



2019 Whistler Living Wage

Final Report



Table of Contents

Executive Summary.....3

 Background 3

 Current Context 3

 Benefits of a Living Wage..... 4

Whistler’s Living Wage for Families4

 Family Living Wage Expenses5

 Figure 1: Breakdown of Family Income 6

Whistler’s Living Wage for Temporary Residents 7

 Temporary Resident Living Wage Expenses7

 Figure 2: Breakdown of Temporary Single Resident Income 8

The Role of Comprehensive Compensation Packages9

Additional Considerations.....9

Conclusion10

Appendix A: Whistler Family Historical Living Wage 11

Appendix B: Whistler Temporary Resident Historical Living Wage..... 11

Appendix B: Living Wages in BC..... 112

EXECUTIVE SUMMARY

Background

In 2005, Whistler developed one of the first community affordability tracking systems in Canada to better understand the cost of living in Whistler and to quantify the extent of the population living with incomes below what is needed. In recent years, non-profit organizations in Canada as well as many municipalities have adopted an affordability measurement approach called the 'National Living Wage Framework'.

The National Living Wage Framework is a method of calculating the wage a family needs to earn in order to afford the actual costs of living in a specific community. Whistler aligned with this Living Wage Framework in 2015 and in doing so, has allowed for data collection/reporting efficiencies, improved benchmarking and enhanced communication.

The National Living Wage Framework is based on the principle that full time work provides families with a basic level of economic security to remain out of poverty. A living wage is defined as the amount needed for a family of four with two parents working to pay for necessities, support the healthy development of their children, escape financial stress and participate in their communities.

Current Context

Whistler's visitation in both summer and winter has reached record numbers in recent years, hosting over 3.4 million visitors annually. This exponential growth has strengthened Whistler's economy, increasing demand for labor to support growing businesses, and subsequently driving up wages as the economy has reached a full employment level and businesses need to compete to attract and retain their best staff.

However, the success of Whistler also brings challenges – its success breeds a greater desirability to live in Whistler, or own a home here, contributing to rising costs of living in the community. The demand for ownership of residential real estate has driven inflation up at an accelerated rate putting home ownership out of reach of many locals, and subsequently rental rates have also risen steeply due to the growing demand.

The National Living Wage Framework was created to address these concerns by using a standardized measure to calculate the minimum wage that would be needed for a family of 4 to make ends meet. The family model consists of two parents, both working 35 hours a week, with two children aged 4 and 7. With Whistler being a seasonal destination it has peak demands for labor that facilitates a seasonal workforce, so a Living Wage has also been created for single temporary resident that are based in Whistler working 35 hours per week for 12 months.

The living wage is calculated as the hourly rate at which a household can meet its basic needs once government transfers have been added to household income and taxes and deductions are subtracted. To remain consistent with the Canadian Living Wage Framework, the methodology used to calculate Whistler's family living wage can be found at <https://www.policyalternatives.ca/livingwage2019>.

Benefits of a Living Wage

The living wage is not the same as the minimum wage. BC's minimum wage is currently \$13.85 and does not take into account the material needs of a healthy, sustainable life in Whistler. A resident that is earning minimum wage in Whistler will struggle to be financially stable.

The benefits of a living wage extend far beyond just the employees, with both employers and communities benefiting from a workforce that is not struggling to make ends meet. The impacts of earning below the living wage can be extensive; increasing debt can lead to anxiety and health problems which can create the need for employees to work long hours or even multiple jobs just to pay for their basic needs. The impact that this can be felt both within the community and throughout businesses.

By striving to progress into a living wage community where employees receive a living wage with supporting benefits, employees will be empowered to avoid the stress of financial uncertainty. This has been proven to benefit businesses with reduced absenteeism and staff turnover, increased skill, morale and productivity levels as well as reduced recruitment and training costs and improved customer satisfaction¹. The effects of achieving this wage commitment will be felt throughout the community and will help move Whistler towards its vision as defined in the Official Community Plan:

“Whistler: A place where our community thrives, nature is protected and guests are inspired.”

WHISTLER'S LIVING WAGE FOR FAMILIES

Whistler's 2019 living wage is \$25.73/hr. per parent, equivalent to a household income of \$93,671. This is the equivalent of \$22.52/hr. if working a 40 hour work week or if the parent took 6 weeks unpaid leave throughout the year.

The cost of living for a family living in Whistler increased by 3% in 2019, however, Whistler's family living wage saw a decrease of \$0.67/hour from 2018's living wage of \$26.40. This reduction in living wage is due to new childcare investments introduced by the BC Government which allowed the Living Wage family to increase the amount received through government transfers by 57% over 2018, ultimately lowering the Living Wage.

Housing affordability remains a key concern within the community, with shelter costs attributing to 40% of the living wage expenses. Childcare is the second largest expense, contributing 18% of a families total expenses, however the government subsidies that a living wage family can access help dramatically reduce the proportion of income spend on childcare.

The breakdown of family expenses contains basic necessities. It doesn't allow families to save for their children's post-secondary education and it doesn't acknowledge that many working families also carry debt obligations. But it does recognize the key aspects of the cost of living in Whistler, including such items as a ski pass or other expenditures to participate in community events.

¹ Wills, Jane and Brian Linneker. 2012. The Costs and Benefits of the London Living Wage. September. London: University of London and Trust for London.

Family Living Wage Expenses

FOOD: \$962/MONTH

Based the cost of a national nutritious food basket as published by the BC Centre for Disease Control and adjusted to Whistler's cost of living. These estimates reflect the costs of a nutritious diet but do not consider special dietary needs, cultural or other food preferences and the cost of condiments or spices.

CLOTHING AND FOOTWEAR: \$156/MONTH

A basket of clothing and footwear required by a family of two adults and two children.

SHELTER COSTS: \$2,934/MONTH

Includes the median self-reported rental rate for a 3 bedroom unit, utilities, internet, two basic cell phone plans and insurance on home contents.

TRANSPORTATION: \$516/MONTH

Includes the amortized cost of owning and operating a used car and one adult BC Transit 12 month pass which includes free travel for both children.

CHILD CARE: \$1,343/MONTH

Assumes the four year old is in full-time licensed group care at the Whistler Children's Centre and the seven year old is in before- and after-school care, full-time care during winter break (one week, the other assumed covered by statutory holidays and informal arrangements) and spring break (two weeks) and six weeks of full-time summer care with Kids On The Go. This amount assumes the family's child care provider is receiving the BC child care fee reduction grant, which lowers the monthly fee by \$100 for the four year old.

MSP PREMIUMS: \$75/MONTH

MSP was cut by 50% in January 2018 and will be eliminated completely in 2020.

NON-MSP HEALTH CARE: \$151/MONTH

The cost of a basic extended health and dental plan with Pacific Blue Cross Insurance.

PARENTS' EDUCATION: \$97/MONTH

Allows for two college courses per year and associated textbooks and student fees.

CONTINGENCY FUND: \$300/MONTH

Two weeks' wages for each parent.

OTHER HOUSEHOLD EXPENSES: \$842/MONTH

Covers toiletries and personal care, furniture, household supplies, laundry, school supplies and fees, bank fees, some reading materials, recreation passes, family outings, birthday presents, modest family vacation and some sports and/or classes for the children.

The monthly expenses bring the family’s total annual expenditure to \$88,501. In order to determine the required living wage, gross household income is calculated to provide a disposable income to cover these expenses after government transfers are added and taxes and deductions subtracted, Figure 1 highlights the components of the family’s living wage calculation.

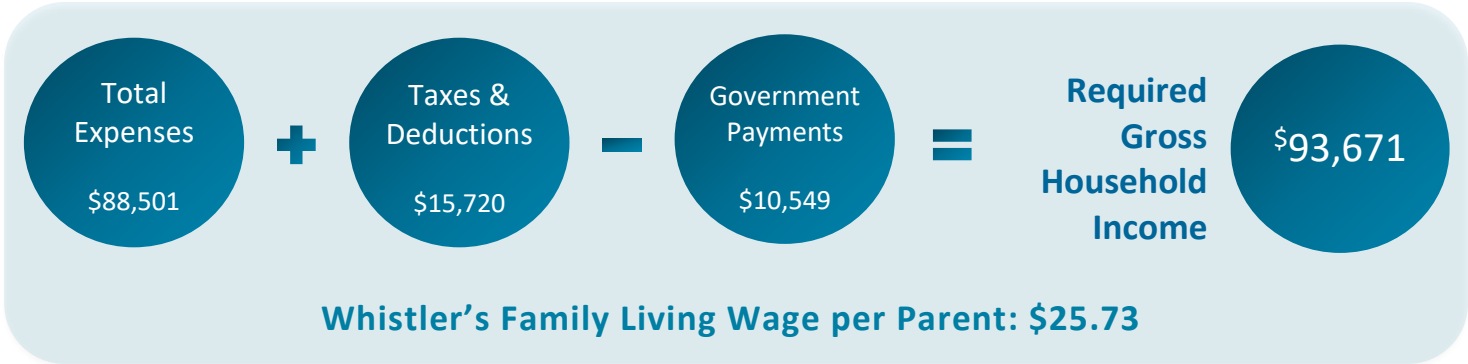
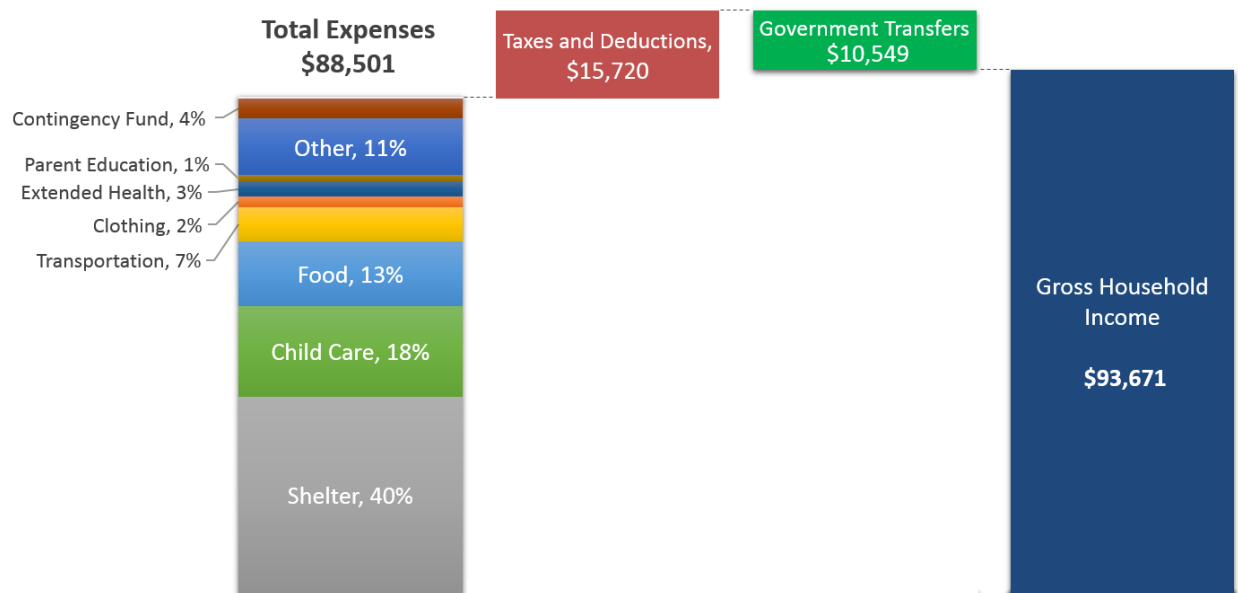
Taxes and deductions consist of the following:

- Federal Tax
- Provincial Tax
- CPP Contributions
- EI Contributions

Government Transfers consist of the following:

- Canada Childcare Benefits
- BC Early Childhood Tax Benefit
- BC Affordable Childcare Benefit

Figure 1: Breakdown of Family Income



WHISTLER'S LIVING WAGE FOR TEMPORARY RESIDENTS

Whistler's 2019 living wage for a temporary resident is \$21.22/hour, consistent to an annual income of \$38,624. This is the equivalent of \$13.39/hour if working a 40 hour work week or if the individual took 6 weeks unpaid leave throughout the year.

The Living Wage for a temporary resident displayed an increase of \$0.97 in 2019 over 2018 based on a 35 hour work week. The increase is primarily due to rising shelter costs which comprise of 65% of the seasonal workers expenses and therefore makes the living wage highly sensitive to changes in the rental market.

Housing affordability is a key area of concern for temporary workers and as such, reveals the importance of staff housing and shared rooms to provide a significant reduction in the living wage.

TEMPORARY RESIDENT LIVING WAGE EXPENSES

FOOD: \$350/MONTH

Based the cost of a national nutritious food basket as published by the BC Centre for Disease Control and adjusted to Whistler's cost of living. These estimates reflect the costs of a nutritious diet but do not consider special dietary needs, cultural or other food preferences and the cost of condiments or spices.

CLOTHING AND FOOTWEAR: \$39/MONTH

A basket of clothing and footwear required by an adult male.

SHELTER COSTS: \$1,710/MONTH

Includes the median self-reported rental rate for a 0-1 bedroom unit, utilities, internet, basic cell phone plan and insurance on home contents.

TRANSPORTATION: \$68/MONTH

Includes one adult BC Transit 12 month pass, 5 local taxi trips and 6 bus trips to Vancouver.

MSP PREMIUMS: \$38/MONTH

For 6 months prior to receiving employer paid benefits.

NON-MSP HEALTH CARE: \$37/MONTH

The cost of a basic extended health and dental plan with Pacific Blue Cross Insurance.

CONTINGENCY FUND: \$124/MONTH

Two weeks' wages.

OTHER HOUSEHOLD EXPENSES: \$292/MONTH

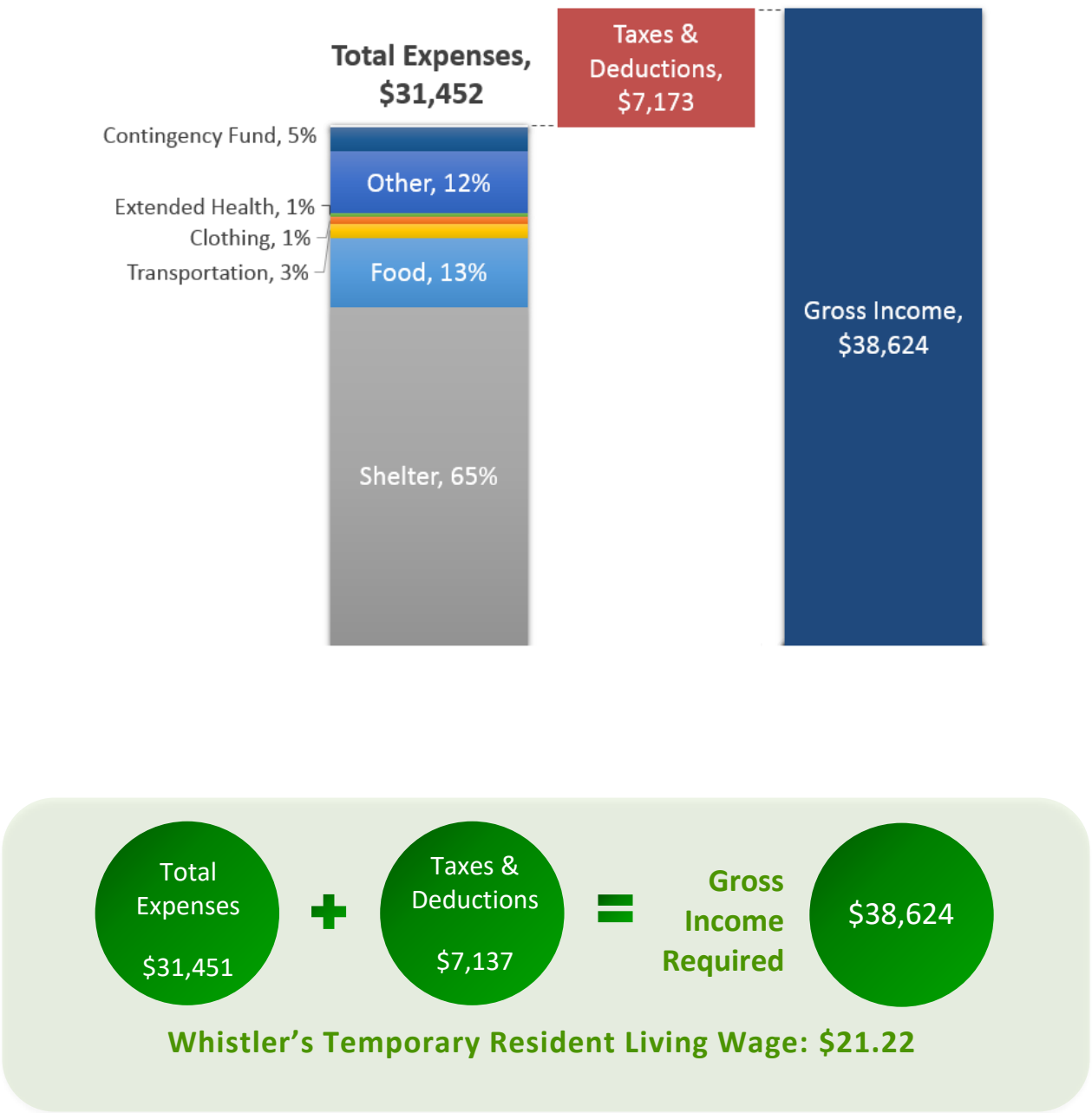
Covers toiletries and personal care, furniture, household supplies, laundry, bank fees, some reading materials, recreation passes, entertainment funds, modest vacations etc.

These expenses bring the temporary workers’ annual expenditure to \$31,452. As opposed to the family, the temporary worker does not have access to any government transfers, so the total expenditure revealed in Figure 2 is total household expenses plus taxes and deductions.

Taxes and deductions consist of the following:

- Federal Tax
- Provincial Tax
- CPP Contributions
- EI Contributions

Figure 2: Breakdown of Temporary Single Resident Income



THE ROLE OF COMPREHENSIVE COMPENSATION PACKAGES

The report has highlighted the cost of living in Whistler and the subsequent wage required to make ends meet given the list of expenditures for both families and temporary residents. However, the living wage recognizes the value of non-mandatory benefits, which in turn gives employers the power to use benefit packages to aid in providing a living wage to employees.

When an employer provides a benefit package that reduces the employees' expenses as highlighted on pages 4 and 6, there is a direct reduction in the wage requirements to fulfil a living wage as the employees wage will not need to cover the cost.

The Living Wage for Families has produced a calculator that assists employers to better understand the impact that their benefit packages have on their total compensation provided. The calculator can be found here: www.livingwageforfamilies.ca/calculator

Whistler is in a unique position where residents have many available avenues to access below market housing such as the Whistler Housing Authority (WHA) and numerous staff housing offerings. The Living Wage Calculator does not consider this in its formulas, but given that it is the most significant contributor to Whistler's cost of living, needs to be addressed. Employers that are able to offer employee housing are able to reduce their payroll expenses required to be a living wage employer.

Employees are also empowered to seek ways to reduce their expenses to gain financial security. Seasonal workers that choose to share a room in market rentals are able to reduce their living wage requirements by 63%, meaning that if they were to secure a living wage, they have the opportunity to save additional income for expenses that are not included within the living wage assumptions.

Example: An employer pays a wage of \$23.50. This amount falls below Whistler's family living wage of \$25.73, however, they offer a comprehensive benefit package that includes employee housing and a ski pass. By providing employee these benefits, they are able to reduce the living wage requirement by \$1.66 and \$1.03 respectively, bringing their total compensation package to \$26.19.

ADDITIONAL CONSIDERATIONS

The Living Wage can be used as a guideline for Whistler's minimum wage aspirations, but there should be further considerations taken when using it as a standard:

- 30% of household income should be put towards rent to sustain a comfortable living. If a family or temporary worker in Whistler met the above Living Wage calculations, they would be spending 38% and 53% on rent respectively. This highlights the difficulties employees face in feeling secure in Whistler and the importance of securing employee restricted housing to mitigate these expenses.
- This study provides an insight into the minimum livable wage in Whistler. Workers' debt obligations and the desire to save money will be of key consideration in the wages that they strive to secure in order to live comfortably with long term security.
- As business costs in Whistler increase, the Living Wage can be daunting to employers as it is significantly higher than the minimum wage. Looking for ways to subsidize the cost of living will become pivotal in minimizing overheads and cultivating a long term workforce.
- As Whistler continues to transition into a four season resort with shorter shoulder seasons and increasing midweek occupancy, the needs of Whistler's adapting temporary workforce will need to be considered. Prior to 2018, Whistler's living wage for temporary residents was based on a 6 month

residency, with 2018 and 2019 now assuming the workers will reside in Whistler for a full 12 month period to accommodate this transition.

- If the Living Wage is not met, employers will be exposed to the risk of higher turnover rates and the subsequent cost of recruitment and retention. The amount of this will vary by business and by the role, but the management hours and the potential for a bad hire will compound the costs associated with turnover.
- By making training and schooling more accessible to employees, Whistler will have a better educated workforce. This will make the Living Wage more attainable for the employee while improving the service offered within the community.
- Costs of living are always changing and Whistler needs to create a Living Wage standard that allows the community to be resilient to this.
- Not all employees will have access to below market rental rates and not all employers will have the ability to provide housing meaning accessibility to the reduced living wage requirement will be limited.

CONCLUSION

Whistler's Living Wage is an important indicator for a family of four or a temporary resident to meet their basic needs, participate in the civic, economic, and social fabric of the community.

For employees, the Living Wage is a gateway to a better quality of life. It will allow them to be raised out of poverty, maintain good health and increase the professional opportunities that they are exposed to. For the employer, providing the Living Wage will increase the morale and longevity of their workforce which will ultimately reduce employee turnover and maximize productivity.

While the Living Wage focuses on encouraging employees to take responsibility for the well-being of their workforce, it also presents alternative ways for other resort stakeholders to support Living Wages and improve affordability.

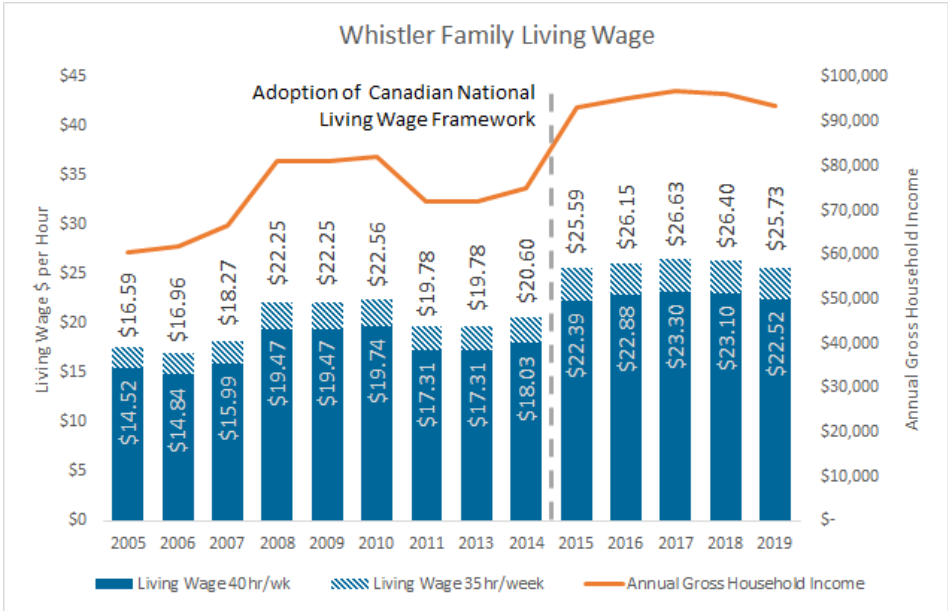
The biggest portion of any household budget is the shelter cost. In Whistler, the resort has experienced tremendous economic growth and as a result housing costs have increased significantly. Housing affordability is directly linked to employment growth and this report suggests how unaffordable housing could negatively impact the business environment and workforce supply.

The Mayor's Task Force on Resident Housing continues to work on providing more affordable housing inventory for employed residents. The goal is to provide 1,000+ resident restricted beds in the next 5 years. In addition, Whistler Chamber's Workforce Recruitment and Retention Task Force is also working with the business community to implement strategies to substantially improve the labor market landscape and ensure Whistler is still an attractive place to work, live, and play.

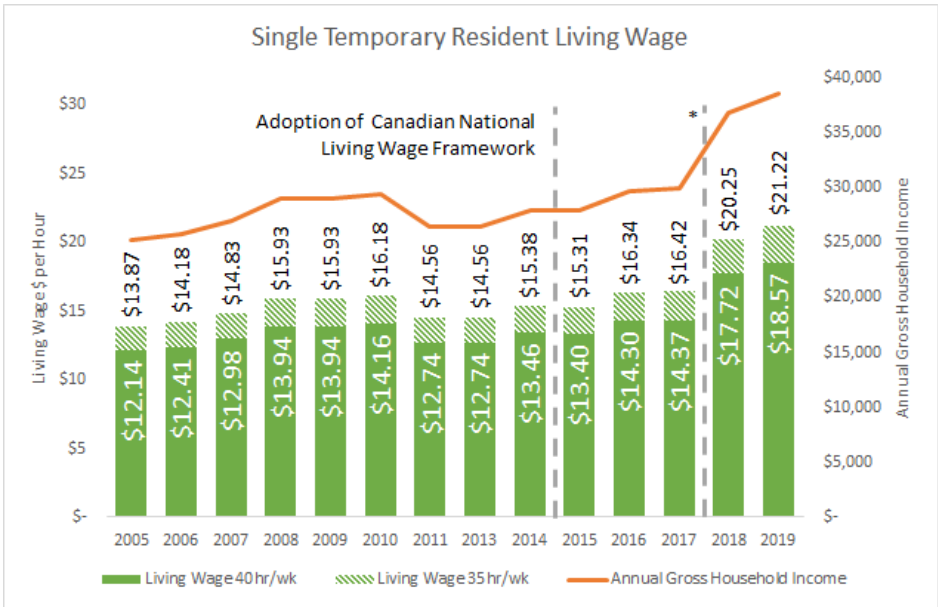
Living Wage is a collaborative objective for the resort partners to make a difference in Whistler's affordability. It's richer than just the business bottom line. When the resort has more people living an affordable life, who are resilient to the ups and downs of our economic cycles, the Whistler community thrives and our guests are inspired.

APPENDIX A: WHISTLER FAMILY HISTORICAL LIVING WAGE

The changes from 2014 to 2015 are as a result of the adoption of the Canadian National Living Wage Framework which included higher living costs. Although the cost of living increased by 3% in 2019, new child care investments introduced by the BC Government allowed the Living Wage family to increase their income received through government transfers by 57% over 2018, ultimately lowering the Living Wage.



APPENDIX B: WHISTLER TEMPORARY RESIDENT HISTORICAL LIVING WAGE



* The 2018 Living Wage for Temporary Single Residents transitioned from an assumption that the individual was residing in Whistler for 6 months per year to a full year. The tax implications of an annual salary compared to 6 months were significant and were a key contributor to the increase in Living Wage. New rental market data was also applied in 2018 further contributing to the \$3.83 per hour increase in Living Wage (based on a 35 hour work week).

APPENDIX C: LIVING WAGES IN BC

