



## Feeling poorer? You are. Here's how much less you're making now than you were three years ago

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Debra Maxfield hasn't had a wage increase since July 2020.

A long-term-care worker for 20 years, first as a personal support worker and now running recreation and leisure programming for senior residents, Maxfield is struggling to make her stagnant wages work during a period of high inflation.

"In the last year I had to get a roommate to help with the bills," she said.

"Inflation is now above five per cent and our wages haven't changed since

2020. We can't afford the things we used to." In February, [inflation fell to 5.2 per cent](#) from 5.9 per cent in January.

She's noticed that colleagues no longer go on family vacations and sometimes have to miss out on work to look after their kids because they can't afford child care.

Maxfield has also used the Flipp app — a grocery price comparison service — to see where she can get certain discounts or deals on food items as the cost of groceries remain stubbornly high. In February, groceries were 10.6 per cent higher than they were a year ago.

Inflation rose 6.8 per cent on an annual average in 2022, following gains of 3.4 per cent in 2021, and 0.7 per cent in 2020. The increase in 2022 was a 40-year high, the largest increase since 1982 — and many workers are feeling the financial pinch as wages remain far behind the rate of inflation.

It's having a significant impact on peoples' livelihoods as they have less spending power than they did three years ago.

For example, if someone has earned \$50,000 a year since 2020, due to inflation they're currently bringing home the equivalent of \$44,466 — losing more than \$5,534 in income. If someone has earned \$80,000 every year since 2020, now they're bringing in the equivalent of \$71,145 — losing more than \$8,855 in income. And if someone has earned \$120,000 annually since 2020, they're now bringing in the equivalent of \$106,718 — losing more than \$13,282.

On average, health-care workers have lost around \$12,000 in income over the last three years as the wage increase is capped at one per cent annually [under Bill 124](#), said Bernie Robinson, interim provincial president, Ontario Nurses' Association.

“When wages don’t keep up with inflation it’s hard to budget,” she said. “Often mental and physical health is impacted when financial cuts need to be made. And if workers have kids, their children are also impacted by spending restrictions.”

So, what can people do to make up for that lost income?

## **Define the needs from the wants**

It’s important to go back to the basics and ask yourself what you need versus what you want, said **Janet Gray, certified financial planner with Money Coaches Canada**.

“Everyone is getting hit by inflation, and it’s especially harder for those who have lower incomes or fluctuating incomes,” she said. “You really need to sit down and ask, what are the expenses that are necessary and what can I delay or forgo short term? It’s painful and inconvenient but unfortunately it’s what you have to do.”

Housing and utility bills are necessary expenses but finding food deals at grocery stores and eating out less are ways to cut back, as well as discretionary spending with subscriptions, travel, and personal grooming appointments (such as manicures and facials).

If you’re left with \$100 in additional income at the end of the month, then put it into savings, Gray said.

## **Rent out a room**

If you live in a residence with a spare room it’s beneficial to rent it out, said Pamela George, a financial literacy counsellor.

“When the school year is about to start often students are looking for some kind of accommodation, or you can rent it out to a peer,” she said.

It can bring in hundreds of dollars of extra monthly income, while also helping with the housing supply crunch, George added.

## **Get a side hustle**

Getting a side hustle can supplement some lost income, experts say. But think of it more as a side gig that taps into an unused talent, George said.

“A side hustle could be walking your neighbour’s dog, which is fine,” she said. “But think about what you enjoy and love and maybe turn it into a way to make money. Then it can be something you look forward to.”

Also, spring cleaning can turn into a potential yard sale to earn some extra cash, said Jessica Moorhouse, financial educator and host of the More Money Podcast.

If there are any furniture or household items you no longer use, consider selling it on Facebook marketplace or other online sites. There’s also the option to thrift items and resell them at a higher prices, she added.

George said one of her clients sells household items online, earning around \$400 in cash every month.

“It really involves thinking outside of the box, but these practices do work,” she said.

## **A raise or new job**

Asking for a raise is very dependent on where you work, experts say. But if it’s a bigger company than asking for \$5,000 more in salary isn’t a “big ask,” said Moorhouse.

“That’s literally nothing for them but could be life-changing for you,” she said. There’s no harm in asking, and if they’re unable to provide a raise or bonus then looking for a new job might be necessary, she added.

While it’s difficult in the current economy to look for new work, some jobs might provide better benefits and pensions, or provide a much higher salary. If that’s the case, it’s worth exploring your options, Moorhouse said.

For the foreseeable future, Maxfield says she will stay in long-term care, but that means making some big lifestyle changes, such as living with a roommate.

“I’ve been used to living on my own, so it’s a big adjustment,” she said. “It’s a really tough time out there right now for so many people.”

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