

# **Whistler Affordability Study**

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**Prepared by:**

**Rebecca Siggner  
Scott Graham  
Michael Goldberg**

**SPARC BC**  
**(Social Planning and Research Council of BC)**  
**201 – 221 East 10th Avenue**  
**Vancouver, BC V5T 4V3**

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- Families
- Local small business
- RMOW Council
- RMOW staff
- Royal bank
- Seniors
- Tourism Whistler
- Whistler Blackcomb
- Whistlers Chamber of Commerce
- Whistler Community Services Society
- Young adults

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## EXECUTIVE SUMMARY

Whistler 2020 is a community wide plan to move Whistler towards success and sustainability. One of the strategic priorities developed in the Whistler 2020 plan is to enrich community life by making it affordable and livable for permanent and short term residents and employees. In an effort to track progress toward meeting this priority, the Whistler 2020 Affordability Task Force has worked with the Social Planning and Research Council of British Columbia (SPARC BC) since November 2005 to develop a method for measuring affordability in Whistler.

The Market Basket Measure (MBM) methodology, as developed by Human Resources Development Canada, was selected as the approach to measure affordability in Whistler. In keeping with the MBM methodology, the reference family for Whistler is composed of two adults between the ages of 25-49, a 9 year old girl and a 13 year old boy.<sup>1</sup> The single seasonal worker is a male or female adult, living in Whistler for 6 months (winter) of the year and elsewhere the rest of the year (see page 7-13).

The outcome of the Whistler Affordability Study is the establishment of baseline costing for items in the Whistler basket and the creation of two Whistler thresholds, one that reflects *adequacy* and another that reflects *affordability*. The adequacy thresholds refer to what is needed to achieve a basic standard of living. The affordability thresholds refer to what is needed to achieve a certain level of living that goes beyond basic needs, which has been set out by the Whistler Affordability Task Force. The table below provides a comparison between the MBM Threshold for Vancouver residents and the Adequacy and Affordability Thresholds for a Whistler reference family and a single seasonal worker (see page 12-15).

Category	MBM Thresholds for Vancouver		Adequacy Thresholds for Whistler		Affordability Thresholds for Whistler	
	Reference Family*	Single Seasonal Worker**	Reference Family	Single Seasonal Worker	Reference Family	Single Seasonal Worker
<b>Food</b>	7,536	1,884	8,403	2,101	8,403	2,101
<b>Shelter</b>	11,993	2,998	20,250	3,390	20,250	3,390
<b>Clothing</b>	2,240	560	2,240	560	2,240	560
<b>Transportation</b>	1,816	454	1,884	660	4,886	1,122
<b>Recreation</b>	N/A	N/A	N/A	N/A	9,026	1,907
<b>Other</b>	6,893	1,723	7,237	1,809	4,789	1,197
<b>Total</b>	<b>30,478</b>	<b>7,619</b>	<b>40,014</b>	<b>8,520</b>	<b>49,594</b>	<b>10,277</b>

Note: Costs have been rounded to the nearest dollar.

\*All calculations for the reference family assume a one year (12 month) time frame.

\*\*All calculations for the single seasonal worker assume a six month time frame.

<sup>1</sup> Hatfield, Michael. Constructing the Revised Market Basket Measure. Ottawa: Human Resources Development Canada, 2002.

The gross income required to meet the disposable income thresholds for a reference family and a single seasonal worker is established in this report. The percentage of permanent Whistler residents who fall below the adequacy and affordability thresholds is 11.3% and 22.3 respectively. The percentage of seasonal Whistler residents who fall below the adequacy and affordability thresholds is 29.7% and 40.6% respectively. “Seasonal” residents more frequently have incomes that are below both the adequacy and affordability thresholds (see page 22).

Comparisons between selected items in each threshold category are also included in the study. The costs of selected items were obtained for Banff, Victoria and Vancouver and were compared to similar items in Whistler. While the comparators show Whistler prices are slightly higher overall, shelter costs are considerably higher compared to the other cities (see page 24-25).

## INTRODUCTION

The Whistler Affordability Task Force has worked with the Social Planning and Research Council of British Columbia (SPARC BC) since November 2005 to establish a set of items and corresponding costs for the basket of goods for Whistler residents. SPARC BC also hired and worked with a local intern from the Whistler Community Services Society to assist in collecting Whistler item prices and setting baseline costing for the items in the basket.

As much as possible, the Whistler basket conforms to the Market Basket Measure (MBM) developed by Human Resources Development Canada. The Whistler basket uses the same reference family size, including gender and age, which was used in the MBM. SPARC BC has also used the same item categories as the MBM, which will allow for easy updating and approximate comparisons with other communities.

This report begins with a discussion of the methodology employed throughout the study. The study then provides the findings from three disposable income thresholds; the first based on the Vancouver MBM, the second a Whistler specific *adequacy* basket of goods and services and the third reflecting an *affordability* threshold for Whistler. The adequacy thresholds refer to what is needed to achieve a basic standard of living. The affordability threshold refers to what is needed to achieve a certain level of living that goes beyond basic needs, which has been set out by the Whistler Affordability Task Force. The next section consists of a discussion about the gross income required to meet disposable income thresholds for a reference family and a single seasonal worker. The percentage of Whistler households falling below the affordability and adequacy gross income thresholds is then discussed. A comparative analysis of select item prices in the Whistler basket to the prices of similar items in other communities, including Vancouver, Victoria and Banff completes the report. All raw data and references to data sources are located in the appendices.

## METHODOLOGY

### Establishing the Thresholds

The Whistler Affordability Task Force has decided to use a basket measure<sup>2</sup> approach to addressing affordability issues in the Resort Municipality of Whistler (RMOW).

The basket items mirror the MBM methodology as closely as possible.<sup>3</sup> The MBM methodology was developed by the Applied Research Branch at Human Resources Development Canada as a tool to assess low income. The items in the MBM basket were developed through consultations at the national and provincial levels, with government, academic, and non-governmental organizations. Statistics Canada collected the data on the cost of goods and services in the basket. The MBM calculates thresholds for 19 specific communities and 29 community sizes in ten provinces in order to provide an overview of the incidence and depth of low income in Canada. The items in the MBM basket have been selected to represent a standard of consumption. According to the MBM measure of low income, a person whose disposable family income falls below the cost of goods and services in the Market Basket for their community is considered to be low income. The MBM thresholds are the sum of the costs of the items in the basket for each category.

Through consultation with the Whistler Affordability Task Force, three income thresholds were developed. The first is based on the original MBM for Vancouver with each of the items updated based on changes in the Consumer Price Index (CPI) for that item. The second is an *adequacy* threshold that follows the MBM methodology as close as possible while including price adjustments based on the costs of some items in Whistler. The *affordability* threshold enhanced transportation costs as well as specific recreation costs that were identified by the Task Force.

In keeping with the MBM, the reference family for Whistler is composed of two adults between the ages of 25-49, a 9 year old girl and a 13 year old boy. The single seasonal worker is a male or female adult, living in Whistler for 6 months (winter) of the year and elsewhere the rest of the year. Unless otherwise noted, the costs for the single seasonal worker follows the MBM methodology and are calculated by taking 50% of the reference family's cost in each category. The annual costs are further divided by two to obtain the cost for the single seasonal worker over a six month period.

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<sup>2</sup> See Appendix 7 for a discussion of the different methods for measuring adequacy.

<sup>3</sup> Hatfield, Michael. *Constructing the Revised Market Basket Measure*. Ottawa: Human Resources Development Canada, 2002. (For a detailed description of the MBM methodology.)

## Food

The cost of food for the adequacy and affordability thresholds was established using data from the *Cost of Eating in BC*.<sup>4</sup> The cost of the nutritious food basket was established for BC by having the basket priced in 150 stores in BC in June 2005. To establish comparators for food between Whistler and Vancouver, 31 items were selected from the list of items in the nutritious food basket. Care was taken to ensure that items from all of the major food groups were represented in our shorter list. The items on this list were priced at three grocery stores, including: an IGA in Whistler and Vancouver, and a Thrifty's in Victoria. The researchers were instructed to find the lowest regular (non-sale) price for each of the items based on the quantity specified for the item and use similar brands where appropriate to ensure that similar products were compared. When added up, we found that the items selected in Whistler cost 7% more than the items at the same store in Vancouver. Therefore, to determine the price of food for the reference family in Whistler, we took the *Cost of Eating in BC* amounts and added 7%.

## Shelter

The rent prices for Whistler were gathered by the Whistler Housing Authority (WHA). The Whistler rental data is based on the prices broken down into type of apartment in the classified section of local newspapers. The ads were sorted by contact information to remove duplicates from both local papers and multiple week listings. Following the MBM methods for calculating the cost of shelter for the reference family, we computed the combined median price for a two and three bedroom apartment in Whistler and divided by two to determine the cost of shelter for the Whistler reference family. Given that many single seasonal workers in Whistler share apartments, instead of taking 50% of the cost of shelter for the reference family (as stipulated in the MBM), we used the median price of shared accommodations in Whistler to determine the cost of shelter for the single seasonal worker. The average shared monthly rent was multiplied by six to determine the shelter costs for the single seasonal worker over a six month period.

## Clothing and Footwear

Clothing and footwear items were not specifically selected for Whistler due to resource constraints. The MBM determined the price of clothing for Vancouver by using the Acceptable Living Allowance (A.L.L.), which was developed for Winnipeg. The MBM then used Statistics Canada's relative spatial indices for clothing and footwear to calculate the price of clothing in ten different metropolitan areas, including Vancouver. The MBM clothing and footwear costs for a reference family in Vancouver was updated using the CPI for those items and was used for Vancouver MBM threshold and for the Whistler adequacy and affordability thresholds.

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<sup>4</sup> *The Cost of Eating in BC*. 2005. Dietitians of Canada - BC Region.

## Transportation

The items in the transportation category follow the methodology for the reference family in the MBM for the most part. The adequacy threshold for the reference family in Whistler does not include a car or commuter bicycles. Instead, it includes bus passes for the family and 12 roundtrip taxi trips (average one per month). Although the MBM methodology does not include bus passes for the children in the reference family, it was decided that bus transportation such be included for the Whistler adequacy threshold given the geography of Whistler. In terms of affordability, the transportation costs for a family also include paying for and operating a five year old Chevy Cavalier. The cost of a used car was calculated by assuming the reference family pays \$10,000 for the vehicle and takes a bank loan of the same amount. Using the on-line Royal Bank loan calculator, we assume 6.5% financing over a five year amortization period. The affordability threshold also includes commuter bicycles, amortized over three years for the children and five years for the adults. Due to limited availability of the brands of bikes in Whistler (the prices were quite high), Vancouver bike prices were used based on the assumption that the family and seasonal worker will get their bikes in Vancouver, where prices are much lower.

Instead of taking 50% of the cost of transportation items to determine the cost of transportation for the single seasonal worker in Whistler, the Whistler Affordability Task Force decided to remove the car and the costs associated with a car, and instead give the single seasonal worker a bike, a bus pass for the six months, and 26 (once per week) roundtrip taxi rides for the affordability threshold and 6 (once per month) roundtrip taxi rides for the adequacy threshold.

## Recreation

Although the MBM does not include a separate category for recreation (it is rolled into the other goods and services category), the Whistler Affordability Task Force felt that recreation is an important part of life in Whistler. As such, the Task Force decided to include an additional category to capture recreational expenditures in setting the affordability threshold. The recreational items are not broken out for the purpose of the adequacy threshold as this methodology is meant to resemble the MBM for comparison purposes. The decisions about how to set amortization periods and which items to include in the recreation category were reached through a series of deliberations between SPARC BC and a representative of the Whistler Affordability Task Force.

Most equipment was amortized over three years, with the exception of bikes and musical instruments, which were amortized over five years. The prices for items in the recreation category were collected by researchers, who were instructed to find the lowest regular (non-sale) price for each of the items. Wherever possible, prices for similar brands were selected to ensure fair comparisons. The recreational costs were calculated for the single seasonal worker using the prices of the items for an adult male, with the exception of the mountain bike, as the men's mountain bike cost substantially more than the women's bike. Since the researchers found that the prices for ski equipment were much higher in

Whistler than in Vancouver, it was decided to use Vancouver prices to set the affordability thresholds, assuming that the reference family and single seasonal worker would purchase their equipment in Vancouver.

### Other

There are also several other goods and services that must be considered when calculating adequacy and affordability thresholds. The MBM includes: personal care, household operations, household furnishing, recreation, education, reading, and charitable giving items. Using average consumer spending based on the annual survey completed by Statistics Canada; the MBM calculates the other goods and services amount by adding up the amounts spent on the items included in this category for the second income quintile. This amount is then divided by the sum of the average amounts spent on food and clothing to figure out the percentage of the average family's total expenditures that is spent on these other goods and services. The resulting number is used as a multiplier of the MBM threshold amounts reported for food and clothing to determine the amount spent on other goods and services. Costs for shelter and transportation are not used in this calculation because they vary so much by community. The multiplier calculated in the MBM is 68% of the food and clothing/footwear amounts for the adequacy threshold. Statistics Canada's survey of average expenditures shows that households in the second income quintile spent approximately one third of the amount they spend on other goods and services on recreational items. Since we have separated out the recreational items from the other goods and services category in the affordability threshold, we used a multiplier of 45% of food and clothing/footwear in the affordability threshold for other expenses excluding recreation.

There are several ways of calculating the amount spent on "other" goods and services. The Whistler Affordability Task Force decided to use the method discussed above because it is calculated for a family of four within the Market Basket Measure. It should be pointed out that more recent data from Statistics Canada using average consumer spending by all households in the second quintile produces slightly different multipliers (See Appendix 6 for the calculations).

The MBM does not include disability and life insurance in its basket of goods. There was some discussion among the Whistler Affordability Task Force members about including these items in the Whistler thresholds; however, analysis of Statistics Canada data on average family expenditures show that very few families report spending money on these items, especially in the second income quintile. As well, since so few people report spending money on these items, the average dollar amounts for these items are skewed. Therefore, we do not feel that disability and life insurance items should be included in the Whistler thresholds.

It should also be pointed out that according to Statistics Canada's data, 98% of all households reported spending on health care. The average expenditure (median) for all households reporting health expenditures was \$1,520.<sup>5</sup> The MBM does not include

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<sup>5</sup> Statistics Canada's 2004 Survey of Average Family Expenditures by Income Quintile.

health care costs as part of the basket of goods. Instead, the MBM removes health care costs from the family's income. Following the MBM methodology, this report does not factor in health costs as part of the disposable income thresholds. Given the changes that have occurred in out-of-pocket health expenses, it is suggested that the costs for health be included in future updates of the Whistler thresholds.<sup>6</sup>

Also, it is important to note that according to Statistic's Canada data, 8.1% of all households reported childcare expenditures. The average expenditure (median) for all households reporting expenditures was \$1,500.<sup>7</sup> In keeping with the MBM methodology, this study does not include childcare expenditures. The MBM argues that the costs of childcare can vary significantly between families with children. The MBM therefore deducts childcare costs from family incomes to determine the percentage that have disposable incomes below the revised threshold. A similar procedure could be used in future affordability studies in Whistler.

### **Determining Gross Incomes Required**

Gross income amounts required to meet the MBM, adequacy and affordability disposable income thresholds were calculated for a family of four with a single income earner, as well as, a family of four where one of the adults accounts for approximately 60% of the households disposable income and the other adults accounts for approximately 40% of the disposable income. The method for calculating the disposable income thresholds for the reference family and the single seasonal worker is congruent with the MBM methodology for calculating disposable family income.<sup>8</sup>

In our calculations, we assume only basic deductions from income and do not include the following items in our calculations: health plans, union dues, child support and alimony payments; out of pocket spending on child care; and non-insured but medically-prescribed health related expenses such as dental and vision care, prescription drugs and aids for persons with disabilities.

As such, the disposable income thresholds for the reference family and the single seasonal worker are the sum remaining after deducting from the total household gross income only the following items: Canadian Pension Plan (CPP); Employment Insurance (EI); and total income taxes paid (federal and provincial).

The Canada Child Tax Benefit (CCTB) and the GST calculator were used to calculate the amount of the CCTB and GST refundable credits. It was decided not to deduct the refundable GST credits given that these credits are fairly small and given that only some of the configurations received the GST credit. The GST credit is shown separately where applicable but is not added to any the disposable income thresholds.

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<sup>6</sup> See Appendix 6c for the average expenditures and the number of people reporting expenditures on disability insurance, life insurance, health care and child care costs.

<sup>7</sup> Statistics Canada's 2004 Survey of Average Family Expenditures by Income Quintile.

<sup>8</sup> *Understanding the 2000 Low Income Statistics Based on the Market Basket Measure*, Human Resources Development Canada, May 2003, p.4.

The CCTB, on the other hand, goes to most families with children and is quite substantial, especially for families with lower incomes. We have included the CCTB as part of the total income for families with children and it is added to the adult with the lowest earnings in determining the disposable income where both adults have earnings.

The hourly wages required to meet the respective gross income thresholds were calculated by assuming 52 working weeks per year. Hourly wages were calculated for both a 40 hours/week job and a 35 hours/week job. In calculating the hourly wage required to meet the MBM and adequacy disposable income thresholds for the households with two earners, we assumed that the earner whose income constitutes 40% of the household income earns the current minimum wage of \$8.00/hour and works 22 hours a week to meet the MBM income threshold and 38 hours/week to meet the adequacy threshold.

For a single seasonal worker, we have assumed that the person earns the same amount in each half of the year. The Whistler winter season is based on dividing the annual gross income by two.

It is important to note that the disposable gross income totals are approximations and they are rounded to the nearest fifty dollars.

## VANCOUVER MBM THRESHOLDS FOR A REFERENCE FAMILY AND MALE/FEMALE SEASONAL WORKER

The MBM establishes the general thresholds for what the reference family would be required to spend on food, shelter, clothing/footwear, transportation, and other goods and services to afford the MBM basket of goods. When the MBM amounts are CPI adjusted to 2005, we find that the reference family in Vancouver would need to have over \$30,000 in disposable income to meet the MBM thresholds. The MBM methodology assumes that a single adult will require 50% of what the reference family requires in each category. This single annual amount was again divided by two to obtain the MBM threshold for a single person over a six month period. According to this methodology, the single seasonal worker's MBM disposable income threshold is \$7,619.42 over a six month period. As the table shows, shelter and food are the largest of the expenditure categories.

**Table 1: MBM Thresholds, CPI Adjusted to 2005 for a Reference Family and a Single Seasonal Worker**

Category*	Reference Family		Single Seasonal Worker	
	\$	%	\$	%
<b>Food</b>	7,536.36	25%	1,884.09	25%
<b>Shelter</b>	11,993.00	39%	2,998.25	39%
<b>Clothing/Footwear</b>	2,239.63	7%	559.91	7%
<b>Transportation</b>	1,816.01	6%	454.00	6%
<b>Other Goods and Services</b>	6,892.68	23%	1,723.17	23%
<b>Total</b>	<b>30,477.68</b>		<b>7,619.42</b>	

\*See Appendix 1a.

\*Note: All item category expenditures are for Vancouver.

## WHISTLER ADEQUACY THRESHOLDS FOR A REFERENCE FAMILY AND MALE/FEMALE SEASONAL WORKER

In order to make the MBM thresholds Whistler-specific, we used updated pricing for certain categories. The food, shelter, and transportation categories use Whistler prices as described in the methodology section above. The clothing/footwear and other goods and services categories rely on the MBM's Vancouver threshold, as these items have not been priced for Whistler specifically.

**Table 2: Adequacy Thresholds for a Reference Family and a Single Seasonal Worker in Whistler**

Category	Reference Family		Single Seasonal Worker	
	\$	%	\$	%
<b>Food</b> ( <i>Appendix 3a</i> )	8,403.26	21%	2,100.82	25%
<b>Shelter</b> ( <i>Table 14</i> )	20,250.00	51%	3,390.00	40%
<b>Clothing/Footwear</b> ( <i>Table 15</i> )	2,239.63	6%	559.91	7%
<b>Transportation</b> ( <i>Appendix 4a/d</i> )	1,884.00	5%	659.94	8%
<b>Other Goods and Services</b>	7,237.17	18%	1,809.29	21%
<b>Total Expenditures (Excluding Taxes)</b>	<b>40,014.06</b>		<b>8,519.96</b>	

The reference family requires \$40,014.06 to purchase an adequate supply of basic goods. The nearly \$10,000 increase in the adequacy threshold from the MBM threshold is primarily accounted for by the increased cost of shelter for Whistler.

In terms of the single seasonal worker, the food, clothing/footwear, and other goods and services categories are calculated following the MBM methodology, which uses 50% of the reference family amounts to determine the amounts for the single adult. These amounts were then divided by two to get the amounts for a six month period. Unlike the reference family, the nearly \$1,000 increase in expenditures for the single seasonal worker is spread out to all of the categories except clothing/footwear.

## WHISTLER AFFORDABILITY THRESHOLDS FOR A REFERENCE FAMILY AND MALE/FEMALE SEASONAL WORKER

The Whistler Affordability Task Force wants to ensure that families and seasonal workers living in Whistler can afford a certain basket of goods that goes beyond simple adequacy levels. The Task Force identified that recreation is an important component to life in Whistler. The Task Force also felt that it was important for a family to have access to a car due to the geography of Whistler, distance to amenities, and lack of adequate bus service for certain trips.

**Table 3: Affordability Thresholds for a Reference Family and Single Seasonal Worker in Whistler**

Category	Reference Family		Single Seasonal Worker	
	\$	%	\$	%
<b>Food</b> (Appendix 3a)	8,403.26	17%	2,100.82	20%
<b>Shelter</b> (Table 14)	20,250.00	41%	3,390.00	33%
<b>Clothing/ Footwear</b> (Table 15)	2,239.63	5%	559.91	5%
<b>Transportation</b> (Appendix 3b/d)	4,885.82	10%	1,121.94	11%
<b>Recreation</b> (Appendix 4a/b)	9,026.30	18%	1,907.19	19%
<b>Other Goods and Services</b>	4,789.30	10%	1,197.33	12%
<b>Total Expenditures (Excluding Taxes)</b>	<b>49,594.31</b>		<b>10,277.19</b>	

The major difference between the adequacy and affordability thresholds for the reference family are the increased costs for transportation (the financing and operation cost of a 5 year old car) and a significant increase in recreation costs when recreation costs are separated out from the other goods and services.

Recreational activities and items are a large expense in Whistler, with the reference family requiring \$9,026.30 annually, accounting 18% of their total living costs. Even when using the Spirit Ski Pass prices, which are only available to Whistler workers, downhill ski passes make up a large portion of the recreational costs.

The affordability threshold for Whistler is 24% higher than the adequacy threshold.

Recognizing that there may be some differences in requirements for the male and female single seasonal worker, we conducted an exercise to see how significant these differences would be. The only differences were in the price of clothing/footwear and food, resulting in the seasonal male worker requiring 3% more than the seasonal female worker. Since

the difference is minimal, we have decided to use the costs for a male to determine the affordability threshold for the seasonal worker.

As with the reference family, the costs for food, shelter and clothing/footwear for the seasonal worker are the same as in the adequacy threshold. Transportation costs are higher as weekly roundtrip taxi rides are included in the affordability threshold compared to the monthly taxi roundtrip rides in the adequacy threshold. Also, there is a significant increase (approximately \$1,300) in the combined recreation and other expenses, due to the expanded recreation category.

The recreation items are the third highest expense for the single seasonal worker in Whistler. It is important to note that for the recreation items for the single male, we removed the recreation hockey fees and the hockey equipment and put in fitness passes for six months. We also removed the bike park pass and the downhill bike for the winter season. We included the price of a moderate mountain bike. Recreational items account for 19% of the single seasonal worker's expenses over the six month period. Ski passes are the single most expensive cost in the recreation category, even when using the Spirit Ski Pass price.

## THRESHOLD COMPARISONS

The tables below provide a comparative perspective on the three thresholds developed in this study. The first table refers to the three thresholds for a reference family, while the second table refers to the three thresholds for a single seasonal worker.

**Table 4: Reference Family Thresholds (two adults; two children)**

Category*	Vancouver MBM		Whistler Adequacy		Whistler Affordability	
	\$	%	\$	%	\$	%
<b>Food</b>	7,536.36	25%	8,403.26	21%	8,403.26	17%
<b>Shelter</b>	11,993.00	39%	20,250.00	51%	20,250.00	41%
<b>Clothing</b>	2,239.63	7%	2,239.63	6%	2,239.63	5%
<b>Transportation</b>	1,816.01	6%	1,884.00	5%	4,885.82	10%
<b>Recreation</b>	n/a	n/a	n/a	n/a	9,026.30	18%
<b>Other</b>	6,892.68	23%	7,237.17	18%	4,789.30	10%
<b>Total</b>	<b>30,477.68</b>		<b>40,014.06</b>		<b>49,594.31</b>	

*Note: Percentages may not total 100 due to rounding.*

**Table 5: Single Seasonal Worker Thresholds**

Category*	Vancouver MBM		Whistler Adequacy		Whistler Affordability	
	\$	%	\$	%	\$	%
<b>Food</b>	1,884.09	25%	2,100.82	25%	2,100.82	20%
<b>Shelter</b>	2,998.25	39%	3,390.00	40%	3,390.00	33%
<b>Clothing</b>	559.91	7%	559.91	7%	559.91	5%
<b>Transportation</b>	454.00	6%	659.94	8%	1,121.94	11%
<b>Recreation</b>	n/a	n/a	n/a	n/a	1,907.19	19%
<b>Other</b>	1,723.17	23%	1,809.29	21%	1,197.33	12%
<b>Total (6 months)</b>	<b>7,619.42</b>		<b>8,519.96</b>		<b>10,277.19</b>	
<b>Total (annual)</b>	<b>15,238.84</b>	<b>n/a</b>	<b>17,039.92</b>	<b>n/a</b>	<b>20,554.38</b>	<b>n/a</b>

*Note: Percentages may not total 100 due to rounding.*

# GROSS INCOME REQUIRED TO MEET DISPOSABLE INCOME THRESHOLDS

For the reference family and the single seasonal worker, we used a tax calculator that computes the approximate CPP, EI, federal and provincial tax deductions as a proportion of gross income. Table 6 shows the tax calculator and the basic deductions from a gross income of \$32,200; the gross income required for one earner to meet the disposable income thresholds for the MBM reference family in Vancouver.

**Table 6: Federal and British Columbia Tax Calculator (Selected Items Only)**

2005 Federal and British Columbia Tax Calculator - Selected items only					
<b>Income</b>		<b>Deductions</b>			
Employment income (box 14 on all T4 slips)	101	32,200.00	Registered pension plan	207	0.00
Other Employment Income	104		RRSP	208	0.00
OAS	113		Annual union and prof. dues	212	0.00
CPP	114		Child care expenses	214	0.00
Other pensions or superannuation	115	0.00	Alimony or maintenance	220	
Employment Insurance benefits	119		Carrying charges	221	0.00
Taxable amount of dividends (schedule 4)	120	0.00	Other Deductions	232	0.00
Interest and other investment income (schedule 4)	121				
Rental Income	126		<b>Total Deductions</b>	233	0.00
Taxable Capital Gains (schedule 3)	127	0.00			
Support payments received	128		<b>Net Income before adjustments</b>	234	32,200.00
RRSP Income	129		Social benefits repayment	235	
Other Income	130	0.00	<b>Net Income</b>	236	32,200.00
Self-employment income (net amount)	135 to 143		Deductions from Net Income	257	
Social Assistance etc. (see also 235 and 257 in guide)	147		(capital gains deduction & line 147 amts.)		
<b>Total Income</b>	150	32,200.00	<b>Taxable Income</b>	260	32,200.00
<b>Federal Tax - Schedule 1</b>		<b>BC Tax - BC428</b>			
Taxable income from line 260 of your return		32,200.00 1			
<p><b>\$35,595 or less</b></p> <p>Amount from line 1 32,200.00 2</p> <p>Base amount - 0.00 3</p> <p>Line 2 minus line 3 = 32,200.00 4</p> <p>Rate x 15% 5</p> <p>Multiply line 4 by line 5 = 4,830.00 6</p> <p>Tax on base amount + 0.00 7</p> <p>Add lines 6 and 7 4,830.00 8</p>		<p><b>\$33,061 or less</b></p> <p>Amount from line 1 32,200.00 2</p> <p>Base amount - 0.00 3</p> <p>Line 2 minus line 3 = 32,200.00 4</p> <p>Rate x 6.05% 5</p> <p>Multiply line 4 by line 5 = 1,948.10 6</p> <p>Tax on base amount + 0.00 7</p> <p>Add lines 6 and 7 1,948.10 8</p>			
<b>Non-refundable tax credits</b>		<b>Non-refundable tax credits</b>			
<p><b>Federal</b></p> <p>Basic personal amount 300 8,648.00</p> <p>Age amount 301 0.00</p> <p>Spousal credit 303 7,344.00</p> <p>Equivalent to spouse 305 0.00</p> <p>CPP contributions 308/310 1,420.65</p> <p>EI premiums 312 627.90</p> <p>Pension income credit 314 0.00</p> <p>Caregiver amount 315</p> <p>Disability amount 316</p> <p>Student loan interest 319</p> <p>Tuition &amp; education 323</p> <p>Medical Expenses 0.00</p> <p>Minus threshold 966.00</p> <p><b>Allowable amount 0.00</b></p> <p>Total credit amounts 335 18,040.55</p> <p>Credit amounts at 15% 338 2,706.08</p> <p>Donations and Gifts</p> <p>Total donations</p> <p>First \$200 at 15% 0.00</p> <p>Over \$200 at 29% 0.00</p> <p><b>Total Donations credits 0.00</b></p> <p><b>Total Credits 2,706.08</b></p> <p>Tax from line 8 above 4,830.00 9</p> <p>Non-refundable credits 2,706.08</p> <p>Dividend tax credit 0.00</p>		<p><b>British Columbia</b></p> <p>Basic personal amount 9 8,676.00</p> <p>Age amount 10 0.00</p> <p>Spousal credit 11 7,429.00</p> <p>Equivalent to spouse 12 0.00</p> <p>CPP contributions 14 1,420.65</p> <p>EI premiums 16 627.90</p> <p>Pension income credit 17 0.00</p> <p>Caregiver amount 18</p> <p>Disability amount 19</p> <p>Student loan interest 21</p> <p>Tuition &amp; education 22/23</p> <p>Medical Expenses 25 0.00</p> <p>Minus threshold 26 966.00</p> <p><b>Allowable amount 0.00 29</b></p> <p>Total credit amounts 30 18,153.55</p> <p>Credit amounts at 6.05% 32 1,098.29</p> <p>Donations and Gifts</p> <p>Total donations 0.00</p> <p>First \$200 at 6.05% 33 0.00</p> <p>Over \$200 at 14.7% 34 0.00</p> <p><b>Total Donations credits 0.00 35</b></p> <p><b>Total Credits 1,098.29 36</b></p> <p>Tax from line 8 above 1,948.10 37/39</p> <p>Non-refundable credits 40 1,098.29</p> <p>Dividend tax credit 41 0.00</p>			

The *net income* shown in the tables below is the amount remaining after the CCP, EI and federal and provincial income taxes have been deducted from gross income. The online Canada Child Tax Benefit (CCTB) calculator was used to calculate the amount of the CCTB for the reference family at each income level. The CCTB was added to the net income to calculate total disposable income.

In table 7, we report the gross annual income required by a reference family (single earner) to meet the MBM, adequacy, and affordability disposable income thresholds. The gross incomes required for each disposable income threshold are as follows: \$32,200 gross income for the MBM disposable threshold income; \$48,300 gross income for the adequacy disposable income threshold; and \$63,100 gross income for the affordability disposable threshold income.

**Table 7: Gross Income Required to meet Disposable Income Thresholds for the Reference Family (Single Income Earner)**

Category	MBM	Adequacy	Affordability
	\$	\$	\$
<b>Gross Income</b>	<b>32,200</b>	<b>48,300</b>	<b>63,100</b>
<i>CPP</i>	(1,421)	(1,861)	(1,861)
<i>EI</i>	(628)	(761)	(761)
<i>Fed tax</i>	(2,124)	(5,342)	(8,598)
<i>BC Tax</i>	(850)	(2,261)	(3,616)
<b>Net Income</b>	<b>27,177</b>	<b>38,075</b>	<b>48,264</b>
<i>CCTB</i>	3,299	1,948	1,356
<b>Disposable Income</b>	<b>30,476</b>	<b>40,023</b>	<b>49,620</b>
<i>Threshold Total</i>	<i>30,478</i>	<i>40,014</i>	<i>49,594</i>
<b>GST Credit</b>	565	n/a	n/a

**Table 7a: Hourly Wages to Achieve Gross Incomes**

Based on	MBM	Adequacy	Affordability
<b>Gross Income</b>	32,200	48,300	63,100
<b>40 paid hours/week</b>	15.48	23.22	30.34
<b>35 paid hours/week</b>	17.69	26.54	34.67

In table 8, we report the gross annual income required by a reference family where one of the adults accounts for approximately 60% of the disposable income and the other 40% for each of the thresholds. The CCTB and any GST credits are shown for the lowest income earner. The gross incomes required for each disposable income threshold are as follows: \$31,200 gross income for the MBM disposable threshold income (\$22,000 for 60% provide and \$9,200 for 40% provider); \$45,800 gross income for the adequacy disposable income threshold (\$30,000 for the 60% provider and \$15,800 for the 40% provider); and \$60,400 gross income for the affordability disposable threshold income (\$38,200 for the 60% provider and \$22,200 for the 40% provider).

**Table 8: Disposable Income Required for a Reference Family (60/40 Income Household)**

Category	MBM		Adequacy		Affordability	
	\$		\$		\$	
<b>Total Gross Income</b>	<b>31,200</b>		<b>45,800</b>		<b>60,400</b>	
	60%	40%	60%	40%	60%	40%
<b>Individual Gross Income</b>	22,000	9,200	30,000	15,800	38,200	22,200
<b>CPP</b>	(916)	282	(1,312)	(609)	(1,718)	(926)
<b>EI</b>	(429)	179	(585)	(308)	(745)	(433)
<b>Fed tax</b>	(1,802)	14	(2,918)	(935)	(4,246)	(1,829)
<b>BC Tax</b>	(581)	n/a	(1,175)	(16)	(1,796)	(599)
<b>Net Income</b>	18,272	8,725	24,010	13,932	29,695	18,413
<b>CCTB</b>	n/a	3,479	n/a	2,048	n/a	1,464
<b>60/40 Disposable Income</b>	<b>18,272</b>	<b>12,204</b>	<b>24,010</b>	<b>15,980</b>	<b>29,695</b>	<b>19,877</b>
<b>60/40 Threshold Total</b>	<b>18,287</b>	<b>12,191</b>	<b>24,008</b>	<b>16,006</b>	<b>29,757</b>	<b>19,838</b>
<b>GST Credit</b>	n/a	615	n/a	n/a	n/a	n/a

**Table 8a: Hourly Wages to Achieve Gross Incomes**

Based On	MBM		Adequacy		Affordability	
	60%	40%	60%	40%	60%	40%
<b>Individual Gross Income</b>	22,000	9,200	30,000	15,800	38,200	22,200
<b>40 hours/week</b>	10.58	n/a	14.42	n/a	18.37	10.67
<b>35 hours/week</b>	12.09	n/a	16.48	8.68	20.99	12.20
<b>Number hours/week at \$8/hour</b>	n/a	22	n/a	38	n/a	n/a

In table 9, we report the annual gross income required by a single worker to meet the MBM, adequacy, and affordability disposable income thresholds. The gross incomes required for each disposable income threshold for a six month period are as follows: \$17,650 (approx. \$8,825 for six months) for the MBM disposable threshold income; \$20,250 (approx. 10,125 for six months) for the adequacy disposable income threshold; and \$25,250 (approx. 12,625 for six months) for the affordability disposable threshold income.

**Table 9: Required Disposable Income for a Single Seasonal Worker (Annual and Six Month Income)**

Category	MBM	Adequacy	Affordability
	\$	\$	\$
<b>Gross Annual Income</b>	17,650	20,250	25,250
<b>CPP</b>	(700)	(829)	(1,077)
<b>EI</b>	(344)	(395)	(492)
<b>Fed tax</b>	(1,194)	(1,557)	(2,255)
<b>BC Tax</b>	(179)	(419)	(881)
<b>Disposable (annual) Income</b>	<b>15,233</b>	<b>17,050</b>	<b>20,545</b>
<i>Threshold Total (Annual)</i>	<i>15,239</i>	<i>17,040</i>	<i>20,554</i>
<b>GST Credit</b>	347	347	347
<b>Disposable (6 month) Income</b>	<b>7,617</b>	<b>8,525</b>	<b>10,273</b>
<i>Threshold Total (6 months)</i>	<i>7,619</i>	<i>8,520</i>	<i>10,277</i>

**Table 9a: Hourly Wages to Achieve Gross Incomes**

Based on	MBM	Adequacy	Affordability
<b>Gross Annual Income</b>	17,650	20,250	25,250
<b>40 paid hours/week</b>	8.49	9.74	12.14
<b>35 paid hours/week</b>	9.70	11.13	13.87

To calculate gross income thresholds for different family sizes, we followed the Luxemburg Income Survey (LIS) method for determining equivalence scales, which is simply the square root of household size. This method is also similar to the MBM method for establishing equivalence scales. The rationale for this method can be traced back to the work of British poverty analyst Anthony Atkinson who, after an extensive study of

the many equivalence scales used in developed countries, concluded that the scales tend to converge around the square root of household size.<sup>9</sup>

The calculations of gross incomes for different family sizes therefore involved multiplying the square root (rounded to two decimal points) of a given household size by the total gross income of the reference family and dividing by two.

**Table 10: Gross Income Threshold Equivalence Scales**

<b>Size of household</b>	<b>Square root</b>	<b>Adequacy</b>	<b>Affordability</b>
<b>1 person</b>	1.00	20,250	25,250
<b>2 people</b>	1.41	34,052	44,486
<b>3 people</b>	1.73	41,780	54,582
<b>4 people</b>	2.00	48,300	63,100
<b>5 people</b>	2.24	54,096	70,672
<b>6 people</b>	2.45	59,168	77,298

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<sup>9</sup> Hatfield, Michael. Constructing the Revised Market Basket Measure. Ottawa: Human Resources Development Canada, 2002.

## **PERCENTAGE OF WHISTLER HOUSEHOLDS FALLING BELOW AFFORDABILITY AND ADEQUACY GROSS INCOME THRESHOLDS**

In this section, we compare the income data collected from the Whistler Community Survey to the adequacy and affordability gross income thresholds. The Whistler Community Survey questions on income were completed by 420 people through a telephone and intercept survey. The data indicates that 265 of the respondents were “permanent residents” and that 155 were classified as “seasonal residents”.

The following table shows the proportion of permanent and seasonal residents who fell below the adequacy and affordability gross income thresholds discussed earlier in the report.

**Table 11: Percentage of all Households Falling Below the Adequacy and Affordability Gross Income Thresholds**

<b>Resident Type</b>	<b>% Below Adequacy Threshold</b>	<b>% Below Affordability Threshold</b>
Permanent Resident	11.3%	22.3%
Seasonal Resident	29.7%	40.6%
ALL Residents	18.1%	29.0%

As can be seen, residents who are “seasonal” more frequently have incomes that are below both the adequacy and affordability thresholds. As expected, a larger percentage of the residents fall below the higher affordability threshold.

The findings from the survey also shows that one-person households have a much higher incidence of lower incomes compared to two person adult households with no dependents.

**Table 12: Percentage of One and Two Person Households Falling below the Adequacy and Affordability Gross Income Thresholds**

Resident Type	Percent Below Adequacy Threshold		Percent Below Affordability Threshold	
	1 person household	2 person household	1 person household	2 person household
Permanent Resident	14.4%	6.0%	24.0	16.0
Seasonal Resident	41.9%	16.4%	59.3	19.7
ALL Residents	26.8%	9.9%	40.0	17.4

There were 12 lone parent household in this particular survey. Half of the lone parent households had one child and half were a lone parent with 2 children. Of the 12 lone parents, 5 were below the adequacy threshold for their household size and 7 were below the affordability threshold.

The majority of households with dependents were inclusive of two adults. Of the 61 households with 3 or more persons (6 of whom were lone parents), 13% of the families (including 4 lone parents) had gross incomes that were below the adequacy threshold and 26% had gross incomes below the affordability threshold. Virtually all of the household with dependents who had income less then the adequacy and affordability thresholds were permanent residents.

As the tables show, the majority of single seasonal residents (59.3%) have incomes below the affordability threshold and almost 42% have incomes below the adequacy threshold. Additional research would be required to better understand the contributing factors behind these findings.

## COMMUNITY COMPARISONS

In order to get a sense of how prices in Whistler compare to other communities, we conducted some limited community comparisons in each category. Overall, these limited comparators show Whistler prices to be slightly higher.

### **Food**

The *Whistler2020: Resident Affordability Strategy* stated that the price of food in Whistler is 17% higher than the provincial average.<sup>10</sup> Although our findings confirm the general conclusion about higher food prices in Whistler as noted in the *Whistler2020* report, the total cost of the items selected as comparators was only 7% higher at the IGA in Whistler than at the IGA in Vancouver. The difference between the *Whistler2020* findings and the *Whistler Affordability Study* findings can be explained by the fact the *Whistler2020* study did not control for retail chains, resulting in a comparison of some lower-end and some higher-end stores, while the *Whistler Affordability Study* used non-sale items at the same retail chain and did not compare organic foods to regular foods.

**Table 13: Food Comparators in Whistler, Vancouver, and Victoria**

<b>*Item</b>	<b><i>Whistler, IGA</i></b>	<b><i>Vancouver, IGA</i></b>	<b><i>Victoria, Thrifty's</i></b>
<b><i>Dairy</i></b>	11.76	12.10	11.54
<b><i>Meat/Protein</i></b>	20.00	19.13	21.05
<b><i>Starch and Cereals</i></b>	22.43	21.64	20.64
<b><i>Produce/Juice</i></b>	25.47	20.01	25.60
<b><i>Other</i></b>	19.15	19.85	15.91
<b><i>Total</i></b>	<b>98.81</b>	<b>92.73</b>	<b>94.74</b>

*\*See Appendix 3b*

The prices for dairy, meat, starch, and other items were fairly similar between all three stores, with the exception of Victoria's other category being quite low. The biggest price difference for these items is in the produce category. Even when comparing at the same retail chain in Whistler and Vancouver, the produce items that were priced were 27% higher at the Whistler IGA than at the Vancouver IGA. Despite these significant differences in prices between Whistler and Vancouver, the produce items in Victoria cost slightly more than in Whistler.

<sup>10</sup> *Whistler2020: Resident Affordability Strategy*, June 2005, p.9.

## **Shelter**

The average rent prices for this study were gathered from two sources. The Vancouver data is based on the Canada Mortgage and Housing Corporation's (CMHC) October 2005 average rental prices for both private apartments and row houses. As mentioned above, the Whistler data was provided by the RMOW.

**Table 14: Monthly and Annual Rental Costs in Whistler and Vancouver**

Item	Whistler		Vancouver	
	Monthly	Annually	Monthly	Annual
<b>Studio/Bachelor</b>	750.00	9,000.00	678.00	8,136.00
<b>1 Bedroom</b>	1,100.00	13,200.00	787.00	9,444.00
<b>2 Bedroom</b>	1,375.00	16,500.00	1,006.00	12,072.00
<b>3 Bedroom</b>	2,000.00	24,000.00	1,196.00	14,352.00
<b>Shared</b>	565.00	6,780.00	-	-

*Source (Whistler): Whistler Housing Authority, 2005*

*Source (Vancouver): Canada Housing and Mortgage Corporation, October 2005*

While the cost of rental housing in Whistler does slightly decrease during the low season in the summer, both the low and high season prices in Whistler are more expensive than renting an apartment in Vancouver. When comparing rental costs for 2005, both one and two bedroom apartments are around 40% higher in Whistler than in Vancouver respectively. Even more striking is the difference between the cost of renting a three bedroom apartment in Whistler and Vancouver, with the price in Whistler being 67% higher. The average rent for a studio or bachelor apartment is 11% higher in Whistler than it is in Vancouver. Although there is no comparator for Vancouver, the average shared accommodation in Whistler is much lower, at \$565 per month compared to the average cost for a studio/bachelor unit.

## Clothing and Footwear

In terms of clothing/footwear, we did not price items to compare between communities. However, we do feel that it is important to have some discussion around comparisons between different resources for determining clothing/footwear costs.

**Table 15: Annual Clothing and Footwear Prices by Reference Family Size**

Item	*A.L.L.	**SPARC BC	***MBM Vancouver
<b><i>Two adults and two children (7 year old girl, 10 year old boy)</i></b>	1,890.13	2,670.24	2,239.63
<b><i>Adult Male</i></b>	392.55	863.28	1,119.82
<b><i>Adult Female</i></b>	423.47	863.28	1,119.82

\*Source: *Acceptable Living Level, Oct. 2003 (CPI Adjusted by 2.76%), Left Behind, December 2005*

\*\*Source: *Statistics Canada, 2005*

\*\*\* MBM amount has been CPI adjusted to 2005 and does not account for gender differences in clothing prices.

The original MBM report uses the A.L.L. clothing amounts developed by the Social Planning Council of Winnipeg. This data has been CPI updated to October 2005. The methodological approach used to produce the A.L.L. involved hiring fifteen low-income consultants to report on the cost of living in their respective communities.<sup>11</sup> As such, the emphasis in the A.L.L. is in constructing a measure of adequacy rather than affordability.

We compared the A.L.L. clothing and footwear costs to the SPARC BC data (also CPI adjusted to October 2005) for clothing and footwear and noticed substantial cost differences.<sup>12</sup> In the case of the reference family, we observe that the annual SPARC BC clothing and footwear costs are 41% more than those reported by the A.L.L. report. Moreover, according to SPARC BC data, the annual clothing and footwear costs for an adult are 110% higher than they are for the A.L.L. male and 104% higher than the A.L.L. female.

The MBM conversions for the A.L.L. cost of clothing and footwear to Vancouver prices, as discussed above in the methodology section, show a higher cost for the reference family in Vancouver than in Winnipeg. However, the MBM cost for Vancouver is 19% lower than the amount calculated in the SPARC BC reference family. The MBM clothing estimates for adult individuals are much higher given the equivalency scales that are used. We have used the MBM Vancouver figures in all the thresholds discussed in this report.

<sup>11</sup> Social Planning Council of Winnipeg, (2003), *Acceptable Living Level*, p.2.

<sup>12</sup> Unlike the A.L.L. report, which accounts for cost differences between genders, the SPARC BC clothing and footwear data is not gender-sensitive.

## **Transportation**

The cost of transportation for the reference family in Whistler is only slightly higher than the cost in Vancouver. While car insurance and maintenance is slightly higher in Whistler, public transportation is more costly in Vancouver.

**Table 16: Annual Transportation Expenditures for a Reference Family in Whistler and Vancouver**

<b>*Item</b>	<b>Whistler</b>	<b>Vancouver</b>
<b><i>Used Car for \$10,000 over 5 yrs.</i></b>	1,176.00	1,176.00
<b><i>Gas</i></b>	1,348.50	1,348.50
<b><i>Car Insurance</i></b>	1,550.00	1,441.00
<b><i>Car Maintenance</i></b>	220.00	201.97
<b><i>Commuter Bicycles</i></b>	171.32	171.32
<b><i>Public Transportation</i></b>	420.00	480.00
<b><i>Total</i></b>	<b>4,885.82</b>	<b>4,818.79</b>

\* See Appendix 4b

In the case of the commuter bicycles, our original pricing revealed a significant difference between total costs in Vancouver and Whistler. At the time of data collection, the most basic bicycles suitable for commuter purposes available in Whistler were an expensive brand (Specialized Mountain Bike at \$500.00 for each adult and \$499.00 for each child). In Vancouver, the most basic new bicycles available for commuter purposes were of a less expensive brand (CCM Bicycles at \$220.00 for each adult, \$140.00 for the 13 year old boy and \$110.00 for the 9 year girl).

## **Recreation**

The recreational items cost only slightly more in Whistler than in Vancouver, which is surprising, especially in terms of the skiing. As mentioned above, Whistler offers Spirit Ski Passes to workers in Whistler, which cuts the cost of skiing down by approximately half for the reference family. Without the Spirit Pass, an adult ski pass in Whistler costs \$1,639, a youth pass costs \$799, and a child's pass costs \$499. If we were to use the regularly advertised downhill ski pass prices for Whistler, the cost of recreational items for this category in Whistler would be 16% higher than in Vancouver.

**Table 17: Comparative Annual Recreation Expenditures for a Reference Family in Whistler and Vancouver**

<b>*Item</b>	<b>Whistler</b>	<b>Vancouver</b>
<b>Community Centre</b>	960.00	***981.75
<b>Skiing (Downhill and Cross Country)</b>	1,845.00	1,995.00
<b>Movie Tickets</b>	492.00	492.00
<b>Youth Winter Activities</b>	580.00	869.00
<b>Youth Summer Activities</b>	737.00	645.00
<b>Adult Recreational Activities</b>	300.00	415.00
<b>Dining Out</b>	1,200.00	1,200.00
<b>Bike Park Pass</b>	275.00	279.00
<b>Recreational Equipment</b>	3,475.60	2,786.14
<b>Total</b>	<b>**9,864.60</b>	<b>9,662.89</b>

\* See Appendix 5a

\*\* Note: The amount for recreational items in Table 17 is more than the amount listed in the Affordability Threshold because Table 17 uses Whistler prices for ski equipment, not Vancouver prices.

\*\*\* Note: The community centre cost is for a North Vancouver centre because there are not any centres in Vancouver that offer a family pass that compares to Whistler in that it includes access to a fitness centre, pool, and ice rink as part of the family pass, which is the case in Whistler.

Some of the notable price differences for recreational items between Whistler and Vancouver are for cross-country skiing and youth winter activities. The cost for a family to cross-country ski at Cypress near Vancouver is almost 100% more than the cost of a family at Whistler's Lost Lake. The cost difference between youth winter activities in Whistler and Vancouver is attributable to the different fees for youth hockey registration (\$365.00 in Whistler and \$625.00 in Vancouver). Similarly, the cost difference of adult recreational activities is attributable to men's hockey registration fees (\$300.00 in Whistler and \$415.00 in Vancouver).

In the case of the annual expenditures on recreational equipment, the items in Whistler cost 25% more than in Vancouver. This is attributable to the higher cost of ski equipment in Whistler (\$2,154.61 for down hill and cross country equipment) as compared to the

cost for the same items in Vancouver (\$1,313.40). This difference translates into a 64% higher cost for ski equipment in Whistler than in Vancouver. It is probable that Whistler residents would not purchase ski equipment at full price but instead would wait for the annual ski “blow out” sales or drive to Vancouver. The affordability threshold is calculated using the lower Vancouver prices for ski equipment.

**Table 18: Comparative Annual Recreation Expenditures for a Reference Family in Whistler, Vancouver and Banff**

*Item	Whistler	Vancouver	Banff
<b>Downhill Ski Passes</b>	1,597.00	1,500.00	2,027.00**
<b>Movie Tickets</b>	492.00	492.00	402.00
<b>Family Rec Centre Passes</b>	\$960.00	981.75	\$1,145.00
<b>Youth Winter Activities</b>	145.00	119.00	131.00
<b>Youth Summer Activities</b>	542.00	525.00	313.45
<b>Total</b>	<b>\$3,736.00</b>	<b>3,617.75</b>	<b>4,018.45</b>

\* See Appendix 5c

\*\* The price listed in the table is only available to Banff employees. The commercially advertised price for skiing in Banff with a three mountain pass would be \$2,177.00.

In order to establish comparators among recreational items in Whistler to recreational items in another resort community, prices for certain recreational items were gathered for Whistler, Vancouver, and Banff. Our analysis is restricted to a limited number of items, including: downhill ski passes for an adult, a youth, and a child; movie tickets for a reference family; recreation centre passes for pool, fitness and skating, swimming and art classes for a child in the winter season; one summer activity and one five day summer camp for the 13 year old boy; and a summer camp for a 9 year old girl.

The comparators for recreational items in Whistler are slightly lower than in Banff, especially for employee priced ski passes. This could in part be due to the fact that our data only includes employee prices for an adult ski pass. The youth and child ski passes for Banff are the only youth and child pass prices, whereas the youth and child passes for Whistler are based on the Sea to Sky Student rate.

The regular adult ski pass price for one season in Whistler is \$1,639, while the same item costs \$1,349 Banff (Tri-Area Pass) and only \$700 at Vancouver’s Grouse Mountain. The annual cost for an adult to ski in Whistler at the regular Whistler prices is 21% more than in Banff.

Whistler has the lowest price for a family pass to the local recreation centre. However, when ski passes and family passes for recreation centres are removed from the list of recreation items, Whistler’s recreational items that are left are 39% more expensive than comparable activities in Banff.

## APPENDICES

### Appendix 1: MBM CPI Adjustments

#### Appendix 1a: Consumer Price Index Update for Vancouver Reference Family from 2000 to 2005

Category*	CPI Oct 00**	CPI Oct 05**	Difference	% change	***MBM 2000	MBM 2005
Food	112.50	126.60	14.1	12.53	6,697	7,536.36
Shelter	100.80	109.70	8.9	8.83	11,020	11,993.00
Clothing and Footwear	113.80	111.20	-2.6	-2.28	2,292	2,239.63
Transportation	132.90	151.60	18.7	14.07	1,592	1,816.01
Other goods and services	124.65	138.80	14.15	11.35	6,190	6,892.68
<b>Total</b>					<b>27,791</b>	<b>30,477.67</b>

\*Note: All item category expenditures are for Vancouver.

\*\*Source: Statistics Canada, Consumer Price Index, October 2000 and 2005.

\*\* Source: Understanding the 2000 Low Income Statistics Based on the Market Basket Measure, 2003.

### Appendix 2: Whistler Households with Income Below Adequacy and Affordability Thresholds

#### Appendix 2a: Whistler Households with Income below the Adequacy Threshold

No. persons	Threshold	Permanent Residents			Seasonal Residents			All Households		
		Total no.	No. below	% below	Total no.	No. below	% below	Total no. all	All no. below	% all below
1	20,250	104	15	14.4%	86	36	41.9%	190	51	26.8%
2	34,052	100	6	6.0%	61	10	16.4%	161	16	9.9%
3	41,780	17	4	23.5%	2	0	0.0%	19	4	21.1%
4	48,300	27	2	7.4%	1	0	0.0%	28	2	7.1%
5	54,096	11	1	9.1%	4	0	0.0%	15	1	6.7%
6	59,168	5	2	40.0%	0	0	n/a	5	2	40.0%
7	63,998	1	0	0.0%	1	0	0.0%	2	0	0.0%
<b>ALL</b>		<b>265</b>	<b>30</b>	<b>11.3%</b>	<b>155</b>	<b>46</b>	<b>29.7%</b>	<b>420</b>	<b>76</b>	<b>18.1%</b>

**Appendix 2b: Whistler Households with Income below the Affordability Threshold**

Num persons	Threshold	Permanent Residents			Seasonal Residents			All Households		
		Total no.	No. below	% below	Total no.	No. below	% below	Total no. all	All no. below	% all below
1	25,250	104	25	24.0%	86	51	59.3%	190	76	40.0%
2	44,486	100	16	16.0%	61	12	19.7%	161	28	17.4%
3	54,582	17	4	23.5%	2	0	0.0%	19	4	21.1%
4	63,100	27	8	29.6%	1	0	0.0%	28	8	28.6%
5	70,672	11	4	36.4%	4	0	0.0%	15	4	26.7%
6	77,298	5	2	40.0%	0	0	na	5	2	40.0%
7	83,608	1	0	0.0%	1	0	0.0%	2	0	0.0%
<b>ALL</b>		<b>265</b>	<b>59</b>	<b>22.3%</b>	<b>155</b>	<b>63</b>	<b>40.6%</b>	<b>420</b>	<b>122</b>	<b>29.0%</b>

**Appendix 2c: Whistler Households with Three or More People that Fall below Adequacy and Affordability Thresholds**

Threshold	Permanent Residents			Seasonal Residents			All Households		
	Total no.	No. below	% below	Total no.	No. below	% below	Total no. all	All no. below	% all below
Adequacy	61	9	14.8%	8	0	0.0%	69	9	13.0%
Affordability	61	18	29.5%	8	0	0.0%	69	18	26.1%

### Appendix 3: Food Costs

#### Appendix 3a: Monthly and Annual Cost of Food by Reference Family Member in Whistler and Vancouver

<i>Item</i>	<b>Whistler</b>		<b>Vancouver</b>	
	<i>Monthly Price</i>	<i>Annual Amount</i>	<i>Monthly Price</i>	<i>Annual Amount</i>
<i>Food costs for 9 year old girl</i>	132.47	1,589.59	123.80	1,485.60
<i>Food costs for 13 year old boy</i>	199.75	2,396.97	186.68	2,240.16
<i>Food costs for male adult (25-49)</i>	213.84	2,566.07	199.85	2,398.20
<i>Food costs for female adult (25-49)</i>	154.22	1,850.63	144.13	1,729.56
<b>Total</b>	<b>700.28</b>	<b>8,403.26</b>	<b>654.46</b>	<b>7,853.52</b>

Source: Cost of Eating in BC 2005

**Appendix 3b: Comparisons of Food Items in Whistler, Vancouver, and Victoria**

Item	Description	Whistler, IGA		Vancouver, IGA		Victoria, Thrifty's	
		Brand	Price	Brand	Price	Brand	Price
2% Milk, fresh	4L, jug	Dairyland	3.98	Landmark Dairy	3.86	Island Farms	3.99
Yogurt	fruit-flavoured, 2% M.F. or less, 750g tub	Dairyland	3.49	Astro	3.99	Astro	3.49
Medium cheddar cheese	price per 100g	Faith Farms	1.77	IGA	1.73	Thrifty's	1.77
Grade A large eggs	1 dozen	N/A	2.52	IGA	2.52	IG Generic	2.29
Medium ground beef	price per kg (price for regular if medium is unavailable)	N/A	4.39	IGA, regular	4.69	Lean, Sterling Silver	7.49
Whole chicken	price per 100g	Frying Chicken	6.59	IGA	6.59	Lilydale	6.99
Sliced black forest ham (deli)	price per 100g	N/A	2.19	Grimms	2.28	Thrifty's	1.50
Canned flaked light tuna, water packed	170g tin	Smart Choice	1.39	Clover Leaf	1.59	Clover Leaf	1.29
Baked beans in tomato sauce	398mL	Heinz	1.75	Compliments	0.99	Heinz	1.09
Peanut butter	500g - regular	JIF	3.69	Compliments	2.99	Thrifty's	2.69
100% whole wheat bread, sliced	675g	Dempster Whole Wheat	1.68	Dempster	2.49	Thrifty's	1.69
All purpose white flour	2.5 kg bag	Five Roses	4.19	Five Roses	4.19	Thrifty's	3.99
Macaroni noodles, dry	900g, box	Lancia	2.59	Primo	2.69	Ital Pasta	2.59
Long grain white rice, converted	900g package, non-instant	Compliments	2.49	Compliments	2.49	Texana	2.59

Item	Description	Whistler, IGA		Vancouver, IGA		Victoria, Thrifty's	
		Brand	Price	Brand	Price	Brand	Price
Corn flakes cereal	750g box	Kellogg's (750g)	6.29	Kellogg's	4.79	Kellogg's	4.29
Shreddies cereal	725g box	Shreddies 620gr	5.19	Post	4.99	Post	5.49
Oranges (not mandarin or clementine)	Loose, price per kilogram	Navel Large	3.95	Sunkist US	2.18	Buck Brand, Naval	3.73
Frozen orange juice, concentrate	355mL can	Minute Maid Home Squeezed	1.99	Niagara Kent	1.69	Niagara Kent	1.29
Fresh tomatoes (not hothouse)	Loose, price per kilogram	N/A	6.59	Roma	5.05	Beefsteak	8.80
McIntosh apples	Loose, price per kilogram	N/A	3.28	BC	3.06	N/A	2.84
Fresh potatoes, russets	Loose, price per kilogram	USA	1.74	Russet West	1.08	Russet	2.84
Broccoli	price per kilogram and/or for one bunch	USA	3.28	California	2.18	N/A	1.13
Fresh carrots, bagged	2 lb bag, not peeled, not baby carrots	N/A	1.66	BC's own	1.99	Grimmay	1.79
Iceberg (head lettuce)	price per kilogram and/or one head	N/A	1.49	Beach Side	1.49	N/A	1.69
Romaine lettuce	price per kilogram and/or one head	N/A	1.49	N/A	1.29	N/A	1.49
Butter (salted)	454g	Compliments	3.99	Compliments	3.99	Foothills	3.29
Canola oil	1L bottle	Compliments	3.59	Compliments	3.59	Rimini	2.49
Miracle Whip	500mL jar	Regular 475ml	3.59	Regular 475ml	3.59	Regular 475ml	3.29
White sugar	2kg bag	N/A	3.69	Rogers	3.69	Rogers	2.85
Strawberry jam with pectin	500mL jar	Compliments	4.29	Kraft Pure	4.99	Kraft Pure	3.99
<b>Total</b>			<b>98.81</b>		<b>92.73</b>		<b>94.74</b>

## **Appendix 4: Transportation Costs**

### **Appendix 4a: Price and Annual Costs for Transportation Items in Whistler and Vancouver (Reference Family - Adequacy)**

<i>Item</i>	<i>Assumptions</i>	<b>Whistler</b>			<b>Vancouver</b>		
		<i>Brand</i>	<i>Price</i>	<i>Annual Amount</i>	<i>Brand</i>	<i>Price</i>	<i>Annual Amount</i>
<i>2 Adult bus passes</i>	Monthly	WAVE x2	100.00	<b>1,200.00</b>	Translink, 1 zone, x2	138.00	<b>1656.00</b>
<i>Youth bus pass</i>	Monthly	WAVE	35.00	<b>420.00</b>	Translink, with go card,	40.00	<b>480.00</b>
<i>Roundtrip taxi rides</i>	12 rides	N/A	22.00	<b>264.00</b>	N/A	22.00	<b>264.00</b>
<b>Transportation Total</b>				<b>1,884.00</b>	<b>2,400.00</b>		

**Appendix 4b: Price and Annual Costs for Transportation Items in Whistler and Vancouver (Reference Family - Affordability)**

<i>Item</i>	<i>Assumptions</i>	<b>Whistler</b>			<b>Vancouver</b>		
		<i>Brand</i>	<i>Price</i>	<i>Annual Amount</i>	<i>Brand</i>	<i>Price</i>	<i>Annual Amount</i>
<i>Cost for a litre of gas</i>		1500 litres per year	89.90	<b>1,348.50</b>	1500 litres per year	89.90	<b>1,348.50</b>
<i>ICBC insurance for a 2000 Chevrolet Cavalier (to and from work no accidents)</i>		Includes: Under 15kms / 3rd Party Liability \$2 Million / \$300 deductible	1,550.00	<b>1,550.00</b>	under 15km, \$2 million liability, 10 years experience, with a \$300 deductible	1,441.00	<b>1,441.00</b>
<i>20% Cost of used 2002 Chevrolet Cavalier</i>	Bank loan of \$10,000 at 6.5% over 5 yrs.	Used 2002 Chevrolet Cavalier, cost per month	196.00	<b>1,176.00</b>	Used 2002 Chevrolet Cavalier	196.00	<b>1,176.00</b>
<i>Cost of an oil change</i>	2 times per year	Barney's Automotive	35.00	<b>70.00</b>	Mr. Lube	35.99	<b>71.98</b>
<i>Cost of a tune-up for a 2000 Chevrolet Cavalier</i>	1 time per year	Barney's Automotive	150.00	<b>150.00</b>	Canadian Tire	129.99	<b>129.99</b>
<i>1 basic commuter bike (men's)</i>	every 5 years	CCM	220.00	<b>44.00</b>	CCM	220.00	<b>44.00</b>
<i>1 basic commuter bike (women's)</i>	every 5 years	CCM	220.00	<b>44.00</b>	CCM	220.00	<b>44.00</b>
<i>1 basic commuter bike (9 year old girl)</i>	every 3 years	CCM	140.00	<b>46.66</b>	CCM	140.00	<b>46.66</b>
<i>1 basic commuter bike (13 year old boy)</i>	every 3 years	CCM	110.00	<b>36.66</b>	CCM	110.00	<b>36.66</b>
<i>1 annual bus pass (youth)</i>		Youth/Senior Per month \$35	420.00	<b>420.00</b>	With GO Card	40.00	<b>480.00</b>
<b>Transportation Total</b>				<b>4,885.82</b>			<b>4,818.79</b>

**Appendix 4c: Price and Annual Costs for Transportation Items in Whistler and Vancouver (Single Seasonal Worker – Adequacy)**

<i>Item</i>	<i>Assumptions</i>	<b>Whistler</b>			<b>Vancouver</b>		
		<i>Brand</i>	<i>Price</i>	<i>6 months</i>	<i>Brand</i>	<i>Price</i>	<i>6 months</i>
<i>Adult bus pass</i>	Monthly	WAVE	50.00	<b>300.00</b>	Translink, 1 zone	69.00	<b>414.00</b>
<i>Taxis</i>	6 round trips		22.00	<b>132.00</b>		22.00	<b>132.00</b>
<i>Round trip bus rides to Vancouver</i>	Monthly	Greyhound	37.99	<b>227.94</b>			
<b>Transportation Total</b>				<b>659.94</b>			<b>546.00</b>

**Appendix 4d: Price and Annual Costs for Transportation Items in Whistler and Vancouver (Single Seasonal Worker – Affordability)**

<i>Item</i>	<i>Assumptions</i>	<b>Whistler</b>			<b>Vancouver</b>		
		<i>Brand</i>	<i>Price</i>	<i>6 months</i>	<i>Brand</i>	<i>Price</i>	<i>6 months</i>
<i>Adult bus pass</i>	Monthly	WAVE	50.00	<b>300.00</b>	Translink, 1 zone	69.00	<b>414.00</b>
<i>Taxis</i>	26 round trips		22.00	<b>572.00</b>		11.00	<b>572.00</b>
<i>1 basic commuter bike (women's)</i>	every 5 years	CCM	220.00	<b>22.00</b>	CCM	220.00	<b>22.00</b>
<i>Round trip bus rides to Vancouver</i>	Monthly	Greyhound	37.99	<b>227.94</b>			
<b>Transportation Total</b>				<b>1,121.94</b>			<b>1,008.00</b>

## Appendix 5: Recreation Costs

### Appendix 5a: Price and Annual Costs for Recreational Items in Whistler and Vancouver

<i>Item</i>	<i>Assumptions</i>	<b>Whistler</b>			<b>Vancouver</b>		
		<i>Brand</i>	<i>Price</i>	<i>Annual Amount</i>	<i>Brand</i>	<i>Price</i>	<i>Annual Amount</i>
<i>Family community centre membership</i>		Meadow Recreational Centre	960.00	<b>960.00</b>	North Vancouver Community Centre	981.75	<b>981.75</b>
<i>Adult downhill ski pass</i>		Spirit Pass	999.00	<b>999.00</b>	Grouse, 19-64 years	700.00	<b>700.00</b>
<i>Youth downhill ski pass</i>		Student Spirit Pass	299.00	<b>299.00</b>	Grouse, 13-18 years	500.00	<b>500.00</b>
<i>Child downhill ski pass</i>		Student Spirit Pass	299.00	<b>299.00</b>	Grouse, 5-12 years	300.00	<b>300.00</b>
<i>1 family pass for x-country skiing</i>		Lost Lake Cross Country Ski 10 x tickets (\$80/adult x2, \$48/youth, \$40/child)	248.00	<b>248.00</b>	Cypress all day pass, \$70 per adult for 5 tickets x2, and 12.15x10 for 13 year old and 9.35x10 for 9 year old	495.00	<b>495.00</b>
<i>Total Ski</i>				<b>2,805.00</b>			<b>2,976.75</b>

<b>Item</b>	<b>Assumptions</b>	<b>Whistler</b>			<b>Vancouver</b>		
		<b>Brand</b>	<b>Price</b>	<b>Annual Amount</b>	<b>Brand</b>	<b>Price</b>	<b>Annual Amount</b>
<i>1 movie ticket (adult)</i>	once a month	Cinema 8	12.50	<b>150.00</b>	Tinsletown	11.50	<b>138.00</b>
<i>1 movie ticket (adult)</i>	once a month	Cinema 8	12.50	<b>150.00</b>	Tinsletown	11.50	<b>138.00</b>
<i>1 movie ticket (9 year old child)</i>	once a month	Cinema 8	7.50	<b>90.00</b>	Tinsletown	6.50	<b>78.00</b>
<i>1 movie ticket (13 year old child)</i>	once a month	Cinema 8	8.50	<b>102.00</b>	Tinsletown	11.50	<b>138.00</b>
<b>Total Movies</b>				<b>492.00</b>			<b>492.00</b>
<i>1 season of hockey registration (13 year old child)</i>		Whistler Minor Hockey	365.00	<b>365.00</b>	September to March	625.00	<b>625.00</b>
<i>10 sessions of swimming lessons (9 year old child)</i>		Group 10 sessions	70.00	<b>70.00</b>	Public lessons	50.00	<b>50.00</b>
<i>1 fall/winter season of music lessons (child)</i>		Guitar 5 x 1.15hr sessions	70.00	<b>70.00</b>	Guitar lessons, \$25/h, 5 lessons, Marcus Martin in Kits (ad in Georgia Straight)	125.00	<b>125.00</b>
<i>1 fall/winter season of art classes (child)</i>		Kids Painting & Sculpture April 13- May18 3-4:30pm 6-9yrs 6 x sessions	75.00	<b>75.00</b>	5-10 year olds, mixed media art (10 classes)	69.00	<b>69.00</b>
<b>Total Fall/Winter Activities</b>				<b>580.00</b>			<b>869.00</b>

<b>Item</b>	<b>Assumptions</b>	<b>Whistler</b>			<b>Vancouver</b>		
		<b>Brand</b>	<b>Price</b>	<b>Annual Amount</b>	<b>Brand</b>	<b>Price</b>	<b>Annual Amount</b>
<i>1 summer activity registration fee (13 year old boy)</i>		Whistler Racquet & Tennis Club - Topspin Teens Tennis, 13-17yrs 6 x sessions	52.00	<b>52.00</b>	1 week tennis lessons, 2 hours per day at Trout Lake Community Centre	50.00	<b>50.00</b>
<i>1 summer activity registration fee (9 year old girl)</i>		Camp Summer Sensations 8:30 - 5:30, Grades 3+, \$39 per session	195.00	<b>195.00</b>	1 week sport camp at YMCA for a member	120.00	<b>120.00</b>
<i>1 five day activity summer camp (13 year old boy)</i>		Kid's Kayak - 5 day Camp 8-13 yrs, 5 x sessions	295.00	<b>295.00</b>	Five days learning to kayak w/ overnight trip on the last two days, Ages 9-14	355.00	<b>355.00</b>
<i>1 five day activity summer camp (9 year old girl)</i>		Kids On The Go 6-12 yrs, 8:30-5:30, \$39/day	195.00	<b>195.00</b>	YMCA (member)	120.00	<b>120.00</b>
<b>Total Summer Activities</b>				<b>737.00</b>			<b>645.00</b>
<i>2 nights dining at moderate to low priced sit down restaurant (family of 4)</i>	once a month	The Keg	100.00	<b>1,200.00</b>	White Spot (downtown Vancouver)	100.00	<b>1,200.00</b>
<i>1 bike park pass (adult)</i>		Edge Card or Season Winter Pass Holder	275.00	<b>275.00</b>	Annual pass, XC ALP Classic, Cypress Mountain	279.00	<b>279.00</b>
<i>1 hockey team registration fee (adult)</i>		not including Taxes	300.00	<b>300.00</b>	Fall/Winter/Spring, once a week for a member	415.00	<b>415.00</b>

<i>Item</i>	<i>Assumptions</i>	<b>Whistler</b>			<b>Vancouver</b>		
		<i>Brand</i>	<i>Price</i>	<i>Annual Amount</i>	<i>Brand</i>	<i>Price</i>	<i>Annual Amount</i>
<i>1 set of lower end skis and bindings (adult female)</i>	every three years	Rossi B2	549.00	<b>183.00</b>	Rossignol Diva Skis with bindings	269.98	<b>89.99</b>
<i>1 set of lower end skis and bindings (adult male)</i>	every three years	Solomon Scream	549.00	<b>183.00</b>	Rossignol Axiom 90 skis with Bindings	269.98	<b>89.99</b>
<i>1 set of lower end skis and bindings (9 year old girl)</i>	every three years	Roxy 06 Polka Ski/Binding /Pole	229.99	<b>76.66</b>	Head Mojo 65 with Tyrolia SL 45 bindings	179.98	<b>59.99</b>
<i>1 set of lower end skis and bindings (13 year old boy)</i>	every three years	Rossi Scratch Pro Ski/Binding	499.00	<b>166.33</b>	Head Mojo 65 with Tyrolia SL 45 bindings	179.98	<b>59.99</b>
<i>1 set of lower end ski boots (adult female)</i>	every three years	Technica	399.00	<b>133.00</b>	Head women's EZ On 7.2	199.99	<b>66.66</b>
<i>1 set of lower end ski boots (adult male)</i>	every three years	Solomon Head	399.00	<b>133.00</b>	Head men's EZ On 7.2	199.99	<b>66.66</b>
<i>1 set of lower end ski boots (9 year old girl)</i>	every three years	Head sz: 19.5 Carve X2 Junior	125.00	<b>41.67</b>	Solomon Junior Performa T2	109.99	<b>36.66</b>
<i>1 set of lower end ski boots (13 year old boy)</i>	every three years	Solomon 1080 Flyer	280.00	<b>93.33</b>	Solomon Junior Performa T3	164.99	<b>54.99</b>
<i>1 set of lower end ski poles (adult)</i>	every three years	Scott	29.00	<b>9.67</b>	Gabel Rival Pole	32.99	<b>10.99</b>
<i>1 set of lower end ski poles (adult)</i>	every three years	Scott	29.00	<b>9.67</b>	Gabel Rival Pole	32.99	<b>10.99</b>
<i>1 set of lower end ski poles (9 year old girl)</i>	every three years	Scott Axis Junior	30.00	<b>10.00</b>	Gabel Rival Assorted Kid Pole	29.99	<b>9.99</b>
<i>1 set of lower end ski poles (13 year old boy)</i>	every three years	Scott Axis Junior	30.00	<b>10.00</b>	Gabel Rival Assorted Kid Pole	29.99	<b>9.99</b>

<b>Item</b>	<b>Assumptions</b>	<b>Whistler</b>			<b>Vancouver</b>		
		<b>Brand</b>	<b>Price</b>	<b>Annual Amount</b>	<b>Brand</b>	<b>Price</b>	<b>Annual Amount</b>
1 lower end ski pants (adult female)	every three years	Columbia	85.00	28.33	Powderoom Paddington	79.99	26.66
1 lower end ski pants (adult male)	every three years	Columbia	85.00	28.33	Ripzone Cargo Pant	89.99	29.99
1 lower end ski pants (9 year old girl)	every three years	Helly Hansen	109.00	36.33	Firefly Desert Pal	69.99	23.33
1 lower end ski pants (13 year old boy)	every three years	Helly Hansen	109.00	36.33	Ripzone Cargo Pant	89.99	29.99
1 lower end ski jacket (adult female)	every three years	Columbia	250.00	83.33	McKinnley Aspen Insulated	149.99	49.99
1 lower end ski jacket (adult male)	every three years	Columbia	99.00	33.00	Columbia Snow Siren	129.99	43.33
1 lower end ski jacket (9 year old girl)	every three years	DNA Desante	259.00	86.33	Firefly Glow Insulated	99.99	33.33
1 lower end ski jacket (13 year old boy)	every three years	Helly Hansen	169.00	56.33	Columbia Tandem Pass	119.99	39.99
1 set of lower end ski gloves (adult)	every three years	DaKine	40.00	13.33	Gordini Black	39.99	13.33
1 set of lower end ski gloves (adult)	every three years	DaKine	40.00	13.33	Gordini Black	39.99	13.33
1 set of lower end ski gloves (9 year old girl)	every three years	Kombi	20.00	6.67	Firefly Diablo Unisex	19.99	6.66
1 set of lower end ski gloves (13 year old boy)	every three years	Kombi	20.00	6.67	Firefly Diablo Unisex	19.99	6.66
1 set of lower end ski goggles (adult)	every three years	DaKine	40.00	13.33	Bolle Shark	24.99	8.33
1 set of lower end ski goggles (adult)	every three years	DaKine	40.00	13.33	Bolle Shark	24.99	8.33
1 set of lower end ski goggles (9 year old girl)	every three years	Kombi	15.00	5.00	Smith World Cup	24.99	8.33

<b>Item</b>	<b>Assumptions</b>	<b>Whistler</b>			<b>Vancouver</b>		
		<b>Brand</b>	<b>Price</b>	<b>Annual Amount</b>	<b>Brand</b>	<b>Price</b>	<b>Annual Amount</b>
<i>1 lower end ski goggles (13 yr. boy)</i>	every three years	Kombi	40.00	13.33	Smith World Cup	24.99	8.33
<i>1 lower end cross country skis (adult female)</i>	every three years	Fisher	200.00	66.67	Techno Pro Spectrum Crown	109.99	36.33
<i>1 set of lower end cross country bindings (adult female)</i>	every three years	Solomon OR Fisher	75.00	25.00	Rossignol Touring 3	49.99	16.66
<i>1 set of lower end cross country skis (adult male)</i>	every three years	Solomon OR Fisher	200.00	66.67	Techno Pro Spectrum Crown	109.99	36.66
<i>1 set of lower end cross country bindings (adult male)</i>	every three years	Solomon OR Fisher	75.00	25.00	Rossignol Touring 3	49.99	16.66
<i>1 set of lower end cross country skis (9 year old girl)</i>	every three years	Ski Junior	325.00	108.33	Techno Pro Sped Junior	109.99	36.66
<i>1 set of lower end cross country bindings (9 year old girl)</i>	every three years	Solomon	80.00	26.67	Rossignol Touring 3	49.99	16.66
<i>1 set of lower end cross country skis (13 year old boy)</i>	every three years	Ski Junior	325.00	108.33	Techno Pro Sped Junior	109.99	36.66
<i>1 set of lower end cross country bindings (9 year old boy)</i>	every three years	Solomon	80.00	26.67	Rossignol Touring 3	49.99	16.66
<i>1 set of lower end cross country ski boots (adult male)</i>	every three years	Fisher	140.00	46.67	Rossignol X-1 Boot	109.99	36.66
<i>1 set of lower end cross country ski boots (adult female)</i>	every three years	Fisher	140.00	46.67	Rossignol Sapphire 1	109.99	36.66

<b>Item</b>	<b>Assumptions</b>	<b>Whistler</b>			<b>Vancouver</b>		
		<b>Brand</b>	<b>Price</b>	<b>Annual Amount</b>	<b>Brand</b>	<b>Price</b>	<b>Annual Amount</b>
<i>1 set of lower end cross country ski boots (9 year old girl)</i>	every three years	Fisher	59.00	19.67	Techno Pro Junior Ultra Boot	109.99	36.66
<i>1 set of lower end cross country ski boots (13 year old boy)</i>	every three years	Fisher	59.00	19.67	Techno Pro Junior Ultra Boot	109.99	36.66
<i>1 set of lower end cross country ski poles (adult)</i>	every three years	Swik Nordic	30.00	10.00	Techno Pro Aluminun	29.99	9.99
<i>1 set of lower end cross country ski poles (adult)</i>	every three years	Swik Touring	30.00	10.00	Techno Pro Aluminun	29.99	9.99
<i>1 set of lower end cross country ski poles (9 year old girl)</i>	every three years	Komperdel	39.00	13.00	Techno Pro Aluminun	29.99	9.99
<i>1 set of lower end cross country ski poles (13 year old boy)</i>	every three years	Komperdel	39.00	13.00	Techno Pro Aluminun	29.99	9.99
<i>1 pair of moderate hockey skates (adult)</i>	every three years	Bauer	170.00	56.67	Bauer Senior Supreme Custom Pro	179.99	59.99
<i>2 moderate hockey sticks (adult)</i>	every three years	Eastern Classic, \$25 each	50.00	16.67	Sherwood RG Speeza, \$39.99 each	79.98	26.66
<i>1 helmet (adult)</i>	every three years	I-Tech	69.00	23.00	CCM Senior HT 852	79.99	26.66
<i>1 set of hockey pants (adult)</i>	every three years	I-Tech	29.00	9.67	Bauer Senior HP 800	89.99	29.99
<i>1 set of leg protectors (adult)</i>	every three years	I-Tech	39.95	13.32	CCM Senior SG 652	69.99	23.33
<i>1 set of sholder pads (adult)</i>	every three years	I-Tech	79.00	26.33	Itech Senior SP 652	99.99	33.33
<i>1 set of elbow pads (adult)</i>	every three years	I-Tech	19.00	6.33	Bauer Senior EP 4000	49.99	16.66

<b>Item</b>	<b>Assumptions</b>	<b>Whistler</b>			<b>Vancouver</b>		
		<b>Brand</b>	<b>Price</b>	<b>Annual Amount</b>	<b>Brand</b>	<b>Price</b>	<b>Annual Amount</b>
<i>1 set of gloves (adult)</i>	every three years	I-Tech	50.00	16.67	Victoriaville	89.99	29.99
<i>1 hockey bag (adult)</i>	every three years	Rebok 3K	40.00	13.33	Easton Synergy	59.99	19.99
<i>1 pair of moderate hockey skates (13 year old child)</i>	every three years	Bauer	109.00	36.33	Bauer Junior Sepreme 2000	119.99	39.99
<i>2 moderate hockey sticks (13 year old child)</i>	every three years	Vector 50, \$25 each	50.00	16.67	CCM Vector V50, 24.99 each	49.98	16.66
<i>1 helmet (13 year old child)</i>	every three years	CCM	44.95	14.98	Junior Nike H002	54.99	18.33
<i>1 set of hockey pants (13 year old child)</i>	every three years	I-Tech	59.00	19.67	Hespeler Junior HP F30	59.99	19.99
<i>1 set of leg protectors (13 year old child)</i>	every three years	I-Tech	244.00	81.33	Easton SG Synergy 300	49.99	16.66
<i>1 set of shoulder pads (13 year old child)</i>	every three years	I-Tech	34.00	11.33	Easton Junior 300	69.99	23.33
<i>1 set of elbow pads (13 year old child)</i>	every three years	I-Tech	20.00	6.67	Bauer Junior EP 300	39.99	13.33
<i>1 set of gloves (13 year old child)</i>	every three years	I-Tech	40.00	13.33	Easton Junior HG - Xtreme 2	59.99	19.99
<i>1 hockey bag (13 year old child)</i>	every three years	Rebok 3K	40.00	13.33	Easton Synergy	59.99	19.99

<b>Item</b>	<b>Assumptions</b>	<b>Whistler</b>			<b>Vancouver</b>		
		<b>Brand</b>	<b>Price</b>	<b>Annual Amount</b>	<b>Brand</b>	<b>Price</b>	<b>Annual Amount</b>
<i>1 moderate guitar</i>	every five years	Katmandu brings in guitars on request and usually has a couple in the store. Range from \$100-\$300. Moderate is the Walden Accoustic	200.00	40.00	Art Lutherie Accoustic Guitar	225.00	45.00
<i>1 moderate down hill mountain bike (adult male)</i>	every five years	Broadie Thumper	2,300.00	460.00	Broadie Thumper	2,300.00	460.00
<i>1 moderate mountain bike (adult)</i>	every five years	Miele Umbria L1	349.99	69.99	Miele Umbria L1	349.99	69.99
<i>1 moderate mountain bike (9 year old girl)</i>	every three years	Norco ZX80	250.00	83.33	Norco ZX80	250.00	83.33
<i>1 moderate mountain bike (13 year old boy)</i>	every three years	Norco Mudhoney	270.00	90.00	Norco Mudhoney	270.00	90.00
<i>1 bike helmet (adult)</i>	every three years	Norco	59.00	19.67	Giro Atlas	49.99	16.66
<i>1 bike helmet (adult)</i>	every three years	Norco	59.00	19.67	Giro Atlas	49.99	16.66
<i>1 bike helmet (9 year old)</i>	every three years	Norco	49.00	16.33	Giro Atlas	49.99	16.66
<i>1 bike helmet (13 year old)</i>	every three years	Norco	49.00	16.33	Giro Atlas	49.99	16.66
<i>1 set of protective mountain bike knee pads (adult)</i>	every three years	Troy Lee	60.00	20.00	Race Face	94.99	31.66
<i>1 set of protective mountain bike knee pads (adult)</i>	every three years	Troy Lee	60.00	20.00	Race Face	94.99	31.66

<b>Item</b>	<b>Assumptions</b>	<b>Whistler</b>			<b>Vancouver</b>		
		<b>Brand</b>	<b>Price</b>	<b>Annual Amount</b>	<b>Brand</b>	<b>Price</b>	<b>Annual Amount</b>
<i>1 set of protective mountain bike knee pads (9 year old)</i>	every three years	Troy Lee	30.00	10.00	Race Face	94.99	31.66
<i>1 set of protective mountain bike knee pads (13 year old)</i>	every three years	Troy Lee	30.00	10.00	Race Face	94.99	31.66
<i>1 set of protective mountain bike elbow pads (adult)</i>	every three years	Troy Lee	45.00	15.00	Race Face	54.99	18.33
<i>1 set of protective mountain bike elbow pads (adult)</i>	every three years	Troy Lee	45.00	15.00	Race Face	54.99	18.33
<i>1 set of protective mountain bike elbow pads (9 year old)</i>	every three years	Troy Lee	30.00	10.00	Race Face	54.99	18.33
<i>1 set of protective mountain bike elbow pads (13 year old)</i>	every three years	Troy Lee	30.00	10.00	Race Face	54.99	18.33
<b>Total Equipment</b>				<b>3,475.60</b>			<b>2,786.14</b>

**Appendix 5b: Price and Annual Costs for Recreational Items in Whistler and Vancouver (Single Seasonal Worker – Affordability)**

<i>Item</i>	<b>Whistler</b>			<b>Vancouver</b>		
	<i>Brand</i>	<i>Price</i>	<i>6 months*</i>	<i>Brand</i>	<i>Price</i>	<i>6 months*</i>
<i>Community centre fitness pass</i>	Meadow Park Sports Centre, six month memberships	270.00	270.00	North Vancouver Recreational Centre, six monthly memberships	52.25	313.50
<i>Adult downhill ski pass</i>	Spirit Pass	999.00	999.00	Grouse, 19-64 years	700.00	700.00
<i>Adult cross-country ski tickets</i>	Lost Lake Cross Country Ski 10 x tickets	80.00	80.00	Cypress all day pass, \$70 per adult for 5 tickets x2, and 12.15x10 for 13 year old and 9.35x10 for 9 year old	140.00	140.00
<i>1 movie ticket (adult)</i>	Cinema 8	12.50	75.00	Regular admission (not a Tuesday or matinee)	11.50	69.00
<i>2 nights dining at moderate to low priced sit down restaurant</i>	The Keg	40.00	240.00	White Spot (downtown Vancouver)	20.00	240.00
<i>1 set of lower end skis and bindings (adult male)</i>	Solomon Scream	549.00	91.50	Rossignol Axium 90 skis with Rossignol Axium 100 Bindings	269.98	44.84
<i>1 set of lower end ski boots (adult male)</i>	Solmon Head	399.00	66.50	Head men's EZ On 7.2	199.99	33.33
<i>1 set of lower end ski poles (adult)</i>	Scott	29.00	4.84	Gabel Rival Pole	32.99	5.50

<i>Item</i>	<b>Whistler</b>			<b>Vancouver</b>		
	<i>Brand</i>	<i>Price</i>	<i>6 months*</i>	<i>Brand</i>	<i>Price</i>	<i>6 months*</i>
lower end ski pants (adult male)	Columbia	85.00	14.17	Ripzone Cargo Pant	89.99	15.00
lower end ski jacket (adult male)	Columbia	99.00	16.50	Columbia Snow Siren	129.99	21.67
lower end ski gloves (adult)	DaKine	40.00	6.67	Gordini Black	39.99	6.67
lower end ski goggles (adult)	DaKine	40.00	6.67	Bolle Shark	24.99	4.17
lower end cross country skis (adult male)	Solomon OR Fisher	200.00	33.34	Techno Pro Spectrum Crown	109.99	18.17
lower end cross country bindings (adult male)	Solomon OR Fisher	75.00	12.50	Rossignol Touring 3	49.99	8.33
lower end cross country ski boots (adult male)	Fisher	140.00	23.34	Rossignol X-1 Boot	109.99	18.17
lower end cross country ski poles (adult)	Swik Touring	30.00	5.00	Techno Pro Aluminun	29.99	5.00
moderate mountain bike (adult)	Miele Umbria L1	349.99	35.00	Miele Umbria L1	349.99	35.00
bike helmet (adult)	Norco	59.00	9.84	Giro Atlas	49.99	8.33
set of protective mountain bike knee pads (adult)	Troy Lee	60.00	10.00	Race Face	94.99	15.83
set of protective mountain bike elbow pads (adult)	Troy Lee	45.00	7.50	Race Face	54.99	9.17
<b>Recreation Total</b>			<b>2,647.37</b>			<b>1,711.68</b>

\* Prices for equipment items are amortized over three years, except for bikes (5 years) and then divided by 2 to get the amount over 6 months.

**Appendix 5c: Comparators for Selected Recreational Items in Whistler, Vancouver, and Banff**

	<b>Whistler</b>	<b>Vancouver</b>	<b>Banff</b>
<b>Family Rec Centre Passes</b>	960.00	981.75	1,145.00
<i>Parent Ski Pass</i>	999.00	700.00	1,149.00
<i>Youth Ski Pass</i>	299.00	500.00	599.00
<i>Child Ski Pass</i>	299.00	300.00	279.00
<i>1 movie ticket (adult)</i>	150.00	138.00	117.00
<i>1 movie ticket (adult)</i>	150.00	138.00	117.00
<i>1 movie ticket (9 year old child)</i>	90.00	78.00	72.00
<i>1 movie ticket (13 year old child)</i>	102.00	138.00	96.00
<i>10 sessions of swimming lessons (9 year old child)</i>	70.00	50.00	32.00
<i>1 fall/winter season of art classes (child)</i>	75.00	69.00	99.00
<i>1 summer activity registration fee (13 year old boy)</i>	52.00	50.00	110.00
<i>1 five day activity summer camp (13 year old boy)</i>	295.00	355.00	110.00
<i>1 five day activity summer camp (9 year old girl)</i>	195.00	120.00	93.45
<b>Total</b>	<b>3,736.00</b>	<b>3,617.75</b>	<b>4,018.45</b>

## **Appendix 6: Other Goods and Services**

An alternative means of calculating the cost of other goods and services for the Whistler Adequacy and Affordability thresholds is to use Statistics Canada's 2004 Survey of Average Family Expenditures by Income Quintile. Using the MBM methodology, we determined the other goods and services multipliers based on the data in this Statistics Canada report's second income quintile data. Looking at the calculations below, we see that this approach yields slightly higher expenditures for the other goods and services category for both thresholds than does the approach used in the *Whistler Affordability Study*. The *Whistler Affordability Study* uses the 68% calculated by the MBM to determine the amount spent on other goods and services because the MBM calculations use a family of four with two adults and two children. The Statistics Canada report only uses average family size for each income quintile.

### **Appendix 6a: Other Goods and Services Calculations (Adequacy)**

<b>Category/Item</b>	<b>Average Spending Amount (\$)</b>
<i>Food</i>	5,556.00
<i>Clothing</i>	1,489.00
<b><i>Other Goods and Services</i></b>	<b>7,287.00</b>
<i>Personal Care</i>	542.00
<i>Household Operations</i>	2,073.00
<i>Household Furnishings</i>	1,147.00
<i>Reading Materials</i>	195.00
<i>Recreation</i>	2,289.00
<i>Educational Materials</i>	576.00
<i>Charitable Donations</i>	465.00

Other goods and services multiplier =  $7,287 / (5,556 + 1,489) = 1.03$

Other goods and services (reference family) =  $(8,036.91 + 2,239.63) \times 1.03 = 10,584.84$

Other goods and services (single seasonal worker) =  $(2,009.23 + 559.91) \times 1.03 = 2,646.21$

**Appendix 6b: Other Goods and Services Calculations (Affordability)**

<b>Category/Item</b>	<b>Average Spending Amount (\$)</b>
<i>Food</i>	5,556.00
<i>Clothing</i>	1,489.00
<b><i>Other Goods and Services</i></b>	<b>4,998.00</b>
<i>Personal Care</i>	542.00
<i>Household Operations</i>	2,073.00
<i>Household Furnishings</i>	1,147.00
<i>Reading Materials</i>	195.00
<i>Educational Materials</i>	576.00
<i>Charitable Donations</i>	465.00

Other goods and services multiplier =  $4,998 / (5,556 + 1,489) = 0.71$

Other goods and services (reference family) =  $(8,036.91 + 2,239.63) \times 0.71 = 7,296.34$

Other goods and services (single seasonal worker) =  $(2,009.23 + 559.91) \times 0.71 = 1,824.09$

**Appendix 6c: Disability Insurance, Life Insurance, Health Care and Child Care  
Average Expenditures by Income Quintile**

<b>All classes</b>				
	<b>Average expenditure per household</b>	<b>% reporting</b>	<b>Average expenditure per household reporting</b>	<b>% of total expenditure</b>
Disability insurance	78	12.0%	651	0.1%
Life insurance premiums	295	24.0%	1,231	0.5%
Health care	2,077	98.3%	2,114	3.2%
Child Care	219	8.1%	2,694	0.3%

<b>Lowest quintile</b>				
	<b>Average expenditure per household</b>	<b>% reporting</b>	<b>Average expenditure per household reporting</b>	<b>% of total expenditure</b>
Disability insurance	F	F	F	F
Life insurance premiums	F	F	F	F
Health care	946	94.3%	1,002	4.3%

<b>Second quintile</b>				
	<b>Average expenditure per household</b>	<b>% reporting</b>	<b>Average expenditure per household reporting (6)</b>	<b>% of total expenditure</b>
Disability insurance	42	8.4%	495	0.1%
Life insurance premiums	159	13.2%	1,202	0.4%
Health care	1,901	99.2%	1,916	5.0%

<b>Third quintile</b>				
	<b>Average expenditure per household</b>	<b>% reporting</b>	<b>Average expenditure per household reporting (6)</b>	<b>% of total expenditure</b>
Disability insurance	40	9.9%	401	0.1%
Life insurance premiums	241	24.3%	995	0.4%
Health care	2,084	99.1%	2,103	3.8%

<b>Fourth quintile</b>				
	<b>Average expenditure per household</b>	<b>% reporting</b>	<b>Average expenditure per household reporting (6)</b>	<b>% of total expenditure</b>
Disability insurance	133	18.9%	706	0.2%
Life insurance premiums	381	30.5%	1,251	0.5%
Health care	2,710	99.1%	2,733	3.5%
Child Care	359	13.3	2,700	0.5%

<b>Highest quintile</b>				
	<b>Average expenditure per household</b>	<b>% reporting</b>	<b>Average expenditure per household reporting (6)</b>	<b>% of total expenditure</b>
Disability insurance	165	19.7%	838	0.1%
Life insurance premiums	650	46.2%	1,407	0.5%
Health care	2,742	99.4%	2,758	2.1%
Child Care	537	15.1%	3,552	0.4%

## **Appendix 7: Measuring Adequacy**

The following are excerpts from a SPARC BC discussion paper on Defining and Measuring Poverty.

### **Ways of Defining Poverty**

Definitions of poverty have conventionally been defined along a continuum ranging from "absolute" to "relative." Jane Pulkingham, in her paper "Defining Poverty--Again", argues that "'absolute' measures are not really 'absolute' in the sense of being unequivocal, comprehensive, and the antithesis of 'relative' measures." In fact, all of the measures are 'relative', she notes, to "time, place, and culture." A more appropriate concept of the continuum of the range of measures, she suggests, would be the degree of "restrictiveness" or "inclusiveness" of the measure. Burman, in his book Poverty's Bonds, speaks of a "minimalist" and "inclusive" continuum.

"Restrictive" measures of poverty conceptualize poverty as that point at which people's physical/medical survival is at risk. Such restrictive measures attempt to identify what constitutes the "basic level of subsistence" (usually food, clothing, and shelter) required to remove someone from poverty.

"Inclusive" measures of poverty conceptualize poverty as the cost of meeting the physical, emotional, social, and spiritual needs of individuals and families. Inclusive measures argue that poverty is not simply about physical survival, but is about being able to participate in the day-to-day life of society/community.

Pulkingham also identified in her paper three predominant definitions for measures of poverty: "consumption-based" definitions of poverty, mixed consumption/equity-based definitions, and "equity-based" definitions. Each of these are briefly described below.

### **"Consumption-Based" Measures**

Consumption-based definitions of poverty establish an income line below which people are said to live in poverty. This consumption-based measure could be based on the actual cost of a basket of goods and services, or could be based on what "average" citizens consume on particular items. The degree of restrictiveness or inclusivity is determined by both the number of items included in the list/basket of goods, and the way in which costs are determined.

At its most restrictive, a consumption-based measure of poverty would examine the essentials necessary for physical survival. The resultant cost of this basket of essential goods and services would be the dollar measure of poverty. Anyone receiving less than this essential basket would be deemed poor. The pricing of these goods in a restrictive consumption-based measure would also take into account items that could be available

through "charity" such as food banks, free dental services, or through second-hand clothing thrift shops. The "free" goods and services would reduce the actual monetary cost, and therefore reduce the poverty line. Examples of this restrictive approach include current provincial and territorial social assistance rates, the Fraser Institute's poverty lines, and the basic needs guide of the Montreal Diet Dispensary.

More inclusive consumption-based measures include the cost of items that enable people to participate in community life such as being able to subscribe to a newspaper, to purchase a present, attend a continuing education course, etc. "Charity" substitutes are not included in determining the income required to purchase the items in the market place. Examples of this more inclusive approach include the minimum adequate standards of the Montreal Diet Dispensary, the monthly costs of daily living of the Social Planning and Research Council of British Columbia, and the budget guides of the Metropolitan Toronto Social Planning Council. The Market Basket Measure is a variation with defined basket expenditure for food, clothing, shelter and transportation, plus a percentage of the combined cost for food and clothing to cover other necessary expenditures.

### **Mixed Consumption and Equity-Based Measures**

The Statistics Canada Low Income Cut-Off lines (LICO) are based on the expenditures of families, taking into account variation in average expenditures in different size communities. The Family Expenditure Survey (now the Survey of Household Spending) is used to establish average expenditures on food, clothing and shelter. The amount is expressed as a percentage of gross income (34.3% in 2005) and the LICO is set at 20 percentage points above the average. Thus a family is considered to have a low income if they spend more than 54.3% of their gross income on food, clothing, and shelter. The LICO's differ from a purely consumption-based measure in that the poverty live expresses the average expenditures for food, clothing and shelter as a percentage of income. In this way, the LICO takes into account both the distribution of consumption (of the specified items) and income distribution.

### **Equity-Based Measures**

This approach focuses on equity or some notion of the extent society should tolerate inequality in the distribution of income. At its extreme, there would be little or no inequality (differences) in the distribution of income. Most of the measures using this approach use a percentage of average incomes (mean or median) and make adjustments for family size. The Canadian Council on Social Development (CCSD) sets its measures based on 50% of mean family income. Statistics Canada also introduced a Low Income Measure (LIM) which is based on 50% of adjusted median family income.

## **Difficulties**

It is readily apparent that arbitrary decisions are required with all three approaches. The consumption-based approach requires many decisions about what goods and services are considered in the measure. For example, should different food baskets be used based on age? Should the cost of a haircut be included? Should transportation costs include having a car or, assuming public transportation is available, should monthly public transportation passes be used in measuring the costs or should a certain number of individual fares be used to determine the cost?

Similar problems exist for the mixed and equity-based approach. For example, how many percentage points should be added to average expenditures to set the poverty line? Why use only food, clothing, and shelter rather than food, shelter and transportation, which the Family Expenditure survey shows are the three areas of greatest expenditure for families? Should mean or median incomes be used in determining the average income? Should averages take into account differences based on age (experience)?

Another critical issue concerns whether the measure should be before or after transfers and income and payroll tax. Most of the market basket approaches (e.g., SPARC BC) estimate what it costs to purchase their recommended goods and services after transfers and income and payroll taxes (disposable income). Other measures (LICOs, LIMs, and CCSD) use before tax measures (although after tax LICOs and LIMs have been generated by Statistics Canada). Given that there is some progressivity in Canada's tax system, the percentage of people below a given poverty line could be lower for after transfer and tax measures than would be case with before transfer and tax measures.