

Golden living wage explained

The Living Wage is enough for a family with two young children to cover the necessities, support the healthy development of their children, escape severe financial stress and participate in the social, civic and cultural lives of their communities. It affords a decent if still very modest standard of living without the extras many take for granted.

A strikingly large gap exists between the 2024 Golden Living Wage and BC's current minimum wage of \$16.75 per hour. Many families earn less than the Living Wage and face difficult choices everyday.

2024 Living Wage in Golden: \$26.96/hour



Including:

- **Shelter:** median cost of a 3 bedroom rental (local data 2023), including utilities and insurance on home contents.
- **Food:** cost of purchasing Health Canada's National Nutritious Food Basket, which includes a nutritious diet but does not consider special dietary needs, cultural or other food preferences and the cost of condiments or spices.
- **Clothing & Footwear:** based on the National Market Basket Measure.
- **Childcare:** includes child care fees for a 4 year-old in full-time licensed group care and a 7 year-old in before/after-school care, full-time care during 3 weeks of winter and spring breaks, and 7 weeks of full-time summer care, reduced by Child Care Fee Reduction and the amount of the BC Affordable Child Care Benefit, for which the living wage family is eligible.
- **Transportation:** includes the amortized cost of owning and operating 2 used cars (areas with no public transit).
- **Non MSP Health Care:** basic extended health and dental plan with Pacific Blue Cross insurance, which does not include the out-of-pocket portion of expenses only partially covered by the plan.
- **Phone & Internet:** cost of high-speed home internet and 2 mobile data plans including the purchase of 2 basic smartphones.
- **Contingency Fund:** 2 weeks' wages for each parent, which provides some cushion for unexpected events like the serious illness of a family member or transition time between jobs.
- **Other Household & Social Participation:** covers, toiletries and personal care, over-the-counter medication and expenses not fully covered by private health insurance, furniture, household supplies, school supplies and fees, bank fees, some reading materials, minimal recreation and entertainment, family outings (e.g., museums, cultural events), birthday presents, modest family vacation and some sports and arts activities for the children.

Note: The Living Wage family's expenses are partially offset by government transfers the family receives (e.g.: Canada Child Benefit, BC Affordable Child Care Benefit and BC Family Benefit, a total of \$15,860 in this calculation).

A Living Wage does not cover additional expenses such as:

- Debt repayment from credit cards, loans or other interest payments.
- Future savings for home ownership, retirement or children's university education.
- Anything beyond minimal recreation, entertainment and holiday costs.

The living wage family composition

This methodology was developed in 2008 to address child poverty, as for most of the past decade, 1 in 5 children in BC have been living in poverty, even though living with at least one working adult. While the living wage calculation is based on the needs of two-parent families with two young children, it also originally fit single parents in 2008, but is now insufficient due to sharp rises in the cost of living, especially housing. Even with government support, a single parent earning the living wage doesn't cover all necessary costs.

These rising costs also make it challenging for individuals making less than the living wage to make ends meet, considering they also receive less government support than families with children.

A living wage lifts working families out of poverty

The living wage is distinct from the minimum wage, which is the legal minimum an employer must pay their workers. The living wage reflects the actual cost of living in a particular community while the minimum wage is set by governments often without regard to the specific costs workers face. The living wage always surpasses the minimum wage, but the gap had narrowed from 2018–2021 due to policy changes that improved affordability across BC. There is now a \$9.56 gap between the minimum wage and the living wage for Golden.

Employer-paid benefits that reduce out-of-pocket costs for families—such as extended health and dental coverage, paid sick time and vacation over and above the statutory minimums, can reduce the hourly rate needed to meet family expenses just like government transfers do.

But the Living Wage is not just about employers—the labour market alone cannot solve all problems related to economic insecurity. Our standard of living is a combination of earnings, benefits, government income supports and accessible public services that reduce the cost of living.

A key way employers can help moderate increases in the Living Wage is to advocate for better income supports that reduce financial pressure on low- and middle-income earners and enhanced public investments in programs that improve quality of life for all families like affordable housing, universal child care and pharmacare.

Direct government transfers can put money into the pockets of low- and middle-income households, as provincial and federal child benefits do for families with children. These benefits moderate the increase in the Living Wage amid a sharply rising cost of living. However, many direct transfers and subsidies are reduced or eliminated once a family reaches an income level well below the provincial living wages. For example:

- Federal GST Credit (not available to families with combined net income above \$57,132).
- BC Rental Assistance Program (not available to families with combined gross income over \$40,000, which is lower than the poverty line for a family of four anywhere in BC).
- Canada Workers Benefit (not available to families with combined net income over \$42,197).

Golden Community Economic Development worked with Living Wage for Families BC and other community organizations, following provincial guidelines.

For complete report and more information on the process, visit:

- Living Wage for Families BC: www.livingwagebc.ca

