

# Living Wages in Nova Scotia 2021

Working for a Living, Not Living to Work

Christine Saulnier





**CCPA**

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This year's living wage report builds on the first Halifax report of June 2015, and the first-time calculation of the living wage in Atlantic Canada, was done in partnership with the United Way Halifax.

## **Living Wages in Nova Scotia 2021: Working for a Living, Not Living to Work**

### **6 Introduction**

### **7 Regional Living Wage Rates for Nova Scotia**

Explaining Wage Increases for Halifax and Cape Breton

### **13 How is the Living Wage Calculated?**

Living Wage Budget

### **18 Benefits of a Living Wage**

### **19 Role of Employers and Governments**

### **24 Conclusion**

### **25 Appendix A**

A Note on Methodological and Data Changes to the Living Wage Calculation

### **28 Notes**



# Living Wages in Nova Scotia 2021

Working for a Living, Not Living to Work

THIS LIVING WAGE report provides living wage rates for Nova Scotia. Living wage rates were calculated for the entire province by regions defined according to Statistics Canada's economic regions: Halifax (\$22.05), Cape Breton (\$18.45), Annapolis Valley (\$21.30), Southern (\$21.03), and Northern (\$19.20).

For the two communities that can be compared to previous year's calculations, the wage rates have increased, for Halifax by 1% and for Cape Breton by 4%. These increases are due to a combination of cost increases (in shelter in particular), methodological changes, and because there was little improvement in tax credits or income transfers. The living wage is calculated to arrive at an hourly rate at which a household can meet its basic needs (the expenses in the living wage budget), once government transfers have been added to the family's income (such as federal and provincial child benefits) and deductions have been subtracted (such as income taxes and Employment Insurance premiums). In Cape Breton, for example, increases in the employment income needed to cover expenses this year meant the income exceeded the threshold to qualify for the GST credit and resulted in less child benefit.

How the rates are calculated and the changes are explained in more detail in the report and in Appendix A.

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## Introduction

Workers have been running in place for a very long time, struggling to provide for themselves let alone support a family. This has been made worse by a lack of affordable housing, the high cost and lack of child care, and by the high cost of food or other necessities. In addition, the gaps in health and social services leave people paying for out-of-pocket costs to cover basic needs including prescription drugs. Workers are left living to work instead of working to live.

Many continually seek ways to fill gaps left by inadequate income, whether by visiting food banks or community suppers, or seeking other community supports that provide discounted or free goods and services. Workers must work very long hours, often at multiple jobs, leaving little time to play with their children or to consider up-skilling through additional education or training. When people live to work they have no time for community activities which impacts our collective vitality. Everyone deserves to have a decent job that supports them to live, have quality time with their friends and family, some leisure time, and time to recharge – which also allows them to be their best at work.

Paying a living wage is part of the just recovery that needs to happen. In one of the largest sectors of low wage workers, employers in food and accommodation services have difficulty finding labour, but this is more about a shortage of workers willing to work at the current wage rate and job conditions.<sup>1</sup>

As the living wage calculations show, while it is important for employers to pay decent wages, we also need to decrease costs, many of which are best addressed at a societal level through social programs and public infrastructure.

# Regional Living Wage Rates for Nova Scotia

THIS YEAR WE use economic regions to calculate living wage rates for the entire province. Statistics Canada's economic regions<sup>2</sup> are:

- Annapolis valley (Annapolis, Kings, and Hants counties)
- Cape Breton (Cape Breton, Inverness, Richmond and Victoria counties)
- Halifax (Halifax County)
- Northern (Antigonish, Colchester, Cumberland, Guysborough, and Pictou counties)
- Southern (Digby, Lunenburg, Queens, Shelburne, and Yarmouth counties)

The geographic coverage for the Halifax and Cape Breton living wages remains the same and considers updated wages (see comparative analysis below). The other living wage rates are new. The Northern regional rate covers Antigonish and the Southern regional rate covers Bridgewater.

Regional rates allow for a comparison for all parts of Nova Scotia, showing the impact of costs, as well as the availability of products and services. Regional rates allow for a larger geographic coverage than small community rates and as such better capture the reality of people's lives. Often because

**TABLE 1** 2021 Living Wages, Nova Scotia Regions

Individual 2021	Annapolis Valley	Cape Breton	Halifax	Northern	Southern
Hourly Living Wage	\$21.30	\$18.45	\$22.05	\$19.20	\$21.03
Annual Employment Income (gross)	\$38,766.00	\$33,579.00	\$40,131.00	\$34,944.00	\$38,274.60

they have no choice, people can work in one community, use child care in another, and live in yet another.

Table 1 shows the living wage for each region. Our calculations show the wage (given the existing social programs, taxes and transfers, and living expenses) needs to be 19.5% higher in Halifax than the wage in Cape Breton, which is the lowest in the province (but also still considerably higher than the current minimum wage).

### What are the Most Significant Costs in Each Region?

As can be seen in Table 2, the top three most expensive items in all regions are shelter, food and child care. The most expensive item in all regions is shelter cost (Table 3) which account for 24% of the budget in the Northern region, 25% in Cape Breton and 28% in the other three regions.

There are things to note about the shelter amounts. The rental costs do not reflect what is available on the market currently to rent, nor current costs given that the data are for October 2020. If we take Halifax as an example, the vacancy rate for three-bedrooms was 1.7%, the lowest of all bedroom types (October 2020). The vacancy rate is under 1% for three-bedrooms in most of Halifax except for Dartmouth South and Peninsula North, with an overall vacancy rate for Halifax at 1.9% for all bedroom types. There are only 4,442 three-bedroom units in all of Halifax (out of 52,913), 1687 of these units were built since 2000.<sup>3</sup>

The second most expensive item in all regions except Halifax is food, (where it is third most expensive), representing 17% of the budget in Halifax, 18% in the Annapolis Valley and Southern, and 19% in Northern and Cape Breton. These food costs do not reflect increases that were seen in 2021 and thus, like shelter costs, are below what families need to spend currently.

The third most expensive item in all budgets except Halifax is child care, which takes up 18% of the budget in Halifax, 17% in Cape Breton and 17% in the other three budgets.

**TABLE 2** Living Wage Monthly Family Budgets, Nova Scotia Regions, 2020 Costs

Item	Annapolis Valley	Cape Breton	Halifax	Northern	Southern
Food	\$1,120.42	\$1,050.88	\$1,073.31	\$1,120.42	\$1,120.42
Clothing and Footwear	\$179.48	\$179.48	\$179.48	\$179.48	\$179.48
Shelter	\$1,697.81	\$1,435.66	\$1,748.42	\$1,414.31	\$1,694.23
Transportation	\$461.66	\$451.33	\$512.16	\$472.33	\$448.00
Child Care	\$1,039.57	\$1,002.83	\$1,132.75	\$995.25	\$1,018.31
Health Care	\$179.68	\$179.68	\$179.68	\$179.68	\$179.68
Contingency/Emergency	\$248.50	\$215.25	\$257.25	\$224.00	\$245.35
Parent Education	\$122.78	\$122.78	\$122.78	\$122.78	\$122.78
Household Expenses	\$640.95	\$610.19	\$620.10	\$640.95	\$640.95
Social Inclusion	\$427.30	\$406.79	\$413.40	\$427.30	\$427.30
Total	\$6,118.14	\$5,654.89	\$6,239.33	\$5,776.49	\$6,076.49

**Note** The monthly budget totals in Table 2 are for items that fluctuate in monthly costs throughout the year and thus these amounts reflect the monthly average of the annual budgets used to calculate the living wage rates.

**TABLE 3** Budgetary Items as Percentage of Overall Annual Budget, Nova Scotia Regions, 2020 Costs

Item	Annapolis Valley	Cape Breton	Halifax	Northern	Southern
Food	18%	19%	17%	19%	18%
Clothing and Footwear	3%	3%	3%	3%	3%
Shelter	28%	25%	28%	24%	28%
Transportation	8%	8%	8%	8%	7%
Child Care	17%	18%	18%	17%	17%
Health Care	3%	3%	3%	3%	3%
Contingency/Emergency	4%	4%	4%	4%	4%
Parent Education	2%	2%	2%	2%	2%
Household Expenses	10%	11%	10%	11%	11%
Social Inclusion	7%	7%	7%	7%	7%

The cost is for full-time child care for a toddler plus care that is needed for a seven-year-old before and after-school and when school is closed. These costs do not reflect availability, a serious concern. Many communities do not offer care for the seven-year-old outside of the regular school day. Our survey data suggest there is more available and affordable after-school care across the province; however few communities have before-school care. Many

communities have very little available to cover Professional Development (PD) days and some have limited options for March break and summer holidays.

The cost for full-time care for just the toddler is \$853 a month in Halifax (which is over \$10,000 a year). If a family had an infant those fees would be higher, e.g. the cost of infant care in Halifax is \$957 per month (median).<sup>4</sup>

## **Explaining Wage Increases for Halifax and Cape Breton**

Expenses in both Halifax and Cape Breton increased largely because of a combination of inflationary increases (for food, and shelter) and methodological changes (see Appendix A). The living wage is calculated to arrive at an hourly rate at which a household can meet its basic needs (the expenses in the budget), once government transfers have been added to the family's income (such as federal and provincial child benefits) and deductions have been subtracted (such as income taxes and Employment Insurance premiums). Changes in one impact the other.

### **Halifax**

As can be seen in Table 4 in the 2021 Halifax living wage budget, the largest inflationary increase was to rent, with an increase of 5% according to the CPI; the additional 1% increase in shelter was an increase in other expenses including content insurance, and utilities.

The largest budgetary change was for food costs, where 4% of the increase is because of inflation and the remainder is because of the change in data source (using the Market Basket Measure (MBM) measure over local data).

The largest decrease in Halifax was the child care budget, which simply reflects a change in methodology. The toddler cost increased by 1.6%. The fees for the school-aged child decreased because the lower-cost afterschool programs arranged through the Halifax Education Centre are more available and thus were used. The highest fee specialty camps and regulated centre fees for PD days were no longer considered for arriving at median cost, as those costs would be prohibitive for this family.

Clothing costs decreased 3% as measured by CPI.

For transportation, the operation of passenger vehicle costs saw a decrease in the CPI of 16%, but the decline in the budget was only 8% because of an increase in the other transportation costs included in the budget (public transit and taxi trips).

The overall living wage budget increased by 3% — the employment income amount had to increase by 1% to cover the increased costs. The remainder of

**TABLE 4** Comparing Halifax Living Wage Family Annual Budgets, 2021 to 2020

Item	2021	2020	Diff Annual Budget
Food	\$12,879.73	\$10,094.16	22%
Clothing and Footwear	\$2,153.76	\$2,220.30	-3%
Shelter	\$20,981.04	\$19,648.54	6%
Transportation	\$6,145.96	\$6,623.99	-8%
Child Care	\$13,593.00	\$15,829.00	-16%
Health Care	\$2,156.16	\$2,115.96	2%
Contingency/Emergency	\$3,087.00	\$3,052.00	1%
Parent Education	\$1,473.38	\$1,395.46	5%
Household Expenses	\$7,441.18	\$7,200.29	3%
Social Inclusion	\$4,960.79	\$4,800.19	3%
Total	\$74,871.99	\$72,979.89	3%

the take home pay increase came from a deduction in taxes because of the introduction of the Canada Training Credit, for those aged 26 to 64, which allows for a federal tax credit of \$250.<sup>5</sup> The remainder of the income increase was the increase of the Canada Child Benefit.

### Cape Breton

Table 5 shows that the most significant increase in the Cape Breton budget was for food. Like Halifax, this is mainly due to the change in data source. It is still significant that 4% of the increase is because of inflation, with the remainder due to the amount for food allocated in the Market Basket Measure for Cape Breton (new data being used this year).

The second most significant increase was to shelter costs. The cost for a three-bedroom apartment/townhouse went from an average of \$999 to \$1,101, which is a 10% increase. This is higher than the 5% inflationary increase for the province. There are only 123 three-bedroom units available in Cape Breton Regional Municipality, and only eight constructed since 2000, according to CMHC.<sup>6</sup> The rental market report, however, only covers units available in the primary market, with much rental housing in the community being situated in the secondary market, such as duplexes which are rented.

Clothing costs decreased 3% as measured by CPI. The decline in child care was because of the change in methodology and not because child care costs decreased – they increased slightly.

For transportation, the operation of passenger vehicle costs saw a decrease in the CPI of 16%, but the decline in the budget was only 12% because of

**TABLE 5** Comparing Cape Breton Living Wage Annual Family Budgets, 2021 to 2020

Item	2021	2020	Difference
Food	\$12,610.60	\$10,445.70	17%
Clothing and Footwear	\$2,153.76	\$2,220.30	-3%
Shelter	\$17,227.97	\$15,528.54	10%
Transportation	\$5,415.96	\$6,052.49	-12%
Child Care	\$12,034.00	\$12,945.32	-8%
Health Care	\$2,156.16	\$2,115.96	2%
Contingency/Emergency	\$2,583.00	\$2,471.00	4%
Parent Education	\$1,473.38	\$1,395.46	5%
Household Expenses	\$7,322.28	\$7,085.19	3%
Social Inclusion	\$4,881.52	\$4,723.46	3%
Total	\$67,858.63	\$64,983.42	4%

an increase in the other transportation costs included in the budget (public transit and taxi trips).

For Cape Breton, the total budget increased by 4% and the entire increase was covered by an increase in employment income. The amount of the increase needed meant that the income surpassed the eligibility for the GST credit and saw only a 1% increase in CCB, for an overall decrease of 1% in income transfers from government. This decrease cancelled out the small tax savings from the Canada Training Benefit because the increase in employment income meant an increase in premiums.

# How is the Living Wage Calculated?

THE LIVING WAGE is calculated to show exactly how much a household must earn to cover all necessities *and* allow families to enjoy a decent quality of life. The wage is calculated such that the family should be able to avoid severe financial stress, support the healthy development of their children, and participate in the social, civic and cultural lives of their communities. Actual expenses are used to calculate the wage to reflect the rate of pay that families need to meet their basic needs given the costs, available government supports and services, and norms of a specific region.

The living wage is *not* the government-legislated minimum that employers must pay their workers.

A living wage is *not* a guaranteed annual income, which is a redistributive grant paid for via general tax revenue and most effectively administered and funded by the federal government.

The living wage is the hourly rate at which a household can meet its basic needs once government transfers are added to the family's income (such as federal and provincial child benefits) and deductions subtracted (such as income taxes and Employment Insurance premiums). For the full details on the living wage methodology and calculations see the calculation guide and the first Halifax living wage report published in 2015.<sup>7</sup> The spreadsheet for the 2021 calculations is available as well.

The 2021 living wage follows the Canadian Living Wage Framework<sup>8</sup> and is based on a reference family of four with two parents working full-time (35 hours).<sup>9</sup> While it uses a four-member family, two adults with two young children (aged 2 and 7), research shows that there are no significant differences in the hourly living wage rate needed to sufficiently meet the needs of a single adult or a lone parent with one child. This hourly rate would likely not be enough for some families, such as those with more children or younger children needing more expensive childcare or those with only one adult earner and more than one child. The living wage rate is calculated based on:

- Employers providing the statutory minimums for time-off. In Nova Scotia, employees are entitled to two weeks of paid vacation.
- The cost of government deductions (provincial and federal taxes, Employment Insurance premiums and Canada Pension Plan contributions) for the 2020 tax year.
- The value of government transfers, such as the Canada Child Benefit, are calculated for the year using the rates effective from July 2019 to July 2020.<sup>10</sup>

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## Living Wage Budget

The living wage budget is a conservative estimate. It includes 11 expense categories as explained below. The budget does **not include**:

- Credit card or loan payments
- Savings for retirement
- Life insurance
- Home ownership costs such as property taxes, home maintenance and repairs.
- Costs associated with a child or adult family member who has disabilities or serious illness requiring care or adaptive supports.

The costs included in the budget reflect the 2020 calendar year. Many expenses are calculated drawing on local sources as well as the Market Basket Measure (MBM). The MBM is Canada's official poverty line. It has undergone a second comprehensive review and the numbers in the living wage calculations for 2021 use the updated (2018 based) MBM methodology and data (as did the

2020 wage calculations).<sup>11</sup> The MBM 2019 thresholds, adjusted for inflation to arrive at a 2020 amount,<sup>12</sup> are used to calculate food, clothing and footwear, and transportation for all communities. The MBM “other” category is “meant to represent the costs of goods and services other than food, shelter, transportation and clothing. The list of items that could be included in the other component is large and could depend on the structure, age, location or other circumstances of a family.”<sup>13</sup> We use the MBM “other” category to calculate household expenses and social inclusion for all communities.

### **Food**

The MBM food costs is based on the 2019 National Nutritious Food Basket, which is consistent with the new Canada’s Food Guide. It covers 38 cities across Canada for a slightly different family of four than the living wage family (the MBM children are 9 and 13). The MBM food budget does not consider special dietary needs, cultural or other food preferences or eating out.

### **Clothing and Footwear**

Clothing and footwear costs are drawn from the MBM. The 2018-base MBM covers the cost of clothes and footwear for school, work and play.

### **Shelter**

The shelter amount includes renting a 3-bedroom accommodation, the cost of basic tenant contents insurance, the cost of utilities and internet. The rent amount is based on median rents for three-bedroom apartments and three-bedroom row houses using data available from Canada Mortgage and Housing’s survey on rental housing for October 2020.<sup>14</sup> The regional rental rates represent the costs in the community with the highest calculated wage rate (see Appendix 1 for methodological details). For rural regions for which there are no CMHC annual rental surveys, the provincial pooled median rental rate for small centres (population between 2500-10,000) was used. The shelter amount also includes the cost of utilities (1100/kwh per month), assuming heat is electric and water is included in the rental cost. Also included is the cost of high-speed internet (50/10 Mbps or more, with unlimited data, and includes installation fees).

Rental data need to better reflect the reality of the market, both considering what is available, as well as ensure the data reflect what is included in the rent (i.e., CMHC’s data collection doesn’t specify whether utilities are included or not).<sup>15</sup> The data are also inconsistently available outside of the Halifax Regional Municipality. There are very few communities that have median

rental rates available through CMHC's data portal, with communities with populations less than 10,000 having no annual rental market data collected on the part of CMHC. Using provincial pooled data as done for the Southern and Annapolis Valley regions, because of a lack of community data, does not sufficiently reflect the differences in rental rates in local areas.

### **Transportation**

The transportation expense includes the cost of maintaining a second-hand car,<sup>16</sup> plus a monthly bus pass if available, and a modest budget for a limited number of taxi trips. With two parents working and two kids needing to get to child care and school, plus a parent taking community college classes, this realistic transportation budget enables the family to ensure timely travel daily, plus having quality time at home. For communities without bus service, additional taxi trips are included in the budget. It is reasonable to assume there would be instances aside from attending community college where one parent may have the vehicle and when transit may not be convenient for the parent (if it is available at all).

### **Child Care**

This expense includes the cost of full-time, full year child care for the two-year old, before and after school care for the seven-year-old, as well as additional fees for when the older child would need full-time care, such as during the summer and winter breaks, on PD days, and non-statutory holidays. The rate for the toddler in Halifax is taken from the CCPA's annual report on child care fees, which reports the median toddler rate in 37 cities across Canada.<sup>17</sup> Toddler fees for the other regions, as well as fees in all communities for the school-aged child, are from our independent cost survey.<sup>18</sup> The child care calculations also assume the parents use their vacation time to cover some of the seven-year-old's needs (for the toddler, child care centres require spots to be paid regardless of whether the child is there).

### **Health Care**

The cost of a basic private health insurance plan is included in the budget. This is to cover health-related expenses such as dental care and prescription drugs, that are not covered by public medicare. The family still must pay deductibles and the remaining cost after insurance. This is a modest estimate for household health expenses and would not be adequate for families with large medical expenses, such as households where one or

more family member has a severe health condition or a disability requiring expensive equipment or medications.

### **Contingency/Emergency**

A modest allowance for unforeseen circumstances is included in the family budget, equivalent to two weeks' pay per parent per year and is a very small percentage of the overall household budget. A small cushion for emergencies can make a big difference in averting further problems.

### **Parent Education**

Part-time education for one parent at Nova Scotia Community College is in the budget. This covers two courses for the year, as well as a small textbook allowance, and student fees for a part-time student. The living wage framework recognizes that additional education and skills could assist low wage workers to find higher paying jobs.

### **Household Expenses**

This is to cover necessary items including toiletries and personal care (e.g. toothbrush, toothpaste, deodorant, shampoo, menstrual products), furniture, small kitchen appliances or kitchen tools, household supplies (e.g. clingwrap, foil, cleaning supplies), bank fees and laundry costs. The MBM "other necessities" category now includes an explicit amount for cell phone service.<sup>19</sup> This represents 60% of the MBM's "other" category.

### **Social Inclusion**

The social inclusion category is meant to lessen stigma and allow family members to participate fully in the life of their community, whatever form that participation takes. The category includes expenses such as school supplies and fees, reading materials, minimal recreation and sports fees, art or music classes, child's birthday or holiday gifts, a small budget for entertainment (e.g., tickets for a movie, museum fees), restaurant meals, family daytrips or children's toys or games. This represents 40% of the MBM's "other" category.

# Benefits of a Living Wage

THERE IS MOUNTING evidence of the benefits of paying a living wage for employers, e.g., higher retention rates, fewer sick days, and better work quality.<sup>20</sup> For workers, being paid a living wage is a form of preventative health care: a way to address the many health risks associated with low wages. People who work for low wages often struggle to pay for medication and medical supplies, and the small health insurance contained in the living wage budget will help a little. Costs not covered by medicare make it difficult to manage chronic conditions or recover from acute illness. Low wages are incredibly detrimental to mental well-being, and often exacerbate existing mental illnesses.<sup>21</sup> As food is not a fixed cost, it is often sacrificed to pay for shelter costs; higher quality, healthier food is often more expensive than high calorie foods. Food insecurity is also a detriment to good health.<sup>22</sup>

The living wage includes a social inclusion budget, essential to enable families to participate fully in communities; the stigma attached to struggling with a low income has a devastating impact, especially on children.

People with an adequate and reliable paycheque do not have to work multiple jobs to get by. They can spend more time with their families and communities, volunteering their time and contributing to the life of the places they call home.

# Role of Employers and Governments

FIRST AND FOREMOST, this report is a call for employers to pay a living wage.

In other provinces, the living wage movement has included voluntary certification programs for private and public employers who agree to pay the wage. This year we intend to support the development of a living wage employer certification program to be launched in 2022.

Certified living wage employers in the other provinces exist in all sectors and sizes—public, private and non-profit. Governments should pay their staff and contract workers a living wage. The impact of government as a direct employer, as well as the substantive procurement undertaken by government, could have a considerable impact.

In 2020, the Halifax Regional Municipal Council approved a policy to incorporate paying the CCPA-NS living wage rates into its supplier code of conduct when contracts are up for negotiation beginning in April 2021.<sup>23</sup> While this was a huge step forward for many workers in Halifax, many more workers are being left out, including those who are temporary or casual staff, or otherwise excluded.<sup>24</sup> Meanwhile, many other workers will only see an increase when their contracts open, which won't be for several years for some of them. Government budgets are impacted by the high costs of poverty whether by productivity lost or by the pressures on its budget to help people manage to live on a low-income. Governments should not be contributing to the problem by paying poverty wages.<sup>25</sup>

The challenges facing low wage workers go beyond their wage rate. Efforts need to be made to address the cost side of the equation as well. Many of these costs are best addressed through social programs and government investments, and policy changes that would better support work/life balance. As the living wage calculation shows, government policies and programs have a direct impact on our standard of living, including by providing income supports.

Employers must also recognize that the more generous government programs, services, and income transfers are, the less employment income workers need to cover their costs. Employers should play a proactive role advocating for improvements in universal services and programs, and investments in public infrastructure.

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## **Strengthen Employment Standards**

During this pandemic, the lack of health and safety protection for workers in low-waged jobs providing critical services to our community tells us our government does not do enough to support them and that these workers deserve more protections. At minimum, workers deserve 10 paid sick days.<sup>26</sup> Workers also deserve more paid time off, more coverage for statutory holidays and an additional paid week of vacation, which could also help reduce child care costs for families with school-aged children.<sup>27</sup> These workers take the brunt of the rising influence of corporations and business organizations in politics, alongside the declining power of labour unions.

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## **Raise the Minimum Wage**

What does it say about the current minimum wage when even the lowest living wage is far above it?

Providing workers with the Community Emergency Response Benefit (CERB) was a critically important pandemic response by the federal government. There are lessons to be learned from this benefit; it was needed to fill the gaps in existing services and programs like Employment Insurance. The minimum level of support provided is also instructive; \$2000 per month works out to approximately \$15 hour (gross) working 40 hours per week. The minimum wage should be raised to at least \$15.

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## Government Taxes, Transfers and Tax Credits

Expanding universal public services funded by a robust, progressive tax system would alleviate some of the pressure on this family. We should be shifting away from regressive forms of taxation (including consumption taxes, government user fees, and property taxes) and towards a more progressive income taxation system. This is the first time since we have been calculating the living wage that there was the introduction of a tax credit specifically for working adults — the Canada Training Benefit.<sup>28</sup>

The living wage calculations show that the more generous government transfers, the lower the private wage needed to cover costs. For example, in 2018 the Halifax wage went down because of the increase in the Canada Child Benefit, which was the case for most living wage rates across the country.

The thresholds before transfers are clawed back or for eligibility for subsidies or tax credits vary widely, but are not generous. None of the households earning a living wage across the province qualify for most of the tax credits because the households' incomes needed to afford the budget. The reference family's adjusted net living wage income for all regions (which range from \$53,977 to \$67,042) is too high to qualify for the Nova Scotia Affordable Living Tax Credit and the Nova Scotia Child Benefit.<sup>29</sup> While all the households qualify for the Canada Child Benefit (CCB), to receive the full Canada Child Benefit, the adjusted net family income would need to be \$31,711 or less, which means none receive the full benefit if they earn the living wage. None of the households earning a living wage qualify for the GST credit or the Canada Worker Benefit.<sup>30</sup>

The tax transfer system must be improved and made more sensitive to the benefit cliff where small increases in earning result in sudden, drastic reductions in public benefits. The living wage calculations should be used to determine the level of income benefits, thresholds and clawback provisions that would support families to be lifted out of poverty and the stress that accompanies it.

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## Early Learning and Child Care: Subsidies Do Not Create Spaces

As it stands all the living wage families' adjusted household income would qualify them for the child care subsidy program. The maximum subsidy is available for families with adjusted household income of \$35,000 and completely phases out at \$70,000, which means it would be quite a small subsidy

for families in the regions that need the highest living wage incomes.<sup>31</sup> For all the families, the wait list for licensed child care means that we cannot be sure that they would access this subsidy and therefore it is not included in the calculations. The seven-year-old's child care expenses would not qualify for a subsidy unless the family arranged for before- and after-school care at a licensed child care facility, where fees are much higher than the Halifax Regional Education Centre's EXCEL program (and similar programs across the province) or unlicensed before/after school program, which may still mean they pay almost as much even with the subsidy. Subsidies are not a substitute for more spaces that are affordable and accessible to families across the province. It is imperative that child care be made more affordable and accessible by funding an Early Learning and Child Care system<sup>32</sup> that reflects the reality of parents' actual work schedules and the need for seamless year around care for all children under age 12. Should the Nova Scotia government move forward to cut child care fees by 50% with a goal to providing child care at an average of \$10 a day, this would have the impact of lowering the living wage quite substantively. The bilateral agreement with the federal government will undoubtedly make a big difference for families.<sup>33</sup>

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## Expand Public Services

Aside from child care, the other top four highest cost items in all the living wage families' budgets are housing, food, and transportation and can be addressed by government policy.

- Fund more accessible, affordable public transportation within communities and between communities.
- Build more affordable housing through the public and community (non-profit and co-operative) housing sectors, introduce permanent rent control, and implement a plan with targets to eliminate homelessness and core housing need.<sup>34</sup>
- Invest to support local, sustainable, affordable food production and distribution.
- Expand public health care to include universal pharmacare, dental care and mental health supports.
- Invest with a goal to make post-secondary education, both university and college, free. While governments work toward that goal, it is

important that they reduce tuition, and make it possible for more people to upgrade their skills and education without having to take on a huge debt load. More part-time college options should be available to support workers who want to remain in the workforce.

# Conclusion

THE LIVING WAGE is one tool to help low wage workers bridge the gap between income and costs. Calculating the living wage shines a spotlight on what needs to be done to support families, and more broadly low wage workers, to help everyone attain a good quality of life.

Calling for employers to pay a living wage voluntarily is not a substitute for a needed, substantive increase to the minimum wage, for proactive enforcement of stronger labour standards, and public investment in quality public services including universal child care, an extension of public health care, more affordable housing in our communities, and in the expansion of affordable, accessible public transit.

# Appendix A

## A Note on Methodological and Data Changes to the Living Wage Calculation

IT IS CRITICAL to test the living wage methodology and make changes to ensure it is accurate, credible and reflective of the reality for families in their specific community. The spreadsheets showing how these wages were calculated are available for viewing along with this report. This is a summary of changes made to the way the living wage is calculated this year.

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### Regional Rates

The living wage is to be designed to ensure that the wage rate is high enough to cover the costs and reality of the diversity of households. Following this principle, the regional rental rates represent the costs in the community with the highest calculated wage rate. To determine the highest wage rate, several communities in each of the three new regions were tested. The regions are divided by the Statistics Canada's economic regions, which are used to provide labour market information across the province.<sup>35</sup> The only difference is that our Northern is called North Shore by Statistics Canada.

- Annapolis valley (Annapolis, Kings, and Hants counties)
- Cape Breton (counties of Cape Breton, Inverness, Richmond and Victoria)

- Halifax (Halifax County)
- Northern (Antigonish, Colchester, Cumberland, Guysborough, and Pictou counties)
- Southern (Digby, Lunenburg, Queens, Shelburne, and Yarmouth counties)

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## Calculating the Cost-of-living Increases

Some of the major cost items are drawn from the MBM (food, clothing, transportation, social inclusion and household expenses). The most recent MBM thresholds are for 2019 and thus they need to be adjusted using the Canada Price Index. Normally, we would use year over year changes, i.e. adjust the MBM 2019 to reflect 2020 costs. This year the 2019 costs were adjusted using the average CPI change for the first six months of 2021. 2020 saw several uncharacteristic and temporary declines in the prices of certain items. Since then, prices have rebounded and, in many cases, have increased rapidly. To remove the temporary pandemic effects, the 2021 Living Wage Calculation Spreadsheet adjusts family expenses using CPI for the first half of 2021 (Jan – June) instead of CPI for 2020. This more accurately reflects the costs that families are facing. Given the fluctuations in prices in 2020, this average better reflects prices.

### Food

The most significant change is the use of different data for the food amount. As with most provinces, the Nova Scotia calculations had used local data for food calculations. The Participatory Food Costing Project in Nova Scotia at Mount Saint Vincent University used a community-based research method to collect data on the costs for food across the province.<sup>36</sup> Since 2002, this project had adapted the National Nutritious Food Basket to conduct a survey of food costs every two years for specific ages and sexes. The last data available, however, are for 2015 because there has not been a renewed commitment from the provincial government to fund this invaluable work. Therefore, the MBM food data are used.

### Child Care

The toddler fees reflect median costs. The costs of the 7-year-old reflect the lowest cost child care option for the child care costs for after-school, profes-

sional development days, and weekly breaks (March and Summer). There are increasingly low-cost care options available via education centres and community recreation centres.

### **Internet**

While there has been an increase in lower cost providers of internet services in Nova Scotia, some are not widely available in more rural communities. In addition, some of these lower cost providers do not provide high speed options. In recognition of the necessity of a quality, high-speed, accessible options, we no longer factor into the average cost the lower costs options that do not offer speeds of 50/10Mbps. In some cases that means there is only one provider available.

# Notes

- 1** Macdonald, D. Tipping point: pandemic forced restaurant and bar workers into better paying jobs, *The Monitor Mag*, (October 2021). <https://monitormag.ca/articles/tipping-point-pandemic-forced-restaurant-and-bar-workers-into-better-paying-jobs-2>
- 2** Statistics Canada, 2016 Economic Regions. <https://www23.statcan.gc.ca/imdb/p3VD.pl?Function=getVD&TVD=318020&CVD=318024&CPV=1209&CST=01012016&CLV=4&MLV=5>
- 3** Canada Mortgage and Housing Corporation (CMHC), Housing Information Portal. <https://www03.cmhc-schl.gc.ca/hmip-pimh/en#TableMapChart/0580/3/Halifax>
- 4** Macdonald, D., & Friendly, M., (2021). *COVID-19's impact on Canada's precarious child care sector*. (Ottawa: CCPA). <https://www.policyalternatives.ca/TheAlarm>
- 5** Canada Revenue Agency, Canada Training Credit. <https://www.canada.ca/en/revenue-agency/services/child-family-benefits/canada-training-credit.html>
- 6** Canada Mortgage and Housing Corporation (CMHC), Housing Information Portal. <https://www03.cmhc-schl.gc.ca/hmip-pimh/en#3%20Bedroom%20+>
- 7** Johnston, M-D., and Saulnier, C. (2015). *Working for a living, not living for work: the Halifax Living Wage 2015*. (Halifax: CCPA-NS). <https://www.policyalternatives.ca/publications/reports/working-living-not-living-work>
- 8** Living Wage Canada, *Canadian Living Wage Framework: A National Methodology For Calculating The Living Wage In Your Community*, [http://livingwagecanada.ca/index.php/download\\_file/view/113/171](http://livingwagecanada.ca/index.php/download_file/view/113/171). Any methodological and data changes for the 2020 wage calculations are noted in Appendix 1: A Note on Methodological Changes to the Living Wage Calculation.
- 9** 35 hours is chosen as way to answer to the goal of ensuring that people have time for life outside of work.
- 10** The spreadsheet shows the formulas for calculating taxes, transfers, and credits. Note that we did not include any temporary, one-time payments made in 2020. For a step-by-step explanation of how the wage is calculated, see the calculation guide CCPA-NS published when we first published the living wage calculations, available here: <https://www.policyalternatives.ca/publications/>

reports/working-living-not-living-work For an up-to-date guide, see the one published by the CCPA-BC (we follow their method very closely). [www.policyalternatives.ca/livingwage2021](http://www.policyalternatives.ca/livingwage2021)

**11** Djidel, S., Gustajtis, B., Heisz, A., Lam, K., Marchand, I. and McDermott, S. (2020). *Report on the second comprehensive review of the Market Basket Measure*. (Ottawa: Statistics Canada). <https://www150.statcan.gc.ca/n1/pub/75f0002m/75f0002m2020002-eng.pdf>

**12** The Canadian Price Index average for the first six months of 2021 is used for inflationary adjustment in this year's calculations where applicable, instead of using the 2020 CPI. 2020 saw several uncharacteristic and temporary declines in the prices of certain items. Since then, prices have rebounded and, in many cases, have increased rapidly. To remove the temporary pandemic effects, the 2021 Living Wage Calculation Spreadsheet adjusts family expenses using CPI for the first half of 2021 (Jan – June) instead of CPI for 2020. This more accurately reflects the costs that families are facing. Given the fluctuations in prices in 2020, this average better reflects prices.

**13** Djidel et al., (2020). OPCIT, p. 11.

**14** Canada Mortgage and Housing Corporation (CMHC), Housing Market Information Portal. <https://www03.cmhc-schl.gc.ca/hmip-pimh/en#Profile/1/1/Canada>

**15** Leviten-Reid, C., Horel, B., Matthew, R., Deveaux, F. and Vassallo, P. (2019). Strong foundations: Building community through improved rental housing data. *Journal of Rural and Community Development*, 14(3), 73-86.

**16** The MBM (2018-base) amount for transportation for communities under 30,000 is used for all communities in each province. This amount provides for the purchase of an eight-year-old compact car along with 1,200 litres of gas per year. It also includes the cost of 36-month financing term at a rate corresponding to the published consumer loan rate, as well as the costs of insurance, maintenance, registration and driver's license renewals

**17** Saulnier, C., Findlay, T. (2021). *Open letter: Recommendations for Building an Early Learning and Child Care System in Nova Scotia*. (Halifax: CCPA-NS). <https://www.policyalternatives.ca/publications/commentary/open-letter-recommendations-building-early-learning-and-child-care-system>

**18** For all communities except Halifax, 3-5 child care providers were contacted to gather cost data.

**19** It includes the cost based on average provincial expenditure on cell phones for the second decile in the Survey of Household Spending (1999). Djidel, et al., (2020). OPCIT, p. 20.

**20** See “Living Wage for Families Campaign”, How living wages benefit employers <http://www.livingwagecanada.ca/files/1613/8443/7402/Employer-benefit-fact-sheet.pdf>

**21** Johnston, M-D., and Saulnier, C. (2015). OPCIT.

**22** Household Food Insecurity in Canada. (PROOF, Food Insecurity Policy Research). <https://proof.utoronto.ca/food-insecurity/>

**23** Halifax, Appendix C – Supplier Code Of Conduct, April 1, 2021 [https://www.halifax.ca/sites/default/files/documents/business/doing-business-halifax/Supplier\\_Code\\_of\\_Conduct\\_Appendix\\_C.pdf](https://www.halifax.ca/sites/default/files/documents/business/doing-business-halifax/Supplier_Code_of_Conduct_Appendix_C.pdf)

**24** Nova Scotia Union of Public and Private Employees (2021) Press Release: NSUPE Local 22 calls on HRM Council to address Living Wage exclusions. (NSUPE), <https://nsupe.ca/open-letter-living-wage-exclusions/>

**25** Saulnier, C. (2020). One Step forward for Halifax workers? <https://monitormag.ca/articles/one-step-forward-for-low-waged-workers-in-halifax/>

- 26** Casey, R., Brickner, R., Carlson, J., Rudrum, S., & Munroe, J. (2021). *No Nova Scotian Should Have to Work Sick*. (Halifax: CCPA-NS). <https://www.policyalternatives.ca/publications/reports/no-nova-scotian-should-have-work-sick>
- 27** Casey, R. (2019). *A Rising Tide to Lift All Boats*. (Halifax: CCPA-NS). <https://www.policyalternatives.ca/publications/reports/rising-tide-lift-all-boats>
- 28** You can claim the CTC for eligible tuition and other fees paid to an eligible educational institution in Canada for courses you took in 2020. See <https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/about-your-tax-return/tax-return/completing-a-tax-return/deductions-credits-expenses/line-45350-canada-training-credit.html>
- 29** To qualify for the NS Child Benefit your adjusted family net income must be under \$34,000 and under \$30,000 for the NS Affordable Living Tax credit. These benefits are also small. The NSALTC provides \$255 for an individual or couple per year plus \$60 per child. The NSCB provides \$77.08 for the first child and \$68.75 for the second child per month. See <https://www.canada.ca/en/revenue-agency/services/child-family-benefits/provincial-territorial-programs/province-nova-scotia.html#nscb>
- 30** The GST tax credit begins to phase out at a family net income of \$37,789. The Canada Child Benefit (CCB) begins to phase out at \$31,711 for family net income with a further phase out at \$68,708. The Canada Worker Benefit phases out entirely at \$36,483. To claim the medical insurance as part of the budget allocation, the family income needs to be under \$27, 639. See <https://www.canada.ca/en/revenue-agency/programs/about-canada-revenue-agency-cra/federal-government-budgets/budget-2021-recovery-plan-for-jobs-growth-resilience/canada-workers-benefit-qa.html>
- 31** Department of Education and Early Childhood Development, Child Care subsidy-income eligibility (Government of Nova Scotia, 2018). <https://www.ednet.ns.ca/earlyyears/families/incomeeligibility.shtml>
- 32** Saulnier, C., Findlay, T. (2021). *Open letter: Recommendations for Building an Early Learning and Child Care System in Nova Scotia*. (Halifax: CCPA-NS). <https://www.policyalternatives.ca/publications/commentary/open-letter-recommendations-building-early-learning-and-child-care-system>.
- 33** The subsidy is for licensed child care only and is paid directly to the facilities. See <https://www.ednet.ns.ca/earlyyears/families/incomeeligibility.shtml>
- 34** The Housing for All Working Group (2021). *Keys To A Housing Secure Future For All Nova Scotians*. (Halifax: CCPA-NS). <https://www.policyalternatives.ca/publications/reports/keys-housing-secure-future-all-nova-scotians-o>
- 35** Statistics Canada, 2016 Economic Regions, OPCIT
- 36** The Nova Scotia Participatory Food Costing Project, *Can Nova Scotians Afford to Eat Healthy? Report on 2015 Participatory Food Costing*. FoodARC (Halifax: Mount Saint Vincent University, 2017) [https://foodarc.ca/wp-content/uploads/2017/03/2016\\_report\\_Executive\\_summary\\_LR\\_SPREADS.pdf](https://foodarc.ca/wp-content/uploads/2017/03/2016_report_Executive_summary_LR_SPREADS.pdf)



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