



Working for a Living Wage

Making paid work meet basic family needs in Metro Vancouver

2022 UPDATE

By Iglia Ivanova, Shannon Daub & Anastasia French

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CCPA
CANADIAN CENTRE
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BC Office



Living Wage for
Families BC

Working for a Living Wage: Making paid work meet basic family needs in Metro Vancouver 2022 Update

BY IGLIKA IVANOVA, SHANNON DAUB & ANASTASIA FRENCH

ABOUT THE AUTHORS

Iglika Ivanova is a Senior Economist and Public Interest Researcher at the CCPA-BC. She is also the Co-Director of the Understanding Precarity in BC (UP-BC) Project.

Shannon Daub is the Director of the CCPA-BC and Co-Director of the Corporate Mapping Project.

Anastasia French is the Provincial Manager of Living Wage for Families BC.

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CCPA
CANADIAN CENTRE
for POLICY ALTERNATIVES
BC Office

520 – 700 West Pender Street Vancouver, BC V6C 1G8

604.801.5121 | ccpabc@policyalternatives.ca

policyalternatives.ca

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Summary

A LIVING WAGE IS:
The amount needed for a family of four with two parents working full-time to pay for necessities, support the healthy development of their children, escape severe financial stress and participate in the social, civic and cultural lives of their communities.

The living wage is a powerful tool to ensure paid work results in a standard of living that is well above the poverty line and enables a life that is about more than a constant struggle to get by.

For Metro Vancouver, the living wage in 2022 is \$24.08.

The 2022 living wage for Metro Vancouver is \$24.08 per hour. This is the hourly rate that each of two parents working full-time needs to earn in order to support a family of four in Metro Vancouver. The living wage is enough for a family with two young children to cover the necessities, support the healthy development of their children, escape severe financial stress and participate in the social, civic and cultural lives of their communities. It affords a decent if still very modest standard of living without the extras many of us take for granted.

The soaring cost of living, particularly for food and housing, drives this year's sharp increase in the Metro Vancouver living wage. Affordability has long been a concern for Metro Vancouver families as high housing costs squeezed family budgets, but the rising cost of living became a much more pressing issue this year. General inflation shot up to a 40-year high this year and the costs of food and other necessities increased at an even faster pace. As a result, the 2022 living wage in Metro Vancouver climbed to \$24.08 per hour which is \$3.56 higher than last year's rate of \$20.52 per hour. This is the highest annual increase in the Metro Vancouver living wage since it was first calculated 14 years ago.

Over the last three years, the BC government introduced important policy changes that counterbalanced increases in the cost of living and significantly improved affordability not only for low-income families but also for modest- and middle-income families with young children. Most notably, these changes included significant child care investments, the new BC Child Opportunity Benefit and the elimination of Medical Services Plan (MSP) premiums. As a result, the Metro Vancouver living wage declined significantly in 2019 and remained below its 2018 levels until this year. However, the savings from these affordability improvements have now been completely wiped out by the rising cost of living.

In addition to capturing this year's rapid increases in living expenses, the 2022 living wage adopts a new approach to estimating housing costs to better reflect the financial pressures renter families now face. This is necessary because the data we were previously using to estimate the living wage family's housing costs increasingly understated the true cost of renting in Metro Vancouver (see p. 7 for a full discussion).

A strikingly large gap exists between the 2022 Metro Vancouver living wage and BC's current minimum wage of \$15.65 per hour. Many families earn less than the living wage and struggle to make ends meet. A third of two-parent families with children in Metro Vancouver have total family income below the living wage family income (34 per cent).¹ Many are pushed out into Metro Vancouver's farther suburbs or out of the region entirely.²

1 Based on data from 2020, which was an extraordinary pandemic year when many families lost their jobs (and thus employment income) and received significantly higher government benefits (e.g., the Canadian Emergency Response Benefit (CERB) and one-off top ups to a number of other transfers). Data from Statistics Canada, 2020. Table 11-10-0013-01.

2 See, for example, Cheung, Christopher. "Where Did Vancouver's Children Go." *The Tyee*. April 29, 2022. <https://thetyee.ca/Analysis/2022/04/29/Where-Did-Vancouver-Children-Go/>.



What's in a living wage?

People who work for low wages face impossible choices—buy groceries or heat the house, keep up with bills or pay the rent on time. The result can be spiraling debt, constant anxiety and long-term health problems. In many cases it means working long hours, often at multiple jobs, just to pay for basic necessities.³ Parents end up having little time to spend with their families, much less to help their children with school work or participate in community activities.

A living wage reflects the income a two-earner family needs based on the actual cost of living in their community. The living wage is a powerful tool to ensure paid work results in a standard of living that is well above the poverty line and enables a life that is about more than a constant struggle to get by.

A living wage is not the same as the minimum wage, which is the legal minimum all employers must pay and often does not reflect the true expenses families face. However, the large gap between the two (close to \$8.50 per hour) is a cause for concern. Tying minimum wage increases to the general inflation rate measured by Statistics Canada's Consumer Price Index (CPI) is clearly far from sufficient. BC's Fair Wages Commission has been tasked with advising the provincial government on ways to begin addressing this gap, however, their report is yet to be released.

The living wage is calculated as the hourly rate at which a family with two working parents and two young children can meet its basic needs once government transfers have been added to the

A living wage is not the same as the minimum wage, which is the legal minimum all employers must pay and often does not reflect the true expenses families face.

³ In a BC-wide survey conducted in late 2019, 29 per cent of workers aged 25 to 65 reported having worked multiple jobs at the same time in the last three months. See Ivanova, et al. "Working multiple jobs to make ends meet: More common in BC than we may think." *Policy Note*. May 6, 2020. <https://www.policynote.ca/multiple-jobs-bc/>.

family's income (such as federal and provincial child benefits) and deductions have been subtracted (such as income taxes and Employment Insurance premiums). It is based on employers providing the statutory minimum paid vacation and paid sick time.⁴ Earning a living wage gets families out of severe financial stress by lifting them out of poverty and providing a basic level of economic security. But it is also a conservative, bare-bones budget without the extras many of us take for granted.



CALCULATING THE LIVING WAGE

Those seeking to calculate the living wage in other BC and Canadian communities should contact the CCPA-BC Office or Living Wage for Families BC for additional resources and calculation support.

When the methodology was originally developed in 2008, the Metro Vancouver living wage for a two-parent family was sufficient to support a single-parent family with one young child but this is no longer the case due to sharp increases in the cost of living, particularly housing, that have not been offset by correspondingly large increases in government supports for modest income single parents. This is something we are looking into in relation to future calculations.

The BC living wage methodology was developed in 2008 in collaboration with academic and social policy experts and organizations that work with low-income families and was informed by feedback from focus groups of low-income working parents and employers.⁵ Since then it has served as the model for living wage calculations across the country. More than 60 communities in Canada, including over 20 in BC, have used this approach to calculate their local living wage (see livingwage.ca).

The BC living wage calculation methodology is reviewed regularly in consultation with social policy experts, community partners and other advisors, and refinements are made as needed to ensure that it continues to reflect the costs of a reasonable standard of living. For more details on the methodology and data sources used to calculate the 2022 Metro Vancouver living wage, see the stand-alone Technical Appendix accompanying this report, which can be found at policyalternatives.ca/livingwage2022.

The bare bones budget graphic shows what a two-parent family with two young children could afford with \$24.08 per hour in Metro Vancouver—or \$43,826 annually for each parent working full-time.

The living wage calculation does not cover:

- Credit card, loan or other debt/interest payments.
- Savings for retirement.
- Owning a home.
- Savings for children's future education.
- Anything beyond minimal recreation, entertainment or holiday costs.
- Costs of caring for a disabled, seriously ill or elderly family member.
- Much of a cushion for emergencies or tough times.

Food	\$ 1,114
Shelter	\$ 2,484
Child care	\$ 892
Transportation	\$ 546
Non-MSP health care	\$ 225
Phone & internet	\$ 196
Clothing & footwear	\$ 174
Parents' education	\$ 106
Contingency fund	\$ 281
Other household & social participation	\$ 971

⁴ While BC's introduction of a permanent right to five days of employer-paid leave for sickness or injury as of January 2022 was welcome, the continuing COVID-19 pandemic means that this entire allotment would be needed to cover a single COVID-related absence, leaving families scrambling should any other illness or injury arise.

⁵ The full details are available on page 23 of the original 2008 report, which can be found at policyalternatives.ca/livingwage2008.

Updating the living wage methodology to better reflect housing costs

Rent has been the most expensive item in the Metro Vancouver living wage family budget since the calculation was first produced in 2008. The BC living wage calculation has relied on the Canada Mortgage and Housing Corporation (CMHC) annual rental market survey for our estimate of rent, using its data for median monthly rent for units with three or more bedrooms in the primary rental market.

This number has always represented a very modest rent budget in Metro Vancouver and understated the financial pressures faced by families that have to move because it aggregates the rents paid by long-term tenants who have benefitted from BC's rent control measures and those who have recently moved and typically pay higher rents. However, as vacancy rates have declined and housing prices spiked in Metro Vancouver and many other BC communities over the last 14 years, the difference in rents that new and long-term tenants are paying has sharply widened. Further complicating matters, the CMHC data only include purpose-built rental units, which are referred to as the primary rental market. The secondary rental market (i.e., renting privately owned houses and condos or basement and other secondary suites) has grown significantly since the living wage methodology was first developed but is not captured in the median rent figure.

As a result, the CMHC data on primary rental market median rents became an increasingly less reliable measure of the rents families are paying, and it now no longer reflects a realistic rent budget for a family with two young children (and likely hasn't for the last few years). This is true both in Metro Vancouver and elsewhere in BC, as we heard loud and clear from our community calculation partners during the 2021 round of living wage calculations.

To develop a more realistic estimate of the rent cost faced by families, we used 2016 census data to estimate the "moving penalty" faced by households who had to find housing within the previous year. We use the 2016 census data to estimate this moving penalty because it is the latest census data available at the time of writing.

The census data confirm that families with children move frequently. Within the previous year, 25 per cent of BC couple families with children had moved.⁶ These families paid considerably higher median rents—12 per cent higher in 2016 compared to the overall median (i.e., including longer-term and new tenancies). The data also show that the moving penalty is higher for households living in three-bedroom housing than for those living in one- or two-bedroom units.

We apply this moving penalty to the CMHC median rental figures for 2022 to get a more reliable estimate of the rent cost pressures faced by families in BC.



CMHC data on primary rental market median rents became an increasingly less reliable measure of the rents families are paying, and it now no longer reflects a realistic rent budget for a family (and likely hasn't for the last few years).

⁶ We obtained a custom tabulation from Statistics Canada's 2016 census with data for BC's census metropolitan areas and census agglomerations, which represent one or more adjacent municipalities centered on a population core of at least 10,000 people. Integration with the core is measured by commuting flows data from the previous census. The calculation described in this section is based on the data for couple census families with children, without other persons living in their household and living in housing with three or more bedrooms because this is the closest family type to the living wage family. The moving penalty and mobility rates are nearly identical when the data for all household types in three or more bedroom housing is considered.

For Metro Vancouver, the moving penalty increases the living wage family's rent costs from \$1,952 (the CMHC median rent figure) to \$2,186 monthly. The revised figure is still a very modest estimate of rent costs in Metro Vancouver, especially for families who need to move and are not protected by rent control measures. The updated rent estimate results in a significant increase to the 2022 living wage rate because the calculation has underestimated the true costs of rent for BC families in many communities in recent years.

With housing affordability reaching crisis levels in the last five years, it is likely that the moving penalty is even higher today. Unfortunately, data from the 2021 census was not available at the time of writing but will be reviewed as part of next year's living wage calculation. CMHC Rental Market Survey data confirm that a large gap exists between the average rents of vacant and occupied rentals in Metro Vancouver in 2021 and that this gap is highest for three-bedroom or larger units.⁷

Explaining the increase in the 2022 living wage



Food is now the second most expensive item in the living wage family budget, dwarfed only by the costs of shelter.

The 2022 Metro Vancouver living wage is \$24.08 per hour—up \$3.56 from \$20.52 per hour in 2022 or 17.3 per cent higher. The jump is driven by the rapidly rising costs of family expenses, most notably food and shelter, which are increasing much faster than the already very high general inflation rate (as measured by Statistics Canada's Consumer Price Index, CPI). Our new approach to better capturing housing costs explains some of the increase, but inflationary pressures account for the bulk of the 2022 increase.

Here is what makes up the 2022 living wage family budget:⁸

FOOD: \$1,114 per month. This reflects the cost of purchasing Health Canada's National Nutritious Food Basket, which includes a nutritious diet but does not consider special dietary needs, cultural or other food preferences and the cost of condiments or spices.

Food costs rose by a whopping 16.9 per cent since last year, adding an extra \$161 per month to the family budget. This marks the sharpest increase in any of the bigger budget items this year, including shelter costs (even with our revised method for estimating rents). The latest numbers from the BC Provincial Health Services Authority's 2022 *Food Costing in BC* (report forthcoming) show that across the province the price of groceries required for a nutritious diet for a family of four is rising faster than Statistics Canada's estimate of food inflation (as measured by the CPI for food in BC) and reveal important regional differences across the province.

7 Note that we are not able to use that data to calculate the moving penalty for the purposes of the living wage because they are based on average and not median rents. In housing markets with a large share of luxury rentals like Metro Vancouver, luxury rentals push the average rent up, and patterns in average rents do not necessarily reflect what is happening in the non-luxury market, which is better captured by median rent statistics. However, a large moving penalty in the CMHC data on average rents confirms that the overall rent numbers that capture both long-tenured and new tenancies substantially underestimate the rents faced by families who have to move. Data source: CMHC Rental Market Survey data summarized in Metro Vancouver. *Metro Vancouver Housing Data Book*. July 2022. p. 81. http://www.metrovancouver.org/services/regional-planning/PlanningPublications/MV_HousingDataBook_2022.pdf.

8 The Technical Appendix accompanying this report provides more detailed information on the methodology and data sources for each budget item.

Food is now the second most expensive item in the living wage family budget, dwarfed only by the costs of shelter. Food used to be the third most expensive item but edged ahead of child care costs after the introduction of the BC Affordable Child Care Benefit, which significantly reduced out-of-pocket child care costs for the living wage family.⁹

SHELTER: \$2,484 per month. This includes a modest rent estimate for a three-bedroom apartment plus utilities and insurance on home contents.

Shelter costs jumped by 16.7 per cent this year or an additional \$355 per month, largely due to expensive rents in the region. Our updated estimate of the family’s rent cost (\$2,186 per month) represents a large increase from last year (when the very low figure of \$1,850 for a three-bedroom unit was used). However, it reflects the realities faced by renter families in Metro Vancouver and remains a very tight budget for finding family housing in the region.

While families lucky enough to have stable housing benefitted from the pandemic-related rent freeze (no rent increases on continuing tenancies were allowed between April 1, 2020 and January 1, 2022), those who had to move faced low vacancy rates and rapidly rising rents. Concerningly, BC leads the country in evictions, according to the latest data from Statistics Canada’s Canadian Housing Survey.¹⁰

CHILD CARE EXPENSES: \$892 per month out-of-pocket. This includes child care fees of \$1,477 per month (for a four-year-old in full-time licensed group care and a seven-year-old in before- and after-school care, full-time care during three weeks of winter and spring breaks, and six weeks of full-time summer care) reduced by the amount of the BC Affordable Child Care Benefit for which the living wage family is eligible, resulting in a net out-of-pocket amount of \$892.

Child care fees in Metro Vancouver saw a notably low annual increase this year, an average of less than 1 per cent. This does not include the welcome and very significant child care fee reductions slotted to come into effect in December 2022, which will be built into the 2023 living wage calculation. Recent provincial government policies have successfully moderated fee increases for children under age five in licensed child care, and many can expect actual fee reductions next year. However, finding a spot in a licensed program remains a challenge for many working parents. Fees continue to rise for school-age children’s summer programs and care during school holidays, which have not been included in the provincial fee reduction initiatives announced to date but are eligible for the BC Affordable Child Care Benefit.

The BC Affordable Child Care Benefit is an income-tested government payment designed to assist low- and middle-income families with their child care expenses. This benefit is paid to the child care provider reducing the fee payable by parents. The Metro Vancouver living wage family qualifies for a benefit of \$7,013 in 2022, which reduces their child care out-of-pocket expenses to an average of \$892 per month. However, even with that benefit, parents pay significantly more than they would if BC fully implemented \$10-a-day child care, which is now also the goal of the new federal investments in child care.

TRANSPORTATION: \$546 per month. This includes the amortized cost of owning and operating a used car as well as a two-zone bus pass for one parent, replaced by a discounted student transit



While families lucky enough to have stable housing benefitted from the pandemic-related rent freeze, those who had to move faced low vacancy rates and rapidly rising rents.

9 Many Metro Vancouver families are not able to secure a child care spot in centre-based care, which is the type of child care arrangement that has seen the largest fee reductions and is eligible for the largest amount of Child Care Benefit. As a result, these families may pay higher out-of-pocket child care fees than those assumed in the living wage calculation.

10 Griffiths, Nathan. “BC leads country in household evictions over the past five years.” *Vancouver Sun*. July 25, 2022. <https://vancouversun.com/news/local-news/b-c-leads-country-in-evictions>.



pass, the U-Pass, for eight months of the year. Transportation costs grew significantly since last year, by 11.5 per cent, due largely to the sharp spikes in the costs of gasoline. Transit fares in Metro Vancouver also increased in July 2021 and July 2022.

NON-MSP HEALTH CARE: \$225 per month. This is the cost of a basic extended health and dental plan with Pacific Blue Cross insurance, which does not include the out-of-pocket portion of expenses only partially covered by the plan. The costs of purchasing a basic family plan increased by \$37 per month, or 19.7 per cent this year, due to a sharp increase in the price of dental coverage (from \$99 to \$134 per month).

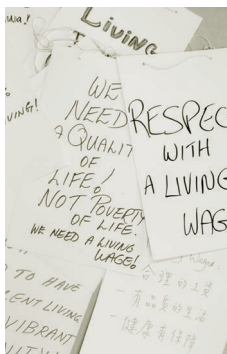
The federal government’s commitment to provide dental coverage for uninsured Canadians with low and modest incomes will benefit living wage families, but the first stage of implementation (the proposed Canada Dental Benefit for families with young children) is expected to come into effect in December 2022 and will be included in the 2023 living wage calculation.

PHONE AND INTERNET: \$196 per month. This includes the cost of high-speed home internet, two mobile data plans and the purchase of two basic smartphones. Up \$9 since last year, which reflects the switch to the faster 4G LTE data network and an increase to 4GB of data (from last year’s 3GB) to reflect Canadians’ changing data usage patterns.

CLOTHING AND FOOTWEAR: \$174 per month.

PARENTS’ EDUCATION: \$106 per month, which is up \$2 since last year. This amount allows for two college courses per year so one parent can work on upgrading their training as a way out of low-wage work. A small budget for education has been included in the living wage calculation since its inception in 2008 at the suggestion of participants in our focus groups with low-wage workers. Access to training has become even more important since then because automation and technological advances are rapidly changing the way work is done.

CONTINGENCY FUND: \$281 per month—two weeks’ wages for each parent, which provides some cushion for unexpected events like the serious illness of a family member or transition





time between jobs. Up \$42 per month or 17.3 per cent to account for the need to replace higher wages to cover higher family expenses while one of the earners in the family is off work.

OTHER HOUSEHOLD AND SOCIAL PARTICIPATION EXPENSES: \$971 per month. This covers toiletries and personal care, over-the-counter medication and expenses not fully covered by private health insurance, furniture, household supplies, laundry, school supplies and fees, bank fees, some reading materials, minimal recreation and entertainment, family outings (e.g., to museums and cultural events), birthday presents, modest family vacation and some sports and arts activities for the children. This component of the family budget grew significantly since last year, by \$122 per month or 14.4 per cent, adding to the financial pressures experienced by many families.

GOVERNMENT TRANSFERS: The living wage family's expenses were partially offset by government transfers the family received last year.

The Metro Vancouver living wage family receives substantial government support through the Canada Child Benefit, the BC Affordable Child Care Benefit and the BC Child Opportunity Benefit, a total of \$16,686 in 2022. Without these benefits the Metro Vancouver living wage would have been significantly higher.

The one-time Insurance Corporation of BC rebate and the one-time October enhanced payment of the BC climate action tax credit are much smaller in value but in a year when inflation is at a 40-year high, every little bit helps to take off some pressure from stretched family budgets.

The Metro Vancouver living wage family is considered too well-off to qualify for the federal GST credit.

In summary, soaring food and housing costs are putting tremendous pressure on family budgets and driving the jump in the living wage this year. Although additional investments to further reduce child care fees and provide a dental benefit for young children coming in December will benefit families, without large-scale public investments in affordable housing, the savings for families will quickly be eaten up by rising rents.

Soaring food and housing costs are putting tremendous pressure on family budgets and driving the jump in the living wage this year.

Employers get behind the living wage

A growing number of BC employers are seeing the value of paying living wages—there are nearly 400 certified Living Wage Employers across BC, including many small businesses, non-profit organizations, unions and cooperatives. Fourteen local governments have adopted living wage policies as of October 2022, including the cities of Burnaby, Langley, New Westminster, North Vancouver, Pitt Meadows, Port Coquitlam, Quesnel, Vancouver and Victoria.

These employers have committed to pay all their direct staff and contract employees a living wage and to require their major service providers to also pay a living wage, including for janitorial, security and food service contracts. Living Wage for Families BC, a program of the Vancity Community Foundation, runs the living wage certification for employers in BC.

For the full list of Living Wage Employers or to become a Living Wage Employer, please contact Living Wage for Families BC (www.livingwageforfamilies.ca).

Getting there: The role of employers and government

Paying living wages can have concrete benefits for employers, including reduced absenteeism and staff turnover, increased skill, improved morale and productivity levels, reduced recruitment and training costs and improved customer satisfaction.

The living wage is first and foremost a call to employers to pay both direct and contract employees wages sufficient to support families. At a time of a sharply increasing cost of living, it is essential that both public and private sector employers take a closer look at the earnings of their lower-paid workers and consider how far these earnings stretch in our most expensive regions. Boosting the earnings of these households is a key contribution that employers can make to support poverty reduction efforts and pandemic recovery across the province. It is also an effective way of stimulating the local economy because lower-income families tend to spend almost all of their income in their communities.

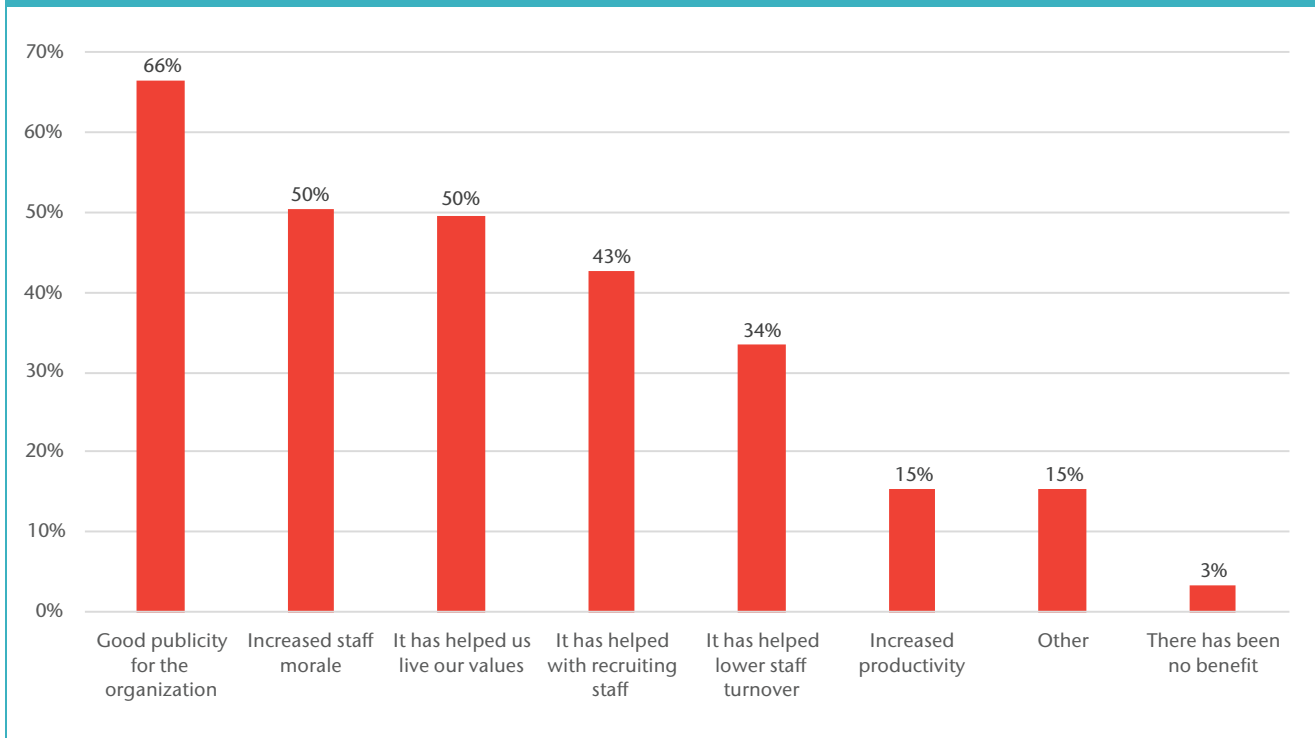
Paying living wages can have concrete benefits for employers, including reduced absenteeism and staff turnover, increased skill, improved morale and productivity levels, reduced recruitment and training costs and improved customer satisfaction. It is also good for a company's reputation. For example, a study on living wage employers in London (UK) found that turnover rates were cut by 25 per cent on average after organizations implemented a living wage policy.¹¹

A recent survey of BC certified Living Wage Employers showed similar benefits locally (Figure 1).

Employer-paid benefits that reduce out-of-pocket costs for families—such as extended health and dental coverage, subsidized transit passes, paid sick time and vacation over and above the statutory minimums—can reduce the hourly rate needed to meet family expenses just like government transfers do.

¹¹ Wills, Jane and Brian Linneker. *The Costs and Benefits of the London Living Wage*. London: University of London and Trust for London, 2012.

Figure 1: Reported benefits of being a certified Living Wage Employer



Source: 2022 BC Living Wage Employers survey conducted by Living Wage for Families BC.

But the living wage is not just about employers—the labour market alone cannot solve all problems related to economic insecurity. Our standard of living is a combination of earnings, benefits, government income supports and accessible public services that reduce the cost of living.

Direct government transfers can put money into the pockets of low- and middle-income households, as provincial and federal child benefits do for families with children. These benefits moderate the increase in the living wage amid a sharply rising cost of living. However, many direct transfers and subsidies are reduced or eliminated once a family reaches an income level well below the Metro Vancouver living wage. For example:

- Federal GST Credit (not available to families with combined net income above \$57,132).
- BC Rental Assistance Program (not available to families with combined gross income over \$40,000, which is lower than the poverty line for a family of four anywhere in BC).
- Canada Workers Benefit (not available to families with combined net income over \$42,197).

Provincial and federal governments must review all low-income transfers and credits regularly to ensure that they are not clawed back at income levels that leave many families struggling, and that the amounts provided keep up with the actual expenses they are meant to defray (such as rent). When government transfers fail to keep up, the families hardest hit include workers who are already marginalized in the labour market, including single mothers, Indigenous people and recent immigrants.

The living wage is not just about employers—the labour market alone cannot solve all problems related to economic insecurity.

In addition to direct government transfers, accessible public services and infrastructure can reduce out-of-pocket costs for families and thus lower the wage needed to afford a decent standard of living.

Child care is a great example. As outlined earlier in this report, recent public investments in child care affordability (and to a lesser extent in expanding child care spaces) have successfully moderated fee increases for children under age five in licensed child care and reduced out-of-pocket costs for many low- and middle-income families. The substantial new child care fee reductions scheduled for December 2022 will further reduce out-of-pocket costs for families who are able to secure a spot with a participating child care provider and will likely help offset some of the increases in the cost of living expected next year.



Recent public investments in child care affordability have successfully moderated fee increases for children under five in licensed child care and reduced out-of-pocket costs for many low- and middle-income families.

However, even with those investments, most BC parents will continue to pay significantly more than what they would if BC fully implemented \$10-a-day child care, which is now also the goal of the new federal investments in child care. If BC had \$10-a-day child care in 2022, the Metro Vancouver living wage would have been \$22.06, about \$2 per hour lower. This highlights the power of public policy to reduce out-of-pocket costs for families and is precisely why the living wage takes into account federal and provincial taxes and transfers.

Another public program that moderates the living wage is the U-Pass—a low-cost transit pass for students in public post-secondary institutions in BC. A parent taking one college course per semester is eligible for the U-Pass for eight months, which reduces the family’s transit costs and shaves off 30 cents from the 2022 Metro Vancouver living wage. The introduction of free transit for children under 12 in BC also benefits many Metro Vancouver families by expanding their transportation options. Free transit for all would make it even easier for families to make more of their trips using active transportation options, which are healthier and generally less expensive than driving.

However, rising housing costs and rents in particular put enormous pressure on family budgets in Metro Vancouver and across the province. Over the last four years, the BC government has made limited progress through its 2018 Homes for BC plan but progress is too slow, and the new affordable housing construction targets (114,000 units over a decade) were too low from the outset.¹² The good news is that the provincial government has the fiscal capacity to scale up public investments in non-market and below-market rental housing, and that affordable rental housing could be self-financing in the long run, as the CCPA-BC’s Alex Hemingway has demonstrated.¹³

Moving the dial on housing affordability in Metro Vancouver and across the province would require a large-scale build out of non-market rental housing to be combined with more effective tools to limit rent increases, such as vacancy control, which existed in BC in the 1970s. Vacancy control ties rent to the unit and imposes restrictions on rent increases not only on continuing tenancy but also when renters move out and new tenants come in.¹⁴

12 See Lee, Marc. “What happened to the 114,000 new affordable homes promised in BC?” *Policy Note*. March 11, 2022. <https://www.policynote.ca/housing-promises>.

13 See Hemingway, Alex. “Financing public housing: how a massive expansion of rental homes can literally pay for itself.” *Policy Note*. April 21, 2022. <https://www.policynote.ca/financing-public-housing>.

14 See Lee, Marc. “Vacancy control: taking the next step on housing affordability.” *Policy Note*. February 11, 2021. <https://www.policynote.ca/vacancy-control>.

Without a large-scale infusion of public affordable housing and stricter rent control measures tied to the unit rather than the tenant, the costs of rent will continue to offset and effectively wipe out affordability improvements in other areas.

A key way employers can help moderate increases in the living wage is to advocate for better income supports that reduce financial pressure on low- and middle-income earners and enhanced public investments in programs that improve quality of life for all families like affordable housing, universal child care and pharmacare.

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Living wages in BC

This year, 22 BC communities are releasing their 2022 living wage calculations at the same time:

- Castlegar \$20.54
- Columbia Valley \$21.85
- Comox Valley \$20.26
- Cowichan Valley \$23.53
- Cranbrook \$21.90
- Daajing Giids \$25.87
- Dawson Creek \$20.53
- Fernie \$23.58
- Fraser Valley \$18.98
- Golden \$25.56
- Grand Forks \$20.05
- Greater Victoria \$24.29
- Kamloops \$19.14
- Kelowna \$22.88
- Metro Vancouver \$24.08
- Nanaimo \$20.49
- Nelson \$20.83
- Powell River \$23.33
- Prince George \$21.19
- Prince Rupert \$22.69
- Revelstoke \$23.60
- Trail \$21.13

For a full list of communities see www.livingwageforfamilies.ca.



**Living Wage for
Families BC**

Living Wage for Families BC aims to reduce poverty for workers and their families. They certify and promote employers who pay their staff and contractors a living wage, and advocate for complementary government policies that would help families make ends meet. They are a program of Vancity Community Foundation.

Contact us at 236.558.2635 or info@livingwageforfamilies.ca.

livingwageforfamilies.ca



CCPA
CANADIAN CENTRE
for POLICY ALTERNATIVES
BC Office

CCPA-BC Office
520 – 700 West Pender Street
Vancouver, BC V6C 1G8
604.801.5121
ccpabc@policyalternatives.ca
policyalternatives.ca/offices/bc

The Canadian Centre for Policy Alternatives is an independent, non-partisan research institute concerned with issues of social, economic and environmental justice. Founded in 1980, it is one of Canada's leading progressive voices in public policy debates.

The CCPA-BC is located on unceded Coast Salish territory, including the lands belonging to the x^wməθk^wəyəm (Musqueam), Skwxwú7mesh (Squamish) and sə́lilwətaʔ /Selilwitulh (Tsleil-Waututh) Nations.