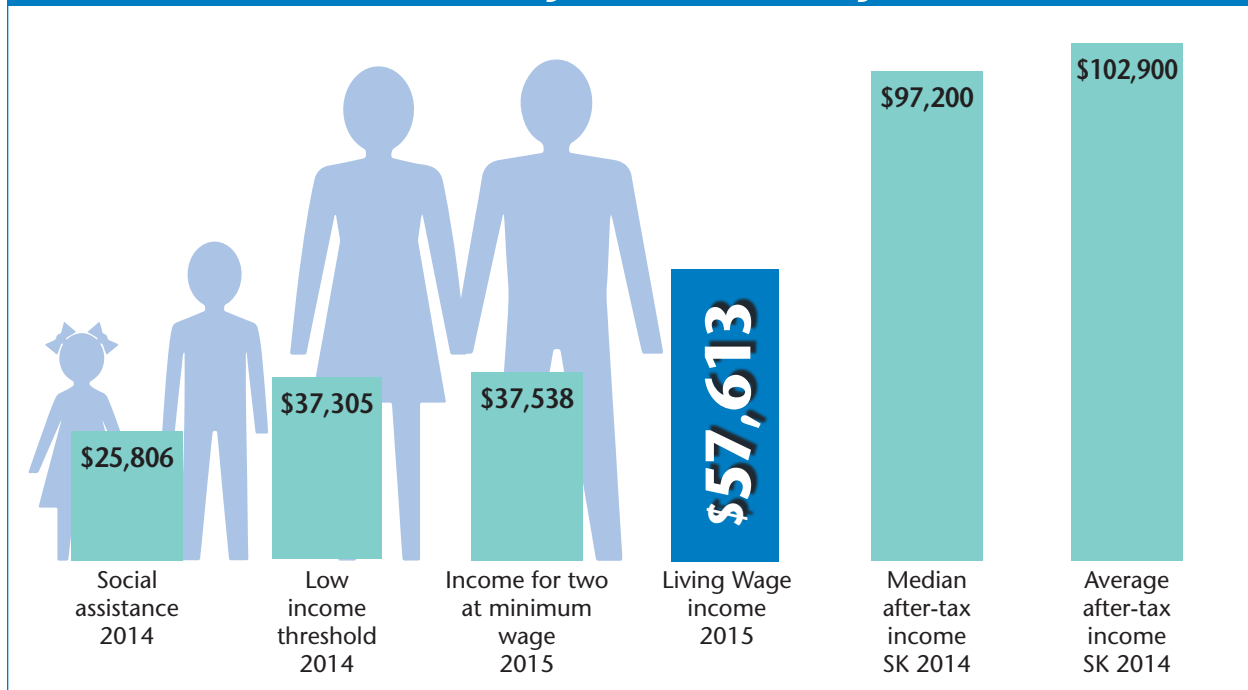


# Weyburn's LIVING WAGE \$15.59 PER HOUR

For Weyburn in 2016 the Living Wage is \$15.59 per hour. This is the wage that allows a family living in Weyburn, Saskatchewan to meet basic nutrition, housing, and transportation needs, not fall into poverty, participate in community life, and plan for the future.



## Annual family income, Weyburn\*



\*Based on latest available data.

The Living Wage is calculated by estimating reasonable expenses for a family of four — two parents and two children aged 4 and 7. For this family, when both parents are employed full-time at an hourly wage of \$15.59, monthly after-tax income is \$4,801. In addition to employment income this family receives child tax and other benefits from the federal and provincial governments to produce an annual income of \$57,613. When both parents are paid the Living Wage or more, the family can live at a comfortable but not extravagant level.

To set the Living Wage in perspective, a family with both parents working full-time at the Saskatchewan minimum wage would earn more than if they relied on Social Assistance benefits.

But a minimum wage income still keeps the family at poverty level. A Living Wage income in 2015 was approximately \$20,000 above a poverty level but well below average family income. For Saskatchewan couple families, in 2014 one-half had incomes of \$97,200 or more and the average income was just above \$100,000.

We estimate that 22 percent of employees who live in the City of Weyburn earn less than a Living Wage. Thirty percent of female employees and 14 percent of male employees receive these low wages. While it is common for young employees to have relatively low wages, 52 percent of those earning less than a Living Wage are aged 25 or more.

# What is a Living Wage?

A Living Wage is the hourly wage rate at which a household can meet its basic needs, once government transfers have been added to the family's employment income and tax deductions have been subtracted.

The Living Wage is different from the minimum wage, which is the legislated minimum set by the provincial government. The Living Wage calls on employers to meet a higher standard for both their direct staff and major contractors — it reflects what people need to support their

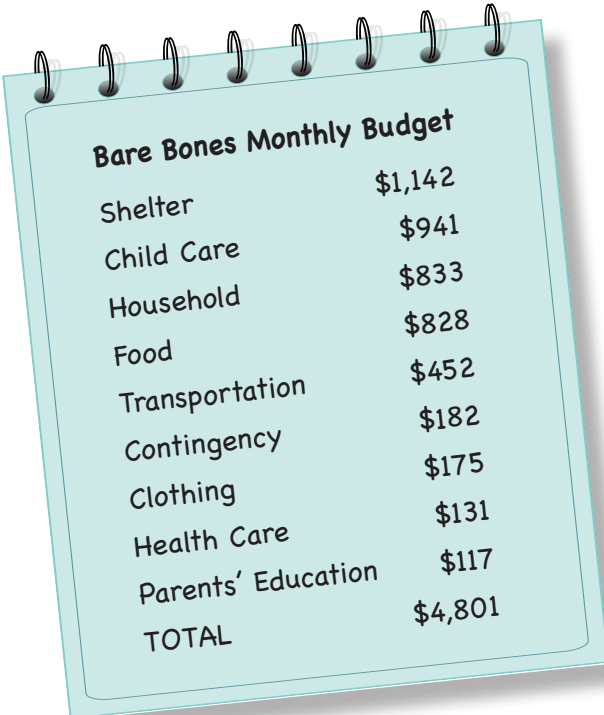
families based on the actual costs of living in a specific community.

The Living Wage provides an income to meet necessary expenditures and ensures that a family does not slip into poverty. Parents and children can participate in work, life, recreational, and community activities. But it is not a lavish wage — it doesn't allow families to save for retirement, post-secondary education for children, home ownership or service existing debt. There is only a minimal income cushion in the case of a family emergency.

## Calculating a Living Wage

We began by estimating annual household living expenses for a family of four. Our model family has two parents aged between 30 and 50 with two children — a male aged 7 and a female aged 4. Each parent works full-time at 35 hours per week for the full 52 weeks of the year, a total of 1,820 hours per year for each parent. We assume that the only benefits provided by employers are paid vacation, statutory holidays, and sick leave mandated by Saskatchewan Employment Standards.

Food expenses are based on the cost of the National Nutritious Food Basket as estimated by the Public Health Nutritionists of Saskatchewan. The family rents a three bedroom residence in Weyburn and the rental rate includes water, sewer, and heating. Electricity and renters' insurance costs have been added to this. For transportation, we include the annual expenses associated with purchasing, maintaining, and driving one used automobile. Since there is no public transportation in Weyburn, we have included expenses for 52 taxi trips per year — twice each week during the colder six months of



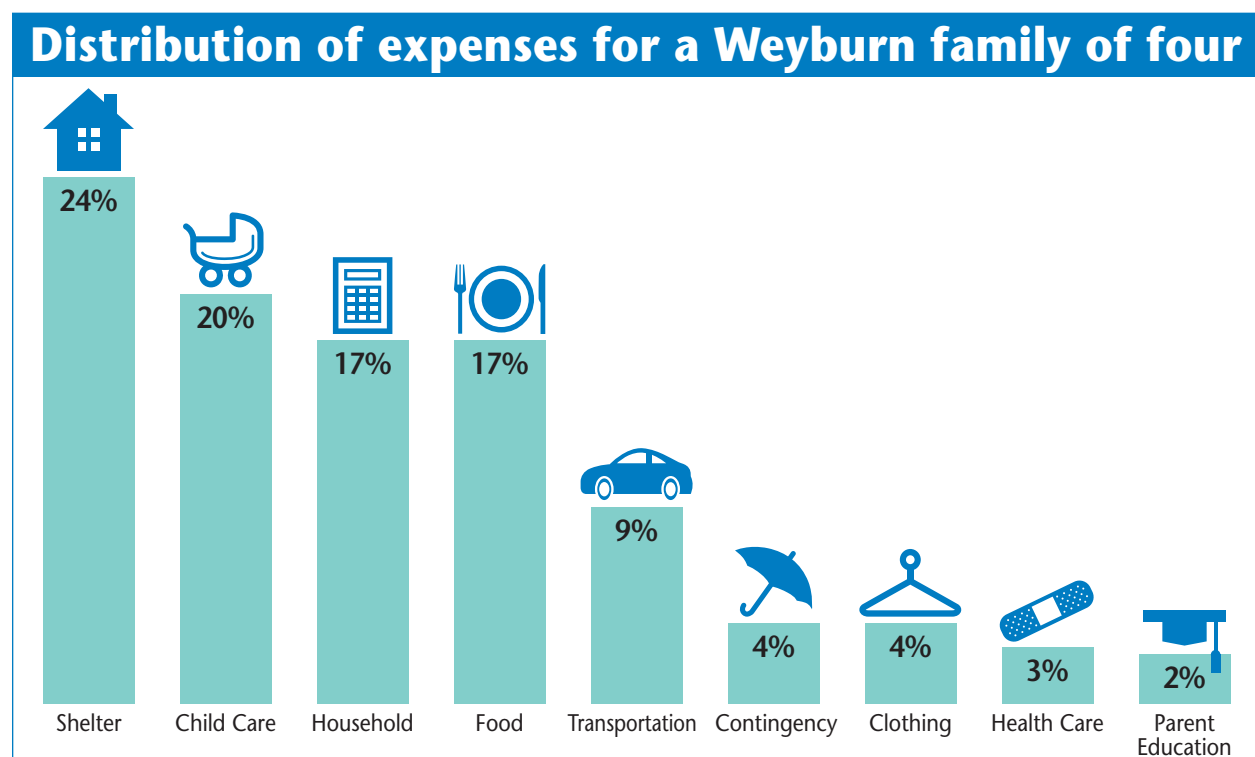
Bare Bones Monthly Budget	
Shelter	\$1,142
Child Care	\$941
Household	\$833
Food	\$828
Transportation	\$452
Contingency	\$182
Clothing	\$175
Health Care	\$131
Parents' Education	\$117
TOTAL	\$4,801

the year. Clothing and household expenses are obtained from Statistics Canada's Market Basket Measure of typical family expenditures in small Saskatchewan cities.

The four year old child is enrolled in full-time daycare and the seven year old child is enrolled in a before and after school program at licensed Weyburn day cares. The older child attends a full-time child care program in July and August. In order to upgrade their skills and credentials in search of better jobs, each parent is enrolled in the equivalent of one post-secondary course each year. These are courses offered at Southeast College or obtained online — we assume an annual tuition expense of \$600 for each parent.

Expenses include the cost of a Saskatchewan Blue Cross Personal Health Plan that covers core, prescription drugs, and dental expenses for the family. After adding all the above, an additional two weeks' pay is included as a small contingency fund in the case of unforeseen expenses or emergencies.

Family expenses total \$57,613 for the calendar year 2015; this means the family budget is \$4,801 per month.



After estimating these household expenses, the Living Wage of \$15.59 per hour is obtained by balancing the following equation:

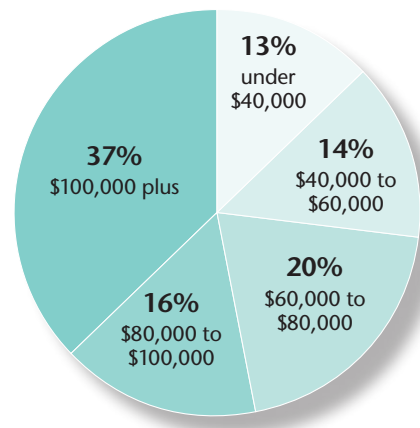
**Expenses = Employment income + Government transfers – Income and payroll taxes**

**\$57,613 expenses = \$56,903 employment income + \$6,570 transfers – \$5,860 taxes**

Taxes include Canada Pension Plan and Employment Insurance premiums and federal income tax — total family income is low enough that no provincial income taxes are payable. The transfers are primarily the Canada Child Tax Benefit and the Universal Child Care Benefit for 2015, with smaller federal and provincial tax credits received by the family.

## Distribution of after-tax income, families of two or more

In 2014, approximately 25 percent of Saskatchewan families of two or more persons had an annual income less than the Weyburn Living Wage income of \$57,613. Comparable data for Weyburn are not available but we estimate that 22 percent of families in Weyburn had incomes below what a Living Wage would provide. In Weyburn in 2010, 9 percent, just over 900 persons, were in poverty. Paying a Living Wage to all employees in the city would move these people above the poverty level and help improve the lot of individuals and families.



## Living Wage and Social Policy

The Living Wage campaign is primarily a call to employers in the business, cooperative, government, and community sectors to pay wages that will sustain families and assist them in improving their lives. This can be achieved directly by paying higher wages or through a combination of greater wages and improved employer and government benefits. Improved employer benefits include health benefits, paid sick and parental leave, and employer provided day care. Government benefits include increased day care subsidies, reduced taxes for low income families, and reduced tuition. Each improved benefit would reduce a family's expenses, thus reducing the wage that employers would need to pay to achieve a Living Wage.

For example, in 2016 the federal government introduced the Canada Child Benefit (CCB) program while eliminating the Canada Child Tax Benefit and the Universal Child Care Benefit. These changes took effect on July 1, 2016 and become applicable for the full year in 2017. The CCB provides for \$6,400 per year for a child

under age 6 and \$5,400 per year for a child aged 6 to 17. These benefits are not taxable but are reduced as family income increases. For the Weyburn Living Wage family, the CCB will increase federal transfers by approximately \$5,500 once fully operational. This increase in transfer income received by the family means that the Living Wage could be reduced by as much as \$1.95 per hour. While other expenses are anticipated to increase by 2017, it is certainly possible that the Living Wage could be closer to \$15 per hour in 2017 — as improved federal benefits will allow the family to meet their expenses even with a lower Living Wage.

Another example of how progressive social policy influences the living wage comes from Quebec. The Saskatchewan government could follow the Quebec model and provide child care at a basic rate of \$8 per day. This would reduce child care expenses for the Living Wage family by as much as \$600 per month. The effect of this would be to reduce by \$2.00 per hour the wage required for this family to meet expenses.

# What a Living Wage Can Do

A Living Wage for working people will:

- Reduce poverty by ensuring that public and private employers pay workers enough to meet families' actual costs of living.
- Help close the gap between male and female wages.
- Increase workers' purchasing power, thus benefiting families, businesses, communities and the local economy.
- Reduce employee turnover and associated employer training costs while raising employee productivity and morale.

## Paying a Living Wage

- In 2011, the City of New Westminster, British Columbia, became one of the first Living Wage employers in Canada, requiring that all firms contracting directly or indirectly with the city to provide services on city premises pay their employees a Living Wage.
  - In British Columbia, companies and organizations as diverse as Vancity Credit Union, the United Way, the Canadian Cancer Society and the BC Teachers federation are all certified Living Wage employers. The City of Vancouver and the City of Port Coquitlam are currently Living Wage supporters; they have living wage policies in place and are engaged in the hard work of bringing all direct and contract staff up to a living wage.
  - In November of 2015, the City of Cambridge became the first municipality in Ontario to pay a Living Wage.
  - Ontario has seen an explosion of Living Wage employers in the past few years, with companies and organizations like Muskoka Brewery, the Hamilton Chamber of Commerce, the Hamilton-Wentworth School Board, YWCA Kitchener-Waterloo and many more joining the Living Wage movement in that province.
  - Over 140 Living Wage ordinances have been adopted in cities throughout the United States, including New York, Boston, San Jose, Baltimore, Santa Fe and Minneapolis.
- We encourage employers to adopt the Living Wage for their own employees and require it for those with whom they conduct ongoing business. We also hope that citizens, businesses, and community organizations will urge employers and governments to improve employees and social benefits. Each of these will help lower income families improve their lives.



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*The Weyburn Living Wage calculation follows the Living Wage model for Vancouver and other Canadian cities that was pioneered by the BC Office of the Canadian Centre for Policy Alternatives. For more information on the Living Wage please contact the Canadian Centre for Policy Alternatives – Saskatchewan Office.*

*ccpasask@sasktel.net • (306) 924-3372*

*For a detailed spreadsheet of the Weyburn Living Wage calculation, visit [www.policyalternatives.ca/offices/saskatchewan](http://www.policyalternatives.ca/offices/saskatchewan)*