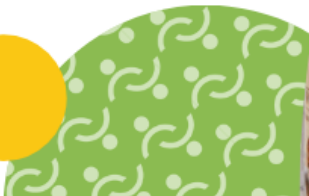


Alberta Living Wage Report

November 2021



Introduction

A **living wage** is the hourly wage a worker needs to earn to cover their basic expenses within their community. It is re-calculated on an annual basis to ensure that it accurately reflects changing living expenses. This report shows how the living wage rates for 2021 were calculated for twelve communities across Alberta. With the exception of Lethbridge and Rocky Mountain House, the living wage calculation is based on a family of four with two parents working 35 hours per week. The tables in this report show the breakdown of basic expenses, benefits, and taxes for each community.

Page Four – Calgary, Canmore, Chestermere, Cochrane, Drumheller

Page Five – Edmonton, Fort McMurray, Red Deer, Stony Plain, Strathcona County

Page Six – Lethbridge and Rocky Mountain House

Page Seven – Grande Prairie

How were these numbers calculated?

For the majority of communities, expenses, taxes, and benefits are determined as follows:

- Food costs are calculated using the 2019 Alberta Nutritious Food Basket, from Alberta Health Services. This represents a basic, healthy diet that would fulfill current nutrition recommendations and reflects the typical food purchasing patterns of the target population.
- The clothing and footwear expense is based on Statistics Canada's Market Basket Measure (MBM) for clothing, which includes footwear and clothing for a family of four for most common work, school and social occasions.
- The shelter expense is determined using the MBM for Shelter. Statistics Canada estimates the median cost of 3-bedroom rental units occupied by households in the second income decile, based on the 2016 Census. The shelter cost also includes an amount to reflect that some households have to provide their own appliances, and an amount for tenant's insurance. This is adjusted by the Alberta Spatial Price Index (or close proxy based on the size and location of municipality) outside the large cities.
- Transportation expenses are calculated using the MBM for transportation, which includes both private and public costs. The private transportation costs include the purchase of an eight-year-old compact car along with 1,200 liters of gas per year. The public transportation costs include monthly public transit passes for two adults and one child and an additional amount for 12 round trip taxi rides. The proportions allocated to private and public transportation are based on 2016 Census data.
- The childcare expense includes the cost of 12 months of child care for the 4-year old, based on each community finding the actual costs of local providers. It also includes 10

months of before- and after-school care and 2 months of day camps for the 9-year-old, based on each community finding the actual costs of local providers.

- Healthcare is determined by the cost of an Alberta Blue Cross Blue Choice Plan, Level C, which includes extended health benefits, dental coverage, and prescription coverage.
- The cost of tuition and other school fees is based on one adult taking two three-credit courses at Athabasca University, and includes students' union and alumni relations fees.
- Other household costs are calculating using the MBM for Other expenses. This includes costs such as phone bills, household supplies, furniture, electric appliances, personal care, home entertainment, sports and recreation, and reading materials.
- The contingency fund is equivalent to two weeks' worth of wages.
- Government benefits and taxes are based on the 2021 tax year.
- Expenses have been adjusted for inflation using the Consumer Price Index (CPI). The most recent CPI available is for the year 2020.

Please note that for some communities, certain household expenses were calculated using a different methodology. These exceptions are also noted in the footnotes.

- In Cochrane, Rocky Mountain House, Stony Plain, and Strathcona County, the shelter expense is calculated using the Canadian Rental Housing Index.
- In Drumheller, the transportation expense includes the cost of two vehicles.
- In Edmonton, the tuition and other school fees expenses are based on the cost of two Social Work courses at NorQuest College.
- In Lethbridge, the shelter expense for a single individual is based on data from the Canada Mortgage and Housing Corporation.

Special considerations for Lethbridge, Rocky Mountain House, and Grand Prairie

While for most communities the living wage rate is based on a family of four, in Lethbridge, Rocky Mountain House, and Grande Prairie it is the weighted average of the living wage for a family of four and the living wage for a single individual. Our calculations found that a family of four in these communities was able to cover its expenses at \$15/hour due to government benefits related to children, so we calculated the living wage for a single individual and took the weighted average (based on the 2016 census) to better reflect the demographic makeup of the population.

	Calgary	Canmore	Chestermere	Cochrane	Drumheller
<i>Living Expenses</i>					
<i>Food</i>	\$14,285	\$15,601	\$14,285	\$13,320	\$15,339
<i>Clothing and footwear</i>	\$1,897	\$1,897	\$1,897	\$1,897	\$1,897
<i>Shelter</i>	\$19,909	\$45,658	\$20,840	\$24,489 ¹	\$18,530
<i>Transportation</i>	\$4,354	\$4,467	\$4,467	\$3,790	\$6,700 ²
<i>Childcare</i>	\$20,639	\$21,700	\$19,560	\$21,405	\$18,608
<i>Healthcare</i>	\$4,274	\$4,274	\$4,274	\$4,274	\$4,274
<i>Tuition</i>	\$1,518	\$1,518	\$1,518	\$1,518	\$1,518
<i>Other school fees</i>	\$27	\$27	\$27	\$27	\$27
<i>Other household costs</i>	\$11,545	\$13,121	\$11,545	\$11,545	\$12,249
<i>Contingency fund</i>	\$2,604	\$5,236	\$2,604	\$3,164	\$2,758
<i>Total</i>	\$81,052	\$113,499	\$81,017	\$85,429	\$81,900
<i>Government Benefits</i>					
<i>GST Credit</i>	\$121	\$0	\$121	\$0	\$0
<i>Canada Child Benefit</i>	\$9,537	\$4,490	\$9,537	\$7,571	\$8,996
<i>CCB Young Child Supplement</i>	\$1,200	\$600	\$1,200	\$1,200	\$1,200
<i>Climate Action Incentive</i>	\$981	\$1,079	\$981	\$981	\$1,079
<i>Alberta Child Care Subsidy</i>	\$8,546	\$0	\$8,546	\$5,130	\$7,408
<i>Alberta Child and Family Benefit</i>	\$410	\$0	\$410	\$0	\$149
<i>Total</i>	\$20,795	\$6,169	\$20,795	\$14,882	\$18,832
<i>Taxes</i>					
<i>Federal income tax</i>	\$2,313	\$13,493	\$2,313	\$4,318	\$2,880
<i>Alberta provincial income tax</i>	\$752	\$7,215	\$752	\$2,018	\$1,059
<i>CCP contribution</i>	\$3,308	\$6,333	\$3,308	\$4,102	\$3,527
<i>EI contribution</i>	\$1,070	\$1,779	\$1,070	\$1,300	\$1,133
<i>Total</i>	\$7,443	\$28,820	\$7,443	\$11,737	\$8,599
<i>Living Wage</i>					
	\$18.60	\$37.40	\$18.60	\$22.60	\$19.70

¹ Calculated using the Canadian Rental Pricing Index.

² In Drumheller, the transportation expense is calculated for the cost of owning and maintaining two vehicles.

	Edmonton	Fort McMurray	Red Deer	Stony Plain	Strathcona County
<i>Living Expenses</i>					
<i>Food</i>	\$13,946	\$14,803	\$14,509	\$13,946	\$13,946
<i>Clothing and footwear</i>	\$1,897	\$1,897	\$1,897	\$1,897	\$1,897
<i>Shelter</i>	\$19,582	\$24,620	\$19,794	\$21,731 ¹	\$20,516 ¹
<i>Transportation</i>	\$4,359	\$3,790	\$4,010	\$4,467	\$3,959
<i>Childcare</i>	\$20,790	\$24,836	\$19,370	\$17,915	\$19,044
<i>Healthcare</i>	\$4,274	\$4,274	\$4,274	\$4,274	\$4,274
<i>Tuition</i>	\$1,116 ³	\$1,518	\$1,518	\$1,518	\$1,518
<i>Other school fees</i>	\$91 ³	\$27	\$27	\$27	\$27
<i>Other household costs</i>	\$11,469	\$11,756	\$11,859	\$11,469	\$11,469
<i>Contingency fund</i>	\$2,534	\$3,829	\$2,401	\$2,408	\$2,352
<i>Total</i>	\$80,058	\$91,350	\$79,659	\$79,652	\$79,002
<i>Government Benefits</i>					
<i>GST Credit</i>	\$212	\$0	\$385	\$376	\$449
<i>Canada Child Benefit</i>	\$9,782	\$6,575	\$10,249	\$10,225	\$10,421
<i>CCB Young Child Supplement</i>	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
<i>Climate Action Incentive</i>	\$981	\$1,079	\$1,079	\$981	\$981
<i>Alberta Child Care Subsidy</i>	\$8,546	\$0	\$9,674	\$9,674	\$9,674
<i>Alberta Child and Family Benefit</i>	\$528	\$0	\$753	\$741	\$836
<i>Total</i>	\$21,250	\$8,854	\$23,341	\$23,197	\$23,561
<i>Taxes</i>					
<i>Federal income tax</i>	\$2,115	\$6,809	\$1,565	\$1,591	\$1,384
<i>Alberta provincial income tax</i>	\$705	\$3,651	\$498	\$507	\$437
<i>CCP contribution</i>	\$3209	\$5,034	\$3,021	\$3,031	\$2,951
<i>EI contribution</i>	\$1041	\$1,573	\$986	\$989	\$966
<i>Total</i>	\$7,070	\$17,078	\$6,071	\$6,118	\$5,739
<i>Living Wage</i>					
	\$18.10	\$27.35	\$17.15	\$17.20	\$16.80

³ Based on tuition and fees for two Social Work courses at NorQuest College.

	Lethbridge – family of four	Lethbridge – single individual	Rocky Mountain House – family of four	Rocky Mountain House – single individual
<i>Living Expenses</i>				
<i>Food</i>	\$15,888	\$4,886	\$13,803	\$4,211
<i>Clothing and footwear</i>	\$1,897	\$1,244	\$1,897	\$1,244
<i>Shelter</i>	\$16,609	\$13,100 ⁴	\$17,785 ¹	\$12,081 ¹
<i>Transportation</i>	\$4,010	\$4,010	\$4,467	\$4,467
<i>Childcare</i>	\$17,134	N/A	\$17,475	N/A
<i>Healthcare</i>	\$4,274	\$1,534	\$4,274	\$1,534
<i>Tuition</i>	\$1,518	\$1,518	\$1,518	\$1,518
<i>Other school fees</i>	\$27	\$27	\$27	\$27
<i>Other household costs</i>	\$11,114	\$4,922	\$12,673	\$4,413
<i>Contingency fund</i>	\$2,100	\$1,484	\$2,100	\$1,383
<i>Total</i>	\$74,571	\$32,725	\$76,019	\$30,878
<i>Government Benefits</i>				
<i>GST Credit</i>	\$777	\$456	\$777	\$456
<i>Canada Child Benefit</i>	\$11,306	\$0	\$11,306	\$0
<i>CCB Young Child Supplement</i>	\$1,200	\$0	\$1,200	\$0
<i>Climate Action Incentive</i>	\$1,079	\$539	\$1,079	\$539
<i>Alberta Child Care Subsidy</i>	\$11,388	\$0	\$11,388	\$0
<i>Alberta Child and Family Benefit</i>	\$1,262	\$0	\$1,262	\$0
<i>Total</i>	\$27,011	\$995	\$27,011	\$995
<i>Taxes</i>				
<i>Federal income tax</i>	\$830	\$2,865	\$830	\$2,486
<i>Alberta provincial income tax</i>	\$123	\$1,480	\$123	\$1,227
<i>CCP contribution</i>	\$2,594	\$1,912	\$2,594	\$1,768
<i>EI contribution</i>	\$863	\$610	\$863	\$568
<i>Total</i>	\$4,410	\$6,867	\$4,410	\$6,048
<i>Living Wage</i>				
	\$15.00	\$21.20	\$15.00	\$19.75
	\$19.00⁵		\$18.05⁵	

⁴ Based on data from the Canada Mortgage and Housing Corporation.

⁵ Calculated from the weighted average of the living wage for a family of four and the living wage for a single person, based on the 2016 census.

	Grande Prairie – family of four	Grande Prairie – single individual
<i>Living Expenses</i>		
<i>Food</i>	\$14,040	\$4,307
<i>Clothing and footwear</i>	\$1,897	\$1,244
<i>Shelter</i>	\$20,208	\$15,131
<i>Transportation</i>	\$3,790	\$3,790
<i>Childcare</i>	\$14,395	N/A
<i>Healthcare</i>	\$4,274	\$1,534
<i>Tuition</i>	\$1,369	\$1,369
<i>Other school fees</i>	\$56	\$56
<i>Other household costs</i>	\$12,295	\$4,485
<i>Contingency fund</i>	\$2,100	\$1,533
<i>Total</i>	\$74,424	\$33,449
<i>Government Benefits</i>		
<i>GST Credit</i>	\$777	\$408
<i>Canada Child Benefit</i>	\$11,306	\$0
<i>CCB Young Child Supplement</i>	\$1,200	\$0
<i>Climate Action Incentive</i>	\$981	\$490
<i>Alberta Child Care Subsidy</i>	\$11,388	\$0
<i>Alberta Child and Family Benefit</i>	\$1,262	\$0
<i>Total</i>	\$26,913	\$898
<i>Taxes</i>		
<i>Federal income tax</i>	\$852	\$3,071
<i>Alberta provincial income tax</i>	\$138	\$1,617
<i>CCP contribution</i>	\$2,594	\$1,982
<i>EI contribution</i>	\$863	\$630
<i>Total</i>	\$4,447	\$7,299
<i>Living Wage</i>		
	\$15.00	\$21.90
	\$19.45⁶	

⁶ Calculated from the weighted average of the living wage for a family of four and the living wage for a single person, based on the 2016 census.