



## Media Release

### **BC's child care investments have major impact on 2019 living wage —Dramatically lower out-of-pocket child care costs offset increases in other family expenses—**

**(Vancouver)** Living wage calculations for communities across BC decreased significantly this year, according to a new report released today from the Living Wage for Families Campaign. Even though costs are increasing steeply for rent and other basic necessities, the cost of living for families with children is lower in 2019 thanks to the provincial government's new child care policies.

The living wage is the hourly amount that each of two working parents with two young children must earn to meet their basic expenses (including rent, child care, food and transportation) once government taxes, credits, deductions and subsidies are taken into account.

The 2019 living wage for Metro Vancouver is \$19.50 per hour, down from \$20.91 in 2018. About 30 per cent of Metro Vancouver two-parent families with two children have incomes below the 2019 living wage according to the most recent Statistics Canada data available.

The Province's recent investments in child care are reducing out-of-pocket costs for BC families by thousands of dollars this year. In Metro Vancouver, the living wage family saves a total of \$8,213 on their child care expenses, a 45-per-cent reduction compared to 2018. These savings come from two programs: the income-tested Affordable Child Care Benefit (\$7,013) and the universal Child Care Fee Reduction Initiative (\$1,200).

"The living wage calculation shows the connection between wages and government policy in shaping our standard of living," says Iglia Ivanova, CCPA-BC senior economist and report co-author. "Public investments in child care affordability are helping families with young children weather large increases in the cost of rent and other basic necessities in 2019 and lower the hourly wage they need to earn to meet core budgetary needs."

Without BC's new child care investments, the living wage amounts would have increased considerably. For example, two parents with two children in Metro Vancouver would have had to each earn \$22.47 per hour in 2019 to cover their basic expenses—a shocking 7.5 per cent increase over the 2018 living wage.

The median monthly rent for a three-bedroom unit in Metro Vancouver rose by \$103 in 2019 to \$1,703, a whopping 6.4-per-cent increase. Shelter continues to be the most expensive item in the living wage budget and the fastest growing in many communities.

"The BC government's child care investments are a major win for families with children," says Halena Seiferling, Living Wage for Families Campaign Organizer. "We are also pleased to see the government's new employment standards legislation, which will provide workers and their families with greater economic security. However, without sustained public investment in key family expense areas the living wage decline we see this year will be short-lived and families will continue to struggle."

“We call on the provincial government to take similar bold measures in other policy areas, especially on the high and rapidly growing cost of rent. Maximum rent increases should be tied to the unit rather than to the tenant to protect housing affordability and existing affordable housing stock must be protected.”

Living wage rates in many across the province are similarly lower this year: Columbia Valley (\$15.92), Comox Valley (\$15.28), Cranbrook (\$14.38), Fraser Valley (\$15.54), Greater Trail (\$18.83), Greater Victoria (\$19.39), Kamloops (\$14.38), Nelson (\$18.46), North Central Region (\$14.03), Parksville-Qualicum (\$15.81) and Revelstoke (\$18.90).

Over 140 companies and organizations in 18 BC communities—employing more than 20,000 workers and covering many thousands more contracted service workers—have been certified as Living Wage Employers over the past ten years. These include the District of Central Saanich, SAP Vancouver, the John Howard Society of the Central and South Okanagan, Integris Credit Union, Modo Cooperative and the City of Vancouver. Eight local governments and one school district have passed living wage policies.

The living wage cost is calculated annually in *Working for a Living Wage: Making Paid Work Meet Basic Family Needs in Metro Vancouver*, a report published by the Canadian Centre for Policy Alternatives BC office, First Call: BC Child and Youth Advocacy Coalition and the Living Wage for Families Campaign.

Working poverty is a Canada-wide issue. Over 50 communities across the country, including the 18 in BC, have living wage campaigns and are advocating to improve quality of life for low-wage workers.

-30-

For interviews, contact:

- Halena Seiferling, Campaign Organizer, Living Wage for Families Campaign, 604-975-3347.
- Igljka Ivanova, Senior Economist and Public Interest Researcher, Canadian Centre for Policy Alternatives (and co-author of the report), 604-801-5121 x 232.

## **Background:**

### **Living Wages across BC**

<b>Community</b>	<b>Living Wage</b>	<b>Year Calculated</b>
Metro Vancouver	\$19.50	2019
Greater Victoria	\$19.39	2019
Revelstoke	\$18.90	2019
Greater Trail	\$18.83	2019
Nelson	\$18.46	2019
Columbia Valley	\$15.92	2019
Parksville-Qualicum	\$15.81	2019
Fraser Valley	\$15.54	2019
Comox Valley	\$15.28	2019
Cranbrook	\$14.38	2019
Kamloops	\$14.38	2019
North Central Region	\$14.03	2019