

**EDMONTON'S
LIVING WAGE
REPORT**

2022

Acknowledgements

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Edmonton Social Planning Council, #200 -10544 106 ST, Edmonton, Alberta T5H-2X6

Prepared by Sydney Sheloff,
Strategic Research
Coordinator

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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.

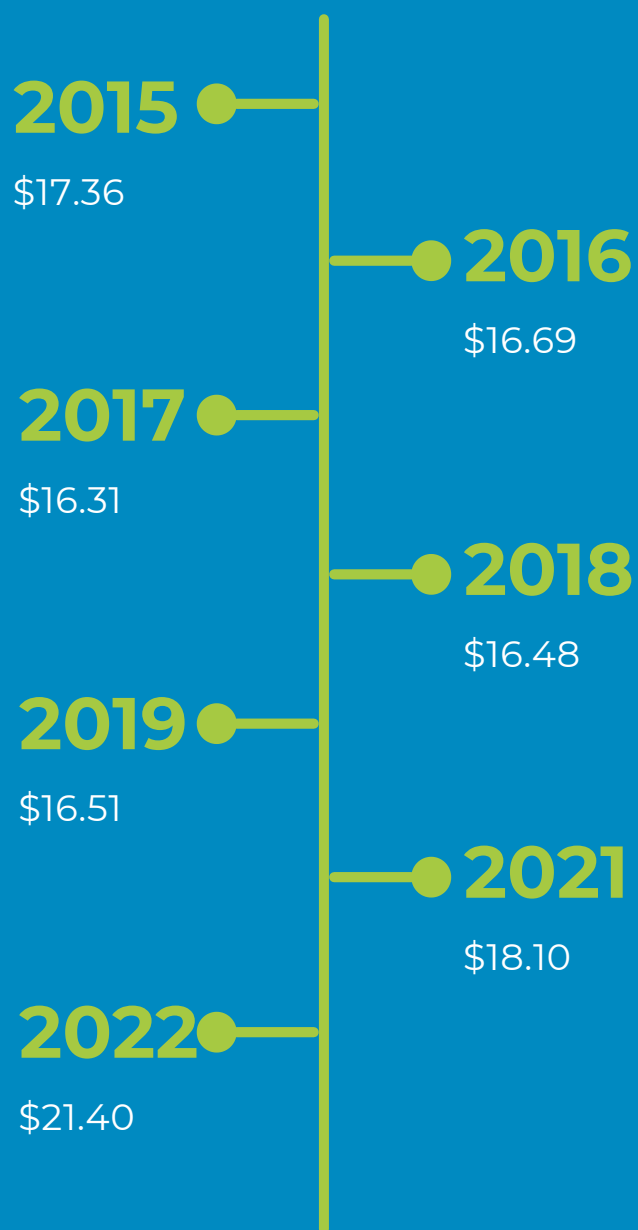
While traditional poverty measures such as the Market Basket Measure (MBM) detail the amount a family needs to subsist, the living wage allows for a higher standard of living and accounts for the income a family would need to participate in the community. It includes child care for those who need it, 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]

\$21.40

EDMONTON'S LIVING WAGE IN 2022

**TABLE 1.
LIVING WAGES OVER TIME**



*Please note, due to methodological changes, 2022 is not directly comparable to past 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: Calgary, Canmore, Chestermere, Cochrane, Drayton Valley, Drumheller, Grande Prairie, Fort McMurray, Lethbridge, Red Deer, Rocky Mountain House, Stony Plain, and Strathcona County. 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](#).



HOW IS THE LIVING WAGE CHANGING?



NEW FAMILY TYPES

In this update of the living wage, the Alberta Living Wage Network is considering the circumstances of a family of four, lone parent with one child, and single adult in the calculation.

Different family types have different needs, and as such, slightly different assumptions had to be made.

- Food and clothing and footwear is calculated as the sum of the cost per person in each family. “Other” is calculated as 75.4% of these costs.
- All families require different shelter sizes. The family of four requires a three-bedroom apartment, the lone parent requires two bedrooms, and the single adult requires one bedroom. All shelter costs include utilities as well as renter’s insurance.
- Due to the spread-out nature of Edmonton, it was assumed that all families require a car. The family of four is assumed to have one car and one bus pass. The lone parent is assumed to have a car. For the single adult, the cost of a bus pass and the cost of a car was averaged to reflect the varied experiences of single adults. Education costs include a U-Pass.
- All family types have one person attending one university class per semester, these costs do not vary between families. Tuition and fees are calculated as the average of three different universities and colleges in Edmonton (see table 3).
- Child Care costs vary based on the number of kids in each family and their ages. Child care costs are calculated as the average cost of eight different childcare centers in Edmonton (see table 3). Single adults do not pay this cost.

The impact that benefits have varies greatly based on family type. For the family of four, benefits cover 20.9% of their expenses, and for the lone parent they cover 23.0%. Most of the benefits available to families are targeted towards the costs associated with raising a child. Single adults have limited government benefits available to them, benefits cover only 4.0% of their expenses. As a result, single adults need more employment income to cover their expenses.



CHANGES TO COSTS AND BENEFITS

The cost of living continues to rise. Food costs, for example, rose by \$1,360 for the family of four, and \$3,528 for the single adult. Shelter costs have also risen. For the single adult, shelter costs rose from \$14,128 to \$18,593.

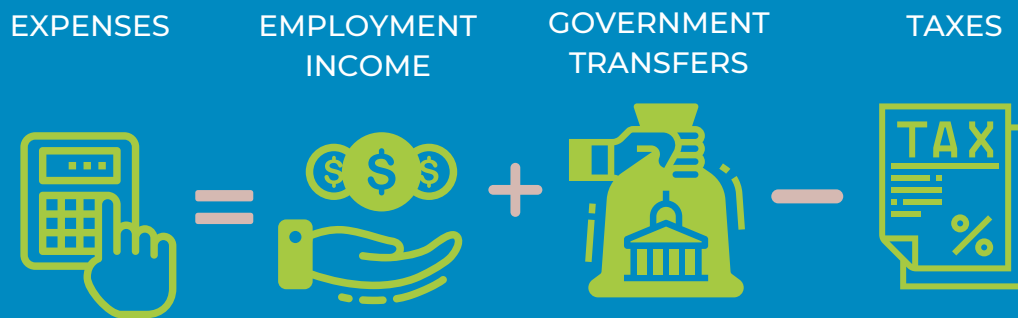
Child care is a large part of parents budgets; before any reductions are taken into consideration, childcare accounts for 24% of the reference family's total expenses. Starting in January 2022, the Government of Alberta negotiated an agreement with the Government of Canada to reduce childcare costs by half in 2022, with the ultimate goals of making child care cost an average of \$10 per day by the year 2026. This will be achieved through implementing an affordability grant given directly to childcare centers in order to reduce fees for all parents, and by expanding the Alberta Child Care Subsidy.[2] After this grant and subsidy are taken into account, the reference family spends 66% (\$4,206) less on childcare than they did last year. [3] While this does not meet the Governments' goal, it is still a significant reduction in expenses.

In 2021, families received a one-time top up to the Canada Child Benefit to provide relief as Canadians deal with and recover from the COVID-19 pandemic. The reference family received \$1,200 through the program [3]. Families do not receive this additional income this year.



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.[4]



In the past, the living wage has been calculated based on a family of four, with both parents working full time, one child in elementary school, and one child not yet in school. The original family of four calculation was established in 2008, and was intended to ensure that single parents would have an adequate income and that young singles would not be discouraged from having children.[4] A lot has changed since 2008, for example, many people remain single, and calculations from 2021 found that single adults (\$21.26) [24] actually had a higher living wage than families. These assumptions no longer reflect the realities of individuals and families living in 2022.

This edition, living wage calculations will be based on a family of four, single adult, and lone parent with one child (see table 2 for the assumptions made for each family type). The living wage is the weighted average of these three family types, based on their representation in the population (see table 7). This method will reflect the needs of all three family types. All sources are the same between family types in order to ensure comparability.

TABLE 2.
FAMILY ASSUMPTIONS

CHARACTERISTICS	FAMILY OF FOUR	LONE PARENT	SINGLE ADULT
ADULTS			
Number	2	1	1
Demographics	35 years old	35 years old	35 years old
Work	Both work 35 hours a week	Works 35 hours a week	Works 35 per week
School	One in school attending one class per semester	One in school attending one class per semester	One in school attending one class per semester
CHILDREN			
Number	2	1	None
Demographics	One 3 year old and one 7 year old	7 year old	
Child care	3 year old is in full time care, 7 year old is in before and after school care, and full time summer care	Before and after school care, full time care in the summer	

*In order to remain inclusive, we have chosen to not specify genders in the calculation. In sources where costs differed by gender, the average of a man and woman was used.

TABLE 3.
EXPENSES SUMMARY

ITEM	FAMILY OF FOUR	LONE PARENT	SINGLE ADULT
Food [5]	\$15,306	\$7,830	\$4,793
Clothing and footwear [6]	\$3,686	\$1,843	\$850
Health care (Blue Cross plan B) [7]	\$3,414	\$1,844	\$1,344
Contingency (2 weeks pay)	\$2,829	\$1,919	\$1,488
Shelter (Rent, utilities, and insurance) [8] [9] [10]	\$20,341	\$18,593	\$15,579
Transportation [11] [12]	\$5,378	\$4,978	\$2,689
Full-time child care (3 year old) [13-20]	\$7,382		
Out-of-school care (7 year old) [13-20]	\$5,600	\$5,600	
Summer care (7 year old) [13-20]	\$1,466	\$1,466	
Adult Tuition and school fees [21-23]	\$2,037	\$2,037	\$2,037
Other (includes telecommunications, recreation, everyday household needs calculated as 75.4% of food, clothing, and footwear)	\$13,920	\$7,094	\$4,421
TOTAL	\$81,360	\$53,204	\$33,202

**TABLE 4.
BENEFITS SUMMARY**

BENEFIT NAME	FAMILY OF FOUR	LONE PARENT	SINGLE ADULT
GST Credit	\$0	\$519	\$467
Canada Child Benefit (CCB)	\$9,152	\$5,056	\$0
Climate Action Incentive (CAI)	\$1,079	\$809	\$539
Alberta Child Family Benefit (ACFB)	\$29	\$548	\$0
Alberta Child Care Subsidy (ACCS)	\$6,410	\$4,498	\$0
Alberta Energy Affordability	\$300	\$300	\$300
Alberta Fuel Tax Relief Program	\$73	\$73	\$36
TOTAL	\$17,043	\$12,253	\$1,342

**TABLE 5.
TAXES SUMMARY**

BENEFIT NAME	FAMILY OF FOUR	LONE PARENT	SINGLE ADULT
Federal Income Tax	\$2,925	\$3,488	\$2,724
Alberta Provincial Income Tax	\$1,290	\$1,957	\$1,448
CPP Contribution	\$3,794	\$2,645	\$2,005
EI Contribution	\$1,162	\$788	\$611
TOTAL	\$9,171	\$8,878	\$6,788

**TABLE 6.
FINAL CALCULATION**

ITEM	FORMULA	FAMILY OF FOUR	LONE PARENT	SINGLE ADULT
Employment Income	Living wage x 35 hours per week x 52 weeks	\$73,564	\$49,904	\$38,675
Taxes	Federal taxes + provincial taxes + CPP + EI	\$9,171	\$8,878	\$6,788
After-Tax Income	Employment income - taxes	\$64,393	\$41,026	\$31,887
Non-Wage Income	Annual government transfers	\$17,043	\$17,043	\$1,342
Available Income	After-tax income + non-wage income	\$81,436	\$53,279	\$33,229
Family Expenses	See Table 3	\$81,360	\$53,204	\$33,202
Living Wage	Employment income ÷ 52 weeks ÷ 35 hours	\$20.21	\$27.42	\$21.25

**TABLE 7.
WEIGHTS**

FAMILY TYPE	PROPORTION OF ADULTS IN POPULATION
Family of Four	0.326492388
Lone Parent	0.07736321
Single Adults	0.596144402
WEIGHTED LIVING WAGE	\$21.40

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