

**Northwest Territories**

**2019**

**LIVING WAGE**

**Yellowknife●Hay River●Inuvik**



*Alternatives North*

February 2019



# *Alternatives North*

Alternatives North is a territorial social justice coalition based in Yellowknife. Members include churches, labour unions, environmental organizations, women and family advocates, anti-poverty groups as well as individuals with an interest in our work. It is a leader in poverty reduction and elimination efforts. Alternatives North helped to bring the No Place for Poverty coalition to life in December 2009. It supported the creation of the Government of the Northwest Territories' strategic framework on poverty (*Building on the Strengths of Northerners*) tabled in June 2013, and the Territorial Anti-poverty Action Plan tabled in June 2015. For more information, visit [www.alternativesnorth.ca](http://www.alternativesnorth.ca) or contact us at [info@alternativesnorth.ca](mailto:info@alternativesnorth.ca).

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# Table of Contents

- Introduction ..... 1
- Overview..... 3
- Living Wage Calculation Approach ..... 4
- What is the Living Wage in the NWT? ..... 7
  - Annual Expenses ..... 9
  - Income from Government Transfers.....10
  - Taxes .....11
  - Before-Tax Employment Income .....12
- Conclusion.....13
- Appendix A: Expense Calculations .....14

# Introduction

In 2015, with financial support from the Government of the Northwest Territories' Anti-Poverty Fund, Alternatives North commissioned the calculation of Living Wage estimates for Yellowknife. Two years later, Alternatives North and Vibrant Communities Canada partnered to fund the 2017 Living Wage update.

The rationale for undertaking this 2019 Living Wage report was to update the Yellowknife Living Wage rate and to also learn about how Living Wage compares across different NWT communities. Support for this project was provided by the PSAC Social Justice fund, the PSAC NWT Area Council and the RC Diocese of Mackenzie-Fort Smith.

As was the case for the 2015 and the 2017 Living Wage calculations for Yellowknife, the calculations presented in this report were guided by the Canadian Living Wage Framework (described later in this report) and used a work week of 40 hours. The approach utilizes a bare-bones budget that incorporates expenditures on food, clothing and footwear, rent, transportation, child care, health care, household expenses, adult education, a modest vacation, and a small emergency fund. The 2019 Living Wage uses a 37.5 hour work week as this reflects a more common approach in Living Wage calculations in Canada.

In the NWT, legislation currently sets the minimum wage that all employers must pay their workers at \$13.46 per hour. In contrast to the minimum wage, Living Wage reflects what full time workers must earn to afford basic living expenses based as closely as possible on the actual cost of goods and services within their community. In this way, community Living Wage rates can be an indicator of affordability.

For the recommended Living Wage reference household– two-parents with two children<sup>1</sup>– the 2019 Living Wage rates for each parent were determined to be:

- Yellowknife - \$23.95
- Hay River - \$24.75
- Inuvik - \$23.78

As two-thirds of the population of Inuvik is Indigenous, the Inuvik Living Wage was calculated for an Indigenous family (the most common household demographic), who have access to programs that non-indigenous families cannot access.

In all communities, Living Wage rates can translate into benefits for workers, families, employers, government, businesses and society at large. For lower-income families, earning a

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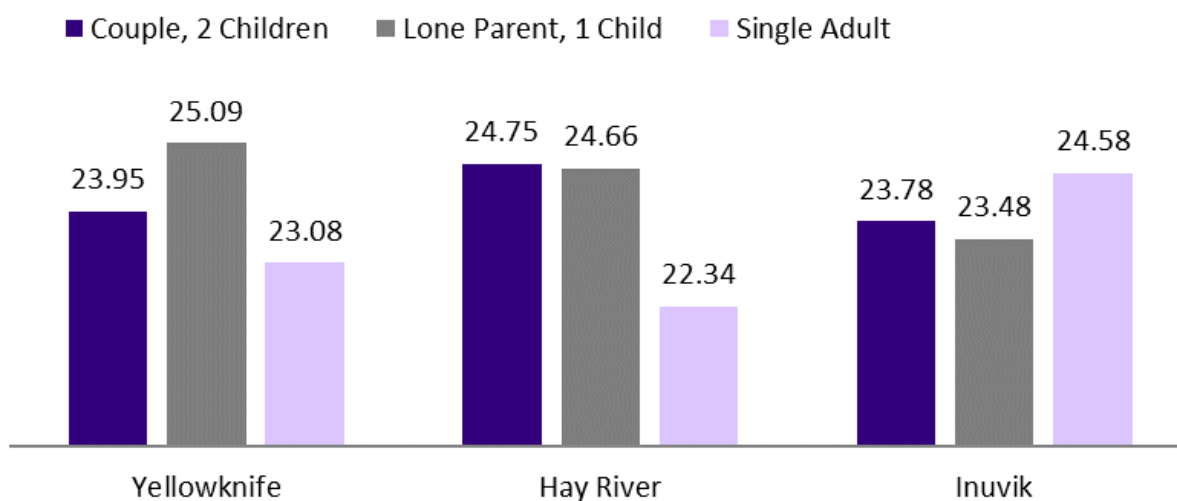
<sup>1</sup> 2016 Census Profile data indicates that couples with 2 children are also the most common family type in Yellowknife and Inuvik. However, in Hay River, couple families with one child are slightly more common.

Living Wage can alleviate the stress of meeting basic expenses. It can also help to avoid the need for secondary part-time employment and, thereby, allow more time for family and community. For employers, paying workers a Living Wage can help to boost employee retention and decrease recruitment and training expenses. For governments, payment of Living Wage can mean higher incomes amongst low wage workers leading to less reliance on social supports and greater tax revenue. For businesses, consumers with more money to spend can increase sales.

## Overview

The 2019 Living Wage estimates resulting from the calculations detailed in this report are compared in the charts below. Following recommendations outlined in the Canadian Living Wage Framework (CLWF), the Living Wage rate for a 'couple with two children' household is compared to two other common household types in each community. For the Couple Family, the Living Wage rate applies to both parents as all adults are assumed to work fulltime.

### 2019 NWT Living Wage Estimates



Across household types within all three communities, Living Wage ranges between \$22 and just over \$25. When comparing the typical reference household — Couple Family with two children— the spread between the Living Wage rates in the three communities is less than \$1 with the highest rate for the Couple Family household in Hay River.




For the Lone Parent household type, Living Wage is found to be highest in Yellowknife at just over \$25. For Single Adults, the Living Wage estimate for Inuvik is highest at \$24.58.

# Living Wage Calculation Approach

In May 2013, Vibrant Communities Canada (VCC) formally released the *Canadian Living Wage Framework* (CLWF) which provides a consistent Living Wage calculation methodology. The framework was updated in 2014<sup>2</sup>.

The CLWF guided Yellowknife's 2015 and 2017 Living Wage calculations and is again used as the foundation for the 2019 calculations described in this report with a revised 37.5-hour work week.

The CLWF recommends that the reference household used in the Living Wage calculation be a couple with two children and that other household compositions be tracked for comparison. The table on the next page summarizes the reference households used for the NWT Living Wage calculations in this report.<sup>3</sup>

<b>Reference Households</b>	
 <b>Couple, 2 Children</b>	<ul style="list-style-type: none"> <li>• Female parent age 34 &amp; male parent age 36, both working fulltime</li> <li>• 1 female child age 3 in fulltime childcare</li> <li>• 1 male child age 7 in after-school and school-out care</li> </ul>
 <b>Lone Parent, 1 child</b>	<ul style="list-style-type: none"> <li>• Single Mom age 31 works fulltime</li> <li>• 1 male child age 3 in fulltime childcare</li> </ul>
 <b>Single Adult</b>	<ul style="list-style-type: none"> <li>• Male age 25 works fulltime</li> </ul>

In the NWT context, the ethnicity of household members needs to be considered since it has implications for child care and health care costs. According to the NWT Bureau of Statistics 2017 population statistics, the proportion of total population that is Indigenous is:

- 68% in Inuvik;
- 46% in Hay River; and
- 24% in Yellowknife.

To represent the most common household demographic, it is assumed that Indigenous people make up the Inuvik households. The Indigenous composition of the Inuvik households means that they can access child care for preschool children through Aboriginal Head Start programs and attain extended health and dental benefits coverage through Non-Insured Health Benefits

<sup>2</sup> Living Wage Canada will review the Canadian Living Wage Framework in Spring 2019; therefore, some changes to the framework may be forthcoming later in 2019.

<sup>3</sup> Based on 2016 Census profile data these household compositions align relatively well with typical compositions. For Yellowknife and Inuvik, couple families most often have two children. However, in Hay River, couple families with one child are slightly more common than those with two children. In all three communities, lone parents most often have one child.

(NIHB) or NWT Métis Health Benefits programs (leaving just uncovered items like off the counter medicines as out-of-pocket expenses). These programs are described below.

#### **NWT Aboriginal Health Start Program<sup>4</sup>**

Indigenous Services Canada<sup>5</sup> provides funding for Aboriginal Head Start (AHS) programs for First Nations, Inuit and Métis children and their families living in urban centers and large northern communities. AHS centers in the NWT provide comprehensive experiences that prepare Dene, Metis and Inuit preschoolers between 3-5 years of age for their school years by meeting their spiritual, emotional, intellectual and physical needs.

#### **NWT Métis Health Benefits<sup>6</sup>**

The Government of the Northwest Territories (GNWT) sponsors the Métis Health Benefits program to provide registered Indigenous Métis residents of the Northwest Territories access to a range of benefits not covered by hospital and medical care insurance. The program includes prescription drug, dental, vision care, medical supply and equipment and medical travel benefits. Alberta Blue Cross administers benefits for the Métis Health Benefits program on behalf of the GNWT.

#### **Non-Insured Health Benefits<sup>7</sup>**

Coverage comparable to the Métis Health Benefits program is provided to First Nations and Inuit residents of the NWT through Indigenous Services Canada's Non-Insured Health Benefits (NIHB) program. The NIHB Program is a national program that provides coverage to registered First Nations and recognized Inuit for a specified range of medically necessary items and services that are not covered by other plans and programs.

The following two equations are the basis for calculation of a Living Wage rate:

$$\text{Annual Expenses} = \text{Before-Tax Employment Income} + \text{Government Transfers} - \text{Taxes}$$

$$\text{Before-Tax Employment Income} / \text{Paid Hours of Work} = \text{Living Wage}$$

The Living Wage rate is the hourly rate of pay that allows the above equations to balance<sup>8</sup>.

<sup>4</sup> This description is taken from the NWT Aboriginal Head Start website: <http://nwtheadstart.org/>

<sup>5</sup> Indigenous Services Canada works to support and empower Indigenous peoples to deliver services in their communities. Its mandate has its roots in Canada's fiduciary obligations to Indigenous peoples and its commitment to reconciliation.

<sup>6</sup> See <https://www.hss.gov.nt.ca/en/services/supplementary-health-benefits/metis-health-benefits> for further details.

<sup>7</sup> This description is taken from <https://www.canada.ca/en/indigenous-services-canada/services/first-nations-inuit-health/non-insured-health-benefits/benefits-information/non-insured-health-benefits-nihb-program-general-information-questions-answers-first-nations-inuit-health-canada.html>

<sup>8</sup> The equations are a simplified representation of the Living Wage calculation. In reality, many government transfers and aspects of income taxation depend on income levels. Since there is interdependence between variables, the calculation of the Living Wage rate, net income levels, taxes, and government transfers are linked.



Estimation of **Annual Expenses** is the first step in the calculation approach. The CLWF provides guidance that reflects conservative spending. The table below summarizes the included and excluded expenses. Estimation of each budget component requires researching the local context and collecting appropriate data.

### *Annual Family Expenses*

#### **Budget Inclusions**

- ✓ Food
- ✓ Shelter (rental housing)
- ✓ Clothing & footwear
- ✓ Transportation
- ✓ Other household costs
- ✓ Child care
- ✓ Health care
- ✓ Social inclusion
  - Including: adult education; minimal spending on recreation, & entertainment, & holidays
- ✓ Contingency funds

#### **Budget Exclusions**

- × Special dietary needs
- × Owning a home
- × Credit card, loan or other debt/interest payments
- × Savings for retirement
- × RRSP, RESP, or RDSP contributions
- × Hobbies
- × Pet ownership
- × Parking
- × Alcohol or tobacco costs
- × Personal life or disability insurance
- × Financial help to family members
- × Costs of caring for a disabled, seriously ill, or elderly family member

After Annual Expenses, **Government Transfers** are calculated. Government transfer programs incorporated include: Canada Child Benefit (CCB); Goods and Services (GST) Credit; Child Support; and NWT Child Benefit (NWT CB). The CCB was established by the Federal Government in 2016 and provides non-taxable benefits to low-income families with children. In 2018, the federal government began to index the CCB to inflation. The NWT CB is also non-taxable but not indexed to inflation.










**Taxes** are determined by applying federal and NWT income tax rates, formulas, and applicable credits. The formulas used are based on the most recent information available from NWT and federal government websites as of January 2019.

When the above components of the calculation have been determined, the amount of **Before-Tax Employment Income** is adjusted until the Living Wage equations balance. The Living Wage rate results from dividing Before-Tax Employment Income by the **Paid Hours of Work**. The number of hours in the work week has a direct impact on the Living Wage estimate. For the purposes of this analysis, the work week is assumed to be 37.5 hours of paid work<sup>9</sup>. Previous Living Wage reports for Yellowknife used a 40-hour work week.

<sup>9</sup> This work week was chosen, in part, because it corresponds to the typical number of paid hours of work for many public service employees in the NWT. Comparability was also a consideration as many recent Living Wage estimates for other Canadian municipalities have used a 35 or 37.5 hour work week.

## What is the Living Wage in the NWT?

Applying the above approach results in the following 2019 Living Wage estimates<sup>10</sup>.

	Living Wage	Annual Expenses*	=	Employment Income	+	Government Transfers	-	Taxes
<b>Yellowknife<sup>11</sup></b>								
 Couple, 2 children	<b>\$23.95</b> (each parent)	\$87,454		\$93,405		\$6,359		\$12,289
 Lone Parent, 1 child	<b>\$25.09</b>	\$57,247		\$48,926		\$11,352		\$3,028
 Single Adult	<b>\$23.08</b>	\$38,522		\$45,006		\$82		\$6,556
<b>Hay River</b>								
 Couple, 2 children	<b>\$24.75</b>	\$89,605		\$96,525		\$6,181		\$13,100
 Lone Parent, 1 child	<b>\$24.66</b>	\$56,703		\$48,087		\$11,424		\$2,801
 Single Adult	<b>\$22.34</b>	\$37,570		\$43,563		\$154		\$6,137
<b>Inuvik</b>								
 Couple, 2 children	<b>\$23.78</b>	\$85,161		\$92,742		\$6,123		\$13,951
 Lone Parent, 1 child	<b>\$23.48</b>	\$54,270		\$45,786		\$11,476		\$2,982
 Single Adult	<b>\$24.58</b>	\$40,376		\$47,931		\$0		\$7,555

\*

<sup>10</sup> Due to rounding up to the nearest cent when determining Living Wage rates, each equation may not balance exactly.

<sup>11</sup> For comparison to previous estimates for Yellowknife, 2019 Living Wage rates with the assumption of a 40-hour work week were also calculated and found to be: Couple family - \$22.45; Lone Parent family - \$23.52; and Single Adult - \$21.63.










When comparing the CLWF recommended reference household of a couple family with two children, Living Wage is similar in Yellowknife and Inuvik at \$23.95 and \$23.78, respectively. Hay River is higher at \$24.75. (It is important to keep in mind that the Inuvik reference household was assumed to be Indigenous and able to access preschool programming through Aboriginal Head Start and non-insured health benefits. If this was not the case, annual expenses would have been significantly higher resulting in a higher Living Wage rate).

Within each of the three communities, the household type with the highest Living Wage varies. In Yellowknife, Living Wage is highest for the Lone Parent Family at just over \$25. For Hay River, the Couple Family has the highest Living Wage with the Lone Parent family less than ten cents lower. For Inuvik, the Single Adult has the highest Living Wage at \$24.58.

The next sections of the report provide a breakdown of the Living Wage calculations for each household type in each community starting with Annual Expenses on the next page.

## Annual Expenses

The estimates used for each budget component are summarized in the table below. Details about how expenses were estimated and the sources of information used are provided in Appendix A.










	Yellowknife			Hay River			Inuvik		
									
FOOD	13,362	5,375	4,687	16,885	6,793	5,923	21,930	8,822	7,693
CLOTHING & FOOTWEAR	3,844	2,718	1,922	5,145	3,638	2,573	5,116	3,618	2,558
SHELTER	24,185	20,599	17,647	20,469	17,720	15,185	22,847	19,778	16,945
TRANSPORTATION	5,823	1,900	1,900	5,551	1,500	1,500	4,853	1,500	1,500
OTHER HOUSEHOLD COSTS	6,104	3,974	2,716	7,383	4,878	3,356	8,708	5,815	4,018
CHILD CARE	16,550	10,800	-	16,250	11,400	-	8,200	6,300	-
HEALTH CARE	5,609	3,065	2,259	5,705	3,133	2,307	538	380	269
SOCIAL INCLUSION	8,385	6,897	5,660	8,505	5,791	5,051	9,402	6,296	5,550
CONTINGENCY	3,593	1,882	1,731	3,713	1,850	1,676	3,567	1,761	1,844
<b>TOTAL</b>	<b>87,454</b>	<b>57,247</b>	<b>38,522</b>	<b>89,605</b>	<b>56,703</b>	<b>37,570</b>	<b>85,171</b>	<b>54,279</b>	<b>40,376</b>

Shelter is the largest component of annual expenses for each household. Across communities, shelter costs are lowest in Hay River. In Inuvik, food expenses are almost as high as shelter expenses for the Couple Family. In Yellowknife and Hay River, child care is the next highest expense for the households with children. Lower child care costs in Inuvik stem from access to the Aboriginal Head Start preschool program and no-cost options for after-school activities.

Although not one of the top expense components, health care costs represent a significant proportion of Yellowknife and Hay River households' budgets. (Recall that Inuvik households are assumed to be Indigenous and access the NIHB or NWT Metis Health Benefits program). When comparing to past Yellowknife Living Wage reports, it was noted that private dental and health care premiums have increased significantly in the last four years.

## Income from Government Transfers

The estimated government transfers received by each reference household in each community are compared below.










	Yellowknife			Hay River			Inuvik		
									
CANADA CHILD BENEFIT	6,359	5,763	-	6,181	5,821	-	6,123	5,863	-
GST CREDIT	-	596	82	-	596	154	-	596	-
CHILD SUPPORT	-	4,356	-	-	4,356	-	-	4,356	-
NWT CHILD BENEFIT	-	637	-	-	651	-	-	660	-
<b>TOTAL</b>	6,359	11,352	82	6,181	11,424	154	6,123	11,476	-

In each community, the Lone Parent Family receives the most income through government transfers with the greatest amount received from the Canada Child Benefit (CCB) and smaller amounts received through Child Support, the GST Credit and NWT Child Benefit (NWT CB).

The Couple Family in each community also receives a substantial benefit through the CCB but has an income level too high to be eligible for the GST Credit or NT CB.

## Taxes

Taxes which apply to each reference household in each community are compared below.

	Yellowknife			Hay River			Inuvik		
									
EI PREMIUMS	1,513	793	729	1,564	779	706	1,502	742	776
CPP	4,407	2,317	2,117	4,566	2,274	2,043	4,373	2,157	2,266
FEDERAL INCOME TAX	5,240	279	2,880	5,669	149	2,664	6,499	390	3,426
NWT INCOME TAX*	1,129	-361	830	1,310	-402	724	1,326	-307	1,087
<b>NET TAX</b>	<b>12,289</b>	<b>3,028</b>	<b>6,556</b>	<b>13,100</b>	<b>2,801</b>	<b>6,137</b>	<b>13,700</b>	<b>3,207</b>	<b>7,555</b>

\*A negative value denotes a refund.










In each community, the Couple Family has the greatest tax burden, followed by the Single Adult; for both these household types, federal income tax represents the greatest proportion of that tax burden.

For the Lone Parent Family households, income tax is much lower (even resulting in a refund) and CPP contributions represent the majority of the overall tax burden.

The tax obligations of the Couple and Lone Parent families in Inuvik show a different pattern than for the counterpart households in Yellowknife and Hay River; EI and CPP contributions are lower but federal and territorial income tax amounts are higher. The main cause of this difference is the lower child care costs assumed for Inuvik. Lower child care cost deduction to before-tax employment income results in higher net income levels for the Inuvik Couple and Lone Parent families (see the Table in the next section) and, therefore, somewhat higher income tax burdens.

## Before-Tax Employment Income

The chart below compares before-tax employment income and after-tax income for the reference households earning a Living Wage. At these income levels, the Living Wage calculation formula is balanced. The Living Wage for each reference household is determined directly from the before-tax employment income.

	Yellowknife			Hay River			Inuvik		
									
BEFORE-TAX EMPLOYMENT INCOME	93,405	48,926	45,006	96,525	48,087	43,563	93,015	50,759	47,931
NET INCOME	80,405	40,926	45,006	83,525	40,087	43,563	84,542	39,486	47,931
AFTER-TAX INCOME	81,116	45,898	38,450	83,425	45,286	37,426	79,064	46,040	40,376

After-tax income levels at the Living Wage before-tax employment income vary by just a few thousand dollars when comparing the same household type in each community.

## Conclusion

By estimating Living Wage rates for three household types in Yellowknife, Hay River, and Inuvik, this report provides valuable comparative information on affordability within different NWT communities. Overall, it is found that workers across the NWT must earn well above the current minimum wage in order to earn enough to pay for expenses.

Within each community, the Living Wage for household types compare differently, reflecting differing patterns of expenses, government transfers and tax burdens. However, there are commonalities. Shelter represents the top expense for all households. For the households with children, the CCB offers the greatest income transfer.

When considering the implications for households across the NWT, it is important to emphasize that the Living Wage estimates are based on specific household compositions and conservative spending assumptions. In reality, the budget exclusions may have significant impacts on households including:

- Inability to pay off debt or to save for or finance larger purchases
- Inability to plan and save for retirement
- Decreased quality of life due to a restricted ability to participate in hobbies, sports programs, pet ownership, and social and cultural programs

Also, many NWT households will face circumstances that create unavoidably higher levels of annual expenses. For example, costs are likely to be much higher where more than one child is under age 4 in fulltime care, allergies may create the need for special diets, and disabilities may result in additional ongoing expenses.

Barriers to income earning potential exist where employment opportunities are limited. In some communities, it may be difficult to find fulltime employment. Income received through transfers may also be lower for some Lone Parent households, if child support is not received consistently or at all.

There are also factors that apply to some NWT households that would decrease the level of employment income and corresponding Living Wage rate. These include employer benefits such as health and dental plans and vacation allowances.




Overall, the estimated NWT Living Wage rates reflect conservative estimates of the hourly wage needed to make ends meet when wage earners have fulltime employment without employer benefits.



## Appendix A: Expense Calculations



### FOOD

	 Couple, 2 children	 Lone Parent, 1 child	 Single Adult
Yellowknife	\$13,362	\$5,375	\$4,687
Hay River	\$16,885	\$6,793	\$5,923
Inuvik	\$21,930	\$8,822	\$7,693




The food cost estimates are determined from the 2017 Market Basket Measure (MBM)<sup>12</sup> for each community for a family of 4<sup>13</sup>. Data for different household compositions was not available; however, published weekly food basket costs for different ages and genders are available for Edmonton<sup>14</sup>. For the same composition of a four-person family:

- Yellowknife costs are 13.7% higher than Edmonton (i.e. \$11,747/year in Edmonton compared to \$13,362/year in Yellowknife)
- Hay River costs are 43.7% higher than Edmonton (i.e. \$11,747/year in Edmonton compared to \$16,885/year in Hay River)
- Inuvik costs are 86.7% higher than Edmonton (i.e. \$11,747/year in Edmonton compared to \$21,930/year in Inuvik)

Assuming costs for the other household compositions vary by the same percentage, Edmonton costs are scaled upwards to determine food costs for the lone parent family with one child and single adult in each community.



### CLOTHING AND FOOTWEAR




	 Couple, 2 children	 Lone Parent, 1 child	 Single Adult
Yellowknife	\$3,844	\$2,718	\$1,922
Hay River	\$5,145	\$3,638	\$2,573
Inuvik	\$5,116	\$3,618	\$2,558

<sup>12</sup> See [http://www.statsnwt.ca/prices-expenditures/market\\_basket\\_measure/](http://www.statsnwt.ca/prices-expenditures/market_basket_measure/). MBM food and other component values provided by the NWT Bureau of Statistics. The MBM food cost estimate is based on the National Nutritious Food Basket (NNFB).

<sup>13</sup> Note that the ages of the individuals used to represent a four-person family for the purposes of the MBM calculations is slightly different than those used for the Living Wage calculation. The impact of this difference is assumed to be insignificant.

<sup>14</sup> Edmonton weekly food basket data is published at [https://www1.agric.gov.ab.ca/\\$department/deptdocs.nsf/all/sdd16768](https://www1.agric.gov.ab.ca/$department/deptdocs.nsf/all/sdd16768)

The 2017 MBM estimates for Clothing and Footwear are used for the Couple Family households. The household size scaling factor recommended by Statistics Canada is then applied to arrive at estimates for the lone parent family and single adult households.

SHELTER		 Couple, 2 children	 Lone Parent, 1 child	 Single Adult
	Yellowknife	\$24,185	\$20,599	\$17,647
Hay River	\$20,469	\$17,720	\$15,185	
Inuvik	\$22,847	\$19,778	\$16,945	

It is assumed that the couple family rents a 3-bedroom apartment, the lone parent family rents a 2-bedroom apartment and the single adult rents a 1-bedroom apartment and each household purchases tenants' insurance<sup>15</sup>.

Yellowknife: Based on CMHC's 2018 Rental Market Report<sup>16</sup>, the average rent<sup>17</sup> charged for apartment units in Yellowknife was: \$1,993/month for a 3-bedroom unit, \$1,697/month for a 2-bedroom unit; and \$1,451/month for a 1-bedroom unit. A 2017 review of major property managers in Yellowknife<sup>18</sup> indicated that in most cases rental rates include heat and water but not electricity. For this reason, the CMHC may underestimate the average cost of renting in Yellowknife. RBC's online insurance quote service was used to attain estimates of annual costs for tenants' insurance (\$269, \$235, & \$235) for \$1 million in legal liability and \$50,000, \$40,000 and \$40,000<sup>19</sup> in contents, respectively.

Hay River and Inuvik: CMHC rental cost data is not available for other NWT communities. For this reason, for the couple family with 2 children 2017 MBM data plus the cost of tenant insurance noted for Yellowknife is used. Determination of costs for the lone parent family and single adult is challenging given that the stock of market rental units is small and current advertised rates for available units may not be reflective of average rental rates for all units (occupied and available). For this reason, a proxy approach is used. The differential between the community MBM housing cost and the Yellowknife MBM cost is applied to Yellowknife CMHC

<sup>15</sup> Note that housing cost included in the NWT MBM uses the weighted average of median rent for 2 and 3+ bedroom apartments plus the cost of electricity and it does not include the cost of tenant insurance. The 2017 MBM housing cost values for Yellowknife, Hay River and Inuvik are \$23,526, \$20,200, and \$22,578, respectively.





<sup>16</sup> Available at <https://www.cmhc-schl.gc.ca/en/data-and-research/publications-and-reports/rental-market-reports-canada-and-provincial-highlights>

<sup>17</sup> Average rents presented in the CMHC Market Rental Report reflect rents charged by surveyed landlords who may or may not include utility costs.

<sup>18</sup> Northview Apartment Real Estate Investment Trust <https://www.northviewreit.com/apartments/cities/yellowknife>) and Midwest Property Management (<http://www.rentmidwest.com/yellowknife>)

<sup>19</sup> \$40,000 in contents coverage was the minimum available.





rental rates (2 bedroom and 1 bedroom) to determine estimates for lone parent and single adult households Hay River and Inuvik and then the cost of tenant insurance is added to these values.

				
		Couple, 2 children	Lone Parent, 1 child	Single Adult
<b>TRANSPORTATION</b>	Yellowknife	\$5,823	\$1,900	\$1,900
	Hay River	\$5,551	\$1,500	\$1,500
	Inuvik	\$4,853	\$1,500	\$1,500

For the lone parent and single adult household, the out-of-pocket expenses are shown below.

Expenditures	Yellowknife	Hay River	Inuvik
Public transit (\$75/month)	\$900		
Taxi trips (50 trips at \$20/trip in Yellowknife, 150 trips at \$10/trip in Inuvik and Hay River)	\$1,000	\$1,500	\$1,500

The couple family in each community is assumed to own a private vehicle. Cost of ownership is based on MBM transportation costing which is calculated using a five-year-old Ford Focus on a five-year lease including insurance, registration, licensing, gas and maintenance.

				
		Couple, 2 children	Lone Parent, 1 child	Single Adult
<b>OTHER HOUSEHOLD COSTS</b>	Yellowknife	\$6,104	\$3,974	\$2,716
	Hay River	\$7,383	\$4,878	\$3,356
	Inuvik	\$8,708	\$5,815	\$4,018

Other household costs include: allowance for children over 6; bank fees; household operation, maintenance, furnishings, and equipment; laundry; and personal care items.

**Allowance** – A rule of thumb for the amount of allowance paid per week is age in dollars<sup>20</sup>. For the purpose of this study a \$40 monthly allowance for the school age child is assumed.





<sup>20</sup> Godfrey, N. (2013). Kids' Allowance Tips. *Canadian Living Magazine*. November issue.

**Bank Fees** - Comparison of major banks suggests that chequing account fees can be kept to as low as \$10/month (overdraft protection included) by limiting transactions<sup>21</sup>.

**Laundry**- An estimate of \$3 per each instance of washing and drying is used. Assumed loads per week and resulting costs for the Couple Family, Lone Parent Family, and Single Adult are: 3 loads- \$936; 2 loads- \$624; and 1 load - \$312, respectively.

**Household Operation, Maintenance, Furnishings, and Equipment** – Average Yellowknife expenditure data from Statistic Canada’s Survey of Household Spending (2017 SHS) is used (\$2,780, \$1,966, and \$1,390 for the Couple Family, Lone Parent Family, and Single Adult, respectively). The MBM differential for the “Other” category is applied to the Yellowknife values to estimate costs in Hay River and Inuvik<sup>22</sup>.

**Personal Care Items** - Average 2017 SHS Yellowknife expenditure data is used (\$1,788, \$1,264, and \$894 for the Couple Family, Lone Parent Family and Single Adult, respectively). The MBM differential for the “Other” category is applied to the Yellowknife values to estimate costs in Hay River and Inuvik.

		 Couple, 2 children	 Lone Parent, 1 child	 Single Adult
 <b>CHILD CARE</b>	Yellowknife	\$16,550	\$10,800	-
	Hay River	\$16,250	\$11,400	-
	Inuvik	\$8,200	\$6,300	-

It is assumed that fulltime child care is needed for preschool children and after school, non-school days and summer camp for school age children.

Yellowknife:

Program	Monthly Rates
Licensed Family Day Homes <sup>23</sup>	\$800-1100/month for 3-year olds
YWCA Out-of-School Care	\$280 full time for school days \$50/day for non-school days & \$380 for March Break (2 weeks)
Yellowknife Daycare	\$975/month for 3-year olds; \$945/month for 4-year olds
Kids Corner Childcare <sup>24</sup>	\$945/month for 3-year olds; \$325 after school
City Summer Day Camp	\$220/week for 5 years and older <sup>25</sup>

<sup>21</sup> See [www.ratehub.ca/chequing-accounts/accounts/personal](http://www.ratehub.ca/chequing-accounts/accounts/personal)

<sup>22</sup> The differential between Yellowknife and Hay River is 1.28. The differential between Yellowknife and Inuvik is 1.57.

<sup>23</sup> A random sample of licensed family day homes currently included on Education, Culture and Employment’s list were contacted.

<sup>24</sup> Rates attained from: <https://www.ykkidscorner.com/registration>

<sup>25</sup> Based on 2017 value.

Below, cost information is combined with program assumptions to determine child care budget estimates. It is assumed that even when child care is not required during a vacation, to maintain the day home spot, the full month is paid.

	<b>Couple, 2 Children</b>	<b>Lone Parent, 1 Child</b>
Children under 4 years old	Day Home (12 mths at \$950/month): <b>\$11,400</b>	Day Home (12 months at \$950/month): <b>\$11,400</b>
Child age 7	After School: <b>\$2,800</b> March Break: <b>\$380</b> Other Non-school Days <sup>26</sup> (20): <b>\$650</b> City Day camps (6 wks): <b>\$1,320</b>	

Hay River:

<b>Program</b>	<b>Rates</b>
Licensed Family Day Homes and Day Care <sup>27</sup>	\$880-1,100/month for 3-year olds \$7.50/hr for after school care
Summer Camp	\$350 for 5 years and older <sup>28</sup>

Using the above rates, annual expenditure is estimated in the table below.

	<b>Couple, 2 Children</b>	<b>Lone Parent, 1 Child</b>
Children under 4 years old	Day Home (12 mths at \$950/month): <b>\$11,400</b>	Day Home (12 months at \$950/month): <b>\$11,400</b>
Child age 7	After School (day home): <b>\$3,300</b> March Break: <b>\$400</b> Other Non-school Days (20): <b>\$800</b> Summer camp (6 wks): <b>\$350</b>	

Inuvik:

<b>Program</b>	<b>Rates</b>
Licensed Family Day Home	\$900/month for 3-year olds
Children First Centre <sup>29</sup>	Preschool full day - \$1,170/month; half-day - \$525/month School age (after school & school out) - \$475/month; \$40/day School age (summer) - \$1,020/month; \$250/week
Aboriginal Head Start (half-day attendance)	Free for eligible children
IRC Summer Literacy Camp	Free for eligible children
Town Summer Day Camp	\$175/week for 5 years and older; Some spots sponsored by IRC and GTC

<sup>26</sup> Based on the Yellowknife District 1 calendar for 2018/19: <http://www.yk1.nt.ca/documents/general/JK-12%20School%20Calendars.pdf>

<sup>27</sup> A random sample of licensed family day homes currently included on Education, Culture and Employment's list were contacted.





<sup>28</sup> Based on 2017 value.

<sup>29</sup> The Children First Centre offers subsidized rates to qualifying families (income under \$90K if one child and income under \$105K if two children). Comparable subsidized rates are: \$975 for full-day preschool, \$430 for half-day preschool, \$375 for after school care, and \$850/month for school age summer care.

The Town's Director of Community Services indicated that there are several options for free after-school programs and that paid after-school care would not likely be necessary.

Using the above information, annual expenditure is estimated in the table below.

	<b>Couple, 2 Children</b>	<b>Lone Parent, 1 Child</b>
Children aged 3	Aboriginal Head Start (half day) Preschool (half day): <b>\$6,300</b>	Aboriginal Head Start (half day) Preschool (half day): <b>\$6,300</b>
Child age 7	March Break: <b>\$400</b> Other Non-school Days (20): <b>\$800</b> Summer camp (4 wks): <b>\$700</b>	

				
		Couple, 2 children	Lone Parent, 1 child	Single Adult
 <b>HEALTH CARE</b>	Yellowknife	\$5,609	\$3,065	\$2,259
	Hay River	\$5,705	\$3,133	\$2,307
	Inuvik	\$538	\$380	\$269

Following the CLWF, health care expenses are included in annual expenses. All households will have some out-of-pocket costs for non-prescribed products, supplies and equipment that are not covered by their health and dental plans. For Yellowknife, the 2017 SHS reports an average cost of \$342 per household. Statistics Canada's standard household scaling formula is used to estimate these costs for the Lone Parent family and the Single Adult (\$242 and \$171, respectively). For Hay River and Inuvik, the Yellowknife costs are scaled upwards based on the differential between the community's and Yellowknife's MBM "Other" component<sup>30</sup>.




Based on the population statistics presented in the introduction, it assumed that the majority of households in Inuvik would access NIHB or NWTMHB. For Hay River and Yellowknife, it assumed that private health and dental insurance is purchased to mitigate against potentially unexpected and expensive costs. Private insurance premiums are based on estimates received from SunLife for their Enhanced plan<sup>31</sup>. Coverage limitations are such that some out-of-pocket expenses are likely<sup>32</sup>. Assumptions respecting out-of-pocket expenses are outlined below.

<sup>30</sup> At 28% higher than Yellowknife, this brings Hay River values \$438, \$310, and \$219 for the Couple Family, Lone Parent Family and Single Adult households, respectively. At 57% higher than Yellowknife, this brings Inuvik values to \$538, \$380, and \$269 for the Couple Family, Lone Parent Family and Single Adult households, respectively.

<sup>31</sup> SunLife quotes were also used in Yellowknife's 2015 and 2017 calculations. However, each year plan options and coverage has been slightly different.

<sup>32</sup> The plan also includes vision care at 100% reimbursement for expenditures of \$200/2 years; it is assumed that by using discount online eyeglass suppliers this is not exceeded. There is also 100% coverage of up to \$400/person/yr for paramedical practitioner services.

Expense	Assumptions	Coverage	Couple, 2 Children	Lone Parent, 1 Child	Single Person
<b>Premiums</b>			\$4,491	\$2,435	\$1,894
<b>Prescriptions</b>	\$220/person/yr	80%	\$176	\$88	\$44
<b>Dental</b>	Do not spend beyond maximum coverage/yr	80% to a max of \$750/person	\$600	\$300	\$150
<b>Subtotal</b>			<b>\$5,267</b>	<b>\$2,823</b>	<b>\$2,088</b>

				
		Couple, 2 children	Lone Parent, 1 child	Single Adult
<b>SOCIAL INCLUSION</b>	Yellowknife	\$8,385	\$6,934	\$5,660
	Hay River	\$8,505	\$5,791	\$5,051
	Inuvik	\$9,402	\$6,296	\$5,550

Social inclusion expenses relate to spending on goods and services that allow for fuller participation in society. Expenditures for cell phones for each adult, basic TV and internet service, adult education, recreation, entertainment, a modest vacation, and conservative spending on gifts have been included.

**Cell Phone(s), Cable, and Internet** – Prices were researched in November 2018 and found to be similar across the three communities. The most affordable calling, texting and data plan was advertised at \$59/month (plus GST). A basic internet package through NorthWestel was advertised online at \$41.95 plus GST per month in Yellowknife and \$37.76 plus GST per month in Hay River and Inuvik. A basic cable package was advertised at \$49.95/month in each community.

**Adult Education** - The CLWF suggests assuming that one adult household member enrolls in evening classes at a local college. For 2018/19, Aurora College tuition fees are \$365/course and part-time student fees were \$10/term. Books and materials are priced at cost recovery. A total cost of \$425 for one course has been assumed. An adult in each household takes two courses during the year (each course occurs over a 4-month period).

**Recreation and Entertainment** - The following out-of-pocket costs are included for each community: a Netflix account; and 12 restaurant meals. Each household is also assumed to have one computer with related costs based on the average Yellowknife 2017 SHS value<sup>33</sup>. The cost of children's toys is taken from the 2015 SHS (2017 data was suppressed) and split in half for the lone parent family.

<sup>33</sup> This is the latest SHS data available.

	Couple, 2 children	Lone Parent, 1 Child	Single Adult
Children's Toys	\$218	\$109	
Computer equipment, software, & supplies	\$484	\$484	\$484
Netflix account	\$140	\$140	\$140

Yellowknife: Annual flexi-passes to access City recreation facilities<sup>34</sup> and 12 restaurant meals as valued below.

	Couple, 2 children	Lone Parent, 1 Child	Single Adult
Flexi Passes (1 year)	Family: <b>\$1,308</b>	Adult: <b>\$602</b> Preschool: <b>\$291</b>	Adult: <b>\$602</b>
Restaurant Meals (12) (\$25/adult; \$15/child)	\$960	\$480	\$300

Hay River: Food cost differential is applied to restaurant meal costs with resulting values of: \$1,213; \$607; and \$379. For recreation, the following is assumed:

- Each adult participates in one fitness program offered by the town (\$90 for 12 classes)
- All individuals participate in paid public skating 10 times throughout the year (\$2.75 for age 11 and under; \$4 for 12-18 years of age; \$6 per adult; \$12 per family)
- Children participate in two rounds of swimming lessons at cost of about \$63/session for preschool age and \$69.50 for school age child
- Children and adults also attain a 10-punch swim pass (child up to 11 years: \$24.50; student 12 yrs and over: \$34.50; adult: \$24.50; family: \$108)

Inuvik: Food cost differential is applied to restaurant meal costs with resulting values of: \$1,576; \$788; and \$492. For recreation, the following is assumed:

- Each adult attains a community fitness centre membership<sup>35</sup> (\$500/year paid in quarterly payments)
- Children participate in free public skating
- Children participate in two sessions of 10 swimming lessons (\$63 and \$73.50 per session for school age and preschool age child, respectively)
- Children and adults also attain a 10-punch swim pass (under 6 - free; youth \$30; adult \$60; Family \$115)

## Vacation

Yellowknife: Each household type takes a 6-night trip to Edmonton where they stay in a low-cost hotel. The couple family uses their vehicle to travel to, from, and within Edmonton; the

<sup>34</sup> Rates available at <http://www.yellowknife.ca/en/getting-active/admission-fees.asp>. It is assumed that the City's payment plan option is used.

<sup>35</sup> See <https://www.inuvik.ca/en/getting-active/Fitness-Centre.asp>



mileage associated with the trip is assumed to be included in the transportation expenses. The lone parent family and the single adult incur airfare costs to Edmonton (\$374/person).<sup>36</sup>

Costs within Edmonton are summarized below.

	<b>Couple, 2 children</b>	<b>Lone Parent, 1 Child</b>	<b>Single Adult</b>
Sky Shuttle <sup>37</sup>		\$30	\$30
Hotel	\$600	\$600	\$480
Public Transit (5 day passes/person at \$9.75/day) <sup>38</sup>		\$49	\$49
Restaurant Meals (6) (Assume \$25/adult & \$15/child)	\$480	\$240	\$150
Telus World of Science <sup>39</sup>	\$120	\$60	
Hockey/Football Game			\$60

Hay River: The MBM value for Hay River includes a car trip to Yellowknife to purchase goods not locally available. It is assumed that this trip also serves as a 6-night vacation for each household and that travel costs are accounted for, with the Lone Parent family and single adult travelling with friends who have a vehicle. Costs within Yellowknife are summarized below. It is assumed that the timing of the trip allows for participation in a variety of a free local activities as well.

	<b>Couple, 2 children</b>	<b>Lone Parent, 1 Child</b>	<b>Single Adult</b>
Downtown Hotel/B&B	\$1,200	\$800	\$800
Restaurant Meals (6) (Assume \$25/adult & \$15/child)	\$480	\$240	\$150
Movie Theatre Outing	\$75	\$40	\$25

Inuvik: The MBM value for the community includes a car trip to Whitehorse to purchase goods not locally available. It is assumed that this trip also serves as a 6-night vacation for each household and that travel costs are accounted for, with the Lone Parent family and single adult travelling with friends who have a vehicle. Costs within Whitehorse are summarized below. Note that it is assumed that the timing of the trip allows for participation in a variety of a free local activities as well.

	<b>Couple, 2 children</b>	<b>Lone Parent, 1 Child</b>	<b>Single Adult</b>
Downtown Hotel/B&B	\$1,200	\$800	\$800
Restaurant Meals (6)	\$480	\$240	\$150

<sup>36</sup> Based on the lowest prices including tax available on November 27, 2018.

<sup>37</sup> Rates attained from <http://edmontonskyshuttle.com/>

<sup>38</sup> Children under age 4 ride for free. Rates attained from <http://www.edmonton.ca/transportation/ets/fares-ets.aspx>





<sup>39</sup> Rates attained from: <https://telusworldofscienceedmonton.ca/tickets/>

(Assume \$25/adult &amp; \$15/child)

Movie Theatre Outing	\$75	\$40	\$25
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**Gifts** – For each community, conservative spending is assumed (\$25/child; \$40/adult; \$15/birthday party gift).

	Couple, 2 children	Lone Parent, 1 Child	Single Adult
Christmas Gifts (1/child, 1/spouse, 1 gift outside the household)	\$170	\$65	\$40
Birthday Gifts (1/child, 1/spouse, 1 gift outside the household)	\$170	\$65	\$40
Birthday Party Gifts (each child attends 4 parties)	\$120	\$60	
Other Gifts (3)	\$120	\$120	\$120
<b>Budget Estimate</b>	<b>\$580</b>	<b>\$310</b>	<b>\$200</b>

		 Couple, 2 children	 Lone Parent, 1 child	 Single Adult
 <b>CONTINGENCY</b>	Yellowknife	\$3,593	\$1,882	\$1,731
	Hay River	\$3,713	\$1,850	\$1,676
	Inuvik	\$3,567	\$1,761	\$1,844

In order to be prepared for emergencies and unforeseen expenses, each household puts aside a small amount of their income each month. The total annual amount is based on two weeks of employment income (before-tax).