



# 2016 Living Wage Update: Red Deer and Central Alberta

Prepared by

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CAPRA is working towards reducing the number of barriers that exist for persons living in poverty to ensure Central Alberta is **A Vibrant Community Where Everyone Thrives.**

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Central Alberta Poverty  
Reduction Alliance



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## INTRODUCTION

In 2012 and 2013, the Central Alberta Poverty Reduction Alliance (CAPRA) engaged the community in discussions respecting poverty reduction and identified a number of priorities. One of these priorities was to: Research, Determine and Publish Red Deer's Living Wage.

In 2014, a detailed report was completed which provided background information on Living Wage, described employment and income conditions in Red Deer and Central Alberta, and detailed the calculation of Living Wage rates for Red Deer and Central Alberta communities. Accompanying summary reports were also developed.

This Report updates the original calculations and provides 2016 Living Wage estimates for Red Deer and surrounding Central Alberta communities.

### ***What is Living Wage?***

What earners in a family need to bring home, based on the actual costs of living in a specific community

*Vibrant Communities Canada*

A rate of pay high enough that allows families to afford a decent and dignified life

*Guelph and Wellington Task Force  
for Poverty Elimination*

An hourly wage that allows employees and their families to meet their basic needs

*Living Wage Hamilton*

The amount of income an individual or family requires to meet their basic needs, to maintain a safe, decent standard of living in their communities and to save for future needs and goals and devote quality time to friends, family and community

*Vibrant Communities Calgary*

## PURPOSE & BENEFITS OF LIVING WAGE

Living Wage informs the community about the amount of income that is required to meet basic needs. This knowledge is important to understanding and addressing the challenges facing some individuals and families.

Living Wage policies and programs can work alongside benefit and subsidy programs to ensure that households are able to achieve a decent standard of living and, in doing so, Living Wage can bring other benefits to individuals and families, employers and business, and the broader community.

### Living Wage Benefits<sup>1</sup>

#### *Individuals & Families*

- ✓ Fewer Individuals & Families living in Poverty
- ✓ Fair Compensation
- ✓ Improved Health
- ✓ Better Quality of Life

#### *Community*

- ✓ Enhanced Understanding of Local Living Costs
- ✓ Increased Civic Participation
- ✓ Increased Spending in the Local Economy

#### *Employers/Business*

- ✓ Improved Labour Productivity
- ✓ Decreased Employee Turnover
- ✓ Reduced Absenteeism
- ✓ Improved Customer Loyalty

<sup>1</sup> Sources: M. Haener Consulting Services. (2013). A Living Wage for Grande Prairie: Background Report; Lee, C. and A. Briggs. (2013). Reducing the Cost of Poverty in Medicine Hat: Moving from Charity to Investment. Vibrant Communities Calgary; Living Wage Hamilton website: [http://livingwagehamilton.ca/wp/?page\\_id=56](http://livingwagehamilton.ca/wp/?page_id=56)

## LIVING WAGE ESTIMATION

The 2014 Living Wage calculations for Red Deer and surrounding communities were guided by the *Canadian Living Wage Framework* (CLWF) which provides a set of standardized assumptions that support national consistency in Living Wage calculation<sup>2</sup>. The CLWF is also used to guide the 2016 Living Wage update.

*Calculation Method* - Living Wage is the hourly wage rate that allows this formula to balance:

$$\text{Annual Family Expenses} = \text{Employment Income} + \text{Income from Government Transfers} - \text{Taxes}$$

### *Reference Households*



Couple, 2 Children

- Each parent works full-time
- 1 female child age 4 in full-time child care
- 1 male child age 9 in after-school care



Lone Parent, 1 child

- Single Mom age 32-39 works full-time
- 1 male child age 5 in full-time child care and kindergarten



Single Adult

- Male age 25 works full-time
- Does not live in a census family

### *Budget Inclusions*

- ✓ Food
- ✓ Shelter (rental housing)
- ✓ Clothing and Footwear
- ✓ Transportation
- ✓ Other household expenses
  - Bank Fees; Personal Care Items;
  - Household operation, maintenance, furnishings, & Equipment

- ✓ Child care
- ✓ Health care
- ✓ Social inclusion
  - Basic Cell Phone, TV and Internet; Recreation, Entertainment, and Gifts; Vacation
- ✓ Contingency funds

### *Budget Exclusions*

- ✗ Special dietary needs
- ✗ Owning a home
- ✗ Credit card, loan or other debt/interest payments
- ✗ Savings for retirement
- ✗ RRSP, RESP, or RDSP contributions
- ✗ Hobbies
- ✗ Pet ownership
- ✗ Parking
- ✗ Alcohol or tobacco costs
- ✗ Personal/disability insurance
- ✗ Remittances to family members living abroad
- ✗ Costs of caring for a disabled, seriously ill, or elderly family member

<sup>2</sup> Vibrant Communities Canada. (2013). Canadian Living Wage Framework. [http://vibrantcanada.ca/files/living\\_wage\\_full\\_document\\_nov.pdf](http://vibrantcanada.ca/files/living_wage_full_document_nov.pdf)

Although the CLWF recommends using a family of four as the reference household, it also indicates that it is “important to keep track of the costs and benefits experienced by other family types” (p. 4). The CLWF also recognizes the need for some flexibility in calculation methodology in order to “incorporate provincial and municipal differences in cost of living” (p. 2).

The Living Wage estimate is based on the defined household composition and budget inclusions. In reality, there is considerable variation in household compositions as well as budget choices and corresponding expenditures. Because it is not possible to account for this variation in the calculation, the assumptions made are intended to reflect a reasonable set of conservative spending choices.




It is important to keep in mind the implications that conservative spending assumptions and budget exclusions might have on some Red Deer households.

#### *Possible Impacts of Conservative Spending Assumptions and Budget Exclusions*

- Hampering the ability to care for elderly or disabled family members at home
- Difficulty accommodating special dietary needs
- Decreased quality of life due to a restricted ability to partake in hobbies, athletic programs, social and culture programs
- Inability to retire early or retire without support
- Settling for living arrangements that are not preferred (i.e. single adults sharing accommodation despite a desire to live alone, lack of safe outdoor play space for children, limited private space for older children)

## RED DEER LIVING WAGE CALCULATION

The table and figures below summarize the results of the 2016 Living Wage calculation for Red Deer.

	<b>Living Wage</b>	<b>Annual Family Expenses*</b>	<b>=</b>	<b>Employment Income</b>	<b>+</b>	<b>Income from Transfers</b>	<b>-</b>	<b>Taxes</b>
 <b>Couple, 2 Children</b> (each parent)	<b>\$13.81</b>	<b>\$71,762</b>		<b>\$57,450</b>		<b>\$20,299</b>		<b>\$5,978</b>
 <b>Lone Parent, 1 Child</b>	<b>\$14.10</b>	<b>\$49,653</b>		<b>\$29,328</b>		<b>\$21,362</b>		<b>\$1,033</b>
 <b>Single Adult</b>	<b>\$13.68</b>	<b>\$24,380</b>		<b>\$28,454</b>		<b>\$421</b>		<b>\$4,485</b>

\*Due to rounding, each equation may not balance exactly.

In 2014, comparable Living Wage estimates were:

**Couple family**  
**\$13.11**

**Lone parent family**  
**\$14.75**

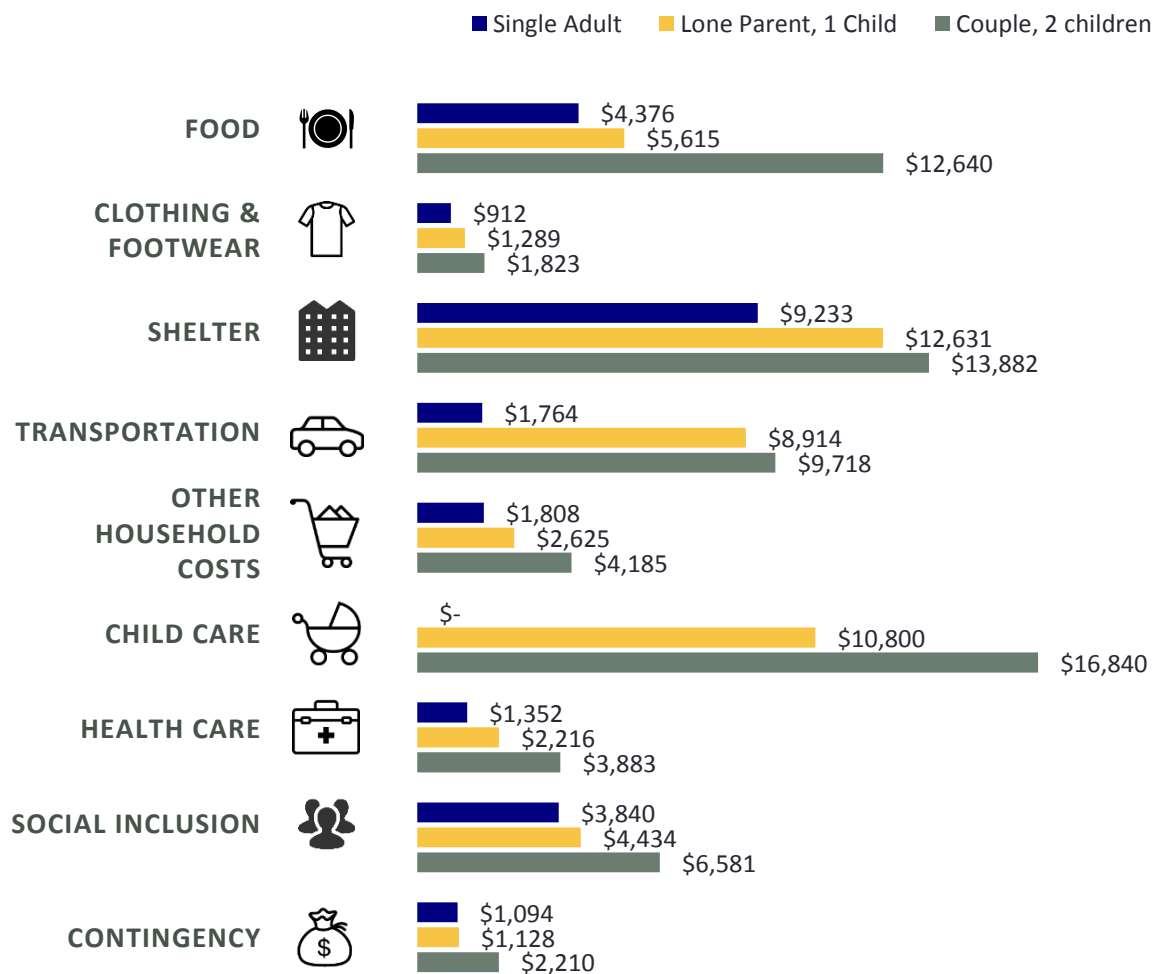
**Single adult**  
**\$11.59<sup>3</sup>**

Although annual expenses increased for each reference household in 2016 compared to 2014, the Living Wage rate decreased for the lone parent family. For the lone parent family, increased expenses were more than offset by increased government transfers resulting from the Canada Child Benefit, Alberta Child Benefit, and enhanced Family Employment Tax Credit.

<sup>3</sup> In the 2014 report, the shelter assumption for the single adult was a shared 2 bedroom. The more common assumption used in recent Living Wage reports is non-shared living arrangements. Therefore, the 2014 estimate was recalculated using rental costs for a bachelor apartment to support comparability to the 2016 calculation.



## ANNUAL FAMILY EXPENSES BY BUDGET COMPONENT



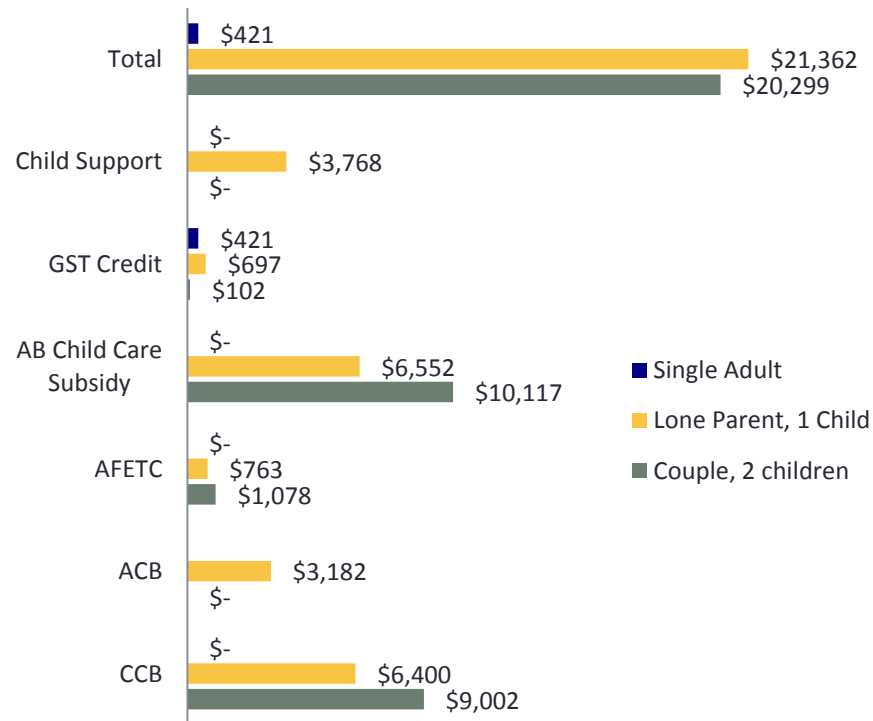
**Child care, shelter and food account for more than half of each household's expenses.**

**Transportation is the next largest expense for the lone parent and couple families.**

**Social inclusion expenses represent about 9% of the lone parent and couple families' expenses and about 16% of the single adult's expenses.**



## TRANSFERS THAT APPLY TO EACH HOUSEHOLD



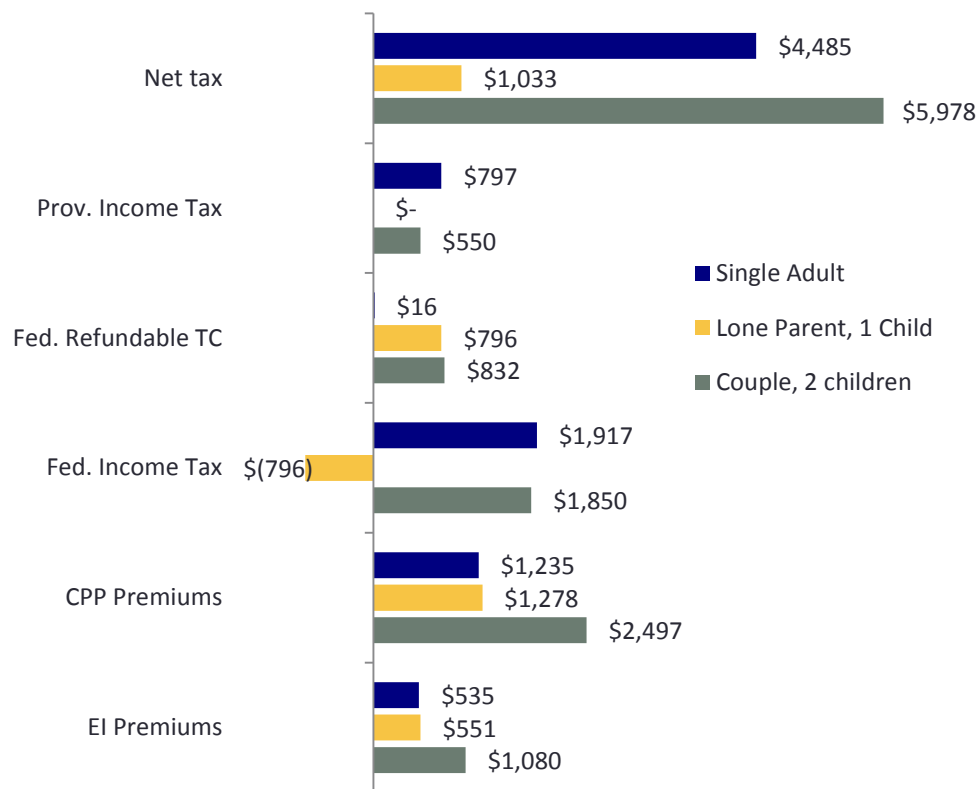
**Financial assistance through government programs is:**

- Highest for the lone parent family
- Lowest for the single adult

**The AB Child Care Subsidy and Canada Child Benefit provide the highest amount of support to families.**

## TAX PAID BY EACH HOUSEHOLD

Taxes are also a component of the LW calculation equation. Published tax formulas and indexing values available online were used to determine the tax contributions and credits applicable to each reference household.



### Net tax is:

- **Highest for the couple family**
- **Lowest for the lone parent family**

**CPP premiums and Federal Income Tax represent the largest tax contributions for each household.**

## CENTRAL ALBERTA LIVING WAGE ESTIMATION

In 2014, the CLWF was also be used to inform the calculation of Living Wage rates for Central Alberta communities. However, due to the challenges associated with the estimation of annual family expenses in small communities, the methods were adjusted as detailed below. The adjustments are based on the research findings that demonstrate that, for the most part, variation in living costs within a region are often attributable to differences in shelter and transportation expenses.

### Living Wage Calculation Adjustments

#### *#1 Use the Red Deer Living Wage Calculation as a Starting Point*

Use the Red Deer Living Wage calculation as starting point

#### *#2 Adjust Transportation Expenses*

Reflect the reality of limited public transit options in rural and small communities by assuming that all working adults own and operate a private vehicle and adjusting transportation costs accordingly.










#### *#3 Adjust Shelter Expenses*











Use the Alberta Vacancy Rate and Rental Cost Survey and/or other locally available information to reflect local apartment rental costs.









#### *#4 Adjust Other Expenses as Required to Reflect Local Realities*

Where anecdotal evidence suggests that other family expenses vary considerably from those in Red Deer, consider options for collecting local data.

Following the above recommendations, transportation and shelter costs within the 2016 Red Deer Living Wage calculation were adjusted to arrive at 2016 Living Wage estimates for Central Alberta communities for which local shelter costs were available. Results are shown in the table below. Appendix B details the data and methods used to determine expenses.

	<b>Living Wage</b>	<b>Annual Family Expenses*</b>	<b>=</b>	<b>Employment Income</b>	<b>+</b>	<b>Income from Government Transfers</b>	<b>-</b>	<b>Taxes</b>
<b>BLACKFALDS</b>								
 Couple, 2 Children	<b>\$19.43</b> (each parent)	\$82,436		\$80,829		\$15,586		\$13,946
 Lone Parent, 1 child	<b>\$13.24</b>	\$47,874		\$27,082		\$21,217		\$414
 Single Adult	<b>\$19.84</b>	\$32,862		\$41,267		\$154		\$8,556
<b>BOWDEN</b>								
 Couple, 2 Children	<b>\$16.37</b> (each parent)	\$76,345		\$68,099		\$18,333		\$10,077
 Lone Parent, 1 child	<b>\$12.21</b>	\$46,799		\$25,397		\$21,362		-\$51
 Single Adult	<b>\$16.99</b>	\$29,034		\$35,339		\$421		\$6,725
<b>ECKVILLE</b>								
 Couple, 2 Children	<b>\$15.41</b> (each parent)	\$74,695		\$64,106		\$19,169		\$8,575
 Lone Parent, 1 child	<b>\$11.39</b>	\$45,570		\$23,691		\$21,362		-\$521
 Single Adult	<b>\$16.77</b>	\$28,717		\$34,882		\$421		\$6,584

INNISFAIL					
 Couple, 2 Children	<b>\$17.20</b> (each parent)	\$78,565	\$72,467	\$17,526	\$11,427
 Lone Parent, 1 child	<b>\$12.11</b>	\$46,647	\$25,189	\$21,362	-\$108
 Single Adult	<b>\$19.47</b>	\$32,365	\$40,498	\$192	\$8,318
LACOMBE					
 Couple, 2 Children	<b>\$17.42</b> (each parent)	\$77,323	\$69,722	\$18,214	\$10,600
 Lone Parent, 1 child	<b>\$12.42</b>	\$47,116	\$25,834	\$21,362	\$70
 Single Adult	<b>\$18.74</b>	\$31,394	\$38,979	\$268	\$7,849
PENHOLD					
 Couple, 2 Children	<b>\$16.62</b> (each parent)	\$76,865	\$69,139	\$18,151	\$10,424
 Lone Parent, 1 child	<b>\$12.54</b>	\$47,306	\$26,083	\$21,362	\$138
 Single Adult	<b>\$18.13</b>	\$30,578	\$37,710	\$332	\$7,457
PONOKA					
 Couple, 2 Children	<b>\$17.59</b> (each parent)	\$78,880	\$73,174	\$17,362	\$11,640

	<b>Living Wage</b>	<b>Annual Family Expenses*</b>	<b>=</b>	<b>Employment Income</b>	<b>+</b>	<b>Income from Government Transfers</b>	<b>-</b>	<b>Taxes</b>
 Lone Parent, 1 child	<b>\$12.00</b>	\$46,483		\$24,960		\$21,362		-\$171
 Single Adult	<b>\$17.17</b>	\$29,289		\$35,714		\$421		\$6,841
<b>RIMBEY</b>								
 Couple, 2 Children	<b>\$20.25</b> (each parent)	\$84,046		\$84,240		\$14,795		\$14,973
 Lone Parent, 1 child	<b>\$12.43</b>	\$47,129		\$25,854		\$21,362		\$75
 Single Adult	<b>\$18.46</b>	\$31,024		\$38,397		\$297		\$7,669
<b>SYLVAN LAKE</b>								
 Couple, 2 Children	<b>\$18.48</b> (each parent)	\$80,619		\$76,877		\$16,503		\$12,755
 Lone Parent, 1 child	<b>\$13.23</b>	\$48,345		\$27,518		\$21,362		\$534
 Single Adult	<b>\$20.65</b>	\$33,935		\$42,952		\$70		\$9,076

\*Due to rounding up to the nearest cent when determining LW, each equation may not balance exactly.

## APPENDIX A: RED DEER CALCULATION DETAILS

## ANNUAL FAMILY EXPENSES

The first step in calculating Red Deer's Living Wage is the determination of annual family expenses based on assumed budget inclusions and exclusions. Estimation of each reference household's expenses requires collecting appropriate data and researching local costs. For some budget items, specific assumptions need to be made respecting household spending choices.




The resulting estimates for each budget component and the specific estimation methods and data sources used are detailed below. Data sources included local agencies, local, provincial and federal government reports and websites, and Statistics Canada databases.



### FOOD

The food estimate was determined from the 2015 Alberta Nutritious Food Basket Costs for Red Deer which provides an estimate of the cost of healthy eating based on current nutrition recommendations. Food prices are collected biannually in communities throughout Alberta.

The collection of price information occurs through a partnership between Alberta Agriculture and Rural Development (Economics & Competitiveness Division, Statistics & Data Development Branch) and Alberta Health Services, Nutrition Services, with the support of local full-service grocery stores.

	Monthly (\$)	Annually (\$)
 Couple, 2 Children	1,053	12,640
 Lone Parent, 1 child	468	5,615
 Single Adult	365	4,376



### CLOTHING AND FOOTWEAR

Statistics Canada provides estimated costs for MBM

Monthly (\$)      Annually (\$)






commodity groupings. The 2013 Alberta MBM estimates for Clothing and Footwear in small urban centres (\$1,800, \$1,273, & \$900) are adjusted for inflation (using Alberta CPI values, clothing and footwear commodity group) to arrive at estimates for 2016.






## SHELTER

The shelter estimate includes the average<sup>4</sup> cost of renting an apartment (3 bdrm- \$1,136/mth, 2 bdrm- \$1,036/mth & bachelor- \$755/mth) based on CMHC's Fall 2015 Alberta Rental Market Report and AMA quoted annual costs for tenant insurance (\$226, \$199, & \$173) for \$1 million in legal liability and \$50,000, \$40,000 and \$30,000 in contents, respectively.

Note that for 2016, the shelter type assumption for the single adult was changed to a bachelor apartment as opposed to sharing a 2 bedroom. This better aligns with what other municipalities' Living Wage estimates and supports comparability.

 Couple, 2 Children	152	1,823
 Lone Parent, 1 child	107	1,289
 Single Adult	76	912




	Monthly(\$)	Annually (\$)
 Couple, 2 Children	1,157	13,882
 Lone Parent, 1 child	1,053	12,631
 Single Adult	769	9,233

<sup>4</sup> Note that rents reported to CMHC do not consistently include utility costs. Therefore although average rents are used, they are considered conservative estimates of the cost of apartment living.



## TRANSPORTATION




It is assumed that the couple and lone parent family own and operate a compact sedan (\$ 8,914 annually)<sup>5</sup>. Also, one adult within the couple family uses a bus pass (\$67/mth) to allow them to get to work independently. The single adult relies on the bus and taxi services (2 round-trips/mth at \$40 each)<sup>6</sup>.

	Monthly (\$)	Annually (\$)
 Couple, 2 Children	810	9,718
 Lone Parent, 1 child	743	8,914
 Single Adult	147	1,764



## OTHER HOUSEHOLD COSTS

Other household costs include: bank fees; allowance for children over 6; household operation, maintenance, furnishings, and equipment; personal care items; and reading materials. The assumptions, methods, and sources used to estimate each of these expenses are detailed below.

	Monthly (\$)	Annually (\$)
 Couple, 2 Children	349	4,185
 Lone Parent, 1 child	219	2,625
 Single Adult	151	1,808

**Bank Fees** - Service fees apply to most chequing accounts. A survey of major banks suggests that fees can be kept to about \$10/month by limiting transactions.

**Allowance for Children over 6** - Many parents choose to pay their children a weekly allowance in exchange for help with chores around the house. An article in Canadian Living (Godfrey, 2013) suggests that a rule of thumb for the amount of allowance paid per week is the child's age in dollars. For the purpose of this study we have assumed a \$40 monthly allowance for the nine year-old child.

<sup>5</sup> Canadian Automobile Association's Driving Cost Calculator available at: [http://caa.ca/car\\_costs/](http://caa.ca/car_costs/).

<sup>6</sup> Although Red Deer's bus system is a viable option as the primary mode of transportation for some families, the latest National Household Survey (2011) indicates that only 4.4% of the working population in Red Deer relies on public transit to commute to work.

**Laundry** – Apartment living typically comes with the need to pay for laundry services. It is assumed that the cost of washing and drying one load is \$4 and that the number of loads per week is 3, 2, and 1 for the couple family, lone parent family and single adult, respectively. The resulting annual cost estimates are: \$624, \$416, and \$208.

**Household Operation, Maintenance, Furnishings, and Equipment** - Determining a budget for household operation, maintenance, furnishings and equipment is a difficult task given that necessary expenditures will vary from year to year for households. The Statistic Canada's 2014 Survey of Household Spending (SHS) reports on average expenditures of Alberta households by income quintile. Spending allocated to these type of expenditures for Alberta households in the second income quintile is used as a proxy (excluding spending on pets, gardening, and communications)<sup>7</sup>. This figure is adjusted for household size and inflation. The resulting estimates are \$1,883, \$1,331, and \$941 for the couple family, lone parent family and single adult, respectively.

**Personal Care Items** - As above, results from Statistic Canada's 2014 SHS are used to estimate the spending allocated to personal care items with appropriate adjustments for household size and inflation. The resulting estimates are \$1,058, \$748, and \$529 for the couple family, lone parent family and single adult, respectively.




**Reading Materials** - It is assumed that each household relies on the internet and the public library to access reading materials. A Red Deer Public Library Card is free to citizens under the age of 18 and \$10 otherwise.

## CHILD CARE

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<sup>7</sup> The second income quintile was chosen because the average household expenditures this quintile best corresponds to the annual family expenses for the family of four in this study.

With parents working full-time, it is assumed child care is needed for all children. The couple pays for after school care for the older child and day care for the younger child. The lone parent's child attends a day care program that includes kindergarten programming.

	Monthly (\$)	Annually (\$)
 Couple, 2 Children	1,403	16,840
 Lone Parent, 1 child	900	10,800
 Single Adult	-	-

Based on an informal survey of several child care providers in the community, full-time childcare for four and five year olds ranges from \$900 to \$1,380/month as of September 2016. School age programs are expected to range from \$500-640/month during the school year and \$660/month (\$190/week) or more in the summer.

	Couple, 2 Children	Lone Parent, 1 Child
4/5 year old	12 months at \$900 = \$10,800	12 months at \$900 = \$10,800
School Age Program	10 months at \$500 = \$5,000 1 months at \$660 = \$660 2 weeks at \$190 = \$380 * No care required for 2 week summer vacation	
<b>Budget Estimate</b>	<b>\$16,840</b>	<b>\$10,800</b>



## HEALTH CARE

The health care budget estimates includes the cost of health insurance premiums and assumed out-of-pocket expenses. Annually, each household's expenditure on health care premiums is estimated to be \$3,048, \$1,560 and \$1,008, respectively. Total out-of-pocket health spending is estimated at \$700, \$350, and \$245. Further details are provided below.

	Monthly (\$)	Annually (\$)
Couple, 2 Children	324	3,883
Lone Parent, 1 child	185	2,216
Single Adult	113	1,352

**Health Insurance Premiums** - The cost of health and dental insurance premiums is based on rates provided by Alberta Blue Cross in June 2016 for their "C" plan.

Alberta Blue Cross Coverage (Monthly rates for each family member as of June 2016)						
Plan Type	Age 4 & under	Age 5 - 20	Age 21 - 34	Age 35 - 44	Age 45 - 54	Age 55 - 64
C	\$16.70	\$50.30	\$90.20	\$102.40	\$128.90	\$151.90

**Out-of-Pocket Expenses** - Coverage limitations (e.g. 80% for prescription drugs, \$50 per physiotherapist visit, etc.) are such that out-of-pocket costs will be incurred. Assumptions respecting out-of-pocket expenses are outlined below. It is assumed that vision coverage (\$250/person every two years) is sufficient if discount eyewear suppliers are used.




Expense	Assumptions	Coverage	Out-of-Pocket Expenditures		
			Couple, 2 Children	Lone Parent, 1 Child	Single Person
Prescriptions	\$160/person	80%	\$128	\$64	\$32
Physiotherapy	3 visits /adult at \$80 each	\$50/visit	\$180	\$90	\$90
Chiropractor	3 visits/adult at : \$90/\$40/\$40	\$35/visit	\$130	\$65	\$65
Dental	1 recall (\$72.50), 1 cleaning (\$174) & complete radiograph series (\$166)/yr/person	80% up to \$600/yr/person	\$330	\$165	\$82.50
Budget Estimate			\$768	\$384	\$270

\*Dental coverage based on Alberta Blue Cross Dental Fee Schedule. Dental procedure costs were obtained from AB Blue Cross' Usual and Customary Fees Guide.



## SOCIAL INCLUSION

Social inclusion expenses relate to spending on goods and services that allow for fuller participation in society. Expenditures for cell phones for each adult, basic TV and internet service, adult education, recreation, entertainment, a modest vacation, and conservative spending on gifts are included. Further details are below.

	Monthly (\$)	Annually (\$)
 <b>Couple, 2 Children</b>	<b>548</b>	<b>6,581</b>
 <b>Lone Parent, 1 child</b>	<b>370</b>	<b>4,434</b>
 <b>Single Adult</b>	<b>320</b>	<b>3,840</b>

**Cell Phone(s), Cable and Internet** - In spring 2016, regular monthly fees (to the nearest dollar) for basic TV and internet from the major providers (Shaw, Eastlink and Telus) were found to be as low as \$60. For cellular service, the least cost smart phone plan available from Telus was found to be \$45/month is used. It is assumed that each adult has a smart phone.

**Adult Education** - For many low-wage earners, lack of post-secondary education limits access to employment opportunities that might allow them to step out of poverty. For this reason, the CLWF suggests assuming that one adult household member is engaged in a post-secondary or continuing education program through evening classes at a local college. In this case, it is assumed that an adult in each family takes two courses per year at Red Deer College. RDC's estimated program costs (tuition, fees and books) vary by program. Using one of the lowest cost programs, cost estimates for 2016/17 are \$110.50/credit for tuition, \$43/credit for books and materials, and \$10/credit for fees<sup>8</sup>. An individual course is generally worth three credits.

**Recreation and Entertainment** - The City of Red Deer coordinates a number of no-admission, family-friendly activities throughout the year. It is assumed that each household is able to participate in these activities at no expense. In terms of accessing other recreation and entertainment activities, it is assumed that each individual obtains a Collicutt card and each

<sup>8</sup> Additional student fees may apply for full-time study.

adult participates on one adult sports team each year at a cost of \$100 each. As well as six movie theatre and twelve restaurant outings are assumed during each year.

It is further assumed that each household has one computer which is used to access the internet for academic research, homework, reading materials, news, online games, etc. Computer costs are based on the 2014 SHS value for the second income quintile (CANSIM Table 203-0022). An estimate of the cost of children's toys is taken from the 2013 SHS as this information was not available from the 2014 SHS by income quintiles; the value is split in half for the Lone Parent family with 1 child.

	Couple, 2 children	Lone Parent, 1 Child	Single Adult
Colicutt cards	Family membership: <b>\$1200</b>	Adult Membership: <b>\$540</b> Child Membership: <b>\$216</b>	Adult Membership: <b>\$540</b>
Adult Sports League	\$200	\$100	\$100
Children's Toys	\$61	\$31	
Computer equipment, software, & supplies	\$313	\$313	\$313
Movie theater outings (6)*	\$276	\$138	\$81
Restaurant Meals (12) (Assume avg cost/meal is: adult- \$25, child- \$15)	\$960	\$480	\$300
<b>Budget Estimate</b>	<b>\$3,010</b>	<b>\$1,818</b>	<b>\$1,334</b>

\*Admission only based on Cineplex.com - 3 regular movies for \$12/Adult; \$8/child; 3 3D movies - \$15/Adult; \$11/child

**Vacation** - A two week camping vacation is assumed. Five nights are spent at each of Jarvis Bay Provincial Park and Aspen Beach Provincial Park. For the Lone Parent family and Single Adult, trips are coordinated with another family or friend and the cost of the campground site is shared evenly. Nightly site fees posted on the Alberta Parks website are used.

	Couple, 2 children	Lone Parent, 1 Child	Single Adult
Vacation details and costs	Jarvis Bay Provincial Park – 5 nights at \$26/night Aspen Beach Provincial Park – 5 nights at \$32/night		
	Costs fully incurred	Cost-shared with another family	Cost-shared with a friend
<b>Budget Estimate</b>	<b>\$290</b>	<b>\$145</b>	<b>\$145</b>






**Gifts** – Conservative spending on family birthday, Christmas, and other gifts is assumed. Costs are assumed to be \$25 per child gift and \$40 per adult gift. For birthday parties, \$15 per gift is assumed.

	Couple, 2 children	Lone Parent, 1 Child	Single Adult
Christmas Gifts (1 for each child, spouse to spouse gifts)	130	25	
Birthday Gifts (1 for each child, spouse to spouse gifts)	130	25	
Birthday Party Gifts (each child attends 4 parties)	120	60	
Other Gifts (3) (Baby showers, weddings, etc.)	120	120	120
<b>Budget Estimate</b>	<b>\$500</b>	<b>\$230</b>	<b>\$120</b>



## CONTINGENCY

It is assumed that in order to be prepared for emergencies and unforeseen expenses, each household put aside a small amount of their income each month. The total annual amount is based on two weeks of employment income (before-tax). The amount is calculated through a formula within the Living Wage calculation spreadsheet.

	Monthly (\$)	Annually (\$)
 Couple, 2 Children	184	2,210
 Lone Parent, 1 child	94	1,128
 Single Adult	91	1,094

## SUBSIDIES AND TRANSFERS

The calculation of Living Wage accounts for the government subsidies, benefits, and transfers that apply to each of the three reference households. The table below lists the programs that target low income households.

<i>Subsidy, Benefit, and Transfer Programs</i>		
<b>Federal:</b>	<b>Provincial:</b>	<b>Municipal:</b>
Canada Child Benefit (CCB)	Alberta Adult Health Benefit (AAHB)	Recreation Fee Assistance Program
Goods and Services Tax (GST) Credit	Alberta Child Health Benefit (ACHB)	
	Alberta Child Benefit (ACB)	
	Alberta Child Care Subsidy (ACCS)	
	Alberta Family Employment Tax Credit (AFETC)	

Descriptions of each of these programs and relevant eligibility requirements are available online. For most of these programs, eligibility and benefit levels are based on formulas which include net income or employment income as a variable. None of the reference households meet the eligibility requirements for the Recreation Fee Assistance Program, AAHB, or ACHB because their income levels are too high.

## APPENDIX B: CENTRAL ALBERTA CALCULATION DETAILS



### SHELTER

Community-specific estimates of average private apartment rental costs are available for the following Central Alberta communities: Bowden, Blackfalds, Eckville, Innisfail, Lacombe, Penhold, Ponoka, Rimbey, and Sylvan Lake. For the larger communities of Lacombe and Sylvan Lake, data was obtained from *CMHC Alberta Market Rental Report, Fall 2015*. For the other communities data was obtained from the *2015 Alberta Apartment Vacancy and Rental Cost Survey*.

	Bachelor	1 Bedroom	2 Bedroom	3 Bedroom
<b>Bowden</b>	525	679	810	NA
<b>Blackfalds</b>	NA	NA	933	1,279
<b>Eckville</b>	NA	NA	713	780
<b>Innisfail</b>	875	786	798	947
<b>Lacombe</b>	NA	710	835	981
<b>Penhold</b>	NA	646	989	850
<b>Ponoka</b>	545	644	785	1,005
<b>Rimbey</b>	NA	681	836	1,400
<b>Sylvan Lake</b>	NA	909	1,004	1,138




\*NA – Not Available

The assumptions are: couple family - 3 bedroom apartment rate; lone parent family – 2 bedroom rate; single adult – bachelor rate or where none were reported, the 1 bedroom rate. Also, where the bachelor rate was higher than the 1 bedroom rate, the 1 bedroom rate was used. Where 2015 data was not available, 2014 figures for 1 bedroom rent were used as follows: Blackfalds- \$825 and Eckville- \$500. For Penhold, the 3 bedroom cost is used for the lone parent family since it is substantially lower than the 2 bedroom cost. For Bowden, no 3 bedroom cost was reported in 2014 or 2015, therefore the 2 bedroom rate is used for both the lone parent and couple family.



## TRANSPORTATION

Transportation costs were adjusted to reflect the assumption that all working adults in Central Alberta own and operate a vehicle.

	Red Deer		Central Alberta	
	Monthly	Annually	Monthly	Annually
 Couple, 2 Children	\$810	\$9,718	\$1,486	\$17,828
 Lone Parent, 1 child	\$743	\$8,914	\$743	\$8,914
 Single Adult	\$147	\$1,764	\$743	\$8,914