 2012</i> ²⁰ and <i>Nutritious Food Basket Survey – 2012 Results</i>
Clothing	Clothing and footwear	\$2,184 (\$182/mo)	\$1,260 (\$105/mo)	\$972 (\$81/mo)	Statistics Canada , Market Basket Measure for the Hamilton Census Metropolitan Area (CMA), representing “basic standard of living” (2009 figure adjusted for inflation)
Shelter	Rent and utilities	\$16,236 (\$1,353/mo)	\$13,860 (\$1,155/mo)	\$12,084 (\$1,007/mo)	Canada Mortgage and Housing Corporation , <i>Rental Market Report: GTA</i> (Fall, 2012) Table 4.1.2. for Halton Region 3 bedrooms – family of 4 2 bedrooms – family of 2 1 bedroom – single person
	Tenant insurance	\$213 (\$17.75/mo)	\$213 (\$17.75/mo)	\$213 (\$17.75/mo)	Kanetix.ca , quotes for basic content insurance against fire and theft and personal liability
	Telephone, television and internet	\$1,296 (\$108/mo)	\$1,296 (\$108/mo)	\$1,296 (\$108/mo)	Cogeco quotes Basic bundle (basic cable, basic land line phone and standard internet)
Transportation	Vehicle	\$6,768 (\$564/mo)	\$7,075 (\$589/mo)	\$6,768 (\$564/mo)	Families purchased a 5 year old Pontiac Vibe and use it for 4 years (autotrader.ca), Insurance for family of 4 applies to two adult drivers Insurance is higher for lone parent because of younger age and shorter prior insurance record. All insurance quotes assume clean record. For the single person, it is assumed that the individual requires a car to go to work instead of relying on public transit. There is no transit service in Halton Hills and no services connecting the four local municipalities.

²⁰ Halton Region Health Department, *The Price of Eating Well in Halton 2012*

Category	Item	Average annual cost			Data source
		Family of 4	Family of 2	Single person	
	Transit, taxi and/or car share	\$1,926 (\$160/mo)	\$0	\$0	Family of 4 Transit pass for one parent and one teenager (11 months per year) – average cost of transit pass (Burlington, Oakville and Milton)
Education	Continuing Adult Education	\$1,152 (\$96/mo)	\$576 (\$48/mo)	\$576 (\$48/mo)	Mohawk College or Sheridan College Two courses per year per adult to upgrade skills to obtain higher wage employment
Child Care	Childcare centre, before and after school and/or summer care	\$5,760 (\$480/mo)	\$10,633 (\$886/mo)	\$0	Family of 4: youngest child attending before / after-school child care program during school year, with additional childcare during PA days and 6 weeks of summer YMCA Hamilton / Burlington / Brantford's and YMCA of Oakville's School Age Child Care Program rates Family of 2: the 3 year old daughter requires full-time child care (rates from First Steps Learning and Child Care Centre Inc. – effective Sept. 5, 2011) Family of 2 is eligible for provincial childcare fee subsidy from Halton Region. The amount of the subsidy would be \$653 per month (\$7,840/year)
Health Care	Non-OHIP health insurance	\$3,756 (\$313/mo)	\$2,526 (\$211/mo)	\$1,428 (\$119/mo)	Green Shield Quotes using kanetix.ca for 2 nd least expensive plan. Amounts based on no prior medical conditions. Coverage includes dental, prescription drugs, hospital and other extended health care
Other	Monthly family outing	\$1,800 (\$150/mo)	\$648 (\$54/mo)	\$480 (\$40/mo)	Going to the movies and a modest restaurant meal.

Category	Item	Average annual cost			Data source
		Family of 4	Family of 2	Single person	
					Assuming \$150/month for family of 4
	Family vacation (two weeks per year)	\$1,260 (\$105/mo)	\$964 (\$80/mo)	\$532.75 (\$44/mo)	Family of 4: vacation activities to be determined Family of 2: Camp for 1 week, 1 week “staycation” at home Single person: camping at one of the Ontario Parks
	Household operation, maintenance, furnishing and equipment	\$1,848 (\$154/mo)	\$1,200 (\$100/mo)	\$924 (\$77/mo)	Statistics Canada Typical household budget portion for this item from Survey of Household Spending (for households in the 2 nd income quintile). Proportion was then applied to total for Market Basket Measure “Other” category for Hamilton CMA. Family size adjustment for 2 person family and single person
	Personal care	\$468 (\$39/mo)	\$300 (\$25/mo)	\$240 (\$20/mo)	Statistics Canada Same method as previous item (household operation)
	Recreation	\$396 (\$33/mo)	\$264 (\$22/mo)	\$216 (\$18/mo)	There is no family pass for sports and recreational programs in Halton. Use Survey of Household Spending (for households in the 2nd income quintile) – average for use of sports and recreational activities
	Reading and entertainment supplies	\$228 (\$19/mo)	\$144 (\$12/mo)	\$108 (\$9/mo)	Statistics Canada Same method as household operation and personal care items
	Children’s school fees and fundraising	\$504 (\$42/mo)	\$0	\$0	Social Planning Toronto <i>Public System, Private Money: Fees, fundraising and equity in the Toronto District School Board</i> report. Conservative estimates based on schools adhering to new 2011 Ministry of Education guidelines which prohibit some types of school fees.
	Gifts	\$300	\$192	\$144	Statistics Canada. Conservative

Category	Item	Average annual cost			Data source
		Family of 4	Family of 2	Single person	
		(\$25/mo)	(\$16/mo)	(\$12/mo)	estimates based on Survey of Household Spending: 25% of average amount spent by households in the 2 nd income quintile on gifts and contributions. Family size adjustment for 2 person family and single person
	Other services not specified	\$1,092 (\$91/mo)	\$708 (\$59/mo)	\$576 (\$48/mo)	Statistics Canada Market Basket Measure for the Hamilton CMA total for category "Other" subtracting the total of all the specified items listed here, except for the family vacation, which is not included in the MBM spending allotments. Pro-rated for family
Child Support		\$0	\$3,828 (\$319/mo)	\$0	Department of Justice Calculated Federal Child Support amounts (simplified tables) and assuming other parent has same income as primary parent
Contingency Amount		\$2,251 (\$187/mo)	\$1,826 (\$154/mo)	\$1,188 (\$99/mo)	About 4% of total expenses
Total cost of living		\$58,525 (\$4,877/mo)	\$47,481 (\$3,956/mo)	\$30,878 (\$2,573/mo)	

Food

Each year, the Halton Region Health Department conducts the Nutritious Food Basket Survey, as mandated by the Ontario Ministry of Health and Long Term Care. The survey requires visiting seven grocery stores throughout the region to price 67 food items to determine the average price of a nutritious diet for Halton residents. The result of the survey was released in May 2012.²¹

Attachment #1 to Report MO-25-12

Weekly Cost of the Nutritious Food Basket in Halton - May 2012 How to Calculate Your Food Costs Using the Nutritious Food Basket*

Follow the steps below to find out the cost of a weekly nutritious food basket for your household.

STEP 1:

Write down the age and gender of all the people you are feeding. For example:

Man, 37 years old and Woman, 37 years old
Boy, 15 years old and Girl, 8 years old

STEP 2:

Refer to Table 1 to find the cost of feeding each person. Write down the cost of feeding each person.

STEP 3:

Add these costs together to find yours subtotal.

STEP 4:

Since it costs a little more to feed a small group of people and less to feed a large group, the total weekly cost may need to be adjusted using the following factors:

Household Size	Adjustment Factor
1 person	Multiply by 1.20
2 people	Multiply by 1.10
3 people	Multiply by 1.05
4 people	Make no change
5 - 6 people	Multiply by 0.95
7 or more people	Multiply by 0.90

Gender/Age (Years)		Cost Per Week
Males	2-3	\$23.50
	4-8	\$30.45
	9-13	\$40.63
	14-18	\$57.65
	19-30	\$55.63
	31-50	\$50.25
	51-70	\$48.62
	Over 70	\$48.09
Females	2-3	\$23.02
	4-8	\$29.49
	9-13	\$34.71
	14-18	\$41.58
	19-30	\$42.91
	31-50	\$42.43
	51-70	\$37.53
	Over 70	\$36.92
Pregnant Women	18 & younger	\$46.52
	19-30	\$46.92
	31-50	\$45.78
Breastfeeding Women	18 & younger	\$48.41
	19-30	\$49.83
	31-50	\$48.69

²¹ ibid

STEP 5:

To determine the cost per month, multiply by 4.33

Example		
Step 1		Step 2
Gender	Age (Years)	Cost per week (\$)
Man	37	\$50.25
Woman	37	\$42.43
Boy	15	\$57.65
Girl	8	\$29.49
Step 3	Subtotal	\$179.82
Step 4 Multiply your subtotal by the adjustment factor. (4 people – make no change) \$179.82 x no adjustment = \$179.82		
Step 5 Multiply your total weekly cost from Step 4 by 4.33. \$179.82 x 4.33 = \$778.62/month		

Use the following chart for your household		
Step 1		Step 2
Gender	Age (Years)	Cost per week (\$)
Step 3	Subtotal	
Step 4 Multiply your subtotal by the adjustment factor.		
Step 5 Multiply your total weekly cost from Step 4 by 4.33.		

*The cost of the Nutritious Food Basket is based on the 67 food items collected from 7 stores across the Region. The software program automatically adds 5% to the basket cost to cover the cost of miscellaneous foods used in meal preparation, e.g. spices, condiments, baking supplies etc.

Household	Weekly cost	Annual and monthly cost
Family of 4	Man (37 years) - \$50.25 Woman (37 years) - \$42.43 Girl (14 years) - \$41.58 Boy (10 years) - \$40.63 Adjustment factor - nil	\$9,087(\$757/mo)
Family of 2	Woman (30 years) - \$42.91 Boy (3 years) - \$23.50 Adjustment factor - 1.1	\$3,796 (\$316/mo)
Single individual	Man (32 years) - \$50.25 Adjustment factor- 1.2	\$3,133 (261/mo)

Clothing and footwear

Data source: Statistics Canada, Market Basket Measure for the Hamilton CMA, representing “basic standard of living” (2009 figure adjusted for inflation).

2007 Clothing and footwear (Hamilton 2000 base)	\$2,137/year
CPI Clothing Ontario 2009 June	89.1
CPI Clothing Ontario 2011 June	91.0
Clothing cost	\$2,183

Rent and utilities

Date source: Canada Mortgage and Housing Corporation, Rental Market Report, GTA (Fall, 2012), Table 4.1.2. for Halton Region.

Rental Market Report - Greater Toronto Area - Date Released - Fall 2012

4.1.2 Rental Condominium Apartments and Private Apartments in the RMS ¹ Average Rents (\$) by Bedroom Type Toronto CMA - October 2012									
Condo Sub Area	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		
	Rental Condo Apts.	Apts. in the RMS ¹	Rental Condo Apts.	Apts. in the RMS ¹	Rental Condo Apts.	Apts. in the RMS ¹	Rental Condo Apts.	Apts. in the RMS ¹	
Centre	**	855 a	1,542 a	1,070 a	1,867 b	1,362 a	**	1,971 b	
West	**	727 a	1,225 c	922 a	1,489 b	1,119 a	1,515 d	1,340 a	
East	**	775 a	**	896 a	1,243 c	1,027 a	1,357 d	1,164 a	
North	**	792 b	1,352 b	948 a	1,501 c	1,132 a	1,405 c	1,339 a	
Toronto	**	840 a	1,456 a	1,010 a	1,602 b	1,194 a	1,590 d	1,443 a	
Peel	**	767 a	1,342 b	991 a	1,578 c	1,140 a	1,595 c	1,296 a	
Halton	**	859 a	1,258 c	1,007 a	1,398 c	1,155 a	**	1,353 a	
York	**	762 a	**	977 a	**	1,130 a	**	1,299 a	
Durham	**	685 a	1,272 a	843 a	**	954 a	**	1,127 a	
Toronto GTA(2)	**	836 a	1,430 a	1,003 a	1,586 b	1,170 a	1,587 c	1,399 a	
Toronto CMA	**	837 a	1,436 a	1,007 a	1,592 b	1,183 a	1,591 c	1,413 a	

¹ Apartments surveyed in the Rental Market Survey (RMS) include only those units in purpose built rental buildings with at least three rental units.

According to the Canadian Mortgage and Housing Corporation (CMHC), the rent refers to the actual amount tenants pay for their unit. No adjustments are made for the inclusion or exclusion of amenities and services such as heat, hydro, parking and hot water. For available and vacant units, the rent is the amount the owner is asking for the unit. It should be noted that the average rent reported provides a sound indication of the amounts paid by unit size and geographical sector. Utilities such as heating, electricity and hot water may or may not be included in the rent.

Tenant Insurance

As a tenant, the individual is liable for any damage or harm he/she causes to any part of the building and to others who live or visit there. The quote is for basic content insurance against fire, theft and personal liability.

Telephone, television and Internet

The quote is from Cogeco.ca for a residential address in Burlington. The monthly bundle is for basic cable, basic phone (landline) and standard Internet service.

Vehicle

The assumption is made that a vehicle is necessary for all three household types (family of 4, family of 2 and a single person). Although local transit service is available in Oakville, Burlington and Milton, it is not a viable means of transportation for employment.

- A 5 year old Pontiac Vibe and use it for 4 years (autotrader.ca)
- Depreciation averaged out over this period
- Gas at \$1.25/litre
- Natural Resources Canada fuel consumption calculator
- Insurance quotes for parent driver(s)
- Quotes for winter tire and installation
- Maintenance (Runzheimer International repair cost guidelines)
- Annual registration fee
- CAA membership (needed to lower insurance rate)
- Insurance is higher for lone parent because of lower age and shorter prior insurance record
- All insurance quotes assume clean record
- Cost summary:

Depreciation	\$1,788.44
Insurance	\$1,903.00
Gasoline	\$1,975.00
Winter Tires	\$235.00
Oil changes	\$160.00
Registration	\$74.00
Street parking	\$77.43
Service & repair	\$555.29
TOTAL	\$6,768.16

These calculations are lower than CAA's annual published car ownership and operating costs. In 2011, the CAA estimate was \$740/month (\$8,880/yr).

Public Transit

For the family of four, one parent uses the family's vehicle and the other parent and two children use public transit.

Monthly pass for each local transit service is different. As of September 2011:

	Adult monthly pass	Student monthly pass	Children ticket
Burlington Transit	\$88	\$64	\$14/10 tickets
Oakville Transit	\$94	\$60	\$21.50/10 tickets
Milton Transit	\$64	\$45	\$17/10 tickets
Average	\$82	\$56	\$17/10 tickets

	Annual cost
Adult (transit pass for 11 months)	\$902
Teenager (student pass)	\$616
Child (10 years old)	\$408 (10 round trips/mo)
Total	\$1,926 (\$160/mo)

Adult Education

It is assumed that each adult will take the equivalent of two community college courses per year to upgrade their skills and knowledge to improve their position in the labour market.

The courses are being offered by Mohawk College in Hamilton and Sheridan College in Oakville. The average cost is \$288/course.

Child care

The rate schedule for the **10 year old** is from the YMCA Hamilton/Burlington/Brantford's School Age Child Care Program. YMCA of Oakville also offers similar rates.

<http://www.ymcahbb.ca/locations/child-care-school-age-burlington.cfm>

Program	rate		Total
Before and After School program	\$21/day/child	\$21 x 5 x 39	\$4,095
School break	\$37/day/child	\$37 x 10 + \$37x 5 + \$37 x 5 x 6	\$1,665
			\$5,760 (\$480/mo)

The rate schedule (effective September 5, 2011) for the **3 year old** is from First Steps Learning & Child Care Centre Inc. (860 Harrington Court, Burlington, Ontario). This rate is comparable to the one offered by the YMCA of Oakville. A total of 49 weeks instead of 52 weeks is used allowing one week at Christmas and two weeks for family vacation.

Rate for preschool (daily - full time)	Total
\$43.40 x 5 (day) x 49 (week)	\$10,633 (\$886/mo)



YMCA of Oakville
Licensed Child Care Services

Sept. 2011 to Aug. 2012

	Daily Fees Full Time Participants Monday to Friday	Daily Fees Part Time Participants (less than 5 days/week)	Hours
Full Day Programs (from start to end of school day)			
Preschool (2.5-5 yrs)	\$43.40	\$47.75	7 a.m.–6 p.m.

FULL DAY JK/SK BEFORE AND AFTER SCHOOL CARE Sept.2012-June 2013	Monthly Fees Full Time 5 days/week	Daily Fees Part Time Less Than 5 days/week
Before and After school	\$424.60	\$25.29
After school	\$319.85	\$19.42
Before school	\$206.50	\$11.92

Health Care

The rate is for health insurance coverage for prescription and dental from Green Shield (<http://www.greenshield.ca/sites/corporate/en/Documents/individual-products/PrismSpectraPlanDetails2012.pdf>)

	Single	Couple	Family
Green Shield	\$1,128 (\$94/mo)	\$2,136 (\$178/mo)	\$3,156 (\$263/mo)
Non-insured pharmaceuticals	\$25 x 12 = \$300	\$32.50 x 12 = \$390	\$50 x 12 = \$600
Total	\$1,428 (\$119/mo)	\$2,526 (\$211/mo)	\$3,756 (\$313/mo)

Monthly Family Outing

This expense item includes going to the movies and a modest restaurant meal once a month.

	Single	Lone parent	Family of 4
Movies (Cineplex - SilverCity Burlington)	\$11.50 x 12 = \$138	(\$11.50+\$8.99)x12 = \$246	(\$11.50*3 +\$8.99)x12 =\$522
Restaurant meal	\$28.50 x 12 =	\$33.50 x 12 = \$402	\$107 x 12 = \$1,272

	\$342		
Total	\$480 (\$40/mo)	\$648 (\$54/mo)	\$1,800 (\$150/mo)

Family Vacation

A family vacation provides an opportunity for family members spending time together, learn about each other and do things together. Examples of family vacation may include outdoor activities, visit historic sites, camping, visiting friends and relatives, etc. Instead of identifying particular activities for family vacation for the family of four, an amount is assigned. The amount of \$1,260 is comparable to those for Toronto (\$2,000) and Hamilton (\$1,284). The cost for each family member is about \$22.5 per day.

On the other hand, the lone parent family will camp for 1 week and 1 week “staycation” at home. The single person will camp at one of the Ontario parks for 2 weeks.

	Single	Lone parent	Family of 4
Activities	\$37.25*14 + \$11.25 (registration fee) = \$532.75 (Ontario Park for 2 weeks)	\$371+\$593 for 1 week (Camp Wanakita – Summer Family Camp)	To be determined
Total	\$532.75 (\$44/mo)	\$964 (\$80/mo)	\$1,260 (\$105/mo)

Camp Wanakita

Summer Family Camp

SESSION	DATES	AGE AT CAMP	BASE COST	HST (13%)	FINAL COST
Week 1	July 1-7	Child (3-9 years)	328.32	42.68	371.00
Week 2	July 8-14	Youth (10-16 years)	364.60	47.40	412.00
Week 3	July 15-21	Adult (17+ years)	524.78	68.22	593.00
Week 4	July 22-28	Under 3 years			Free
Week 5	July 29-August 4				
Week 6	August 5-11				
Week 7	August 12-18				
Week 8	August 19-25				
Week 9 East	August 26-September 1				
Week 9 West	August 26-September 1				



Ontario Parks (<http://www.parkreports.com/fees/camping/2012>)

C - Low		Base Fee	HST	Total
Electrical	Regular	\$32.96	\$4.29	\$37.25
Electrical	Ontario Senior	\$26.55	\$3.45	\$30.00
Electrical	Ont. Persons with Disabilities	\$16.59	\$2.16	\$18.75
Non-electrical	Regular	\$28.32	\$3.68	\$32.00
Non-electrical	Ontario Senior	\$22.79	\$2.96	\$25.75
Non-electrical	Ont. Persons with Disabilities	\$14.16	\$1.84	\$16.00
Non-electrical without showers	Regular	\$26.77	\$3.48	\$30.25
Non-electrical without showers	Ontario Senior	\$21.46	\$2.79	\$24.25
Non-electrical without showers	Ont. Persons with Disabilities	\$13.50	\$1.75	\$15.25

Household operation, maintenance, furnishing and equipment

This expenditure includes items such as: household cleaning and other supplies, household furnishing, equipment, maintenance and repairs, lawn and snow renewal, etc.

	Single	Lone parent	Family of 4
Household needs	\$629	\$817	\$1,258
Furniture	\$294	\$383	\$588
Total	\$924 (\$77/mo)	\$1,200 (\$100/mo)	\$1,846 (\$154/mo)

Personal Care

This expenditure includes items such as: personal care, supplies and services.

	Single	Lone parent	Family of 4
Personal care	\$240 (\$20/mo)	\$300 (\$25/mo)	\$468 (\$39/mo)

Recreation

This expenditure includes items such as: recreational equipment and associated services and use of recreational facilities. Since there is no family pass for sports and recreational programs in Halton Region, this expenditure item is developed from the Survey of Household Spending (for households in the 2nd income quintile) – average for use of sports and recreational activities

	Single	Lone parent	Family of 4
Recreation	\$216 (\$18/mo)	\$264 (\$22/mo)	\$396 (\$33/mo)

Reading and entertainment supplies:

This expenditure includes items such as: newspapers, magazines and periodicals, books, sheet music and other printed materials, and services related to reading (e.g. photocopying, library fees).

	Single	Lone parent	Family of 4
Reading and entertainment supplies	\$108 (\$9/mo)	\$144 (\$12/mo)	\$228 (\$19/mo)

Children's school fees and fundraising

This expenditure item applies to the family of four with two children in school. Based on Social Planning Toronto report, the budgeted amount includes:

	Total per child
Annual school activity fee	\$60
Annual fee for school photos	\$30
Annual fee for field trips	\$10*10 = \$100
Annual contribution to pizza days and other fundraisers	\$6*10=\$60
	\$250/child

Gifts

From the Survey of Household Spending, the amount spent by households in the 2nd income quintile on gifts and contributions was about \$1,200/year. An estimate of 25% ($\$1,200 \times 0.25 = \300) was used to calculate the amount for the Family of 4.

	Single	Lone parent	Family of 4
Annual gifts	\$144	\$192	\$300

Other Services not specified

Expenditure	Family of 4	Lone parent (pro-rated at 65%)	Single person (pro-rated at 50%)
MBM – “Other services” – use “Multiplier” Hamilton/Burlington adjusted – July, 2012 (1) see Hugh’s 2012 MBM data worksheet	\$7,229		
Total of household maintenance and furniture, personal care, recreation, reading and entertainment supplies, school fees, monthly family outing and dinner, children’s allowance, gifts (2)	\$5,544		
Other services not specified (difference between (1) and (2))	\$1,685 (\$140/mo)	\$1,095 (91/mo)	\$842 (\$70/mo)

Child Support

This item is not included in Hugh Mackenzie’s spreadsheet in calculating a living wage. In order to be comparable with the calculation used by the Social Planning and Research Council of Hamilton, lone parent budget includes child support payments from the child’s other parent. Contribution is set using federal child support guidelines, assuming both parents earn the same hourly rate for full-time work.

For the lone parent with 1 child, with an annual employment income of \$36,439, the monthly child support is \$319 ($\$319 \times 12 = \$3,828/\text{year}$)

Ontario

Federal Child Support Amounts: Simplified Tables
Montants fédéraux de pensions alimentaires pour enfants: Tables simplifiées

Income/ Revenu (\$)	Monthly Award/ Paiement mensuel (\$)				Income/ Revenu (\$)	Monthly Award/ Paiement mensuel (\$)				Income/ Revenu (\$)	Monthly Award/ Paiement mensuel (\$)				Income/ Revenu (\$)	Monthly Award/ Paiement mensuel (\$)			
	No. of Children/ N ^{bre} d'enfants					No. of Children/ N ^{bre} d'enfants					No. of Children/ N ^{bre} d'enfants					No. of Children/ N ^{bre} d'enfants			
	1	2	3	4		1	2	3	4		1	2	3	4		1	2	3	4

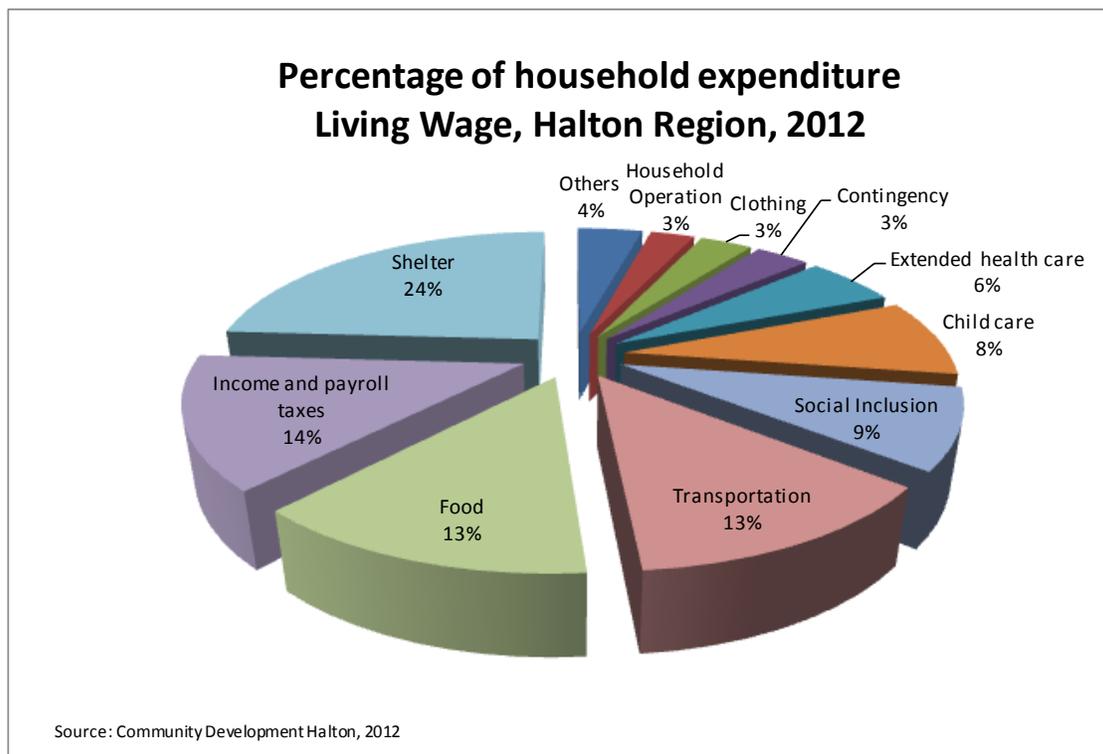
36400 | 319 | 527 | 709

Contingency Amount

The Contingency Amount provides some cushion for unexpected events, like the serious illness of a family member, transition time between jobs, etc. It is provided as a percentage (4%) of total expenses

Percent Distribution of household expenditure

A family of four has to spend over half (53%) of its household income on the four basic needs (food, shelter, clothing and transportation). Over one-quarter (27%) of its budget goes to shelter and household operation. Income tax and payroll deduction account for another 14% of the expenditure. Less than 10% goes to social inclusion items such as: children's school fees/outings, family vacation, gifts and reading materials.



Income Totals and Wage Result

For each household type, an after-tax income was generated in order to meet the total household/family expenditure. For the family of four, a total household employment income of \$66,498 is needed in order to cover the total family expenditures. The net income (income after tax and transfers) reconciliation takes into account the income tax (\$5,669), CPP and EI deduction (\$4,162) and Child Tax Benefit (\$1,858). In order to earn the before-tax income, both parents require full-time full year work at 37.5 hours per week at **\$17.05** an hour.

For the lone parent family, in addition to her employment income, the single mother also receives over \$14,000 in Universal Child Care Benefit, Child Tax Benefit, Child Care Subsidy and Child Support. However, she has to earn a higher hourly wage of **\$18.69** in order to meet the household expenditures on her own.

	Family of 4	Lone parent	Single individual
Household employment income	\$66,498	\$36,439	\$37,930
Universal Child Care Benefit	\$0	\$1,200	\$0
Household Income	\$66,498	\$37,639	\$37,930
Tax after credits	\$5,669	\$1,637	\$4,653
Income after tax	\$60,829	\$36,002	\$33,276
CPP and EI Contributions	\$4,162	\$2,297	\$2,398
Child Tax Benefit	\$1,858	\$2,102	\$0
Child Care Subsidy	\$0	\$7,841	\$0
WITB	\$0	\$0	\$0
Ontario Child Benefit	\$0	\$0	\$0
Child support	\$0	\$3,833	\$0
Income after tax and transfers	\$58,525	\$47,481	\$30,878
Living wage	\$17.05	\$18.69	\$19.45

Living Wage in Other Communities²²

The living wage calculation model developed by Hugh Mackenzie (Canadian Centre for Policy Alternatives) has been used to calculate a living wage in communities of British Columbia, Toronto, Kingston and Hamilton. Halton Region becomes the fourth community in Ontario to use this tool/model.

A living wage for Hamilton and Halton were also developed for lone parent family and single individuals.

Community	Living Wages			Date of calculation or last update
	Family of 4	Lone parent with one child under age 6	Single individual	
City of Kingston	\$16.29			2011
City of Toronto	\$16.60	\$16.15		2008
City of Hamilton	\$15.05	\$14.85	\$14.90	2011
Metro Vancouver	\$19.14 ²³			2012
Halton Region	\$17.05	\$18.69	\$19.45	2012

²² The Social Planning and Research Council of Hamilton, *Calculating a Living Wage for Hamilton*, Hamilton, Ontario, December 2011.

²³ <http://www.policyalternatives.ca/newsroom/updates/living-wage-metro-vancouver-rises-1914>