

Manitoba's Living Wage Update 2023

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What is a Living Wage?

- Using an established methodology used across Canada, the living wage method calculates the hourly rate at which a household can meet its basic needs.
- Based on the principle that fulltime work should provide families with a basic level of economic security and not keep them in poverty.

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What is a Living Wage?

Estimates family expenses, after:

- The cost of government deductions (provincial and federal taxes, Employment Insurance premiums and Canada Pension Plan contributions).
- The value of government transfers (Ex. Canada Child Benefit, Climate Action Incentive, GST Credit, Rent Assist, Manitoba child care subsidy).

Annual Family Expenses	=	Income from employment (living wage)	+	Income from government transfers	−	EI and CPP premiums, federal and provincial taxes

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Table 1 Assumptions about Family Characteristics in the Living Wage Calculation

	Model 1: Two-parent two-child family
Adults	
Number	2
Gender	1 Female, 1 Male
Age	25–44
Number of adults in paid work	2
Hours of paid work per adult	35
Hourly wage	Equal for both
Children	
Number	2
Gender and age	Boy aged 7, Girl aged 4

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Living Wage Family's Expenses Data Sources

- **FOOD:** StatsCan Market Basket Measure (MBM), adjusted downward for younger children.
- **CLOTHING AND FOOTWEAR:** StatsCan MBM,
- **SHELTER:** Canada Mortgage and Housing Corporation (median rent) and Manitoba Hydro (utilities), contents insurance (quotes from local insurance agents)
- **TRANSPORTATION:** StatsCan MBM and Winnipeg Transit
- **CHILD CARE:** Government of Manitoba
- **PRIVATE HEALTH INSURANCE:** Blue Cross
- **PARENTS' EDUCATION:** $Posted Tuition and other fees at UManitoba
- **CONTINGENCY FUND:** 2 weeks pay
- **OTHER HOUSEHOLD EXPENSES:** Stats Can MBM

The living wage does not cover:

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

A Bare Bones Budget — Portrait of a Living Wage Family's Expenses in Winnipeg

At $19.21 per hour in Winnipeg — or $35,058 annually for each parent working full-time — here's what a family of four could afford:

- **FOOD:** $1,022/month
- **CLOTHING AND FOOTWEAR:** $173/month
- **SHELTER:** $1813/month (rent, utilities, contents insurance)
- **TRANSPORTATION:** $611/month
- **CHILD CARE:** $413/month
- **PRIVATE HEALTH INSURANCE:** $206/month
- **PARENTS' EDUCATION:** $166/month
- **CONTINGENCY FUND:** $224/month
- **OTHER HOUSEHOLD EXPENSES:** $1060/month

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TABLE 1 Monthly Expenses for Winnipeg: 2 Parent – 2 Child Family

Category	2022	2023	Percentage Change
Food	$930	$1,022	10%
Clothing/footwear	$171	$173	1%
Shelter	$1,733	$1,813	5%
Transportation	$549	$611	11%
Other	$982	$1,060	8%
Childcare	$633	$413	-35%
Private health insurance	$198	$206	4%
Parent's education costs	$159	$166	4%
Contingency fund (2 weeks' salary)	$214	$224	4%
TOTALS	**$5,571**	**$5,686**	**2%**

Winnipeg Living Wage: $19.21/hour



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Use of the living wage framework

- Living wage framework began in 2007 in BC
  - Emerged out of research by Campaign 2000 which showed many children living in poverty were in homes where at least one parent worked full-time
- Since 2007 living wage networks have emerged in BC, Alberta, Saskatchewan, Manitoba, Ontario, and Nova Scotia
  - Made up of researchers, advocates, municipalities, and businesses

Use of the living wage framework

- Since 2007, over 1300+ employers across Canada have registered as living wage employers
  - 400 in British Columbia
  - 850+ in Ontario
  - 75+ in Alberta

Use of the living wage framework

- 16 municipalities in BC and Ontario have adopted the living wage
  - BC - Central Saanich, City of Burnaby, City of Pitt Meadows, City of North Vancouver, City of Port Coquitlam, City of Quesnel, City of Victoria, City of Fruitvale
  - Ontario - City of Cambridge, City of Kingston, City of Waterloo, City of St. Catherines, Prince Edward County, Huron County, Municipality of North Perth, The Region of Waterloo

- In Alberta, 16 municipalities participate in calculating the local living wage
  - City of Airdrie, City of Grande Prairie, City of Lloydmister, City of Medicine Hat, City of Red Deer, City of St. Albert, Lac La Biche County, Municipality of Jasper, Regional Municipality of Wood Buffalo, Town of Brooks, Town of Canmore, Town of Cochrane, Town of Drayton Valley, Town of Drumheller, Town of Rocky Mountain House, Town of Stony Plain

Use of the living wage framework

"Assiniboine Credit Union is committed to the wellbeing and resilience of our members, employees, communities, and the environment. One important way we ensure the financial health of employees is by paying a Living Wage to help make ends meet at home. ACU is also expanding Living Wage requirements to companies who do work for ACU like cleaning our buildings. This is how we create good jobs in our communities and support the financial health of those who work for ACU and our local economy. Paying a living wage to employees is simply good business practice. Assiniboine Credit Union is proud to be a living wage employer." - Kevin Sitka, President & CEO Assiniboine Credit Union

Use of the living wage framework

"In Manitoba, the necessity for many to work multiple jobs because of inadequate wages undermines our community's stability since people cannot meet their essential needs. Implementing a living wage is a feasible step that benefits not just workers, but businesses too, fostering a healthier, more resilient community. This shift from a narrow profit focus to a holistic well-being approach can strengthen the very foundation of our society." - Daniel Waycik, Persons Community Solutions



Full Report Available at:
policyalternatives.ca/offices/manitoba/publications



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