

Calculating the Cost of Living in Niagara Region – Opinion Column

What does it actually cost to live in Niagara region? The answer will vary, of course, depending on one's family composition. However, there are common items and services that the vast majority of families require in order to meet their basic household needs, including housing, food, child care, transportation, clothing, footwear, and laundry.

Alongside these basic needs are things that are important for community participation and connection, such as recreation and leisure opportunities, reading materials, school supplies, and internet access.

A new report released by the Niagara Poverty Reduction Network, "Calculating the Cost of Living in Niagara Region, 2016", looks at household expense costs using a sample family of four – two adults, both working full time, and two children, one aged three and one aged seven. Total annual family household expenses are conservatively estimated at \$65,435.51, using a national methodology. Four essential needs - food, shelter, transportation and child care - total nearly \$48,000.00, which is approximately 75 per cent of a family's total annual household expenses.

The report, which provides a detailed breakdown of how each expense line was calculated, is available on the Network's website www.wipeoutpoverty.ca. Expenses do not cover home ownership, gifts, debt repayment, or retirement and education savings.

The cost of living, as measured by the Consumer Price Index, has risen by 46.77 per cent over the past 20 years. The Index measures the increase of the cost of basic products and services that Canadians consume on a daily basis, such as food, shelter, clothing, health care, and transportation. This cost increase has put significant pressure on families to meet their basic household needs.

How do potential work earnings compare to the household expenses of a family of four in Niagara?

A minimum wage job currently pays \$11.25 per hour in Ontario. Two adults in a family both working full-time (37.5 hours per week) at a minimum wage job would earn a combined annual total of \$43,875.00 before tax. If each adult were working full-time at a job paying \$14.00 per hour, the combined family earnings per year before tax would be \$54,600.00. Both sets of earnings fall short of what a family needs to pay for its basic needs.

The median average family income in Niagara in 2013 was \$69,500.00, a full \$7,000.00 under the national average and third lowest amongst Canada's 28 major metropolitan areas. This gap may be attributed to several causes, including the decline of the traditional manufacturing sector, the lure of the Greater Toronto area to businesses, students and skilled workers, and possibly Niagara's particular mix of industries, which include health care, tourism, agriculture, and retail. The impact of service and retail employment is significant in Niagara; 17 per cent of all jobs are in these sectors.

The reality is that too many Niagara region workers are struggling to earn enough income to meet their family's household expenses. Over time, increases to the cost of living have exceeded increases to their wage earnings. The question becomes, how can Niagara families be better supported to ensure they can meet basic cost of living needs and inclusion in community activities?



We must consider both sides of the equation – ensuring workers earn sufficient income to meet their household needs, as well as ways to make needs more affordable. Either way, a myriad of policy considerations must be examined.

On the affordability side, changes to government income or tax benefits, subsidized housing, public transportation, and affordable child care are options.

On the earnings side, people must have every opportunity to add to their skills and to enter new occupations that pay a better wage. Businesses must also have opportunities to access new technologies and new markets, and to train and hire skilled workers. New and small businesses must have every opportunity to start, grow and prosper, and eventually take the place of existing businesses that may be in decline, consolidation, or even shutting down.

No single policy will work on its own; they must be considered and implemented through a comprehensive and balanced approach.

Working to create better conditions for Niagara families to meet their basic needs and to participate in the community will require a willingness for employers, workers, community leaders, and politicians to be fully engaged in the process to identify and develop solutions. It's time to work together.

Glen Walker is the Chair of the Niagara Poverty Reduction Network