

# LIVING WAGE SERIES

OCT 2013

A LIVING WAGE FOR GUELPH AND WELLINGTON

## ABOUT THE AUTHORS

RANDALIN ELLERY, MA, is the Coordinator of the Guelph & Wellington Task Force for Poverty Elimination.

WANZI MURUVI, PhD, MSc (Planning), is the Children's Services Planning Coordinator with the County of Wellington Child Care Services.

## ACKNOWLEDGEMENTS

This report would not have been possible without the leadership and support of the Poverty Task Force (PTF) Income Security Action Group and the PTF Research & Policy Working Group. PTF Co-chair David Thornley provided additional critical insights and played an integral role in verifying the final calculation.

Thank you to Auburn Larose, Health Promotion Specialist at Wellington-Dufferin-Guelph Public Health, for providing and interpreting important data.

The PTF would like to extend a special thank you to United Way Guelph Wellington Dufferin for providing their expertise and assisting with the initial calculation in 2012 and the first draft of this report.

Thank you to Hugh MacKenzie for the Living Wage Calculator and to the Canadian Centre for Policy Alternatives for the research and support they have provided to communities across the province on this issue. As well, we thank the Kingston Community Roundtable on Poverty Reduction and the Hamilton Roundtable for Poverty Reduction Living Wage reports, which provided excellent resources and references for this report.

# Living Wage Series

## A LIVING WAGE FOR GUELPH & WELLINGTON

### INTRODUCTION

The Guelph & Wellington Task Force for Poverty Elimination works collaboratively, informed by diverse voices of experience, to support local action and to advocate for system and policy changes to address the root causes of poverty.

Beginning in 2012, the Poverty Task Force (PTF) Income Security Action Group (ISAG) and the PTF Research & Policy Working Group engaged with various partners to explore and develop a living wage for Guelph and Wellington. The Canadian Centre for Policy Alternatives defines the living wage as “the hourly rate at which a household can meet its basic needs, once government transfers have been added to the family’s income (such as the Universal Child Care Benefit) and deductions have been subtracted (such as income taxes and Employment Insurance premiums).”<sup>i</sup> The living wage, which is calculated based on a modest, bare bones budget, aims to support people working full-time to meet basic living expenses, support the healthy development of their children, lift them out of poverty, and allow them to fully participate in work, family life, and community activities.

This report aims to provide an overview of the circumstances specific to the Guelph and Wellington area and to explore how they impact the cost of living. Our community, like many others across Ontario and Canada, faces a number of challenges, including rising shelter costs, food insecurity, and lack of affordable child care spaces that stretch the budgets of working parents. Faced with making a decision between buying food and paying rent, many working individuals and families are forced to depend on support services, such as food banks, to supplement their incomes and make ends meet.

The development of the living wage for Guelph and Wellington builds on the work of the Canadian Centre for Policy Alternatives and the Canadian Living Wage Framework developed by Vibrant Communities Canada<sup>ii</sup>. The living wage calculator and its underlying methodology, developed by economist Hugh MacKenzie for the Canadian Centre for Policy Alternatives (CCPA), was used to determine the living wage for our community. Using this tool, we determined that the living wage for Guelph and Wellington is \$15.95/hour.

It is the PTF's hope that this calculation will increase awareness about the cost of living in Guelph and Wellington, as well as to help understand how a living wage can lift people out of poverty and support their full and healthy participation in work, family life, and the broader community.

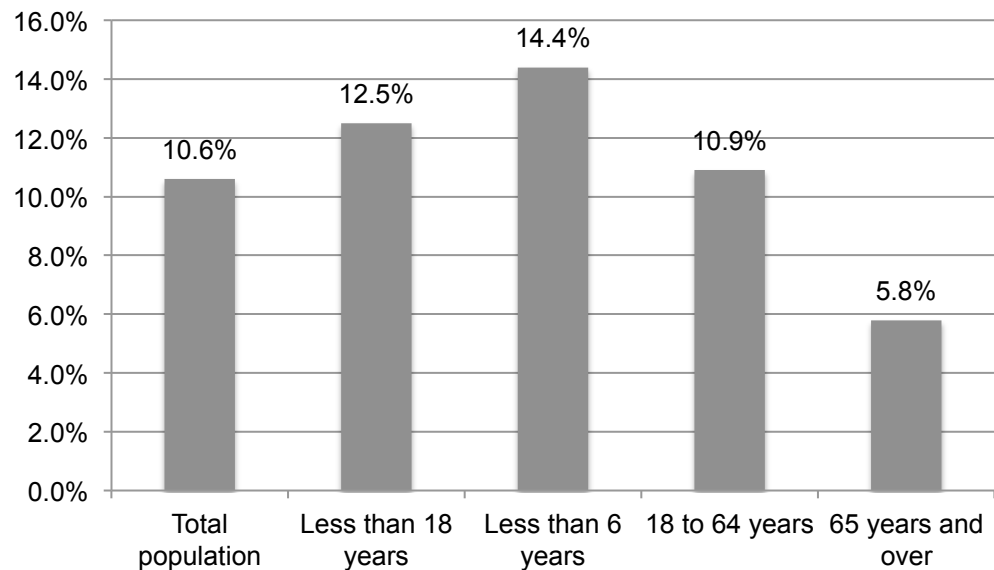
<sup>i</sup> Ivanova, I. & Klein, S. (2013). "Working for a living wage: 2013 update." Canadian Centre for Policy Alternatives. Retrieved from [http://www.policyalternatives.ca/sites/default/files/uploads/publications/BC%20Office/2013/05/CCPA-BC\\_Living\\_Wage\\_Update\\_2013.pdf](http://www.policyalternatives.ca/sites/default/files/uploads/publications/BC%20Office/2013/05/CCPA-BC_Living_Wage_Update_2013.pdf)

<sup>ii</sup> Vibrant Canada (2013). "Canadian living wage framework." Retrieved from [http://vibrantcanada.ca/files/living\\_wage\\_full\\_document.pdf](http://vibrantcanada.ca/files/living_wage_full_document.pdf)

## LOW-INCOME & THE WORKING POOR

According to recent National Household Survey findings, in 2010, 10.6% of individuals in Wellington County (including the City of Guelph) were in low-income based on an after-tax low-income measure (LIM-AT)<sup>iii</sup>. Figure 1 shows the prevalence of low income in 2010 by age group.

**Figure 1: Prevalence of low income in 2010 by age group (LIM-AT)<sup>iv</sup>**



Employment generally, and certainly full-time employment, is commonly recognized as the first line of defense in protecting people from falling into poverty. However, this is not necessarily the case for those making minimum wage. Ontario's minimum wage has been frozen at \$10.25 an hour for the past three years. Advocates calling for an

increase to the minimum wage argue that the current rate “is not enough to ensure that having paid work is a pathway out of poverty and poor health<sup>v</sup>.”

Social assistance recipients are encouraged to find a job to lift them out of poverty. In 2010, the provincial government required a review of social assistance to develop a detailed road map “to ensure the labour market offers effective pathways out of poverty<sup>vi</sup>.” The review found that of the people who exited Ontario Works within one year, 57% subsequently returned during the period of 2003-2009<sup>vii</sup>. This is due, in part, to the nature of the labour market and the prevalence of temporary, part-time low-wage jobs. As a result, social assistance recipients that find employment do not always escape poverty and are forced to cycle through periods of receiving and not receiving social assistance<sup>viii</sup>.

While some return to social assistance, an increasing number of people are both employed and living in poverty. We call them the working poor. Recent research from the Toronto Region found that the working poor:

“Pay their taxes and work just as many hours as other working people do, but they work more in the service sector. They are, on average, just about as educated as other workers, but they make less money. They are a little younger than the average Canadian worker and more of them are single. They tend to be renters, rather than homeowners. An overwhelming number are immigrants<sup>ix</sup>.”

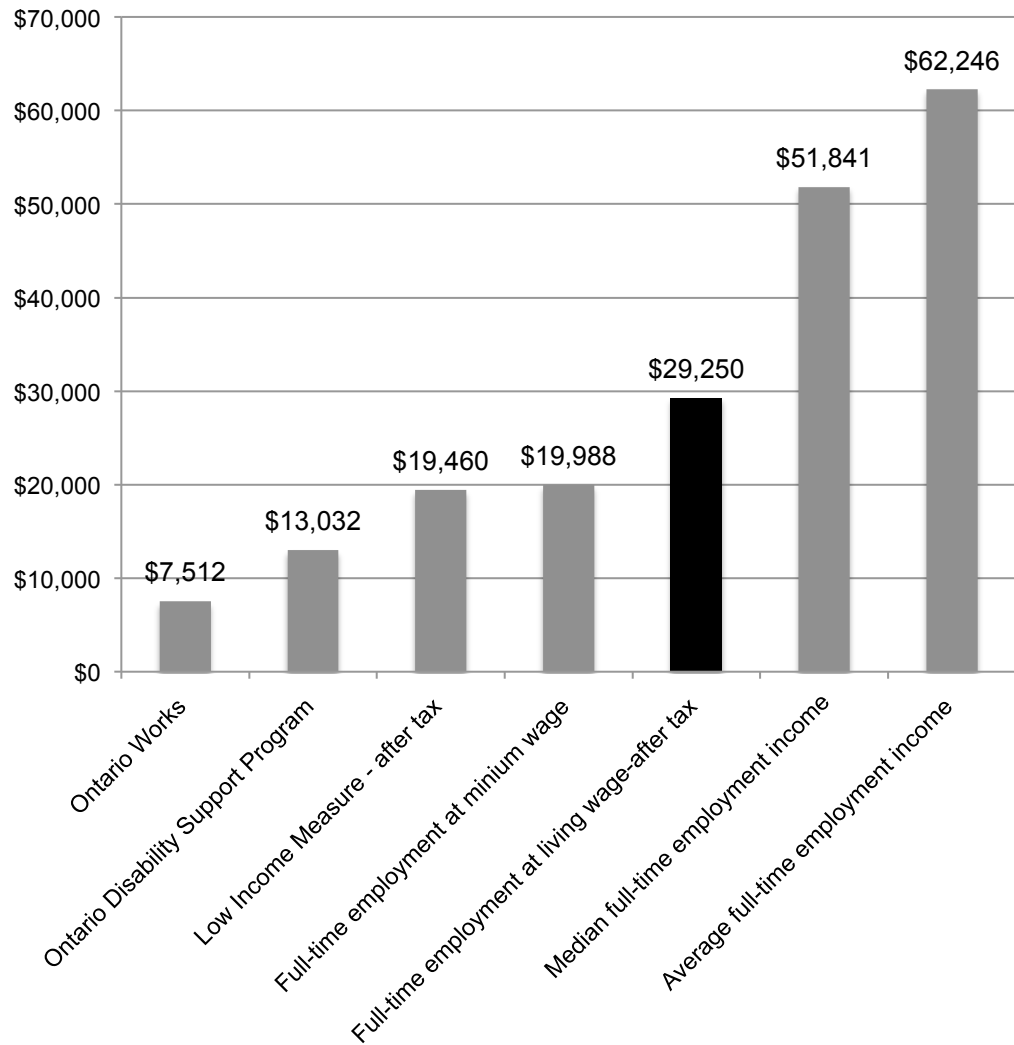
The same report determined that between 2000 and 2005 the working poor as a percentage of the working-age population increased 15% across Canada and 24% in Ontario<sup>x</sup>.

Figure 2 shows that Wellington County’s (including the City of Guelph) median earner is paid more than twice as much as the full-time living wage income<sup>1</sup>. It also demonstrates that an individual earning the full-time living wage earns over \$9,000 more than an individual earning minimum wage.

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<sup>1</sup> *The Low Income Measure, Median Income and Average Income have been adjusted for inflation.*

**Figure 2: Comparison of annual incomes for a single person, Wellington County**



<sup>iii</sup> Statistics Canada. 2013. Wellington, CTY, Ontario (Code 3523) (table). National Household Survey (NHS) Profile. 2011 National Household Survey. Statistics Canada Catalogue no. 99-004-XWE. Ottawa. Released September 11, 2013. <http://www12.statcan.gc.ca/nhs-enm/2011/dp-pd/prof/index.cfm?Lang=E> (accessed September 20, 2013).

<sup>iv</sup> Statistics Canada, 2013.

<sup>v</sup> Barnes, S. (2012). "Time for Ontario to make some tough choices: poverty and inequality are not inevitable." *Wellesley Institute*. Retrieved from <http://www.wellesleyinstitute.com/news/time-for-ontario-to-make-some-tough-choices-poverty-and-inequality-are-not-inevitable/>

<sup>vi</sup> The Social Assistance Review Advisory Committee (2010). "Recommendations for a review of an Ontario income security review." *Ministry of Community and Social Services*. Retrieved from <http://www.mcsc.gov.on.ca/documents/en/mcss/publications/social/sarac%20report/SARAC%20Report%20-%20FINAL.pdf>

<sup>vii</sup> Lankin, F. & Sheikh, M. (2012). "Brighter prospects: transforming social assistance in Ontario." *Commission for the Review of Social Assistance in Ontario*. Retrieved from [http://www.mcsc.gov.on.ca/documents/en/mcss/social/publications/social\\_assistance\\_review\\_final\\_report.pdf](http://www.mcsc.gov.on.ca/documents/en/mcss/social/publications/social_assistance_review_final_report.pdf)

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viii Lankin, F. & Sheikh, M, 2012.

ix Stapleton, J., Murphy, B. & Xing, Y. (2012). "The working poor in the Toronto region." *Metcalf Foundation*. Retrieved from <http://metcalfoundation.com/wp-content/uploads/2012/02/Working-Poor-in-Toronto-Region-Summary-Report.pdf>

x Stapleton, J., Murphy, B. & Xing, Y., 2012.

## LIVING WAGE CALCULATION FOR GUELPH & WELLINGTON

There are different ways to calculate the living wage. The living wage calculator used in this report is based on a family basket of expenses approach. This methodology, with small variations for local community circumstances, has been successfully applied and adapted in jurisdictions across Canada and North America.

In our case, we have calculated the living wage based on the following three profiles:



### **Family of 4**

Male adult– age 37  
Female adult– age 35  
Male child – age 7  
Female child – age 5



### **Family of 2**

Female adult – age 35  
Female child – age 5



### **Single Individual**

Male adult – age 37

While it is recognized that the living wage will vary based on family size and the ages of children due to differences in expenses, it is important that a single rate be advocated for to ensure that contributions to employment are valued the same, regardless of family size or circumstances. In our case, we averaged the living wages of the three profiles to determine the living wage of \$15.95 per hour for Guelph and Wellington. A

similar methodology was used in Kingston, ON and Hamilton, ON, although the ages of the children varied slightly.

The living wage provides a basic, modest estimate of a working family or individual's budget. Some items that many would consider a common part of expenses are **not** included. These items include:

- Credit card, loan or other debt/interest payments
- Savings for retirement
- Owning a home
- Saving for children's future education
- Costs of caring for a disabled, seriously ill, or elderly family member
- Anything other than the smallest cushion for emergencies or hard times

### **SUMMARY OF EXPENSES**

The first step in the calculation process was to determine the average total cost of living for the three profiles, based on basic expenses, summarized in Table 1. A summary of monthly expenses by category is included in Figure 3.

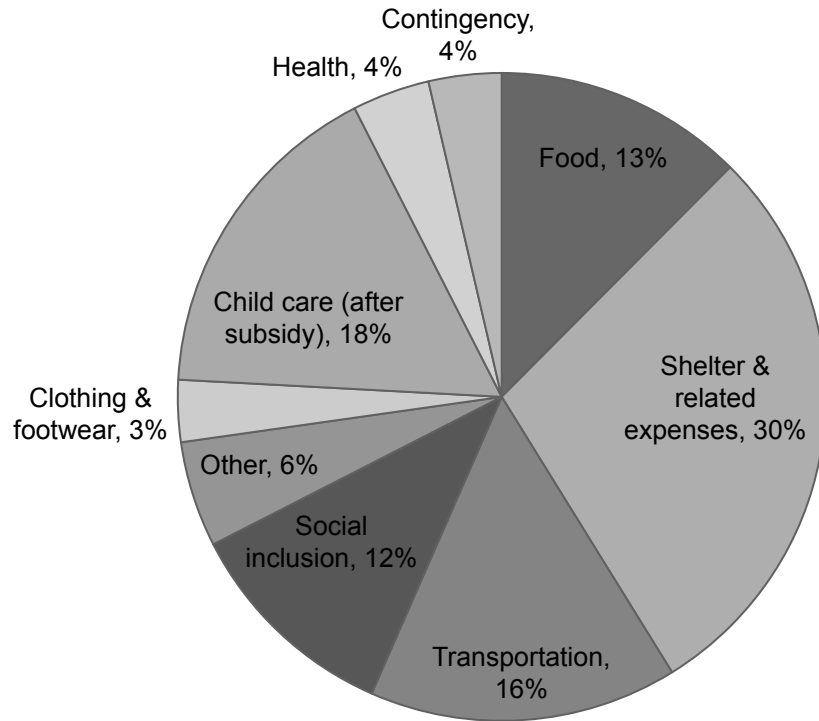


TABLE 1 **Summary of Expenses (\$ per month)**



Category	Expense Type	Family of 4	Family of 2	Single
<b>Food</b>	Food	703.78	364.98	278.56
<b>Shelter &amp; related costs</b>	Rent & utilities	1,064.00	942.00	846.00
	Tenant insurance	19.89	19.89	19.89
	Household furnishings & equipment	99.83	64.89	49.92
<b>Transportation</b>	Car	670.28	679.11	0.00
	Transit and/or taxi	94.00	0.00	221.40
<b>Social Inclusion</b>	Vacation	104.51	89.68	91.10
	Outing	97.65	46.50	35.58
	Telephone, Internet, cable	107.00	107.00	107.00
	School fees & fundraising	41.67	20.83	0.00
	Recreation	178.51	89.26	63.53
<b>Other</b>	Personal care	56.25	36.56	28.13
	Bank fees	14.95	14.95	14.95
	Reading & entertainment supplies	11.08	7.20	5.54
	Education (adults)	31.76	31.76	31.76
	Miscellaneous	102.88	94.69	90.51
<b>Clothing &amp; footwear</b>	Clothing & footwear	155.38	101.00	77.69
<b>Child care</b>	Child care	780.84	420.00	0.00
<b>Health</b>	Non OHIP medical	216.56	128.52	73.30
<b>Contingency</b>	Contingency (4%)	182.03	130.35	80.59
	<b>Total monthly expenses</b>	<b>4,731.13</b>	<b>3,392.25</b>	<b>2,091.64</b>
	<b>Total annual expenses</b>	<b>56,773.52</b>	<b>40,707.01</b>	<b>25,099.65</b>

**Figure 3: Summary of monthly expenses by category**



The remainder of this section will now provide details regarding the expense estimates summarized in Table 1.

### **Food**

The cost of food is based on Wellington-Dufferin-Guelph Public Health's Nutritious Weekly Food Basket Cost's, 2012 table<sup>xi</sup>. The Nutritious Food Basket (NFB) is a survey tool that is a measure of the cost of basic healthy eating that represents current nutritional recommendations based on Eating Well with Canada's Food Guide and the Dietary Reference Intakes. The 2012 NFB was completed by calculating the cost of one week of food based on 67 items across 7 different local grocery stores<sup>xii</sup>.

The NFB calculation determines weekly food costs by gender and by age and is adjusted for family size. The following shows a breakdown of our three profiles.

TABLE 2 **Cost of Healthy Food (\$ per month)**



**Family of 4**

**\$ per week**

Male, 37	53.57
Female, 35	45.23
Male, 7	32.31
Female, 5	31.30
Subtotal	162.41
Adjustment factor (162 x 1)	162.41
<b>162.41 x 52 (weeks) / 12 (months)=Total \$ per month</b>	<b>703.78</b>



**Family of 2**

**\$ per week**

Female, 35	45.23
Female, 5	31.30
Subtotal	76.53
Adjustment factor (76.53 x 1.1)	84.18
<b>84.18 x 52 (weeks) / 12 (months)=Total \$ per month</b>	<b>364.79</b>



**Single**

**\$ per week**

Male, 37	53.57
Adjustment factor (53.57 x 1.2)	64.28
<b>64.28 x 52 (weeks) / 12 (months)=Total \$ per month</b>	<b>278.56</b>

## Shelter




### *Rent and Utilities*

The cost of rent and utilities is based on Canadian Mortgage and Housing Corporation's (CMHC) Rental Market Report, 2013. The CMHC conducts the Rental Market Survey every year in April and October to estimate the relative strengths in the rental market. The report provides a snapshot of vacancy and availability rates, as well as average rents in both new and existing structures. The survey is conducted by a combination of

telephone interviews and site visits, and information is obtained from the owner, manager, or building superintendent<sup>xiii</sup>.

The following shows a breakdown of the monthly rent for our three profiles. This monthly rent is assumed to include basic utilities. This rent does not take into account the limited availability of such accommodation in the Guelph CMA.

TABLE 3 **Cost of Rent & Utilities (\$ per month)**

Expense Type	 <b>Family of 4</b> 3 bedroom apartment	 <b>Family of 2</b> 2 bedroom apartment	 <b>Single</b> 1 bedroom apartment
Rent & utilities	1,064.00	942.00	826.00

#### *Tenant Insurance*

The best rate for tenant insurance was determined using the Kanetix website ([www.kanetix.ca](http://www.kanetix.ca)). This site provides insurance quotes and rates for over 40 providers in Canada. Based on a series of questions for each of our profiles and a replacement value set at \$30,000, the average cost of tenant insurance is \$19.89 per month.

#### *Household Furnishings & Equipment*

The amount for household furnishings and equipment was drawn from the typical household budget proportion for this item from the Survey of Household Spending (for households in the 2<sup>nd</sup> income quintile). The amount was then applied to the total for the Market Basket Measure “other” category for the Guelph CMA and adjusted for family size.

TABLE 4 Household Furnishings & Equipment (\$ per month)

Expense Type	 Family of 4	 Family of 2	 Single
Household furnishing & expenses	99.83	64.89	49.92



## Transportation

### Vehicle

Our calculation for this item assumes that the family of four and family of two own a four-year old used car. The cost of depreciation, insurance, service and repairs, winter tires, gasoline, oil changes, and registration were used to calculate the cost of operating a vehicle for each profile. The insurance amount was determined based on the best rate found through the insurance website [www.kanetix.com](http://www.kanetix.com). The rest of the calculation was based on data provided by Hugh MacKenzie in the living wage calculator.

The cost of operating a vehicle was not calculated for the single individual (see *Transit & Taxi* for more details).

TABLE 5 Cost of Vehicle (\$ per month)

Expense Type	 Family of 4	 Family of 2
Depreciation	215.20	215.20
Insurance	118.00	126.83
Gasoline	250.00	250.00
Winter tires	19.58	19.58
Oil changes	10.00	10.00
License plate sticker	7.50	7.50
Service and repair	50.00	50.00
<b>Total</b>	<b>670.28</b>	<b>679.11</b>



### Transit and Taxi

Transit costs were calculated for the family of four and the single individual. With both parents in our family of four working full-time and owning only one vehicle, it is assumed that at least one parent will require a monthly transit pass. It is also assumed that the children use public transit 5 times per month. Based on the 2013 Guelph Transit Fares, a monthly pass for one adult is \$75.00 and a pack of 10 tickets for a youth is \$19.00<sup>xiv</sup>. The total cost for transit for the family of four is \$94.00 per month.

Without a vehicle, the single individual requires a monthly bus pass (\$75.00 per month). In addition, 8 taxi trips were included in the overall calculation at a cost of \$146.40 per month<sup>xv</sup>. As a result, the total transit cost for the individual is \$221.40 per month.

These estimates assume that the family and individual are living in the City of Guelph, where public transit is available. In other parts of Wellington County, public transit is not an option.

TABLE 6 **Cost of Transit and Taxi (\$ per month)**




Expense Type	 Family of 4	 Single
Bus pass (adult)	75.00	75.00
Bus tickets – 10pack (youth)	19.00	0.00
Taxi (8 trips within Guelph)	0.00	146.40
<b>Total</b>	<b>94.00</b>	<b>221.40</b>

### **Social Inclusion**

#### *Vacation (2 weeks per year)*

The living wage calculation includes an amount for 2 weeks of family vacation. The total for the family profiles is based on one week camping at an Ontario Park and a one week “staycation,” which includes a trip to Canada’s Wonderland. The total for the single also includes a one-week camping trip to an Ontario Park (including a car rental) and a one-week “staycation.” Wonderland tickets, parking, camping and the car rental are based on actual numbers. The remaining components are estimates.




TABLE 6 **Cost of Vacation (\$ per month)**

Expense Type			
	Family of 4	Family of 2	Single
Total fuel cost	50.00	50.00	50.00
Tickets to Wonderland <sup>xvi</sup>	95.96	67.98	0.00
Parking <sup>xvii</sup>	15.00	15.00	0.00
Camping (one week) <sup>xviii</sup>	343.14	343.14	343.14
Car rental <sup>xx</sup>	0.00	0.00	200.00
Entertainment and food	250.00	200.00	200.00
Staycation/Day Trips	500.00	400.00	350.00
<b>Total (annual)</b>	<b>1,254.10</b>	<b>1,076.12</b>	<b>1,093.14</b>
<b>Total (monthly)</b>	<b>104.51</b>	<b>89.68</b>	<b>91.10</b>

### Outings

The cost of outings is calculated based on two of three different opportunities (movie night, museum membership, football game), as well as an estimate for modest meals at a restaurant once a month.

TABLE 7 **Cost of Outings (\$ per month)**

Expense Type			
	Family of 4	Family of 2	Single
Movie night (x 4 trips) <sup>xx</sup>	151.84	75.92	43.96
Museum membership <sup>xxi</sup>	40.00	40.00	0.00
Meals (once per month)	960.00	480.00	240.00
Football tickets (3 games) <sup>xxii</sup>	0.00	0.00	99.00
<b>Total (annual)</b>	<b>1,151.84</b>	<b>595.92</b>	<b>382.96</b>
<b>Total (monthly)</b>	<b>95.99</b>	<b>49.66</b>	<b>31.91</b>



### Telephone, Internet & Cable Television

Other utilities (not counting water, sewer and electricity, which are assumed to be included in the monthly rent) include telephone, Internet, and cable television. We reviewed the prices associated with these services at Canada's two leading companies (Bell Canada and Rogers Communications) and selected the lowest rate, which was \$107.00/month. Since the cost is not associated with family size, the rate is the same for each of our three profiles.

### School Fees & Fundraising

The amount calculated for school fees and fundraising is a conservative estimate based on schools adhering to new 2011 Ministry of Education guidelines prohibiting some types of school fees<sup>xxiii</sup>.




TABLE 8 **Cost of School Fees & Fundraising (\$ per month)**

Expense Type		
	Family of 4	Family of 2
School activity fee	120.00	60.00
School photos	60.00	30.00
Field trips (\$10/month)	200.00	100.00
Pizza days & other fundraisers (\$6/month)	120.00	60.00
<b>Total (annually)</b>	<b>500.00</b>	<b>250.00</b>
<b>Total (monthly)</b>	<b>41.67</b>	<b>20.83</b>

### Recreation

Recreation costs were calculated based on opportunities provided by the City of Guelph (skating and Children's Theatre program)<sup>xxiv</sup>, YMCA-YWCA of Guelph (adult and youth memberships)<sup>xxv</sup>, and a local sports league (Perpetual Motion)<sup>xxvi</sup>. It should be noted that the YMCA-YWCA membership adult membership provides access to all facilities, programs and activities, and the youth membership allows unlimited open access programs and one registered swimming lesson per week.

TABLE 9 **Cost of Recreation (\$ per month)**

Expense Type			
	Family of 4	Family of 2	Single
10 skating tickets – Adult	65.62	32.81	32.81
10 skating tickets – Youth	48.30	24.15	0.00
10-week Children's Theatre program	257.00	128.50	0.00
YMCA Membership – Adult	91.60	45.80	45.80
YMCA Membership – Youth	56.00	28.00	0.00
Soccer League	0.00	0.00	180.00
<b>Total (annually)</b>	<b>2,142.12</b>	<b>1,071.06</b>	<b>762.41</b>
<b>Total (monthly)</b>	<b>178.51</b>	<b>89.26</b>	<b>63.53</b>






## Other

### *Personal Care*

The amount for personal care was drawn from the typical household budget proportion for this item from the Survey of Household Spending (for households in the 2<sup>nd</sup> income quintile)<sup>xxvii</sup>. Personal care includes items such as haircuts, personal cleaning supplies, and first aid supplies.

TABLE 10 **Cost of Personal Care (\$ per month)**

<b>Expense Type</b>	 <b>Family of 4</b>	 <b>Family of 2</b>	 <b>Single</b>
Personal Care	56.25	36.56	28.13

### *Bank Fees*

The amount for bank fees applies to a TD Canada Trust Infinity Chequing Account. The amount covers unlimited transactions per month. Assuming the adults in the family of four share an account, the total bank fees for each of our profiles is \$14.95/month<sup>xxviii</sup>.

### *Reading and Entertainment Supplies*

The amount for reading and entertainment supplies was drawn from the typical household budget proportion for this item from the Survey of Household Spending (for households in the 2<sup>nd</sup> income quintile). Reading and entertainment supplies include things such as newspapers and birthday party decorations.

TABLE 11<sup>xxix</sup> **Cost of Reading & Entertainment Supplies (\$ per month)**

<b>Expense Type</b>	 <b>Family of 4</b>	 <b>Family of 2</b>	 <b>Single</b>
Reading & entertainment supplies	11.08	7.20	5.54

### *Adult Education*

This report assumes that, over the course of the year, one parent in the family of four, as well as the single parent and single individual, will take a three-credit course offered

at Conestoga College in an effort to improve personal and economic opportunities. The average cost of tuition was determined by using a sample of three credit courses in the following four programs: Computing and Information Technology, Community and Social Services, Health and Wellness, and Business. The average tuition cost (\$327.41) was added to the cost of other mandatory student fees (administrative, student priority, and resource enhancement) to determine the annual total cost of \$381.17, or 31.76 per month<sup>xxx</sup>.

TABLE 12 **Cost of Adult Education (\$ per month)**

Expense Type	 Family of 4	 Family of 2	 Single
Adult education	31.76	31.76	31.76

*Miscellaneous*

The amount included under miscellaneous is calculated using the Market Basket Measure for the Guelph CMA total for “Other” (adjusted for family size), subtracting the totals for personal care, school fees & fundraising, recreation, household furnishings and equipment, bank fees, reading and entertainment, and clothing and footwear.

TABLE 13 **Cost of Miscellaneous (\$ per month)**

Expense Type	 Family of 4	 Family of 2	 Single
Miscellaneous	102.88	94.69	90.51

**Clothing & Footwear**

Consistent with the CCPA’s living wage calculator, the amount for clothing and footwear was obtained from “other” expenditures in HRSDC’s analysis for the Market Basket Measure (MBM) and adjusted for family size.


TABLE 14 **Cost of Clothing & Footwear (\$ per month)**

<b>Expense Type</b>	 <b>Family of 4</b>	 <b>Family of 2</b>	 <b>Single</b>
Clothing & footwear	155.38	101.00	77.69

### Child Care


Childcare costs for the family of four is based on both children being in school full-time, but requiring after-school care (provided by the YMCA)<sup>xxxi</sup>, summer camp, March Break camp, and care on PD days (provided by City of Guelph programs)<sup>xxxii</sup>.

TABLE 15 **Cost of Childcare, Family of 4 (\$ per month)**

<b>Expense Type</b>	 <b>Family of 4</b>
March Break Camp (*2 children)	317.10
PD Day Camp (*2 children*4 days)	296.80
Summer Camp – 5 year old (*9 weeks)	1,352.75
Summer Camp – 7 year old (*9 weeks)	1,218.92
After school – 5 year old (*42 weeks)	3,423.00
After school – 7 year old (*42 weeks)	2,761.50
<b>Total (annually)</b>	<b>9,370.07</b>
<b>Total (monthly)</b>	<b>780.84</b>

Child care costs for the family of 2 is also based on the child being in school full-time, but requiring after-school care (provided by the YMCA), summer camp, March Break camp, and care on PD days (provided by the City of Guelph programs). While the family of 2 qualifies for a fee subsidy offered by the County of Wellington, it is assumed that the parent could only find a subsidized space for afterschool care (with the YMCA) and not for camps and PD days (with the City of Guelph) (See Table 8 for full details). This reflects the challenges some parents face in finding available subsidized child care spaces that meet their needs.

TABLE 16 **Cost of Childcare, Family of 2 (\$ per month)**

Expense Type	 Family of 2
After school care (*42 weeks)	3,423.00
Subsidy <sup>xxxiii</sup>	- 560.00
March Break camp	158.55
PD Day camp (*4 days)	148.40
Summer camp (*9 weeks)	1,308.92
<b>Total (annually)</b>	<b>4,473.87</b>
<b>Total (monthly)</b>	<b>373.24</b>

### Health Care Spending (Not Covered by OHIP)

This living wage calculation assumes that the adults working full-time do **not** receive health benefits through their employer. As a result, non-OHIP health benefits, including dental care, must be purchased. The cost for each of the three profiles is based on rates provided by Blue Cross and includes enhanced health benefits with dental.

TABLE 17 **Cost of Non-OHIP Health Care Spending (\$ per month)**

Expense Type	 Family of 4	 Family of 2	 Single
Non-OHIP Health Care	216.56	128.52	73.30

### Contingency Amount

The contingency amount was calculated as roughly 4% of total expenses, or about two weeks of income. While this amount is set aside for emergencies, it can also be used to establish a reserve from which to provide a minimal amount of savings to be used for future post-secondary education, retirement savings or a down payment for a home. None of these expenses are otherwise considered in our living wage calculation.

TABLE 18 Contingency (\$ per month)

Expense Type	 Family of 4	 Family of 2	 Single
Contingency	181.97	130.47	80.45

<sup>xi</sup> Robson, L. (2012). "Ontario nutritious food basket." *Wellington-Dufferin-Guelph Public Health*. Retrieved from <http://www.wdgpUBLICHEALTH.ca>

<sup>xii</sup> Robson, L., 2012.

<sup>xiii</sup> Canada Mortgage and Housing Corporation (Spring 2013). "Rental market report: Ontario highlights." Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/64507/64507\\_2013\\_B01.pdf?fr=1379729588367](http://www.cmhc-schl.gc.ca/odpub/esub/64507/64507_2013_B01.pdf?fr=1379729588367)

<sup>xiv</sup> City of Guelph (2013). "Bus fares and passes." Retrieved from <http://guelph.ca/living/getting-around/bus/fares-and-passes/>

<sup>xv</sup> Canadian Cab (2013). "Rates." Retrieved from [http://www.canadiancab.com/?ww\\_pageID=7BC16EFA-B6A7-8AA0-6B4D90F6A6AEBFE4](http://www.canadiancab.com/?ww_pageID=7BC16EFA-B6A7-8AA0-6B4D90F6A6AEBFE4)

<sup>xvi</sup> Canada's Wonderland (2013). "Online ticket options." Retrieved from <https://www.canadaswonderland.com/tickets/>

<sup>xvii</sup> Canada's Wonderland, 2013.

<sup>xviii</sup> Ontario Parks (2013). "Camping fees – 2013." Retrieved from <http://www.parkreports.com/fees/camping/2013>

<sup>xix</sup> Enterprise (2013). "Rent a car." Retrieved from [http://www.enterpriserentacar.ca/car\\_rental/home.do](http://www.enterpriserentacar.ca/car_rental/home.do)

<sup>xx</sup> Galaxy Cinemas Guelph (2013). "Buy tickets." Retrieved from <http://www.cineplex.com/Promos/Onlineticketing.aspx>

<sup>xxi</sup> Guelph Civic Museum (2013). "Hours, admissions & directions." Retrieved from [http://guelph.ca/museum/?page\\_id=436](http://guelph.ca/museum/?page_id=436)

<sup>xxii</sup> Tiger Cats Football (2013). "The 2013 3-pack." Retrieved from <http://www.ticats.ca/3pack>

<sup>xxiii</sup> Social Planning Toronto (2011). "Public system, private money: fees, fundraising and equity in the Toronto District School Board." Retrieved from <http://socialplanningtoronto.org/wp-content/uploads/2011/09/Public-System-Private-Money-Final-Full-Report.pdf>

<sup>xxiv</sup> City of Guelph (2013). "Guelph community guide: fall 2013/winter 2014." Retrieved from <http://guelph.ca/living/recreation/recreation-programs/>

<sup>xxv</sup> YMCA-YWCA of Guelph (2013). "Membership." Retrieved from <http://www.guelphy.org>

<sup>xxvi</sup> Perpetual Motion (2013). "6 vs. 6 soccer." Retrieved from <http://perpetualmotion.org/soccer/recreational-1>

<sup>xxvii</sup> Statistics Canada. *Table203-0022 - Survey of household spending (SHS), household spending, Canada, regions and provinces, by household income quintile, annual (dollars)*, CANSIM (database). (accessed: 2013-09-20)

<sup>xxviii</sup> TD Canada Trust (2013). "TD chequing accounts." Retrieved from <http://www.tdcanadatrust.com/products-services/banking/accounts/chequing-accounts/index-chequing.jsp>

<sup>xxix</sup> Statistics Canada – Survey of household spending.

<sup>xxx</sup> YMCA-YWCA, 2013.

<sup>xxxi</sup> City of Guelph (2013). "Summer camps." Retrieved from <http://guelph.ca/wp-content/uploads/CG-SS-2013-camps.pdf>




<sup>xxxiii</sup> T. McComb, personal communication, September 17, 2013.




## NET INCOME RECONCILIATION

Once the cost of living based on expenses had been calculated, we were able to complete the second stage of the calculation process – the net income reconciliation. The net income reconciliation (Table 19) takes into account income taxes and other

payroll deductions (Employment Insurance and Canada Pension Plan), as well as the transfer income received by this family (such as the Universal Child Care Benefit and the Child Tax Benefit). Allowing for rounding after conversion to an hourly wage (to the nearest penny per hour), this net income equals the family’s basic expenses outlined above. In order to earn the necessary before-tax income, all adults are required to work full-time year-round at 37.5 hours per week at \$15.95 an hour.

TABLE 15 **Summary of Net Income (annual \$)**

Income	 Family of 4	 Family of 2	 Single
Household employment income	61,566.51	34,097.07	28,413.63
Universal Child Care Benefit	1,200.00	1,200.00	0.00
Household Income	62,766.51	35,297.07	28,413.63
Tax after credits	4,324.51	-302.79	1,589.20
Income after tax	58,442.00	35,599.86	26,824.43
CPP and EI Contributions	3,776.14	2,104.43	1,724.78
Child Tax Benefit	2,097.78	2,606.43	0.00
Child Support Payment	0.00	4,604.04 <sup>2</sup>	0.00
Income after tax transfers	56,773.64	40,705.89	25,099.65

	 Family of 4	 Family of 2	 Single
Living Wage	\$15.75	\$17.50	\$14.60
<b>Average</b>		<b>\$15.95</b>	

## CONCLUSION

In many ways, Guelph and Wellington, and the people that make up our community, are rich in many ways. We live in vibrant part of the province that includes Canada’s most caring city<sup>xxxiv</sup>, the safest community<sup>xxxv</sup>, and one of the most livable cities for singles and families<sup>xxxvi</sup>. Data from the recent National Household Survey shows that Wellington County (including the City of Guelph) has an unemployment rate well below

<sup>2</sup> Calculated using the Department of Justice child support calculator, assuming other parent has same income as primary parent.

the provincial average (6.1% compared to 8.3%) and the prevalence of low income based on after-tax low-income measure is lower as well (10.6% compared to 13.9%)<sup>xxxvii</sup>. Yet many in our Guelph and Wellington, including those working full-time, struggle to make ends meet and to fully participate in this great community. This is a problem that we should all be working together to solve.

The Guelph & Wellington Task Force for Poverty Elimination believes that the living wage is one part of the solution. By supporting the living wage, we can ensure that individuals and families working full-time can meet their basic living expenses, support the healthy development of their children, and allow them to fully participate in work, family life, and community activities. To learn how you can support the living wage in Guelph and Wellington, we encourage you to read the second report in our living wage series, *A Call to Action for Guelph and Wellington*, available on our website [www.gwpoverty.ca](http://www.gwpoverty.ca).

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<sup>xxxiv</sup> Macleans (2008). "Canada's most caring cities." Retrieved from

[http://www.macleans.ca/canada/national/article.jsp?content=20080828\\_165730\\_35656](http://www.macleans.ca/canada/national/article.jsp?content=20080828_165730_35656)

<sup>xxxv</sup> Wellington County (2013). "Wellington County takes Canada's safest community title." Retrieved from

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<sup>xxxvi</sup> Martin Prosperity Insights (n.d.). "Ottawa, Guelph and Victoria are among Canada's most livable cities."

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<sup>xxxvii</sup> Statistics Canada. 2013. Ontario (Code 35) (table). National Household Survey (NHS) Profile. 2011 National Household Survey. Statistics Canada Catalogue no. 99-004-XWE. Ottawa. Released September 11, 2013. <http://www12.statcan.gc.ca/nhs-enm/2011/dp-pd/prof/index.cfm?Lang=E> (accessed September 21, 2013).

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