

A Moderate Standard of Living: Cost of Living and Food Insecurity by Household Type

January 13, 2023 (revised March 3)

*Prepared for UASU Executive Committee by
Department of Research and Advocacy*



Overview

This report assesses self-reported cost of living and related issues (including food insecurity) based on a UASU Perks survey. The survey ran from January 4 to 13 and reached 1,078 respondents.

We compared this data to the University's Moderate Standard of Living amount, which is based on Alberta Student Aid loan assessment data (adjusted for cost of living in Edmonton) and is used for financial aid eligibility estimation purposes.

- The MSOL currently appears well-calibrated to the cost of living of households that include partners and/or children.
- However, as of Winter 2023, one out of four students living alone is paying a cost of living that exceeds the MSOL.
- The MSOL (which, again, is supposed to represent a moderate standard of living) for a student living alone is almost \$200/month lower than AISH and over \$400/month lower than the federal poverty line.
- We recommend increasing the MSOL base threshold (for a student living alone) from \$1,600/month to \$2,000/month. While this is still below the federal poverty line, the difference would be less egregious, and \$2,000/month would cover roughly 85% of students living alone.
- We recommend that the University reevaluate how the MSOL is calculated; currently, it excludes necessary cost-of-living expenses like child care and health/medical costs, posing explicit barriers to students with health challenges, disabilities, and children. We also recommend that the provincial government reevaluate the current rates and calculation methods for the cost of living thresholds that the MSOL is based upon.

We find further evidence of serious financial need and food insecurity.

- 33% of students living alone and 24% of students living in a household of three (e.g. with partner and child) are making do with \$1,000 or less per month; around 90% of these students make do with a cost of living lower than the Canadian poverty line.
- Students who live alone, with a partner, or (to a lesser extent) in a household of three are much more likely than other students to face serious food insecurity. For example, one out of three students who live alone or with a partner is currently skipping meals at least once a week due to the cost of food.

Moderate Standard of Living Thresholds

The University plans to reevaluate MSOL thresholds this semester; they were last increased in 2020/21. In simplest terms, the MSOL is \$750/month for a student not paying rent (e.g. living at home) and \$1600 for a student paying rent. Additional amounts: +\$1600 for a partner, \$500 for a dependent child.

Note that MSOL includes a wide variety of housing, food, clothing, and hygiene costs, but does not include child care, transportation, academic costs, or health-related costs. This does introduce some 'noise' when comparing MSOL with self-reported monthly cost of living, because, for many students, child care and health-related costs are fundamental to the cost of living.

That being said, as shown below, one out of four students living alone is facing a cost of living that exceeds the MSOL. This parallels, and is impacted by, how [increased cost of food has sharply exceeded the University's baseline estimates](#).

Types of Household

"What does your household look like? Pick the closest option. (We're talking about cost of living here, and that can vary widely depending on your current living situation.)"

Students live in a wide variety of household situations:

- Just me: 21%
- Just me and my partner: 9%
- Household of three (e.g. two partners with one kid; three partners; three friends but we split all the bills): 5%
- Household of four or more: 15%
- Living with parents/guardians: 40%
- Something else: 6%
- Prefer not to say: 3%

Further research could also look into the circumstances of single-parent families. We regret this omission.

Canada's poverty line is regional and relies on the Market Base Measure (MBM). Per the most recent available [Statistics Canada data](#), these are the poverty thresholds for Edmonton:

- Living alone: \$24,862 (\$2,072/month)
- 2 person household: \$35,159 (\$2,930/month)
- 3 person household: \$43,061 (\$3,588/month)
- 4 person household: \$49,723 (\$4,144/month)
- 5 person household: \$55,592 (\$4,633/month)

Monthly Cost of Living

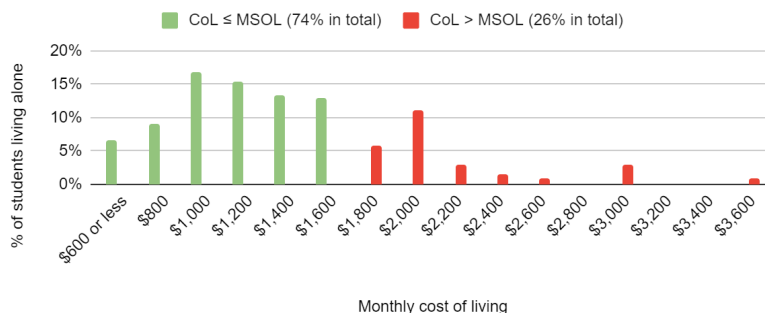
"What's the approximate total cost of living per month for the household you specified above? Pick the CLOSEST answer."

	UALberta 'Moderate Standard of Living' (MSOL)	Household cost of living threshold that includes 85% of group (w/o 'don't know' and 'prefer not to say')	Modal (most common) answer	Approximate % making do with \$1,000 or less per month	Approximate % living under Edmonton poverty line	Approximate % living on MSOL or less
Just me	\$1,600	\$2,000	\$1,000	33%	91%	74%
Me + partner	\$3,200	\$2,600	\$2,000	15%	90%	92%
Household of three	\$3,700 (2 adults, 1 child)	\$3,000	Three-way tie (\$1,800, \$2,000, and \$2,400)	24%	91%	93%
Household of four	\$4,200 (2 adults, 2 children)	\$4,000 or more	\$4000 or more	14%	Unknown (scale too low)	N/A (scale too low)
With parents/guardians	\$750	\$4,000 or more	\$4000 or more	25%	N/A	N/A
Something else	N/A	\$2,200	Three-way tie (\$1,200, \$1,400, and \$1,800)	31%	N/A	N/A

While the MSOL threshold amounts currently appear reasonably well-calibrated for households with partners and children, it seems clear that the MSOL does not accurately reflect the current cost of living for a student living alone. One out of four students living alone is living on an amount that is higher than the current MSOL threshold. These costs are, of course, tied to record inflation over the past year.

Monthly cost of living for a student living alone

Excludes 'don't know' and 'prefer not to say' responses



This chart would look almost identical when compared to AISH (\$1,787/month) rather than the MSOL. AISH, being well below the federal poverty line), has been criticized as an unrealistically low cost of living subsidy for disabled Albertans, and the University's MSOL for a student living alone is almost \$200 lower than AISH.

Food Insecurity

We already know, of course, that serious food insecurity is endemic on our campus. (For example, our recently-concluded annual survey, n=4,039, included the Health Canada HFSSM, and found that severe food insecurity has increased from 13% to 16% since late 2019.)

In this report's survey, we used the standard single-question instrument that we choose when the full HFSSM panel would not be appropriate. We found that household situation had a strong impact on food insecurity.

Do you skip meals due to the cost of food? Choose the closest answer.

- No (59%)
- Yes, more than twice a week (8%)
- Yes, once or twice a week (11%)
- Yes, once or twice a month (12%)
- Prefer not to say (10%)

Food insecurity by household type

