

# You paid how much?

by BRIAN LOCKHART

The country, and possibly the world needs a financial adjustment to get back on track.

It's no wonder so many people are still living 'at home' these days. Even with a decent-paying job, the prospect of going out on your own must be terrifying when you do the math.

Someone posted on my Facebook feed a few days ago, looking for a 1 bedroom apartment. They sounded a little desperate. They had a new job in a local factory, which pays minimum wage, even though the company advertises they are hiring with a big '!!!!', like \$15 per hour and 'benefits' should make you excited at being employed.

A few people responded, saying they knew of a couple of places that were available. I took a look at the listing offered.

A typical one-bedroom basement apartment was renting for \$1,800 per month. That's \$21,600 per year.

Unless you are making really big bucks, you're not going to have much left after paying your rent.

Even then, if you are making enough money to afford it, is a basement apartment really your desired place to live long-term?

It wasn't that long ago that making \$20 per hour was a pretty good wage. It would get you by after paying rent or a mortgage, pay for your car, food, some fun nights out and maybe a vacation.

That \$20, which is still a pretty typical wage, has been whittled down to practically nothing.

At \$20 per hour, if you are paid for a full 40 week, and many places deduct lunch and only pay you 37.5 hours, you will make \$800 per week. That's \$41,600.

Deduct between \$12,000 and \$13,000 for taxes and other deductions, and your actual take home pay is now in the high \$20,000s.

If you have a \$1,800 apartment, you are spending more than 50 per cent of your gross income just on a place to live. You're going to be left with maybe \$8,000 to afford a car to get you to that \$20 per hour job, insurance, clothe yourself, and if you're lucky, buy some groceries so you can eat.

Even if you happen to have a partner who works, you're still not living large, by any means. Throw some kids into the mix, yes that happens, people still have children, and life can become pretty difficult.

On top of all this, trying to save money must be incredibly difficult. Many younger people have already been resigned to the fact that they will never be able to afford a home.

Even if you are luckier and making what is now the average wage in Canada - \$28.38, that only comes out to \$59,800 for a 40 hour week. Factor in the same expenses and you still aren't going to spend a lot of money on free-wheeling activities, if you're the breadwinner.

The 1950s have been regarded by many as a golden age when even a minimum-wage job could easily provide for a family. It provided a house, meals, clothes, a car, a yearly vacation, and pretty much everything you needed and it was all accomplished, usually, on one salary.

After all, Ward Cleaver provided nicely for the Beaver and Wally, and all June had to do was look nice every day.

The difference between then and now is consumerism. While you may have been able to afford a car in the 50s, that car came with the basics. Engine, seats, clutch, headlights, and windshield wipers ? you were ready to see the country in your Chevrolet.

A typical house at the time was much smaller. You didn't have a big-screen TV or satellite, and you didn't have an automatic washer and dryer.

A modern automobile costs more because there are a lot more features like air conditioning, onboard DVD, navigation systems, and the list goes on.

The reality is, the 1950's lifestyle would be considered a low standard of living in current times.

That being said, when it comes to basics - having a place to live - things are out of wack.

My parents, and most of their friends, bought a brand new house with a big lot when they were in their mid-twenties, at a price that was around twice my father's annual income, and a mortgage that was signed and locked in for 25 years. That meant their mortgage payments, typical of the time, were easily affordable for just about everyone.

Currently, with a typical salary, that ratio of salary to housing costs is now around 20 times, making it unattainable for many people.

The provincial government's 'million houses to be built' plan won't bring housing prices down. No developer is going to sell for less than what the current market will bear, so don't expect 'affordable housing' any time soon.

The entire economic system needs an overhaul.