CUPE·SCFP | Canadian Union of Public Employees
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Briefing Note

TO: **Gord Delbridge, President CUPE 500**

FROM: **Canadian Union of Public Employees, Manitoba Division**

DATE: **February 12, 2024**

RE: **WINNIPEG LIVING WAGE**

What is a living wage?

A "living wage" is the hourly wage that a worker needs to earn to cover their basic expenses and have a modest standard of living after the government transfers have been added (child benefit, GST rebate, etc.) and taxes have been subtracted. It assumes a two-parent family – each working 35 hours/week – and two children, aged 4 & 7.

Employers who voluntarily agree to pay all employees in their communities a living wage – and ensure all their contractor employees earn a living wage – are called living wage employers.

A living wage differs from the "minimum wage", which is the legal minimum wage all employers must pay their employees according to provincial law. In most cases, a living wage will surpass the provincially mandated minimum wage.

The family living wage for Winnipeg in 2023 was **$19.21/hour**, as calculated by Professor Jesse Hajer for CCPA-MB. Professor Hajer is an Assistant Professor in the Department of Economics at the University of Manitoba.

Methodology

When calculating a community's living wage, a basic formula is followed:

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Annual Family Expenses=(Employment Income) + (Income from government) – (EI, CPP, Fed/Proc taxes)*

*This includes all government transfers, such as the Canada Child Benefit, GST Rebate, and Rent Assist.

It is notable that the living wage calculation is very dependent on government policy. New government transfers or subsidies (such as reduced childcare costs) can significantly reduce the living wage in a community. Alternatively, the removal or cut to transfers and/or subsidies will increase the living wage calculation.

Family Expenses in Winnipeg

Below you will find ten (10) categories of family expenses that are considered in the living wage calculation. The dollar figure attached was calculated for Winnipeg in 2023. Please remember this is for a two (2) adult, two (2) children (age 4&7 family.

- Food - $1,022/month
- Clothing & Footwear - $173/month
- Shelter - $1,813/month (median rent estimate for a three (3) bedroom unit, utilities & content insurance)
- Transportation - $611/month (operating & amortize the cost of one (1) used vehicle and one (1) bus pass)
- Childcare - $413/month (assumes access to $10/day spot for 4-year-old and before/after school care for 7-year-old)
- Private extended health benefits - $206/month
- Adult education - $166/month (two {2} university courses per year for one {1} parent)
- Other household - $1,060/month (personal care, furniture, kitchen/household supplies, internet, cell phone, recreation)
- Contingency Fund - $224/month (emergency fund savings)

Notably, the family expenses **do not cover** any of the following:

- Credit card, loan, or other debt/interest payments
- Owning a home
- Savings for children's education
- Costs of caring for a disabled, seriously ill, or elderly family members
- Anything beyond minimal recreation, entertainment, or holiday costs
- Much of a cushion for emergencies or tough times

Who determines how the Living Wage is calculated? Who does the work?

The methodology for calculating a community's living wage was originally developed by Living Wage Canada – a federally incorporated non-profit organization.

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Responsibility for calculating local living wages – which by their nature are very specific to each community – fall to a variety of non-profit organizations.

- *Living Wages for Families BC*
  Makes calculations for British Columbia and certifies employers as living wage employers. They have been operating since 2006.
- *Alberta Living Wage Network*
  Is made up of community organizations and municipalities that are dedicated to advancing the living wage movement in Alberta. They calculated community living wages and provide certification to employers.
- *Ontario Living Wage Network*
  Is a network of employers, employees, non-profits, researchers, and other proponents of decent work standards for all Ontario workers. They calculate the living wage for different regions of Ontario and certify employers as living wage employers.
- *Human Development Council*
  Is a social planning council based in St. Johns, New Brunswick. Annually, they calculate the living wage for various communities in New Brunswick.
- *CCPA Nova Scotia*
  Is a non-profit think-tank based in Nova Scotia. They calculate the living wage for various communities in Nova Scotia.
- *CCPA Manitoba*
  Is a non-profit think-tank based in Winnipeg. They calculate the living wage for various communities in Manitoba, including Winnipeg.

Who is already a living wage employer?

Manitoba at present, does not have a certification process for becoming an officially living wage employer. However, several organizations in Winnipeg have embraced the living wage challenge and have publicly committed to maintain wages for all employees at or above the calculated Winnipeg living wage. This includes *Assiniboine Credit Union, Persons Community Solutions,* and *West Central Women's Resource Centre.*

British Columbia, Alberta, and Ontario each have organizations which officially certify as living wage employers. Among these living wage employers are for-profit business, non-profit organization, and municipalities.

Across the country, there are a significant number of **municipalities which are living wage employers.**

- Central Saanich, BC
- Burnaby, BC
- North Vancouver, BC
- Pitt Meadows, BC
- Port Coquitlam, BC
- Quensel, BC

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- Victoria, BC
- Fruitvale, BC
- New Westminister, BC (in process of re-certifying)
- Langley, BC (in process of re-certifying)
- Cambridge, ON
- Kingston, ON
- Waterloo, ON
- St. Catherines, ON
- County of Prince Edward, ON
- County of Huron, ON
- North Perth, ON
- Region of Waterloo, ON
- Halifax, NS

Sources:

Hajer, Jesse, and Michael Apata – *An Updated Calculation Guide for the 2022 Family Living Wage.* CCPA-Manitoba, August 2022

Hajer, Jesse, Niall Harney, and Natalie Dandenault – *Manitoba's Living Wage Update 2023*. CCPA-Manitoba, December 2023

Living Wage Canada https://www.livingwage.ca/

Living Wage for Families BC. https://www.livingwageforfamilies.ca/

Alberta Living Wage Network. https://www.livingwagealberta.ca/

Ontario Living Wage Network. https://www.ontariolivingwage.ca/

Human Development Council. https://sjhdc.ca/living-wage/

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