

# A primer on **INCOME** & the cost of living in EDMONTON

NOTE TO READERS: Many of the income statistics are based on 2019 data. This is often the most recent available and it is the most representative of 'typical' situations since 2020 was largely under pandemic working conditions.

Edmonton Vital Signs is an annual checkup conducted by Edmonton Community Foundation, in partnership with Edmonton Social Planning Council, to measure how the community is doing. Vital Topics are a quick but comprehensive look at issues that are timely and important to Edmonton.

Unless otherwise stated, "Edmonton" refers to Census Metropolitan Area and not solely the City of Edmonton.

**INCOME** is money that an individual or business receives for providing labour, producing a good or service, through government transfer, or investing in capital.

## Income sources

- The majority of income for all family types is derived from employment.
- **On average 20% of lone-parent family income comes from government transfers like the Canada Child Benefit.**

## Minimum wage

- is the lowest wage an employer can legally pay an employee. **The current minimum wage in Alberta is \$15 per hour** and \$13 per hour for those under 18 years of age.

In 2019:

- **11.9% of Edmontonians** earned \$15 per hour or less.
- **59.5% of minimum wage earners** in Edmonton were women.
- **70.7% of workers** in Alberta earning less than \$16 per hour were women.
- **75.5% in Alberta are 20 years** of age or older.

## Living wage in Edmonton (2019): **\$16.51**

Living wage is the hourly wage that a person must make to provide for themselves, their families, and reach basic financial security, live with dignity, and participate in the community.

## Working age single adults are especially insecure

- **16.3% of Albertans are spending 30% or more of their income on housing.**
- **42.7% are food bank users.**
- They make up the largest portion (31%) of social assistance users.
- **3x as likely to live in poverty.**
- 20% of singles aged 45 to 64 experience poverty for six straight years or more.
- **the number of people living alone has more than doubled from 1981 to 2016.**
- 70% of Albertans experiencing deep poverty are single.

## Living on minimum wage in Edmonton:

A single person working full-time (37.5 hrs/wk) earning minimum wage would take home **\$24,685 or \$475 per week**, after tax.

## Monthly budget for a single female (age 19-30) working full-time at minimum wage

4 weeks at 37.5 hours at minimum wage	<b>\$1900</b>
AVERAGE RENT: 1 bedroom apartment in Edmonton	<b>\$987</b>
Monthly bus pass - reduced rate with proof of income	<b>\$35</b>
Basic utilities	<b>\$228.69</b>
Basic internet (including GST)	<b>\$68.25</b>
Basic cell phone (including GST)	<b>\$36.75</b>
Tenant insurance	<b>\$15</b>
Groceries based on the Nutritious Food Basket Edmonton for a single female aged 19-30 (2018). Food only.	<b>(\$62.89/wk) = \$251.56</b>
Hygiene and non-food grocery expenses estimate (beverages, toiletries, cleaning supplies, etc.)	<b>\$50</b>
Laundry (2 loads weekly at \$2.50/wash & \$2.50/dry).	<b>\$40</b>
Savings	<b>\$50</b>
Prescriptions, dental, clothing, footwear, life insurance, entertainment, and all other.	<b>\$137.75 (\$34.44/wk)</b>



This budget provides an extremely modest living. It does not account for acquisition of furniture or other housewares, gifts, vacation, or other transportation beyond a bus pass.

Some months may have more than 4 paycheques per month which would provide an additional \$1885 over the course of the year. It does not take into account sick time, or employer reduced hours.

Any savings would be wiped out quickly if any major expense were to occur.

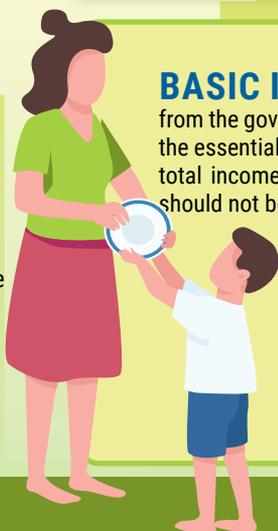
**BASIC INCOME** is an **unconditional** payment from the government to individuals or families, to cover the essential costs of living. It is then taxable based on total income. Earned income is not clawed back and should not be a liability for recipients of basic income.

Current forms of basic income in Canada:

- Old Age Security (OAS) and the Guaranteed Income Supplement (GIS)
- GST Credit

**UNIVERSAL BASIC INCOME** (available to all) if instituted properly will:

- reduce poverty,
- encourage employment,
- reduce the stigma associated with a physical or mental health-related disability,
- produce better health outcomes,
- improve quality of life.



# Poverty

The condition of a person who is deprived of the resources, means, choices, and power necessary to acquire and maintain a basic level of living standards and participation in society.

**Poverty is not only about money,** it also excludes people and is often disrespectful.

**Poverty is time-consuming.** For individuals to obtain assistance they constantly need to prove they are poor. Balancing that with having to seek out food, shelter, or other necessities can be overwhelming.



## Canada's Poverty Line is calculated using the Market Basket Measure (MBM)

The MBM uses a specific set of goods and services that represent a modest standard of living including food, shelter, clothing, footwear, transportation, and other common expenses such as personal care, household needs, furniture, basic telephone service, school supplies and modest levels of reading material, recreation, and entertainment.

- A family is considered low-income if it cannot afford the MBM items.
- This indicator is community-sensitive to differences in the cost of living.
- **Using the MBM as a poverty measurement, approximately 10% of Edmontonians live in poverty.**

**Working poor** in Canada are defined as individuals between 18 and 64 years who live independently, are not students, and **earn at least \$3,000 a year** with an after-tax family income below the low-income threshold.

**Most low-wage earners are adults, not youth.** From July 2017 to June 2018, an average of 117,300 adults in Edmonton earned less than a living wage.



### The low-income measure

A household is considered low income if its income is **below 50% of median household incomes.** Canada's median pre-tax income was \$36,760 for an individual and \$87,930 for families.

**Low-income cut-offs (LICO)** are income thresholds below which a family will devote a larger share of its income on the necessities of food, shelter, and clothing than the average family.

- A family is considered low income if it spends 20% more on these necessities.

### LICO Rates for Edmonton vary based on family size (2018):

1 person	2 persons	3 persons	4 persons
\$21,481	\$26,143	\$32,554	\$40,614

### Income inequality

**Alberta is one of the most unequal provinces in Canada.**

The bottom 20% of income earners in Alberta spent an average of \$45,119 on household expenditures, **the top 20% spent \$130,222.**



**Income gap** in 2018, women made only **68.7 cents per every dollar men made.**

**Income inequality in Edmonton has increased.**

From 1982 to 2017, the real after-tax income (adjusted for inflation) in Edmonton:

- the top 0.1% of tax-filers saw a 56.8% increase.
- the bottom 50% saw a 3.2% increase.

# Labour Force

## PARTICIPATION & UNEMPLOYMENT

### Labour force participation in Edmonton (2019)

- Is the percentage of the population 15 years and older that is working or actively seeking paid employment or self-employment.
- Edmonton's labour force participation rate was 72%.

### Unemployment in Edmonton (2019)

A person is only considered unemployed if they are actively seeking a job.

- **The unemployment rate for men was 8.8% and for women 6.0%.**
- Youth (age 15-24) unemployment rate averaged 14.4%.
- **The average duration of unemployment was 17.8 weeks.**

### Unemployment rates (2020)

Due to the pandemic's impact on the economy unemployment rates were much higher.

- The **overall unemployment** across Canada was **11.4%**.
- **Males** in Alberta age 15-24, had the highest unemployment at **24.3%**.
- **Females** in Alberta age 25-45, had the **lowest unemployment at 8.8%**.

### Part-time work in Edmonton (2019)

**17.4% of metro Edmonton residents worked part-time.**

### Multiple job-holders in Canada

- Multiple job-holders are driven by both necessity and choice.
- **14% of part-timers held multiple jobs,** only 5% work full-time.

### Pandemic's toll on women

Nearly 100,000 more women in their prime working years (25-54) are not in the labour force compared to men (Feb. - Oct. 2020):

- **20,600 Canadian women fell out of the labour force** while nearly 68,000 men joined.
- **64% of people not in the labour force are women.**
- Women are more likely to work in industries that have been slower to recover, more vulnerable to lockdowns, and **less adaptable to working from home.**
- Women may be choosing to not go back to work due to **childcare responsibilities.**
- Women with children under the age of six **account for 66% of the exit from the labour force.**

## OCCUPATIONAL SECTORS

### WHERE EDMONTONIANS ARE EMPLOYED (2019)

Arts, Culture, Recreation & Sport	2%
Natural Resource, Agriculture	2%
Manufacturing & Utilities	4%
Management	8%
Natural & Applied Sciences	8%
Health	9%
Law & Social, Education & Community	11%
Trades, Transport, Equipment Operation	17%
Business, Finance, Administration	17%
Sales & Service	22%