



SUNSHINE  
COAST  
FOUNDATION

BUILDING COMMUNITY. CREATING A LEGACY.



20 | *A Living Wage*  
21 | for the Sunshine Coast



## Executive Summary

### What is the living wage for the Sunshine Coast?

The living wage for the Sunshine Coast is \$19.79 in 2021. It is the hourly pay that two parents must earn to provide for the basic expenses for a family of four. (Living Wage Canada, 2013) This is a conservative estimate that includes the cost of housing, food, transportation, childcare, health care, and other budget categories. The living wage is not the same as the minimum wage, which is the legal minimum all employers must pay their workers. Further, the living wage is not a magic number; rather, it is the beginning of a conversation about supporting low wage workers in our community.

### Who is the living wage family?

The living wage family is a hypothetical family unit comprised of two parents and two children, ages four and seven years old. The living wage assumes that each parent works full-time, or 35 hours per week, each week of the year. The calculation assumes that the four-year-old is in full-time licensed childcare, and that the seven-year-old is enrolled in school and requires childcare before and after school, and during Professional Development days, school holidays, and over the summer.

### Why is a living wage important?

A living wage has an immediate impact on a family: it reduces the stress of parents and supports better parental mental and physical health. A living wage also supports the physical and mental health of the children in the family: with adequate income to provide for food and housing, for example, children are better able to focus on school and are less likely to report stress themselves. (Living Wage for Families Campaign, 2013)

The impact of a living wage reaches beyond the family and touches the employer and the community. Workers who receive adequate compensation are more likely to remain in their jobs, leading to decreased recruitment and training costs for the employer. And, as the current labour shortage demonstrates, employee retention is necessary to keep businesses open and serving the community.

The Sunshine Coast is an attractive place to live. Families can take part in numerous outdoor and recreation activities; there are many opportunities for community participation. However, there are also unique challenges for Sunshine Coast residents, particularly low wage earners. For example, the cost of housing is rising faster than wages. (Urban Matters CCC, 2020) Additionally, the rural and remote nature of the Coast increases the cost of living, and those working in tourism or other seasonal sectors may need to hold multiple jobs to create full-time employment.

Young families are essential to the future health of the Sunshine Coast community. BC Stats predicts that, by 2029, the Sunshine Coast will have more children and seniors than working age adults (those 15-64). (Sunshine Coast Foundation, 2019) Yet those working age adults are necessary to provide the services that children and seniors need, including childcare, education, health care, and home care services. Ensuring that families earn a living wage benefits the broader community.





# A Living Wage in the Context of the Sunshine Coast

**29,970**

In 2016, the most recent published census year, there were 29,970 people living on the Sunshine Coast between Egmont and Port Mellon. (Statistics Canada, 2016)

**4,850**

There are 4,850 children and youth (ages 0-19 years old) on the Coast. Children and youth comprise 16% of the total population.

**7,885**

There are 7,885 families on the Sunshine Coast; of those, 2,520, or 32%, are families with children.<sup>1</sup>

**1,205**

Of the 7,885 families on the Sunshine Coast, 1,205, or 15%, are families led by single parents.<sup>2</sup>

Of the 10 employment sectors listed in the census, sales and service is the most prevalent sector on the Sunshine Coast, with 24% of employed adults working in this industry. Sales and service jobs are some of the most common low-wage jobs. (Statistics Canada, 2016)

The most recent child poverty reports from 2020 demonstrate that **27% of children on the Sunshine Coast live in poverty.** (First Call BC Child and Youth Advocacy Coalition, 2021) That figure rises to 59% of children in poverty in single parent households. (First Call Child and Youth Advocacy Society, 2021)

A couple in which both partners earn minimum wage could not afford a monthly rent greater than \$1,501.50 before becoming housing insecure.<sup>3</sup>

Although the rural and remote location of the Sunshine Coast is one of its most charming attributes, it means that residents must budget for trips to larger centres, including Vancouver. Medical appointments, shopping for specialty items, and some professional services require trips off the Coast. Costs for trips off the Coast are not included in the living wage calculation.

## How does the living wage impact other family types?

The living wage family consists of two parents and two children. However, research suggests that the living wage for families is similar to that for a single adult and for couples without children. These family types save on childcare costs, but do not experience the same economies of scale around housing.

<sup>1</sup> Not all of these 2,520 families have the same composition as the hypothetical living wage family. Census families include single-parent families. Census families also include families with one child, or with more than two children.

<sup>2</sup> The living wage for the Sunshine Coast has not been calculated for single-parent families. Because single-parent households tend to earn less than households headed by two parents, government transfers may be more accessible to single parents and thus the living wage may be similar, despite being sustained by only one income.

<sup>3</sup> 'Housing insecurity' is based on several factors, including spending more than 1/3 of a household's combined income on accommodation, housing that is inadequate due to poor maintenance, overcrowded housing, or transient accommodation, among other indicators.

## A Living Wage in the Context of the COVID-19 Pandemic

COVID-19 has illuminated much about vulnerability in our society. As the world came to a halt in March 2020, it became evident that, without work, many Canadians required support to pay their rent and other bills. Even when earning a living wage, a family's savings are meagre - on the Sunshine Coast, the hypothetical living wage family earmarks \$230.88 per month for contingencies. Over the course of a year, this amounts to \$2,770.60. This is meant to cover any costs not included in the calculation. As such, the living wage is not sufficient for planned savings.

While many working in offices were able to work from home when the pandemic struck, low wage workers were more likely to be essential - grocery store stockers and cashiers, restaurant employees, childcare providers, home care providers, and more. Those earning some of the lowest wages risked their health to ensure that their communities had access to necessary goods and services. Some workers saw temporary wage increases, but not all.

As Canada enters a period of economic recovery, news of a national labour shortage highlights the importance of a living wage. Employers across sectors are finding it challenging to hire workers. Some employers are offering hiring bonuses, while others have raised wages permanently in the hopes of attracting and retaining qualified staff. Research demonstrates that offering a living wage results in decreased recruitment costs and increased morale and retention among workers.





# The 2021 Sunshine Coast Living Wage

To pay for necessities and escape financial hardship, two parents working full-time must each earn at least \$19.79 per hour (\$36,017.80 per year), or \$72,035.60 annually, if both parents make the same wage.

The monthly family expenses supported by the living wage are based on conservative amounts that may be lower than average. In other words, the living wage calculated in this report could actually be less than what most families on the Sunshine Coast need to pay for the expenses included in the living wage calculation. The living wage provides an adequate level of well-being based on what a family requires. It provides stability, but not upward mobility.

There are no additional costs included in the living wage calculation. As such, parents with debt - including student loans or credit card debt - would need to earn more to meet their obligations. Moreover, there are no long-term savings included in the living wage calculation. This means that the living wage family is not able to save for post-secondary education for the children, retirement for the parents, or a down payment towards a home. Finally, living wage calculations do not include the cost of care for aging parents, which is a reality for some of the “sandwich generation,” or people often in their thirties and forties who are simultaneously responsible for raising their children and caring for their parents.

On the Sunshine Coast, the living wage has been calculated using a consistent methodology in 2011, 2015, and 2021. It has increased with each calculation, from \$18.80 in 2011, to \$19.25 in 2015, and to the current rate of \$19.79. Over the last decade, the living wage has increased by 5.25%.

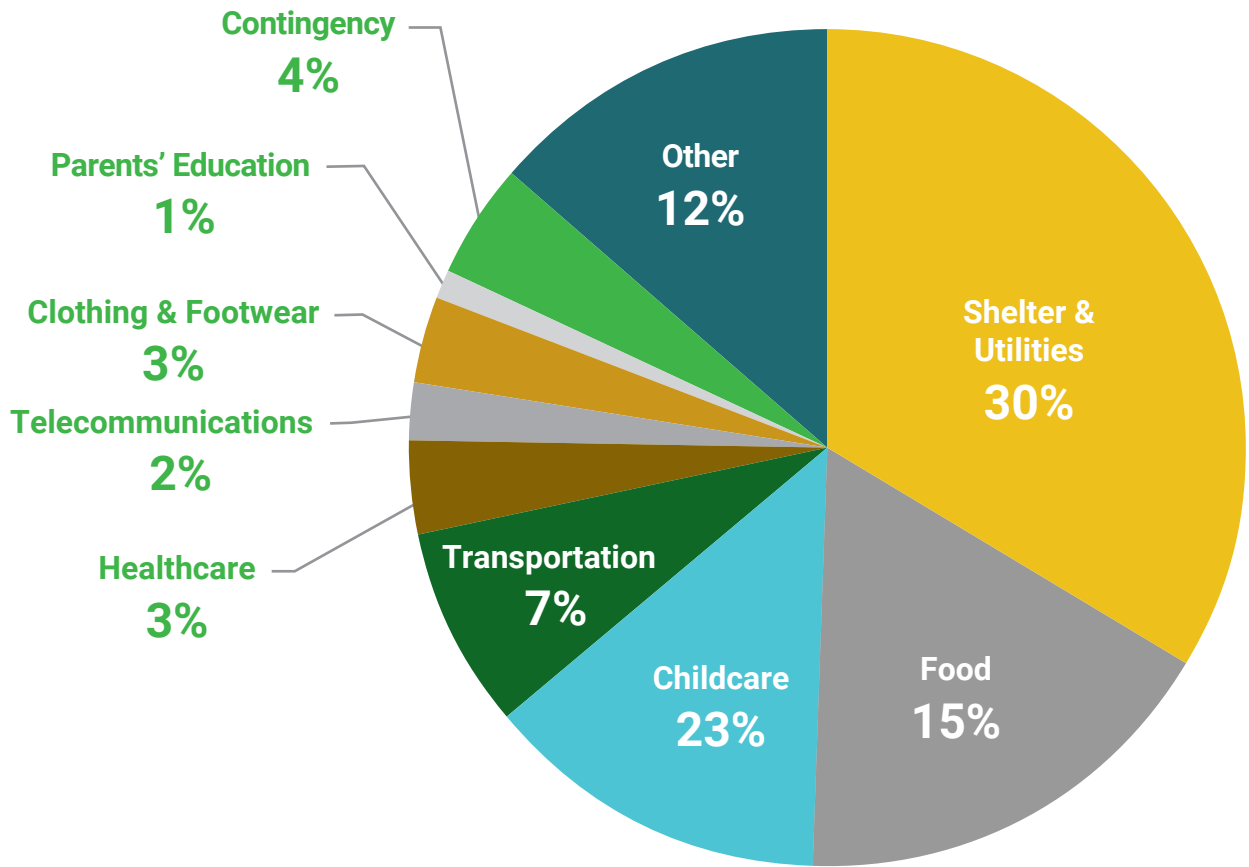
## Monthly Expenses

Shelter and utilities	\$2,005.52
Food	\$972.15
Childcare	\$1,523.58
Transportation	\$476.75
Health Care	\$188.00
Telecommunications	\$114.06
Clothing & Footwear	\$172.66
Parent’s Education	\$94.12
Contingency	\$230.88
Other	\$863.19

**TOTAL: \$6,640.91**



## Itemized Costs as a Percentage of a Family's Total Monthly Expenses





## The Living Wage and Public Policy

One of the most frequent pushbacks on the living wage is that employers cannot afford to pay higher wages, although recent, Nobel-prize-winning research by Canadian economist David Card demonstrates that increasing a country's minimum wage does not have a negative impact on hiring. (Bailey, 2001) While many employers have demonstrated an ability to pay their employees a living wage, there is another important player - public policy. Current and upcoming policies from both the provincial and federal governments impact the costs that families must contend with each month.

One recent policy change that impacted the living wage was the elimination of the Medical Services Plan (MSP) premiums on January 1, 2020. This saved the living wage family \$75 per month, or \$900 per year.

An upcoming policy jointly announced by British Columbia and the federal government promises that by 2026, childcare will cost \$10/day for children six years and younger. Parents will pay hundreds per month for childcare, rather than thousands, resulting in significant savings for families. (The Canadian Press, 2021) Investments in childcare have already made a difference for families - in 2019, living wage rates dropped across the province due to investments in childcare made by the provincial and federal governments.

Municipal and/or regional governments can support living wage efforts as well. One of the highest monthly costs for families is housing. On the Sunshine Coast, the rental stock has been negatively impacted by the increasing number of short-term rentals. Municipal and/or regional governments can introduce bylaws to protect existing rental stock. They can also introduce bylaws and zoning in support of affordable housing or require that new developments allot a certain number of units to affordable housing.

These and other policies that support families could help to reduce future living wage calculations.

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# Household Costs

## Food

Monthly cost of healthy eating for a family of four living in the Vancouver Coastal health region.

**Sunshine Coast context:** The living wage does not take into consideration that food prices may be slightly higher on the Sunshine Coast due to additional transportation costs.

Sources: Food cost estimates derived from the 2019 food costing data provided by Population and Public Health, BC Centre for Disease Control, part of Provincial Health Services Authority. Adjusted for inflation using the Consumer Price Index.

## Shelter

Shelter costs include monthly rent for a 3-bedroom unit, utilities, tenant insurance for \$30,000 of possessions, and internet.

**Sunshine Coast context:** A conservative cost for rent is used that is based on average costs. Families who have lived on the Sunshine Coast for years may pay less rent than newcomers, who face much higher costs.

Sources: Sunshine Coast Housing Needs Report (2020) (monthly rent), Utilities (Consumer Price Index), InsureBC (tenant's insurance), TELUS (internet).

## Transportation

Monthly cost of owning, operating, and maintaining one used vehicle and the cost of one bus pass.

**Sunshine Coast context:** Another means of transportation that Coasters utilize is ferries. The cost of ferries is not included in the living wage calculation.

Public transportation is more reliable or accessible in some Coast communities than in others. Some families require two vehicles, particularly when one or both parents live in one community but work in another.

Sources: Statistics Canada, Market Basket Measure. Adjusted for inflation using the Consumer Price Index.

## Childcare

Monthly cost of full-time, licensed childcare for the four-year-old and before and after school care for the seven-year-old (during school year).

Cost of care for six professional development days, three weeks of school holidays, and six weeks of summer vacation for the seven-year-old.<sup>4</sup>

**Sunshine Coast context:** There are not enough licensed childcare spaces to meet the existing need. Families who cannot find a space may be required to use more expensive private care, including nannies and babysitters.

Source: Sunshine Coast Child Care Resource and Referral Program.

<sup>4</sup> For the purposes of the child care calculation, the living wage assumes that each parent takes two unpaid weeks off in the summer each year.



## Healthcare

This is the cost for health care not covered by MSP, including prescriptions and dental.

Source: Pacific Blue Cross

## Telecommunications

This is the cost of two basic cell phone plans, but not the phones (Canada-wide talk and text and 4GB data).

Source: Fido

## Clothing & Footwear

Conservative estimated monthly cost for a family of four.

Sources: Statistics Canada, Market Basket Measure. Adjusted for inflation using the Consumer Price Index.

## Contingency

This is the only savings included in the living wage calculation. It is not long-term savings; rather, it is coverage for unexpected expenses or expenses not included in the calculation, such as ferry rides. It is comprised of two weeks' pay for two parents earning the living wage.

## Parents' Education

The cost of two courses at Capilano University, including tuition, student fees, and textbooks.

Source: Capilano University

## Other

This amount reflects a variety of costs, including personal care, household supplies and furnishings, small appliances, entertainment, recreation, etc. It is estimated at 75% of the combined cost of food and clothing and footwear.

Examples of costs that would fall under "Other" include haircuts, the cost of purchasing a cell phone or computer, and modest gifts for birthdays and holidays. This budget category would be drawn upon to support recreation and enrichment activities for children and parents.



## Methodology

Communities across Canada calculate their local living wage in agreement with the national living wage framework, which includes both a living wage definition and a calculation methodology. In British Columbia, a Calculation Guide was developed and is updated annually to reflect any changes in provincial government transfers. This calculation guide was used in the preparation of this report. The calculation guide was developed by the Canadian Centre for Policy Alternative (CCPA) and living wage efforts in British Columbia are jointly overseen by the CCPA and First Call BC. Both organizations have reviewed and vetted our calculations to ensure that our data and methods align with their methodology.

Government transfers and government deductions are both included in the living wage calculation.

### Government Transfers:

- Canada Child Benefit
- BC Child Opportunity Benefit
- GST Credit
- BC Rental Assistance Program
- BC Low Income Climate Action Tax Credit
- BC Affordable Child Care Benefit

Government transfers have a positive impact on the living wage family. They provide a source of income for family expenses, thus reducing the amount of money parents must earn.

### Government Deductions:

- Employment Insurance premiums
- Canada Pension Plan premiums
- Provincial taxes
- Federal taxes

Government deductions have a negative impact on the living wage family. Deductions take away from employment income, but can be

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offset via tax credits, including credits for medical expenses and for post-secondary education and training.

The income of the Sunshine Coast living wage family is high enough to disqualify them from the GST credit and BC Rental Assistance Program and offers a meagre monthly benefit from the BC Low Income Climate Action Tax Credit.

Locally, the Sunshine Coast Regional District offers a Leisure Inclusion for Everyone (LIFE) subsidy for low-income residents, but the living wage family is disqualified due to their income. They are also ineligible for KidSport and JumpStart funding.

## Constraints

Some readers of this report may be surprised that the living wage calculations include conservative amounts for expenses including shelter and transportation. Because the living wage is developed using a standardized provincial methodology, some regional nuances are not reflected in the calculation. The cost of ferries, for example, is not included. Additionally, the housing costs are lower than rental ads posted online recently. However, utilizing a standard provincial methodology offers the ability to compare living wages across British Columbia and over time. Finally, as is mentioned earlier, this conservative estimate offers an entry point to a discussion about increasing the quality of life for low wage earners, rather than a definitive conclusion.



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The Sunshine Coast Foundation gratefully acknowledges the financial support for this report provided by:



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