

# MORE THAN MINIMUM

Calculating  
Edmonton's Living Wage:  
Other Family Types  
**2016 Update**

## CALCULATING THE LIVING WAGE—EDMONTON 2016

The 2016 living wage for Edmonton is \$16.69 per hour. This is the amount that a family of four with two parents who work full-time require to live in economic stability and maintain a modest standard of living. This includes being able to afford basic necessities (food, shelter, utilities, clothing, transportation, etc.), to support healthy child development, to avoid financial stress, and to participate in their communities. However, this is not the only family type represented in Edmonton; each family type will have a different living wage due mainly to differences in expenses and government transfers. We have also calculated the living wages for a lone parent family and a single adult. These calculations are based on BC's "Calculation Guide" (Canadian Centre for Policy Alternatives).

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The 2016 living wage for lone parents is \$18.15 per hour.

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The 2016 living wage for single adults is \$17.81 per hour.

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For the main Edmonton Living Wage 2016 update, which includes a complete summary of the living wage, the case for a living wage, and written summaries of the calculations, please visit our website at [edmontonsocialplanning.ca](http://edmontonsocialplanning.ca) or use the direct link <http://edmontonsocialplanning.ca/index.php/news/esp-news/265-more-than-minimum-calculating-edmonton-s-living-wage-2016-update>.

### BACKGROUND INFORMATION

The living wage, unlike the government-legislated minimum wage, is the actual amount that earners need to make to be able to live in a specific community. The living wage changes when government transfers, deductions, and living costs change. Therefore, when government supports (in the form of child care, public health care, subsidized public transit, etc.) and transfers (in the form of child tax benefits, etc.) increase, then the living wage required for basic economic security decreases. To this end, the living wage is not a constant rate and needs to be updated every year to stay true to the social and economic changes of the time (Canadian Living Wage, n.d.).

The living wage is a conservative number, and does not include the extra benefits many Canadians enjoy in their daily lives. For instance, the living wage does not take into consideration debt and interest payments; retirement savings; home ownership; savings for children's education; cost of looking after an ill, disabled, or elderly family member; anything beyond minimum savings for emergencies, recreation, entertainment, and holiday expenses (Canadian Living Wage, n.d.).

## CALCULATIONS FOR A LONE PARENT FAMILY

$$\boxed{\text{Annual family expenses}} = \boxed{\text{Income from employment (living wage)}} + \boxed{\text{Income from government transfers}} - \boxed{\text{EI and CPP premiums, federal and provincial taxes}}$$

TABLE 1: CHARACTERISTICS AND ASSUMPTIONS IN THE LIVING WAGE 2016 CALCULATION

Family Characteristics		Edmonton Living Wage Assumption
<b>Parents</b>		
Number		1
Gender		1 female
Age		Between 31 and 50
Number of parents in paid work		1
Weekly hours of paid work		35 hours
Hourly wage		\$18.15
Education		Yes (Four courses, 8 months)
<b>Children</b>		
Number		1
Gender		1 male
Age		Boy aged 3 / requires full-time child care
<b>Income</b>		
Employment Income		\$33,033.00
Federal and Provincial Income Taxes		\$ 2,615.91
After-Tax Income		\$30,471.09
Non-Wage Income (child benefits, GST credit)		\$12,401.35
Available Income		\$42,818.44
Family Expenses		\$42,810.00
Gap (Available Income - Family Expenses)		\$ 9.00

The living wage for a lone-parent family in Edmonton in 2016 is \$18.15 per hour. This is a decrease of \$1.18 per hour from the lone-parent family living wage calculated for 2015.

Changes in child benefits by both the federal and provincial governments were almost entirely responsible for the decrease in the 2016 living wage rate compared to a year earlier. Starting in July 2016, the lone-parent with one child received an additional \$103.22 per month from the new Canada Child Benefit compared to what they had been receiving from the previous child benefits plan (Canada Child Tax Benefit plus Universal Child Care Benefit). Also starting in July, the lone-parent family also received \$59.48 per month from a new Alberta Child Benefit introduced by the provincial government. Combined, the new federal and provincial child benefit added \$162.70 in tax-free monthly income to the family budget.

Calculations for both years assume that this lone parent and her child live in a modest two-bedroom apartment in the city of Edmonton. For complete calculations, email [info@edmontonsocialplanning.ca](mailto:info@edmontonsocialplanning.ca).

## CALCULATIONS FOR A SINGLE ADULT

$$\boxed{\text{Annual family expenses}} = \boxed{\text{Income from employment (living wage)}} + \boxed{\text{Income from government transfers}} - \boxed{\text{EI and CPP premiums, federal and provincial taxes}}$$

TABLE 1: CHARACTERISTICS AND ASSUMPTIONS IN THE LIVING WAGE 2016 CALCULATION

Single Adult living in City of Edmonton	Assumptions
Gender	Male
Age	25
Hours of paid work	35
Hourly Wage	\$17.81
Education	Yes (Four courses, 8 months)
<b>Income</b>	
Employment Income	\$32,414.20
Federal and Provincial Income Taxes	\$3,014.25
After Tax Income	\$29,399.95
Non-Wage Income (GST tax credit)	\$ 421.00
Available Income	\$29,820.95
Family Expenses	\$29,807.00
Gap (Available Income - Family Expenses)	\$ 14.00

The living wage for a single person in Edmonton in 2016 is \$17.81 per hour. This is an increase of \$0.25 (25 cents) per hour from the 2015 living wage for a single person.

The 25 cent per hour increase in the living wage compared to a year earlier was due to a significant jump in the cost of cell phone plans, as well as modest increases to the cost of shelter (rent for a one bedroom apartment and utilities), transportation, and extended health and dental plans.

Calculations for both years assume that the single adult lives in a modest one-bedroom apartment in the city of Edmonton. For complete calculations, email [info@edmontonsocialplanning.ca](mailto:info@edmontonsocialplanning.ca).

## CONCLUSION

The 2016 living wage for a family of four is \$16.69 per hour.

The 2016 living wage for lone parents is \$18.15 per hour.

The 2016 living wage for single adults is \$17.81 per hour.