

# More Than Minimum

Calculating Edmonton's  
Living Wage

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June 2015



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Living Wage

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## EXECUTIVE SUMMARY



**Edmonton's  
living wage  
is \$17.36  
per hour**

For many years, the City of Edmonton has experienced strong population and employment growth, significantly above the national average. Many have praised the city for its high standard of living, skilled population and plentiful opportunities. But what is becoming increasingly clear is that all citizens have not shared in this optimistic outlook. The most recent available data finds that one in eight Edmontonians live in poverty. One in five children live in a poor family.

This report attempts to calculate what it actually costs to live a basic or modest life. The calculation is based on a framework developed by the Canadian Centre for Policy Alternatives (CCPA). Since it was created, the framework has been used by cities across Canada to calculate each city's living wage.

We have calculated Edmonton's living wage to be \$17.36 per hour. This hourly wage is determined by using the CCPA framework that utilizes a common household structure in order to enable comparisons between municipalities.

Edmonton's living wage, like other cities' living wages, is based on the income, expenses and government income transfers of a family of four. This family lives in a rented three-bedroom apartment. They have two children, one aged three and the other aged seven. One parent drives the family car to work while the other takes public transit. For the purposes of this calculation, both parents work 35 hours a week and earn \$17.36 per hour to pay for their food, shelter, utilities, clothing, transportation, child care, school fees, post-secondary tuition and more. This family's available income including government income transfers is \$68,261.32.

It is important to also note what this calculation does not take into account common expenses such as debt payments, savings for retirement, vacation, or savings for the children's post-secondary education.

Once the family's expenses have been added up, this report looks at the income side of the family's balance sheet, including both employment income and a wide range of government transfers and supports such as child care benefits.

So, now that we have a living wage calculation for Edmonton, what do we do with it? This living wage calculation can serve as a guide to any employer in the public, private or not-for-profit sector that chooses to become a living wage employer. This living wage, provides a current and realistic picture of what it actually costs for a family of four to maintain a modest standard of living.

**In 2012,  
100,870  
persons  
lived in low  
income in  
Edmonton**

## BACKGROUND

During the past decade, similar living wage calculations have been developed in Canadian cities such as Toronto, Hamilton, Kingston, Vancouver, Victoria, Medicine Hat, Red Deer, Grande Prairie and Calgary.

The living wage is not the same as the minimum wage. The minimum wage is the provincially mandated minimum an employer is required to pay in a given jurisdiction. As it stands today the minimum hourly wage in Alberta is \$10.20, a rate that does not support the basic requirements of any household. Even with the anticipated Alberta government decision to increase the minimum wage to \$15 per hour by 2018, the minimum wage will still leave workers struggling to make ends meet.

That's where the living wage comes in: it sets a higher test by asking what workers need to earn based on the cost of living in their community. The living wage calculation is rooted in real life necessities and responsibilities. It takes into account the amount of money a family needs in order to pay for non-discretionary bills, like rent, transportation, food, and child care.

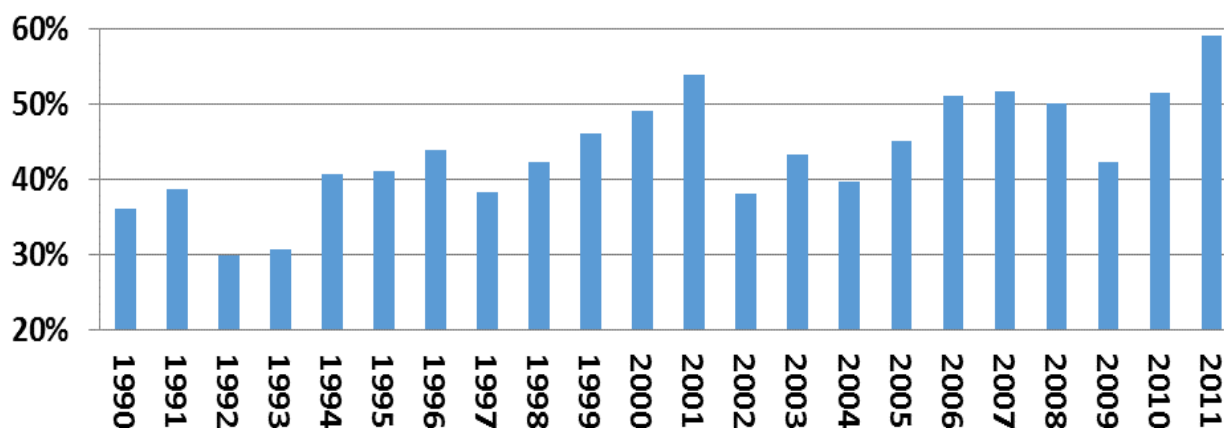
### Income and Poverty in Edmonton: The Facts

- Income inequality in Edmonton Census Metropolitan Area (CMA) is growing in line with provincial and national trends. Between 1982 and 2012, the bottom 50% of tax filers saw a 3.3% increase in their real median incomes compared to a 50% increase for the top 1% and a 137% increase for the top 0.1% of the population (Statistics Canada, 2014a).
- In 2012, 100,870 persons lived in low income in the city of Edmonton, a rate of 12.3%. 44,200 persons lived in low income couple families, 30,600 persons in lone parent families and 26,070 in single adults households (Statistics Canada, 2014b).
- The highest poverty rate is experienced by lone parent families, followed by single adults and then couple families (Statistics Canada, 2014b).
- Children are more likely to live in poverty than adults. In 2012, 32,830 children aged 0 to 17 years lived in low income in the city of Edmonton, a poverty rate of 18.4 % (Statistics Canada, 2014b).
- Aboriginal people are more likely to experience poverty than Edmontonians overall, especially younger Aboriginals. In 2011, 43.7% of young Aboriginal children ages 0 to 5 lived, more than twice the poverty rate of young Edmonton children overall (18.1%) (Statistics Canada, 2013).
- The 2014 Homeless count enumerated 2,252 homeless persons in the City of Edmonton (Homeward Trust, 2014).
- 12,825 Edmontonians accessed food bank services in March 2014, during the Edmonton's Food Bank's hamper program. This represents a 1.2% increase over

March 2013 (Edmonton's Food Bank. 2014).

- In 2014, metro Edmonton's population aged 15 and older was 1,062,300 of which 780,900 (participation rate - 73.5%) were working or actively seeking work. Of this total, 739,600 (69.6%) were working and 41,400 (5.3%) were unemployed.
- Alberta has the highest rate of working poverty in Canada. In 2011, 59.2% of Alberta children in poverty lived in families where one or both parents worked full-time for the entire year (Statistics Canada, 2014c).

**Percentage of Albertan Children in Poor Families Where One or More Parents Work Full Time, Full Year**



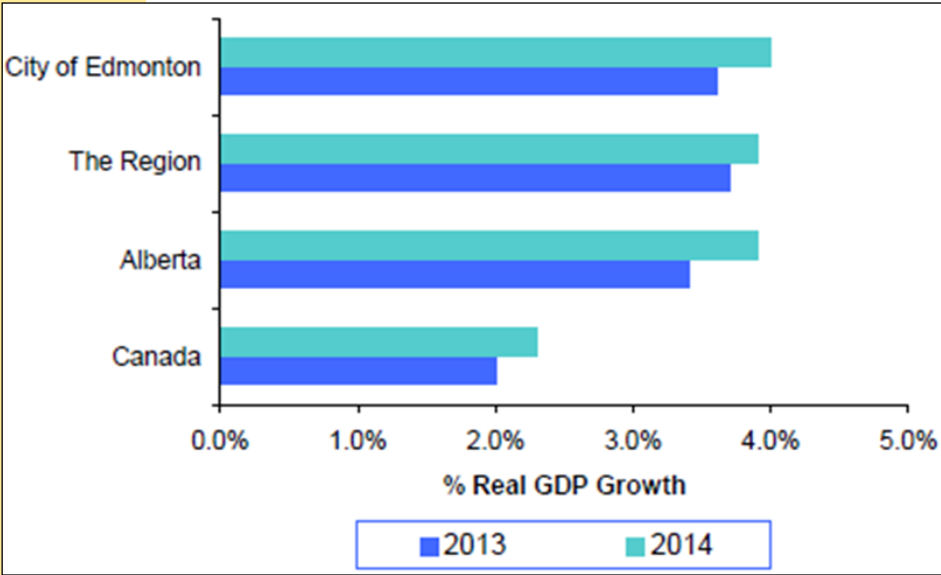
Although the job market has been strong in Edmonton, a significant percentage of the workforce can be described as the working poor, individuals who are employed full time but work for low wages and receive few if any benefits. In 2014, 123,700 working people in metro Edmonton earned less than \$15 per hour (19.5% of all employed Edmontonians). A gender gap exists, with women representing 62% of low wage workers. Significantly, 77% are 20 years and older (Public Interest Alberta, 2014).

Similar trends are evident at the provincial level. *Alberta's Minimum Wage Profile, April 2014 – March 2015* indicates 64% of minimum wage earners are 20 years and older. 45% are full-time workers, with 72% having permanent employment. 62% of minimum wage earners are female (Government of Alberta, 2015a)

#### Poverty Reduction Initiatives in Edmonton

In 2014, the City of Edmonton had the fastest growing Canadian metropolitan economy ([The Conference Board of Canada, 2014](#)). As the following chart illustrates, the City of Edmonton, Edmonton CMA and Alberta outperformed the Canadian average of real GDP growth.

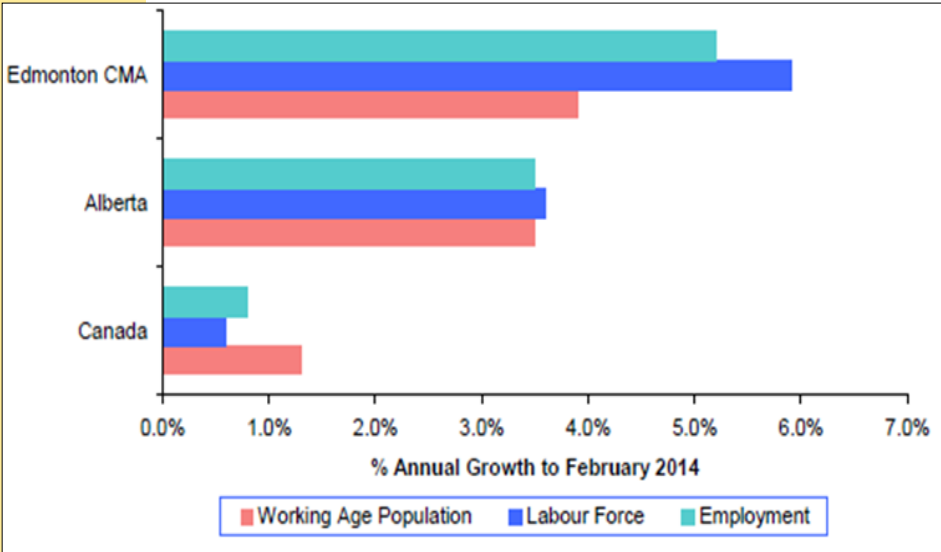
Real GDP Growth Comparison



Source: [City of Edmonton, 2014a](#)

Real GDP growth is indicative of strong variables in employment, productivity and overall long-term economic growth. The chart below indicates Edmonton CMA’s strong position relative to Alberta and Canada in the areas of working age population, labour force and employment.

Annual Growth in Working-Age Population, Labour Force and Employment



Source: [City of Edmonton, 2014a](#)

Although the region has enjoyed economic growth in recent years, income inequality persists. Not surprisingly, finding innovative solutions to address low income and poverty remain at the forefront of public policy and debate.

In early 2014, Mayor Don Iveson and community leaders began collaborations to address poverty in Edmonton. The collective goal is to end poverty in Edmonton within a generation. In September 2014, the poverty task force – known as EndPoverty Edmonton – released its working definition of poverty.

Key determinants of poverty include barriers toward receiving education and employment, level of income, social support networks, health, socioeconomic and sociopolitical status, the sense of physical and environmental safety, dignity, freedom and self-worth, among others. Other factors are systemic and the result of public policy. Examples include: high tuition costs, lack of accessible transportation, limited affordable housing, insufficiency of government income transfers and the complex role of bureaucracy in providing assistance.

Although income is one factor, it influences all other determinants. For example, living in low-income increases an individual's chance of suffering from poor mental health. Consequently, poor mental health may lead to unstable employment, further reduced income and the public perception of being unstable. Overtime, these barriers may lead to limited housing options as the individual may be unable to afford their rent and without supportive social networks, these developments may increase the likeliness of experiencing homelessness ([Library of Parliament, 2014](#)).

From September to December 2013, the City of Edmonton (2014c) held talks with Edmontonians experiencing poverty. There were two goals:

1. Involve people living with poverty in proposing solutions and actions that will benefit them.
2. Increase understanding of people's experience of poverty and generate support for actions to eliminate poverty ([City of Edmonton, 2014c](#)).

When asked what needs to be done to break the cycle of poverty, the following themes emerged:

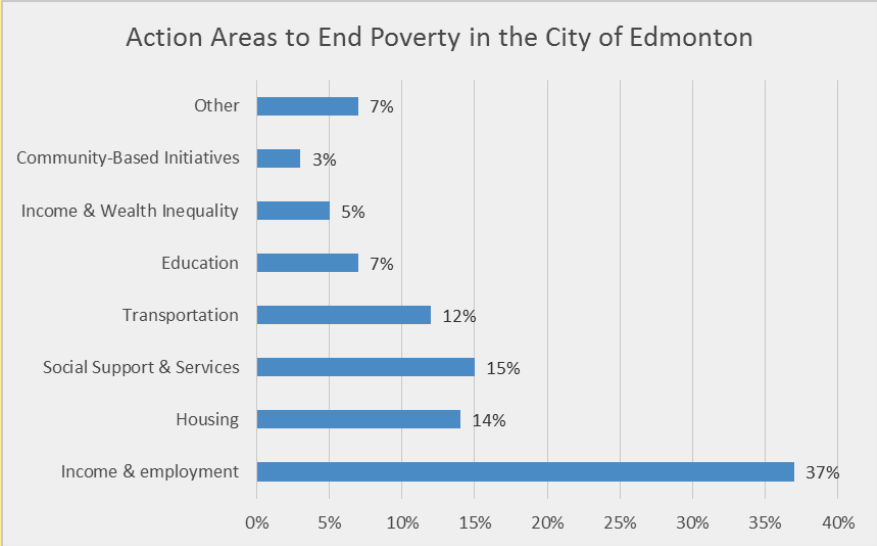
1. Employment and income: addressing barriers to employment and decent wages.
2. System change in social support and service delivery: enabling people to move out of poverty.
3. Housing: affordable housing and meeting changing needs.
4. Transportation: affordable public transit that bring people to where they work, play and live.
5. Education for all: a pathway to economic mobility.
6. Community-driven initiatives at the population group and neighbourhood levels: empowering people and communities to take action to end poverty.

EndPoverty  
Edmonton's work-  
ing definition of  
poverty:

**"Edmontonians  
experience  
poverty when  
they lack or are  
denied economic,  
social and  
cultural  
resources to  
have a quality of  
life that sustains  
and facilitates  
full and meaning-  
ful participation  
in the  
community."**

7. Income and wealth inequality: tackling the roots of poverty) [City of Edmonton, 2014c](#)

The chart below indicates the level of importance participants placed on these key themes.



Source: [City of Edmonton, 2014c](#)

Issues related to income appear twice, accounting for 42% of the action areas presented by individuals living in low-income and poverty.

**What is a Living Wage?**

Broadly speaking, a living wage ensures a modest standard of living and has the capacity to be a strategic tool in reducing poverty.

Whereas a minimum wage reflects the hourly wage employers must legally pay their employees, a living wage represents the income needed to cover the costs of living in a specific community. As such, living wages vary by community.

The living wage is based on a household budget approach developed by the Canadian Centre for Policy Alternatives. This approach allows municipalities, service providing agencies, policymakers and governments to fully understand what proportion of their community is unable to provide themselves and/or their family with basic necessities.

The household budget approach recognizes the uniqueness of communities in Canada and creates an awareness about the realities of local conditions. The Canadian Centre for Policy Alternatives’ methodology determines a modest standard of living based on essential needs.

Household expenses are based on a set of assumptions and as a result, minor adjustments have been made to fit Edmonton’s local realities. This report utilizes the household budget approach to determine Edmonton’s living wage to maintain national standards and uniformity with other communities.

Examples of published living wages for a family of four include:

**\$18.52** Toronto (2015)

**\$17.29** Calgary (2014)

**\$20.10** Metro Vancouver (2014)

**\$16.48** Red Deer (2013)

**\$18.72** Victoria (2013)

**\$15.55** Grande Prairie (2012)



Benefits of the household budget approach include:

- Provides the necessary income to cover household expenses
- Promotes social inclusion
- Supports healthy child development
- Reduces the financial stress a household may experience
- Covers the most basic expenses, and thus is a conservative estimate
- Produces community awareness and support
- Sheds light on the benefits of social programs and government income transfers ([Living Wage Canada, 2013](#))

The methodology assumes a 35 hour work week. In Edmonton, approximately 75% of workers are employed in the lower paying service-providing sector, which has an average work week of 35 hours (Statistics Canada, 2014d). It is also assumed that each parent will earn the same hourly wage.

From a business perspective, the literature review completed by Living Wage Canada indicates that employers who provide a living wage are likely to benefit in the following ways:

- Decreased employee turnover; cost saving for staff hiring and training;
- Improved job quality, productivity and service delivery
- Reduces staff absenteeism;
- Increases consumer spending
- Greater corporate social responsibility and firm reputation ([Living Wage Canada, 2013](#))

The living wage for Edmonton, based on the household budget approach, is \$17.36 for a family of four, \$19.33 for a lone parent family with one child and \$17.56 for a single adult. The household budget approach sheds light on the gap between minimum wage and the income needed for households to have access to a modest standard of living.

Of significance, communities whose public policy provide greater income and service support such as a low-income transit passes, rent supplements, childcare subsidies or subsidized health coverage will facilitate a lower living wage.

Living Wage Canada and the Canadian Centre for Policy Alternatives provides the following formula to determine a community's living wage:

$$\text{Annual Family Expenses} = \text{Employment Income} + \text{Income from Government Transfers} - \text{Taxes}$$

**Family expenses:** food, clothing and footwear, shelter, utilities, transportation, child care, financial services, communication (basic internet/cable and phone), extended health and dental, child school fees, parent education, household furnishing & equipment, cleaning supplies, personal care, reading material, recreation and a contingency fund.

A living wage will not cover credit card payments, loans and interest payments, saving for retirement, owning a home, saving for a child's education, activities beyond minimal recreational activities, vacations, the cost of caring for a disabled, ill or elderly family member or any other form of savings other than the allocated contingency fund ([Living Wage Canada, 2013](#))

**Income from Government Transfers:** Canada Child Tax Benefit, Universal Child Care Benefit, Child Care Subsidy, GST rebate and the Alberta Family Employment Tax Credit.

**Taxes:** Employment Insurance Premium, Canadian Pension Plan, federal and provincial tax

The remainder of this report outlines how Edmonton's living wage was calculated.

# HOUSEHOLD PROFILES

## Family of Four

### City of Edmonton Living Wage Calculation

The living wage is based on a set of assumptions that reflects the cost of living in Edmonton in the spring of 2015 by using the most current data available. To ensure accuracy, the living wage of a community must be updated annually to account for changes to household expenses, government income transfers and personal income tax.

The living wage calculation is based on the following household profile and expenses.

**The living wage for a family of four is \$17.36**

Family of Four Living in the City of Edmonton	
Household Characteristics	Assumptions
<b>Parents</b>	
Number	2
Gender	1 male, 1 female
Age	Between 31-50
Number of parents in paid work	2
Number of parents upgrading education	1 (4 courses, 8 months)
Hours of paid work for each parent	35
Hourly wage	Equal for both
<b>Children</b>	
Number	2
Gender	1 male, 1 female
Age	Boy aged 7, girl aged 3
Childcare	3 year old requires full-time, 7 year old out of school care

Source: [Ivanova, I & Tumpa, M \(2014\)](#)

Family of Four Household Expenses			
	Monthly	Annually	% of Total Expenses
<b>Food</b>	\$884.17	\$10,610.04	15.5%
<b>Clothing and Footwear</b>	\$164.04	\$1,968.48	2.9%
<b>Shelter - 3 bedroom housing</b>	\$1,416	\$16,992	24.9%
<b>Transportation - costs of owning a car + bus pass for 12 months for one adult</b>	\$460.47	\$5,525.64	8.1%
<b>Utilities - water, sewage, electricity and heat</b>	\$218.96	\$2,627.52	3.8%
<b>Bank Fees</b>	\$24.50	\$294	0.4%
<b>Communications - cable, internet and 2 pay as you go cell-phones</b>	\$148	\$1,776	2.6%
<b>Child Care - one child full time + one child out of school care</b>	\$1,406.33	\$16,875.96	24.7%
<b>Extended Health/Dental</b>	\$260	\$3,120	4.6%
<b>Child School Fees</b>	\$20	\$240.00	0.4%
<b>Parent Continuing Education - 4 courses per year, LPN Program, NorQuest</b>	\$143.16	\$1,717.92	2.5%
<b>Household Furnishing/Equipment, Cleaning Supplies, Recreation, Personal Care, Reading Material</b>	\$441.04	\$5,292.48	7.8%
<b>Contingency Fund - one week saving per parent (70 Hours Total)</b>	\$101.27	\$1,215.20	1.8%
<b>TOTAL FAMILY EXPENSES</b>	<b>\$5,687.94</b>	<b>\$68,255.24</b>	<b>100.0%</b>

	Formula	Parent 1	Parent 2	Household
<b>Work Hours (Hours/Week)</b>		35	35	70
<b>Work Wage (\$/Hour)</b>		\$17.36	\$17.36	\$34.72
<b>Employment Income</b>		\$31,595.20	\$31,595.20	\$63,190
<b>Total Income</b>	Employment Income + UCCB	\$34,235.20	\$31,595.20	\$65,830
<b>Adjustments</b>	UCCB – (Childcare expenses – Child-care Subsidy)	-\$6,627.96	\$0.00	-\$6,628
<b>Net Income</b>	Employment Income + Adjustment	\$24,967.24	\$31,595.20	\$56,562
<b>Employment Insurance (EI) Premiums</b>	Employment Income X EI Premium Rate	\$593.99	\$593.99	\$1,188
<b>Canada Pension Plan (CPP) Premiums</b>	(Employment Rate – Yearly Exemption Rate) X CPP Premium Rate	\$1,390.71	\$1,390.71	\$2,781
<b>Final Provincial Income Tax (PIT)</b>	Provincial Income Tax – (Provincial Tax Credit X Provincial Tax Rate)	\$239.76	\$803.86	\$1,044
<b>Taxable Income x Provincial Tax Rate</b>	Net Income X Provincial Tax Rate	\$2,496.72	\$3,159.52	\$5,656
<b>Provincial Tax Credits (PTC)</b>	Basic Personal Amount + EI + CPP + Medical Expenses + Education	\$22,569.68	\$23,556.62	\$46,126
<b>Basic Personal Amount</b>	Based on CRA yearly benefit	\$18,214	\$18,214	\$36,428
<b>EI Premiums + CPP Premiums</b>	EI + CPP Premium	\$1,984.70	\$1,984.70	\$3,969
<b>Tuition, Education, and Textbook Credit</b>	Cost of Tuition + \$205 monthly credit.	\$0.00	\$3,357.92	\$3,358
<b>Medical Expenses</b>	Annual Health Premium – (Net Income X 0.03%)	\$2,370.98	\$0.00	\$2,371
<b>Final Federal Income Tax (FIT)</b>	Federal Income Tax – (FNRT X Federal Income Tax Rate) + (FRTC X Federal Income Tax Rate)	\$1,220.78	\$1,984.74	\$3,206
<b>Taxable Income x Federal Tax Rate</b>	Net Income X Federal Tax Rate	\$3,745.09	\$4,739.28	\$8,484
<b>Federal Non-Refundable Tax Credit (FNRTC)</b>	Basic Personal Amount + EI + CPP + Medical Expenses + Transit Credit + Working Credit	\$16,828.68	\$18,363.62	\$35,192
<b>Basic Personal Amount</b>	\$11,327.00	\$11,327	\$11,327	\$22,654
<b>EI Premiums + CPP Premiums</b>	EI + CPP Premium	\$1,984.70	\$1,984.70	\$3,969
<b>Canada Employment Amount</b>	\$1127.00	\$1,146	\$1,146	\$2,292
<b>Transit Credit</b>	Annual Public Transit Expense	\$0.00	\$1,068	\$1,068
<b>Tuition, Education, and Textbook Credit</b>	Tuition + \$140 monthly credit	\$0.00	\$2,837.92	\$2,838
<b>Medical Expenses</b>	Annual Health Premium – (Net Income X 0.03%)	\$2,370.98	\$0.00	\$2,371
<b>AFTER TAX INCOME (ANNUALLY)</b>		<b>\$28,149.96</b>	<b>\$26,821.90</b>	<b>\$54,972</b>
<b>AFTER TAX INCOME (MONTHLY)</b>		<b>\$2,345.83</b>	<b>\$2,235.16</b>	<b>\$4,581</b>

## Family of Four Government Deductions and Taxes

Family of Four Non-Wage Income (Government Transfers)			
	Eligibility/Inclusion	Monthly	Annually
<b>Canada Child Tax Benefit (CCTB)</b>	Yes	\$196.44	\$2,357.22
<b>National Child Benefit Supplement</b>	No	\$0.00	\$0.00
<b>Universal Child Care Benefit (UCCB)</b>	Yes	\$220	\$2,640
<b>Goods and Services Tax (GST) Credit</b>	No	\$0.00	\$0.00
<b>Child Care Subsidy (CCS)</b>	Yes	\$634	\$7,608
<b>Rent Supplement</b>	No	\$0.00	\$0.00
<b>Alberta Family Employment Tax Credit (AFETC)</b>	Yes	\$57.02	\$684.24
<b>TOTAL NON-WAGE INCOME</b>		\$1,107.46	\$13,289.46

Family of Four Household Income Less Government Deductions and Taxes plus Government Transfers				
	Formula	Parent 1	Parent 2	Household
<b>Employment Income</b>	(Living Wage X 35) X 2	\$31,595.20	\$31,595.20	\$63,190.40
<b>Taxes</b>	Final Federal Tax + Final Provincial Tax + CPP + EI	\$3,445.24	\$4,773.30	\$8,218.54
<b>After-Tax Income</b>	Employment Income – Taxes	\$28,149.96	\$26,821.90	\$54,971.86
<b>Non-Wage Income</b>	Annual Government Transfer	\$6,644.73	\$6,644.73	\$13,289.46
<b>Available Income</b>	After-tax Income + Government Transfers	\$34,794.69	\$33,466.63	\$68,261.32
<b>Family Expenses</b>		--	--	\$68,255.24
<b>Gap (Available Income - Family Expenses)</b>	Available Income – Family Expenses	--	--	\$6.08
<b>LIVING WAGE</b>	(Employment Income/52) / 35	\$17.36	\$17.36	\$34.72

# HOUSEHOLD PROFILES

## Lone Parent Family

The living wage for a lone parent household is **\$19.33**

Lone Parent Living in the City of Edmonton	
Household Characteristics	Assumptions
<b>Parents</b>	
<b>Number</b>	
<b>Gender</b>	Female
<b>Age</b>	Between 31-50
<b>Education</b>	Yes (Four Courses, 8 months)
<b>Hours of Paid Work</b>	35
<b>Children</b>	
<b>Number</b>	1
<b>Gender</b>	Male
<b>Age</b>	3
<b>Childcare</b>	Requires full-time care

Lone Parent Household Expenses			
	Monthly	Annually	% of Total Expenses
<b>Food</b>	\$399.19	\$4,790.28	11.2%
<b>Clothing and Footwear</b>	\$114.82	\$1,377.84	3.2%
<b>Shelter – 2 bedroom @ 90% market price</b>	\$1,125	\$13,500	31.5%
<b>Transportation – bus pass for adult</b>	\$89	\$1,068	2.5%
<b>Utilities</b>	\$153.27	\$1,839.24	4.3%
<b>Bank Fees</b>	\$17.15	\$205.80	0.5%
<b>Communications – cable, internet and 1 cellphone</b>	\$148	\$1,776	4.1%
<b>Child Care – full time childcare</b>	\$911.33	\$10,935.96	25.5%
<b>Extended Health and Dental</b>	\$102	\$1,224	2.9%
<b>Parent Education - 4 Courses</b>	\$143.16	\$1,717.92	4.0%
<b>Household Furnishing/Equipment, Cleaning Supplies, Personal Care, Reading Material, Recreation</b>	\$308.73	\$3,704.74	8.7%
<b>Contingency Fund</b>	\$56.38	\$676.55	1.6%
<b>TOTAL FAMILY EXPENSES</b>	<b>\$3,568.03</b>	<b>\$42,816.33</b>	<b>100.0%</b>

Lone Parent Household Government Deductions and Taxes

	Formula	Parent 1
Work Hours (Hours/Week)		35
Work Wage (\$/Hour)		\$19.33
Employment Income		\$35,180.60
Total Income	Employment Income + UCCB	\$37,100.60
Adjustments	UCCB – (Childcare expenses – Childcare Subsidy)	-\$2,463.96
Net Income	Employment Income + Adjustment	\$32,716.64
Employment Insurance (EI) Premiums	Employment Income X EI Premium Rate	\$661.40
Canada Pension Plan (CPP) Premiums	(Employment Rate – Yearly Exemption Rate) X CPP Premium Rate	\$1,568.19
Final Provincial Income Tax (PIT)	Provincial Income Tax – (Provincial Tax Credit X Provincial Tax Rate)	\$867.26
Taxable Income x Provincial Tax Rate	Net Income X Provincial Tax Rate	\$3,271.66
Provincial Tax Credits (PTC)	Basic Personal Amount + EI + CPP + Medical Expenses + Education	\$24,044.01
Basic Personal Amount	Based on CRA yearly benefit	\$18,214.
EI Premiums + CPP Premiums	EI + CPP Premium	\$2,229.58
Tuition, Education, and Textbook Credit	Cost of Tuition + \$205 monthly credit.	\$3,357.92
Medical Expenses	Annual Health Premium – (Net Income X 0.03%)	\$242.50
Final Federal Income Tax (FIT)	Federal Income Tax – (FNRT X Federal Income Tax Rate) + (FRTC X Federal Income Tax Rate)	\$2,079.85
Taxable Income x Federal Tax Rate	Net Income X Federal Tax Rate	\$4,907.50
Federal Non-Refundable Tax Credit (FNRTC)	Basic Personal Amount + EI + CPP + Medical Expenses + Transit Credit + Working Credit	\$18,851.01
Basic Personal Amount	\$11,327.00	\$11,327.
EI Premiums + CPP Premiums	EI + CPP Premium	\$2,229.58
Canada Employment Amount	\$1127.00	\$1,146.
Transit Credit	Annual Public Transit Expense	\$1,068.
Tuition, Education, and Textbook Credit	Tuition + \$140 monthly credit	\$2,837.92
Medical Expenses	Annual Health Premium – (Net Income X 0.03%)	\$242.50
AFTER TAX INCOME (ANNUALLY)		\$30,003.91
AFTER TAX INCOME (MONTHLY)		\$2,500.33



Lone Parent Non-Wage Income (Government Transfers)			
	Eligibility/ Inclusion	Monthly	Annually
<b>Canada Child Tax Benefit (CCTB)</b>	Yes	\$111.08	\$1,332.96
<b>National Child Benefit Supplement</b>	Yes	\$133.76	\$1,605.12
<b>Universal Child Care Benefit (UCCB)</b>	Yes	\$160	\$1,920
<b>Goods and Services Tax (GST) Credit</b>	Yes	\$56.42	\$677
<b>Child Care Subsidy (CCS)</b>	Yes	\$546	\$6,552
<b>Rent Supplement</b>	Yes	\$0.00	\$0.00
<b>Alberta Family Employment Tax Credit (AFETC)</b>	Yes	\$61.33	\$735.96
<b>TOTAL NON-WAGE INCOME</b>		<b>\$1,068.59</b>	<b>\$12,823.04</b>

Lone Parent Household Income Less Government Deductions and Taxes plus Government Transfers		
	Formula	Household
<b>Employment Income</b>	$(\text{Living Wage} \times 35) \times 52$	\$35,180.60
<b>Taxes</b>	Final Federal Tax + Final Provincial Tax + CPP + EI	\$5,176.69
<b>After-Tax Income</b>	Employment Income – Taxes	\$30,003.91
<b>Non-Wage Income</b>	Annual Government Transfer	\$12,823.04
<b>Available Income</b>	After-tax Income + Government Transfers	\$42,826.95
<b>Family Expenses</b>		\$42,816.33
<b>Gap (Available Income - Family Expenses)</b>	Available Income – Family Expenses	\$10.62
<b>LIVING WAGE</b>	$(\text{Employment Income}/52) / 35$	\$19.33

## HOUSEHOLD PROFILES

### Single Adult

The living wage for a single adult household is **\$17.56**

Single Adult Living in City of Edmonton	
Household	Assumptions
Gender	Male
Age	25
Education	Yes (Four Courses, 8 months)
Hours of Paid Work	35

Single Adult Household Expenses			
	Monthly	Annually	% of Total Expenses
Food	\$345.02	\$4,140.24	15.1%
Clothing and Footwear	\$82.02	\$984.24	3.6%
Shelter	\$1,004	\$12,048	43.8%
Transportation	\$89	\$1,068	3.9%
Utilities	\$109.48	\$1,313.76	4.8%
Bank Fees	\$12.25	\$147	0.5%
Communications (Internet, Cable and Phone)	\$148	\$1,776	6.5%
Extended Health/Dental	\$86	\$1,032	3.8%
Continuing Education - 4 courses	\$143.16	\$1,717.92	6.2%
Household Furnishing/Equipment, Cleaning Supplies, Personal Care, Reading Material, Recreation	\$221.46	\$2,657.52	9.7%
Contingency Fund	\$51.22	\$614.60	2.2%
<b>TOTAL FAMILY EXPENSES</b>	<b>\$2,291.61</b>	<b>\$27,499.28</b>	<b>100.0%</b>

## Single Household Government Deductions and Taxes

	Formula	Parent 1
Work Hours (Hours/Week)		35
Work Wage (\$/Hour)		\$17.56
Employment Income		\$31,959.20
Total Income	Employment Income + UCCB	\$31,959.20
Adjustments	UCCB – (Childcare expenses – Childcare Subsidy)	N/A
Net Income	Employment Income + Adjustment	\$31,959.20
Employment Insurance (EI) Premiums	Employment Income X EI Premium Rate	\$600.83
Canada Pension Plan (CPP) Premiums	(Employment Rate – Yearly Exemption Rate) X CPP Premium Rate	\$1,408.73
Final Provincial Income Tax (PIT)	Provincial Income Tax – (Provincial Tax Credit X Provincial Tax Rate)	\$830.45
Taxable Income x Provincial Tax Rate	Net Income X Provincial Tax Rate	\$3,195.92
Provincial Tax Credits (PTC)	Basic Personal Amount + EI + CPP + Medical Expenses + Education	\$23,654.71
Basic Personal Amount	Based on CRA yearly benefit	\$18,214
EI Premiums + CPP Premiums	EI + CPP Premium	\$2,009.56
Tuition, Education, and Textbook Credit	Cost of Tuition + \$205 monthly credit.	\$3,357.92
Medical Expenses	Annual Health Premium – (Net Income X 0.03%)	\$73.22
Final Federal Income Tax (FIT)	Federal Income Tax – (FNRT X Federal Income Tax Rate) + (FRTC X Federal Income Tax Rate)	\$2,024.62
Taxable Income x Federal Tax Rate	Net Income X Federal Tax Rate	\$4,793.88
Federal Non-Refundable Tax Credit (FNRTC)	Basic Personal Amount + EI + CPP + Medical Expenses + Transit Credit + Working Credit	\$18,461.71
Basic Personal Amount	\$11,327.00	\$11,327
EI Premiums + CPP Premiums	EI + CPP Premium	\$2,009.56
Canada Employment Amount	\$1127.00	\$1,146
Transit Credit	Annual Public Transit Expense	\$1,068
Tuition, Education, and Textbook Credit	Tuition + \$140 monthly credit	\$2,837.92
Medical Expenses	Annual Health Premium – (Net Income X 0.03%)	\$73.22
AFTER TAX INCOME (ANNUALLY)		\$27,094.56
AFTER TAX INCOME (MONTHLY)		\$2,257.88

Single Non-Wage Income (Government Transfers)			
	Eligibility/ Inclusion	Quarterly	Annually
<b>Goods and Services Tax (GST) Credit</b>	Yes	\$102.25	\$409
<b>TOTAL NON-WAGE INCOME</b>		\$102.25	\$409

Single Adult Household Income Less Government Deductions and Taxes plus Government Transfers		
	Formula	Parent 1
<b>Employment Income</b>	(Living Wage X 35) X 52	\$31,959.20
<b>Taxes</b>	Final Federal Tax + Final Provincial Tax + CPP + EI	\$4,864.64
<b>After-Tax Income</b>	Employment Income – Taxes	\$27,094.56
<b>Non-Wage Income</b>	Annual Government Transfer	\$409
<b>Available Income</b>	After-tax Income + Government Transfers	\$27,503.56
<b>Family Expenses</b>		\$27,499.28
<b>Gap (Available Income - Family Expenses)</b>	Available Income – Family Expenses	\$4.28
<b>LIVING WAGE</b>	(Employment Income/52) / 35	\$17.56

## CONCLUDING REMARKS

There is plenty of evidence of the growing gap between those who are prospering and those who are not. There is plenty of data that shows that simply being employed does not necessarily lift you out of poverty. This report sheds light on the actual costs of living in Edmonton, for a family of four, a lone parent family and a single adult.

The City of Edmonton, like other municipalities, is now developing plans and taking concrete steps to address and eliminate poverty. We hope this living wage calculation can inform the public policy debate on other topics, as well, like affordable housing, homelessness and the provincial legislated minimum wage.

Edmonton now joins the national living wage conversation.

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The ESPC is an independent, non-profit, charitable organization. Our focus is social research – particularly in the areas of low income and poverty.

We are dedicated to encouraging the adoption of equitable social policy, supporting the work of other organizations who are striving to improve the lives of Edmontonians, and educating the public regarding the social issues that impact them on a daily basis.

#### Our Vision

A healthy, just and inclusive community.

#### Our Mission

The Edmonton Social Planning Council provides leadership within the community by addressing and researching social issues, informing public discussion and influencing social policy.









#### As a Member

- support our efforts to remain on the forefront in dealing with social issues
- make it possible for us to distribute our materials freely and widely to all
- receive our newsletters, fact sheets, and other publications
- be eligible to vote at ESPC AGMs and have a say in the direction of the organization
- be eligible to serve on the board of directors
- advertise your non-profit events in the *fACTivist*

For more information on becoming a member visit

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