

**EDMONTON'S
LIVING WAGE
REPORT**

2023

Acknowledgements

Thank you to Ryan Lacanilao for work contributed.

This report is published by the Edmonton Social Planning Council. Any errors, omissions, and opinions are strictly those of the authors.

For a copy of this report, please visit



Licensed under a Creative Commons Attribution NonCommercial-Share Alike 4.0 International License.

Edmonton Social Planning Council, #206 -10050 112 ST, Edmonton, Alberta T5K-2J1
Prepared by Sydney Sheloff,
Strategic Research Coordinator

TABLE OF CONTENTS

1

What is a living wage?.....04

2

The Alberta Living Wage Network.....05

3

Why do living wages matter? 06

4

Methodology.....08

5

Sources.....14

WHAT IS A LIVING WAGE?

A living wage is rooted in the belief that individuals and families should not just survive, but live with dignity and participate in their community. A living wage is defined as the hourly wage that a primary income earner must make to provide for themselves, their families, and reach basic financial security.

While traditional poverty measures such as the Market Basket Measure (MBM) detail the amount a family needs to subsist, the living wage allows for a higher standard of living and accounts for the income a family would need to participate in the community. It includes child care for those who need it, allowance for one adult to attend school, extended health and dental plans, and a minor emergency contingency fund. However, it does not include items that would allow families to “get ahead,” such as putting away savings or paying down debt.

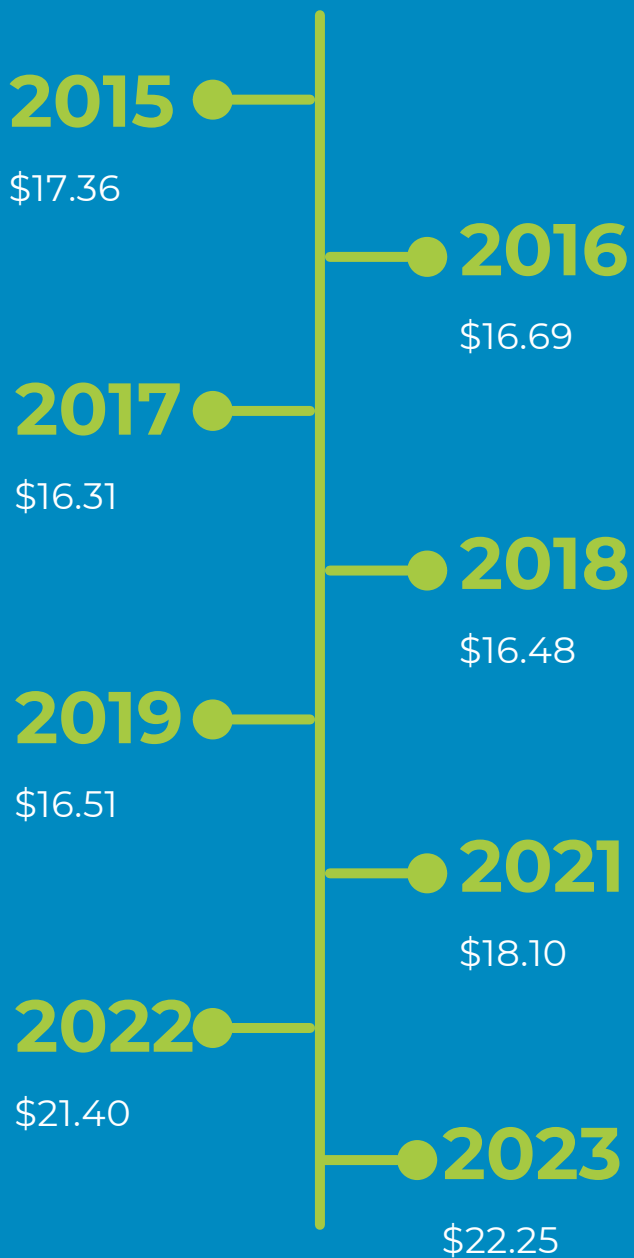
A living wage is not the same as the minimum wage. The minimum wage is the wage mandated by the provincial government that employers must pay all workers. Currently in Alberta, the minimum wage is \$15.00 per hour, and \$13.00 per hour for workers under the age of 18. The minimum wage is typically lower than the living wage. [1]



\$22.25

EDMONTON'S LIVING WAGE IN 2023

**TABLE 1.
LIVING WAGES OVER TIME**



*Please note, due to methodological changes, living wages for 2022 onwards are not directly comparable to previous years living wages.

THE ALBERTA LIVING WAGE NETWORK

Edmonton's living wage is calculated in partnership with the Alberta Living Wage Network. Local living wages are calculated across Alberta, with participating communities that include: Brooks, Calgary, Canmore, Drayton Valley, Fort McMurray Grande Prairie, High River, Jasper, Lac La Biche County, Lethbridge, Medicine Hat, Red Deer, Rocky Mountain House, Spruce Grove, St. Albert, and Stony Plain. All communities use the same standardized methodology, with small adjustments based on local circumstances, allowing individuals to see how the cost of living differs across Alberta. Other communities living wages can be found on the [Alberta Living Wage Website](#).



WHY DO LIVING WAGES MATTER?

In a time of rising inflation, Edmontonians are finding it harder and harder to make ends meet. In 2022, over one fifth (21.8%) of Albertans were living in food insecure homes, meaning they have inadequate or insecure access to food due to financial constraints. Children are even more vulnerable. More than one in four (27.2%) children were living in food insecure homes. [2] In 2021, 17.9% of Edmontonians were living in unaffordable housing, meaning they were spending more than 30% of their income on housing. For renters, that rate was 29.2%. [3]

Wages are simply not sufficient in covering the cost of living. In 2022, nearly one in three (32.6%) Edmontonians were making approximately a living wage (\$23 per hour) or lower. [4]

Some people are more likely to be making a living wage or lower than others:

- Women (39.8%) are more likely to make a living wage or lower than men (25.9%).
- Recent immigrants, who have been in Canada for less than 10 years (53.6%), are more likely to make a living wage or lower than those born in Canada (28.8%).
- Lone parent families (44.2%) are more likely to make a living wage or lower than dual income families (31.1%). [4]

Making low wages has serious impacts on a person's well-being. Struggling to afford one's basic needs, and making tough decisions about what bills to pay, is extremely stressful and has negative effects on one's mental health. Furthermore, people making low wages have limited opportunities to get involved in their communities and participate in fun activities with loved ones. This may mean having to work multiple jobs to make ends meet and not having enough time or money to socialize or participate in hobbies. For families, this may mean not having enough income to put kids in extracurricular activities or buy them birthday and holiday presents.[5] People deserve to participate in the activities that bring them joy.



THE IMPORTANCE OF GOVERNMENT BENEFITS

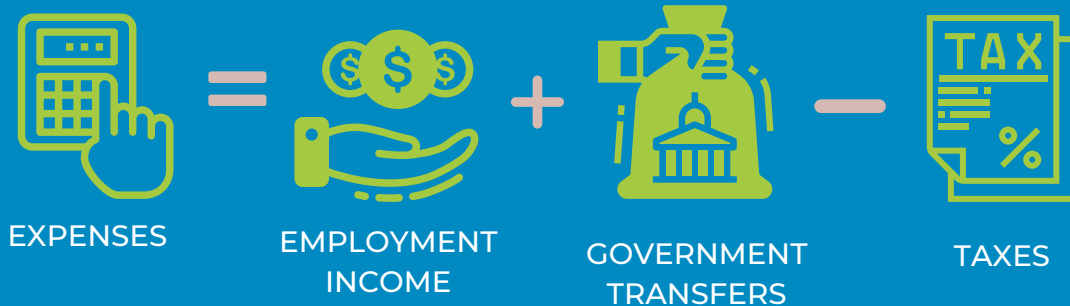
Government benefits are an integral tool in supporting individuals and families to meet their basic needs. In 2023, the Government of Alberta introduced affordability payments, a temporary benefit to help Albertans pay for their basic needs as the cost-of-living increases. Families could receive \$600 per child. [6] The single adult was not eligible for these payments. The Government of Canada introduced a temporary grocery rebate to support Canadians with affording rising grocery prices. [7]

The Living Wage sheds light on inequities in access to government benefits. There exist many benefits to support families with the cost of raising a child, including the Canada Child Benefit, Alberta Child and Family Benefit, and childcare subsidies. Single adults, however, have very limited benefits available to them. For the family of four and lone parent, government benefits cover 22.9% and 23.9% of their expenses, respectively. For the lone adult, benefits only cover 4.8% of their expenses.



METHODOLOGY

The living wage is calculated as the hourly rate at which a household can meet a modest standard of living, once government transfers have been added to the household's income and deductions have been subtracted.[8]



The living wage is calculated based on the needs of three different family types:

- A family of four, with both parents working full time, and one parent taking two university courses. They have one 7-year-old who attends before and after school care and full-time summer care, and one 3-year-old who attends full-time child care.
- A lone parent, working full time and taking two university courses. They have one 7-year-old child who attends before and after school care and full-time summer care.
- A single adult working full time and taking two university courses.

The living wage is the weighted average of these three family types, based on their representation in the population (see table 3). This method will ensure that the living wage reflects the needs of a variety of living situations.

Shelter assumes a 3-bedroom rental for the family of four, a 2-bedroom for the lone parent family, and a 1-bedroom for the single individual. This data is collected from Canadian Mortgage and Housing Corporation's Housing Market Information Portal. [9] Numbers were based on the year 2022 and adjusted to 2023 using Statistics Canada's Consumer Price Index. Utilities are based on the Utilities Consumer Advocate's cost comparison tool [10] and tenant insurance is based off estimates from Square One insurance. [11]

Food costs are based on Health Canada's 2019 National Nutritious Food Basket (NNFB) framework adapted by Alberta Health Services for Alberta communities. These costs represent a basic, healthy diet, that meets nutrition recommendations, and reflects food habits and food purchasing patterns of the population. The amount of each food item required for each family member is determined by the age and sex of the individuals. These costs are collected annually directly from local grocery stores. [12]

Transportation assumes the family of four has one car and one transit pass, the lone parent has one car, and the single adult averages the cost of a car and a transit pass. The cost of owning a car is calculated using the Canadian Automobile Association's Car Costs Calculator, [13] and is based off the average of a lower-cost 8-year-old car, hatchback, truck, and SUV. All family types receive a U-pass with their college tuition, and the costs for an Arc card (bus pass) for the remainder of the year is taken from the City of Edmonton. [14]

Child care assumes the family of four has a 7-year-old who is in before and after school care and full-time summer care, and a 3-year old in full time child care; and the lone parent has a 7-year old who is in before and after school care and full-time summer care. The cost of child care is taken directly from child-care providers in Edmonton. Fees from six different providers are averaged. [15-20] The expenses are after the Affordability Grant is taken into account (\$450/month for the 3-year-old). [21]

Clothing and footwear is based on Statistics Canada's Survey of Household spending, using costs from the income quintile with the lowest expenditure, excluding the first income quintile as these families would be making lower than a living wage. SHS data was adjusted to 2022 using Statistics Canada's Consumer Price Index for Clothing & Footwear. [22]

Health care is based on Alberta Blue Cross's Blue Choice Plan B, which includes extended health benefits, dental coverage, and prescription coverage. [23] This category also includes the cheapest life insurance estimates [24] and the cheapest critical illness insurance available. [25]

Tuition is based on the assumption that one adult in each family type is taking one course per semester, for a total of two courses. Costs are based on the average of MacEwan University, [26] Concordia University of Edmonton, [27] and NorQuest College, [28] assuming a degree in social work where applicable.

Other household items is based on Statistics Canada’s Market Basket Measure multiplier for other expenses, which is 75.4% of the cost of food and clothing. [29] Also included is the cheapest mobile service that provides unlimited talk and text and 5GB of data on a 4G network from Public Mobile. [30]

Contingency is based on 2 weeks of pay using the Living Wage rate.

Government benefits include all federal and provincial benefits each family type is eligible for. Many of these benefits families automatically receive when they file their taxes, others must be applied for. It is assumed that the families will apply for all benefits they are eligible for.

TABLE 2.
LIVING WAGE CALCULATION SUMMARY

EXPENSES	FAMILY OF FOUR	LONE PARENT	SINGLE ADULT
Food	\$15,400	\$7,874	\$4,763
Clothing and footwear	\$3,714	\$1,857	\$856
Shelter	\$22,105	\$20,175	\$17,042
Transportation	\$5,964	\$5,564	\$2,982
Child care	\$16,008	\$8,017	
Health Care	\$3,586	\$1,939	\$1,410
Tuition	\$1,982	\$1,982	\$1,982
Other school fees	\$41	\$41	\$41
Other household costs	\$14,006	\$7,134	\$4,402

**TABLE 2.
(CONTINUED)**

EXPENSES	FAMILY OF FOUR	LONE PARENT	SINGLE ADULT
Contingency	\$2,941	\$2,053	\$1,559
TOTAL	\$85,747	\$56,636	\$35,037
TAX DEDUCTIONS			
Child care deduction	\$10,098	\$3,069	
TAXES OWED			
Federal Income Tax	\$3,530	\$4,153	\$2,869
Alberta provincial income tax	\$1,426	\$2,305	\$1,449
CPP Contribution	\$4,134	\$2,967	\$2,204
EI contribution	\$1,247	\$870	\$661
TOTAL	\$10,337	\$10,295	\$7,183
GOVERNMENT BENEFITS			
GST Credit		\$269	\$496
Grocery Rebate		\$52	\$216
Canada Child Benefit	\$9,458	\$5,194	
Canada Dental Benefit	\$1,300	\$650	
Climate Action Incentive	\$1,544	\$1,158	\$772

**TABLE 2.
(CONTINUED)**

EXPENSES	FAMILY OF FOUR	LONE PARENT	SINGLE ADULT
Alberta Child and Family Benefit		\$489	
Alberta Child Care Subsidy	\$5,910	\$4,948	
Alberta Energy Affordability	\$200	\$200	\$200
Alberta Affordability Payments	\$1,200	\$600	
TOTAL	\$19,612	\$13,560	\$1,684
LIVING WAGE			
Hourly Living Wage	\$21.01	\$29.33	\$22.27
Annual income (35 hours*52 weeks)	\$76,476.40	\$53,380.60	\$40,531.40

**TABLE 3.
WEIGHTED AVERAGE**

FAMILY TYPES	PROPORTION OF WORKING ADULTS
2-parent households	0.5648
1 parent households	0.0958
Living alone	0.3394
WEIGHTED LIVING WAGE	\$22.25

SOURCES

[1] Government of Canada. (2017). Current and forthcoming minimum hourly wage rates for experienced adult workers in Canada.

<http://srv116.services.gc.ca/dimt-wid/sm-mw/rpt1.aspx?lang=eng>

[2] PROOF (2023). New data on household food insecurity in 2022.

<https://proof.utoronto.ca/2023/new-data-on-household-food-insecurity-in-2022/>

[3] Statistics Canada (2023). Housing indicators, 2021 Census. [data set].

<https://www12.statcan.gc.ca/census-recensement/2021/dp-pd/dv-vd/housing-logement/index-en.cfm>

[4] Vibrant Communities Calgary (2023). [custom data].

[5] Alberta Living Wage Network (n.d.). A case for the living wage: Individual lens.

<https://static1.squarespace.com/static/63ebf58a5a658d0c030f0f25/t/64b057a4de5a44f476a1e26/1689278372834/Living+Wage+Case+Study+-+Individual+Lens.pdf>

[6] Government of Alberta (2023). Affordability Payments.

<https://www.alberta.ca/affordability-payments>

[7] Government of Alberta (2023). New Grocery Rebate.

<https://www.canada.ca/en/revenue-agency/services/child-family-benefits/goods-services-tax-harmonized-sales-tax-gst-hst-credit/grocery-rebate.html>

[8] Richards, T., Cohen, M., Klein, S., & Littman, D. (2008). Working for a living wage: Making paid work meet basic family needs in Vancouver and Victoria.

Canadian Center for Policy Alternatives, BC office.

<https://policyalternatives.ca/livingwage2008>

[9] Canadian Mortgage and Housing Corporation. (n.d.). Housing market information portal.

<https://www03.cmhc-schl.gc.ca/hmip-pimh/en#Profile/1/1/Canada>

[10] Utilities Consumer Advocate. (n.d.). Cost comparison tool. Government of Alberta.

<https://ucahelps.alberta.ca/cost-comparison-tool.aspx>

[11] Square One (2023). Tenant Insurance. <https://www.squareone.ca/tenant>

[12] Alberta Health Services. (2023). Email communication.

SOURCES

[13] Canadian Automobile Association (2022). Car Costs Calculator. <https://carcosts.caa.ca/>

[14] City of Edmonton (2022). Fares and Passes. <https://www.edmonton.ca/ets/fares-passes>

[15] YMCA of Northern Alberta (2023). YMCA Childcare. <https://ymcanab.ca/programs/child-care>

[16] Lux daycare & OSC (2023). Registration Fees. <https://www.luxdaycare.ca/fees>

[17] Fulton Child Care Association (2023). Fees, hours, and closures. <https://www.fultonchildcare.org/our-programs/fees-hours-closures/>

[18] Sensorium Early Learning Center (2023). Fees & Subsidy. <https://senselc.com/fees-financial-3296>

[19] Elmwood daycare & OSC (2023). Email communication.

[20] Treehouse daycare & OSC (2023). Email communication.

[21] Government of Alberta (2023). Affordability grant for child care programs. <https://www.alberta.ca/affordability-grants-for-child-care-programs>

[22] Statistics Canada. (2021). Household spending by household income quintile, Canada, regions and provinces (Table 11-10-0223-01) [data set]. <https://doi.org/10.25318/1110022301-eng>

[23] Alberta Blue Cross. (2022). Health plans for individuals and families.

[24] LowestRates.ca (2023). Life insurance. <https://www.lowestrates.ca/insurance/life>

[25] Policy advisor (2023). Critical illness insurance. <https://www.policyadvisor.com/critical-illness-insurance/>

[26] Macewan University (2022). Tuition, fees and payment: Domestic cost estimate. <https://www.macewan.ca/apply-enrol/fees-finances/tuition-feespayment/domestic-estimate/>

SOURCES

[27] Concordia University of Edmonton (2022). Tuition and Fees.
<https://concordia.ab.ca/future-students/admissions/tuition-fees/>

[28] Norquest College (2022). Estimate your tuition costs.
<https://www.norquest.ca/applying-to-norquest/tuition-and-fees/estimateyour-tuition-costs.aspx>

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

[30] public mobile (2023). <https://www.publicmobile.ca/en/ab/plans#ALL>