

**YELLOWKNIFE**

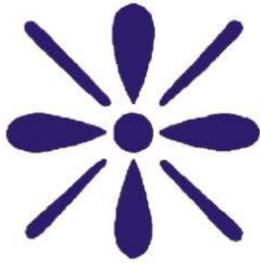
**2015**

**LIVING WAGE**



*Alternatives North*

August 2015



# *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 action plan scheduled to be 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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# Introduction

A Living Wage is the hourly amount of earnings a family needs to cover basic expenses. The calculation of Living Wage incorporates a bare-bones budget without the extras many of us take for granted. Budget expenditures include food, clothing, rent, transportation, child care, health care, adult education, some household expenses, and a small emergency fund.

A Living Wage is not the same as the minimum wage. The government sets the minimum wage and all employers have to pay it to their workers. In the NWT that rate rose to \$12.50 per hour on June 1, 2015. “The living wage sets a higher test — a living wage reflects what earners in a family need to bring home, based on the actual costs of **living in a specific community**.”<sup>1</sup> Also, in contrast to the minimum wage, employers choose to pay a Living Wage, rather than being required to do so by legislation. They make this choice for a variety of reasons, not the least, because it is the right thing to do. Employers paying a Living Wage believe, like us, that full time workers should earn enough to pay for life’s basics.

The Living Wage calculation for Yellowknife is based on a two-parent family with two children – the most common family unit in the city. Each parent works full-time and they have one child in school and another in child care. For this family, the Living Wage rate for Yellowknife is:

**\$20.68**  
per hour for each parent

This Living Wage calculation is a priority of the No Place for Poverty coalition as part of efforts to reduce and eliminate poverty. We hope that this pilot project of building support for the Living Wage in Yellowknife is adopted by other NWT communities.

A Living Wage benefits workers, families, employers and society at large. A Living Wage relieves families of the stress of meeting their basic expenses. It allows them to access many activities that most of us take for granted such as recreation, having the money for your child to take a gift to a birthday party, and having a two-week emergency

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<sup>1</sup> [http://livingwagecanada.ca/files/7813/8243/8036/living\\_wage\\_full\\_document.pdf](http://livingwagecanada.ca/files/7813/8243/8036/living_wage_full_document.pdf), p. 1

fund. Families earning a Living Wage have more time and resources to be a part of community life. Businesses keep their employees longer and spend less on recruitment and training. Living Wage workers have more income to spend on local goods and services. And, of course, they pay more taxes.

Hundreds of families in Yellowknife could be impacted by earning a Living Wage. There are

1,700 people living in the city who earn  
between \$13.00 and \$19.99 an hour.<sup>2</sup>

The majority of those workers are in the service sector, including retail, fast food, security and janitorial services. Without a Living Wage, many work more than one job each. If they are parents, the hours of work required to pay the bills makes them less available to their children, other family and friends and the community as a whole.

Communities across the country have joined the Living Wage movement. By adopting the Living Wage, we can break the cycle of poverty for those who work full-time yet are unable to afford their basic expenses. A Living Wage offers a permanent solution for a significant segment of people who live in poverty. Many communities in western Canada and Ontario (Metro Vancouver, Cranbrook, Prince George, Calgary, Medicine Hat, Red Deer, Grande Prairie, Winnipeg, Brandon, Regina, Toronto and Hamilton to name just a few), have already completed community-specific Living Wage calculations. Numerous other cities and towns across the country have started work on calculations.<sup>3</sup>

The Living Wage is the best way out of poverty for adults who are able to work. It provides the basics of life to low-income workers. As the B.C. Living Wage campaign says,

“work should lift you out of poverty, not keep you there.”

We look forward to your support for this life-changing initiative.

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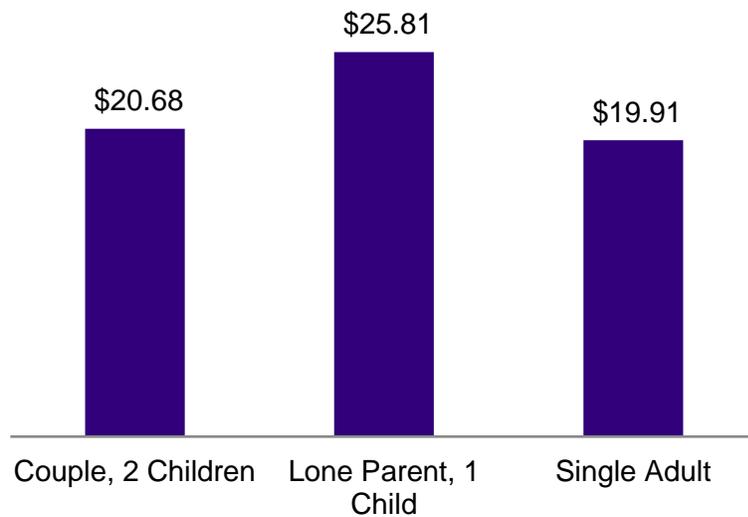
<sup>2</sup> GNWT Minimum Wage Committee Final Report (2014), Chart 4, p 13

<sup>3</sup> Visit <http://www.livingwagecanada.ca/index.php/living-wage-communities/living/> for a comprehensive national overview of existing Living Wage calculations and emerging work.

# Overview

The Living Wage estimates resulting from the calculations detailed in this report are displayed below. Following recommendations outlined in the Canadian National Living Wage Framework, the living costs and resulting Living Wage rate for a couple with two children was compared to two other common household types. For the couple with two children, the Living Wage rate applies to both parents as all adults are assumed to work.

## Yellowknife 2015 Living Wage Estimates



# Yellowknife's Living Wage Calculation

In May 2013, Vibrant Communities Canada (VCC) formally released the *Canadian Living Wage Framework* (CLWF) which provides a consistent Living Wage calculation methodology. The CLWF is used as a guide for Yellowknife's 2015 Living Wage calculation. The approach is summarized below.

**Calculation Method** - Living Wage is the hourly wage rate that allows this formula to balance:

$$\text{Annual Family Expenses} = \text{Employment Income} + \text{Income from Government Transfers} - \text{Taxes}$$

## Reference Households



**Couple, 2 Children**

- Female parent age 34 & male parent age 36, both working fulltime<sup>4</sup>
- 1 female child age 3 & 1 male child age 9



**Lone Parent, 1 child**

- Single Mom age 31 works fulltime
- 1 male child age 3



**Single Adult**

- Male age 25 works fulltime

## Annual Family Expenses

### Budget Inclusions

- ✓ Food
- ✓ Shelter (rental housing)
- ✓ Clothing & footwear
- ✓ Transportation
- ✓ Other household costs
  - Bank fees
  - Personal care items
  - Household operation, maintenance, furnishings, & equipment
- ✓ Child care
- ✓ Health care
- ✓ Social inclusion
  - Basic cell phone, cable & internet
  - Recreation, entertainment, & gifts
  - Vacation
- ✓ 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

<sup>4</sup> The CLWF recommends assuming that an average of 35 hours per week is worked but also indicates that local realities be reflected in the calculation. Statistics Canada data (CANSIM Table 281-0049) indicates that the standard work week for salaried employees in the NWT typically ranges from 38-40 hours or more per week. Therefore, to err towards a more conservative Living Wage, a 40 hour work week is assumed.

Although the CLWF recommends that the reference household(s) include a couple with two children, the framework also indicates that it is good practice to keep track of the variation in expenses faced by different family types. In Yellowknife, couple families most often have two children and lone parents most often live with one child<sup>5</sup>.

The formula above is a simplified representation of the Living Wage calculation. In reality, many government transfers 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. The Canadian Centre for Policy Alternatives (CCPA) developed a Living Wage Calculation Spreadsheet to accompany its Living Wage estimates for BC communities<sup>6</sup>. The CCPA spreadsheet was customized for each reference household in this study to reflect the Yellowknife context and all tax, benefit, subsidy, and benefit formulas were updated to reflect the most recent information available from NWT and federal government websites.

The Living Wage calculation is based on the defined household composition—the number of children and adults—and specific assumptions respecting budget expenditures. In reality, there is considerable variation in household composition as well as budget choices and corresponding expenditures. It is not possible to account for all variation in the calculation. The assumptions made are intended to reflect a reasonable set of conservative spending choices for the specified household composition.

It is important to keep in mind the implications that conservative spending assumptions and budget exclusions might have on some households. These include, but are not limited to:

- Inability to pay off debt or to save for or finance larger purchases
- Hampering the ability to care for elderly or disabled family members at home
- Difficulty accommodating special dietary needs
- Decreased quality of life due to a restricted ability to partake in hobbies, athletic programs, pet ownership, and social and culture programs
- Inability to retire early or retire without support

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<sup>5</sup> Based on taxfiler data available from Statistics Canada.

<sup>6</sup> Available at: [www.policyalternatives.ca/livingwage2013](http://www.policyalternatives.ca/livingwage2013)

## *What is the Living Wage in Yellowknife?*

Applying the above approach results in the following 2015 Living Wage estimates.

	<b>Living Wage</b>	Annual Expenses*	=	Employment Income	+	Income from Government Transfers	-	Taxes
 Couple, 2 children	<b>\$20.68</b> (each parent)	\$80,010		\$86,029		\$6,320		\$12,333
 Lone Parent, child	<b>\$25.81</b>	\$55,419		\$53,685		\$7,629		\$5,889
 Single Adult	<b>\$19.91</b>	\$35,057		\$41,413		\$61		\$6,415

\*Due to rounding up to the nearest cent when determining LW, each equation may not balance exactly.

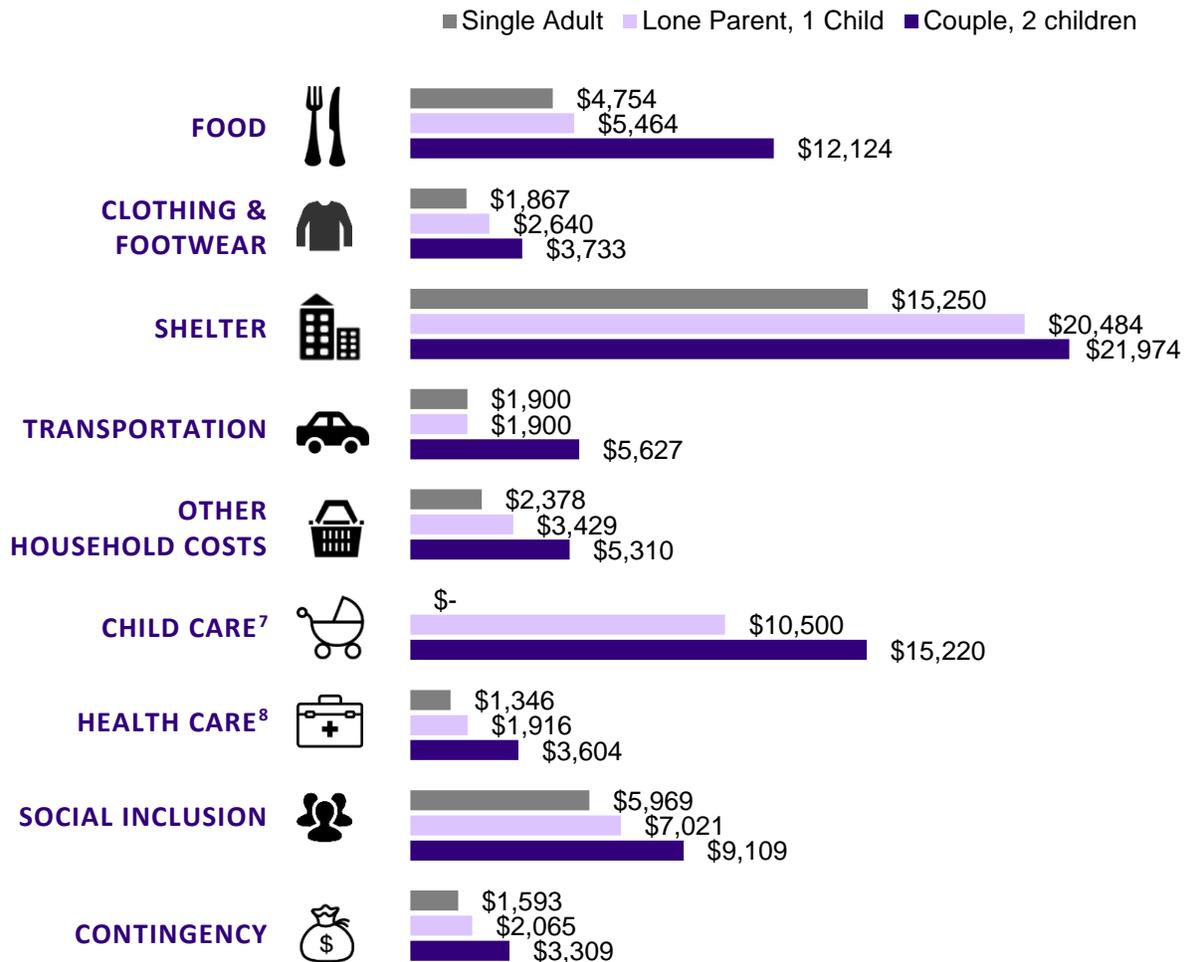
Not surprisingly, the Living Wage is highest for the households with children. The Living Wage for the lone parent with one child is over four dollars higher than for the couple with two children. This result is, in part, due to the fact that the couple family has two adult income earners which contribute to covering the costs of household expenses. Making ends meet in Yellowknife is particularly challenging for lone parents.

Further detail on elements of the 2015 Living Wage calculation is provided below.

# Annual Expenses

Estimation of each reference household's annual expenses requires collecting appropriate data and researching local costs. For some budget items, specific assumptions need to be made respecting household spending choices.

## SUMMARY



<sup>7</sup> \$- denotes a value of zero.

<sup>8</sup> \$- denotes a value of zero. As described in detail on page 15, out-of-pocket health care costs are assumed to be zero due to the possibility of eligibility for government programs that cover many such costs.

Shelter is the largest component of annual expenses for each household. For the couple and lone parent families, child care is the next largest component of expenses. Food and social inclusion also account for a significant portion of total household expenses.

As explained further below, out-of-pocket health care spending is assumed to be zero due to the possibility of eligibility for government programs that cover many such costs.

The resulting estimates for each budget component and the specific estimation methods and data sources used are detailed below.

				
	<b>FOOD</b>	Couple, 2 children	Lone Parent, 1 child	Single Adult
Monthly		\$1,010	\$454	\$396
Annually		\$12,124	\$5,464	\$4,754

The food cost estimates are determined from the 2012 Market Basket Measure (MBM) that was recently estimated for Yellowknife based on the 2008 National Nutritious Food Basket<sup>9</sup>. The MBM food cost estimate for a family of 4 in 2012 is \$11,461. Yellowknife Consumer Price Index (CPI) data<sup>10</sup> for the food product group is used to adjust the 2012 value to 2014 value of \$12,124.

Data for different household compositions was not available for Yellowknife; however, published weekly food basket costs for different ages and genders are available for Edmonton<sup>11</sup>. For the same composition of a four person family, Yellowknife costs are 4.73% higher than Edmonton (i.e. \$10,325/yr in Edmonton compared to \$12,124/yr in Yellowknife). 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.

<sup>9</sup> For more information on the 2008 National Nutritious Food Basket visit: <http://www.hc-sc.gc.ca/fn-an/surveill/basket-panier/index-eng.php>

<sup>10</sup> CANSIM Table 32-0021 provides Yellowknife CPI values for food of 124.4 in 2012 and 131.6 in 2014.

<sup>11</sup> Edmonton weekly food basket data is published at [http://www1.agric.gov.ab.ca/\\$department/deptdocs.nsf/all/sdd14743](http://www1.agric.gov.ab.ca/$department/deptdocs.nsf/all/sdd14743)



## CLOTHING AND FOOTWEAR



Couple, 2 children



Lone Parent, 1 child



Single Adult

	Couple, 2 children	Lone Parent, 1 child	Single Adult
Monthly	\$311	\$220	\$156
Annually	\$3,733	\$2,640	\$1,867

The 2012 Yellowknife MBM estimate for Clothing and Footwear (\$3,726) is adjusted for inflation (using Yellowknife CPI values for the clothing and footwear commodity group). The household size scaling factor recommended by Statistics Canada is then applied to arrive at estimates for the lone parent family and single adult.



## SHELTER



Couple, 2 children



Lone Parent, 1 child



Single Adult

	Couple, 2 children	Lone Parent, 1 child	Single Adult
Monthly	\$1,831	\$1,707	\$1,271
Annually	\$21,974	\$20,484	\$15,250

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>12</sup>.

Based on CMHC's Spring 2015 Rental Market Report<sup>13</sup>, the average rent<sup>14</sup> charged for apartment units in Yellowknife was: \$1,802/mth for a 3 bedroom unit, \$1,682/mth for a 2 bedroom unit; and \$1,411/mth for a 1 bedroom unit. A review of rents being charged by the two major property managers in Yellowknife as of May 2, 2015,<sup>15</sup> suggested that rental rates for 2 and 3 bedroom units have not changed significantly since the CMHC

<sup>12</sup> Note that housing cost included in the Yellowknife 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 2012 MBM housing cost value adjusted to 2014 using the Yellowknife CPI for shelter is \$22,889.

<sup>13</sup> Available at [www03.cmhc-schl.gc.ca/catalog/productDetail.cfm?cat=110&itm=5&lang=en&fr=1429240369218](http://www03.cmhc-schl.gc.ca/catalog/productDetail.cfm?cat=110&itm=5&lang=en&fr=1429240369218)

<sup>14</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>15</sup> Northern Property Real Estate Investment Trust (<http://www.npreit.com/apartments/cities/yellowknife>) and Midwest Property Management (<http://www.rentmidwest.com/yellowknife>)

survey occurred in April 2015. However, there were one bedroom units available for as low as \$1,250 including all utilities. It was noted that most rental rates include heat and water but not electricity. For this reason, the CMHC may underestimate the average cost of renting; however, in order to avoid overestimation, CMHC estimates are used for the monthly cost of a 2 and 3 bedroom and \$1,250 is used for the monthly cost of a 1 bedroom. Cooperators Insurance Yellowknife office provided estimates of annual costs for tenants' insurance (\$350, \$300, & \$250) for \$2 million in legal liability and \$50,000, \$40,000 and \$30,000 in contents, respectively.

		 Couple, 2 children	 Lone Parent, 1 child	 Single Adult
 <b>TRANSPORATION</b>	Monthly	\$469	\$158	\$158
	Annually	\$5,627	\$1,900	\$1,900

Although public transit is a low cost transportation option in Yellowknife, National Household Survey (NHS) data (2012) for Yellowknife indicates that just 1.2% of the employed population used public transit as their primary means of travel to work and most (64%) relied on a private vehicle<sup>16</sup>.

For several reasons, it may be difficult for some working individuals and parents with young children to rely on public transit:

- Bus stops may be far from home and/or work locations
- Many childcare providers offer limited flexibility around drop-off and pick-up times
- Bus routes and schedules may not accommodate stopping at the childcare location without considerable inconvenience and delay

These realities make it difficult to determine the best approach to estimating transportation expenses. For comparison purposes, the following scenarios are considered:

<sup>16</sup> NHS Profile, Yellowknife CA, 2011 available from: <https://www12.statcan.gc.ca/nhs-enm/2011/dp-pd/prof/index.cfm?Lang=E>.

- Public transit and 50 taxi round trips per year (to correspond with one grocery trip every non-vacation week)
- Use of taxi services and a school bus pass for the older child in the couple family
- Private vehicle use

A monthly bus pass currently costs \$75 for adults and children over age 5; children under age 5 ride free when accompanied by an adult<sup>17</sup>. The resulting costs per household for monthly bus passes and occasional taxi use are provided below.

	Couple, 2 children	Lone Parent, 1 Child	Single Adult
<b>Public Transit and Occasional Taxi</b>			
Bus Passes (for persons over 5 years old)	3 persons: \$2,700	1 person: \$900	1 person: \$900
Taxi Fare (50 round trips of 2.75 km each way) <sup>18</sup>	\$1,000	\$1,000	\$1,000
<b>Total</b>	<b>\$3,700</b>	<b>\$1,900</b>	<b>\$1,900</b>
<b>Taxi and School Bus Pass</b>			
School Bus Pass	\$250		
Taxi Fare (6 round trips/wk of 2.75 km each way for 50 weeks)	\$6,000	\$6,000	\$6,000
<b>Total</b>	<b>\$6,250</b>	<b>\$6,000</b>	<b>\$6,000</b>

The estimation of out-of-pocket costs of vehicle ownership and operation is guided by methods recommended by the Canadian Automobile Association in their Driving Cost brochure<sup>19, 20, 21</sup>. The following assumptions are made:

- Vehicle make is a 2011 Toyota Matrix purchased upon sale of a 2006 Toyota Camry and both vehicles valued at average Canadian Black Book prices (\$14,866

<sup>17</sup> <http://www.yellowknife.ca/en/living-here/fares.asp>

<sup>18</sup> A 2.75 km trip costs \$10 based on current City of Yellowknife rates. See Consolidates Fees and Charges By-law No. 4436 available on the City of Yellowknife website at <http://www.yellowknife.ca/Bylaws>.

<sup>19</sup> Available at [http://www.caa.ca/wp-content/uploads/2012/06/CAA\\_Driving\\_Cost\\_English\\_2013\\_web.pdf](http://www.caa.ca/wp-content/uploads/2012/06/CAA_Driving_Cost_English_2013_web.pdf)

<sup>20</sup> Depreciation not included because it is not an out-of-pocket cost.

<sup>21</sup> Survey of Household Spending data (CANSIM Table 203-0030) related to the cost of private vehicle use in Yellowknife was also examined and the median annual expenditure in 2012 per household was found to be \$10,350 (for costs related to operation, maintenance, fuel, tires, batteries, parts and supplies, insurance, and registration) Any lease or financing payments would be in addition to this amount. The SHS data is for all Yellowknife households. According to the 2012 NHS, 43.9% of Yellowknife households own 2 or more vehicles and 41.5% own a truck or van. For these reasons, these expenditure data would overestimate the cost of owning and operating one small but family-friendly vehicle in Yellowknife.

and \$8,413, respectively). Appropriate tires were included and do not need to be purchased separately.

- Bank financing is obtained for 60 months at 4%
- Annual mileage of 10,820 km based on driving 20 km every day and an additional 20 km every weekend and one round-trip to Edmonton (3,000 km)
- Fuel price of \$1.21/L based on Yellowknife prices listed on NWTgasprices.com on May 24, 2015
- City vs Highway mileage at 90/10% and mileage based on the values for the 2011 Toyota Matrix included within the CAA's Driving Costs calculator
- Use of free parking spaces away from home

Expenditure	Annual Estimate
Ownership Costs (bank financing)	\$3,423
Gasoline	\$1,037
Maintenance	\$300
Private insurance premiums <sup>22</sup>	\$750
Registration fees (including insurance if part of registration)	\$117
<b>Total</b>	<b>\$5,627</b>

For the single adult and lone parent family, the lowest cost option of public transit and occasional taxi use is assumed. However, given the challenges of coordinating transportation to two workplaces, school and day home, it is assumed that the couple family owns and operates a private vehicle at the cost estimated above.

		 Couple, 2 children	 Lone Parent, 1 child	 Single Adult
<b>OTHER HOUSEHOLD COSTS</b>	Monthly	\$391	\$251	\$181
	Annually	\$4,686	\$3,013	\$2,170

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

<sup>22</sup> Estimate provided by the Yellowknife Cooperators office.

**Allowance** – A Canadian Living article suggests that a rule of thumb for the amount of allowance paid per week is the child's age in dollars<sup>23</sup>. For the purpose of this study a \$40 monthly allowance for the nine year old child in the couple family is assumed.

**Bank Fees** - Service fees apply to most chequing accounts. A survey of major banks websites determined service fees to be as low as \$11/month or \$132/year<sup>24</sup>.

**Household Operation, Maintenance, Furnishings, and Equipment** – Median expenditure data for all Yellowknife households included in Statistic Canada's Survey of Household Spending (SHS) is used and adjusted for inflation<sup>25</sup>. The resulting estimates are: \$2,645, \$1,870, and \$1,323 for the couple family, lone parent family and single person, respectively<sup>26</sup>.

**Laundry**- Apartment dwelling in Yellowknife typically means that coin operated washers and dryers must be used. Typical costs are \$2 per each instance of washing and drying. It is assumed that each week the couple family does 3 loads, the lone parent family does 2 loads and the single adult does one load, for annual costs of \$624, \$416, and \$208, respectively.

**Personal Care Items** - As above, median 2012 SHS expenditure data for Yellowknife is adjusted to 2014. The resulting estimates are: \$1,429, \$1,011, and \$715 for the couple family, lone parent family and single person, respectively.

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<sup>23</sup> Godrey, N. (2013). Kids' Allowance Tips. Accessed from: [www.canadianliving.com/moms/family\\_life/kids\\_allowance\\_tips\\_2.php](http://www.canadianliving.com/moms/family_life/kids_allowance_tips_2.php)

<sup>24</sup> 2012 Survey of Household Spending data for Yellowknife indicated that the median annual household expenditure on bank fees was \$180.

<sup>25</sup> Using median expenditures likely results in less conservative estimates.

<sup>26</sup> Several recent Living Wage calculations have used results from SHS to determine the typical proportion of spending allocated to these types of expenditure for households in the second income quintile. If all income earners were lined up in ascending order and split into five equal groupings, the second income quintile would represent the second lowest of the five groupings. Unfortunately, SHS data by quintile is not available for Yellowknife or the NWT.



## CHILD CARE



Couple, 2 children



Lone Parent, 1 child



Single Adult

Monthly

**\$1,268**

**\$875**

-

Annually

**\$15,220**

**\$10,500**

-

With parents working full-time, it is assumed child care is needed for all children. The couple pays for after school care for the older child and a spot in a family day home for the younger child. The lone parent also utilizes a day home.

Program	Monthly Rates
Licensed Family Day Homes <sup>27</sup>	\$800-950/month for 3 year olds; \$900-950/month for 4 year olds
YWCA Out-of-School Care <sup>28</sup>	\$280 full time for school days only \$40/day for non-school (PD) days \$340 for March Break (2 weeks)
Yellowknife Daycare (Half month cost as deposit; 1 hr/month volunteer time required)	\$900/month for 3 year olds; \$870/month for 4 year olds
Kids Corner Child Care <sup>29</sup>	\$910/month for 3 year olds \$880/month for 4 year olds

City day camps costing \$190/week are one of the most affordable options for summer care for children age 5 or older<sup>30</sup>. 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.

	Couple, 2 Children	Lone Parent, 1 Child
Children under 5 years old	Day Home (12 mths at \$875/month): <b>\$10,500</b>	Day Home (12 months at \$875/month): <b>\$10,500</b>
Child age 9	After School: <b>\$2,800</b> March Break: <b>\$340</b> Other Non-school Days <sup>31</sup> (11): <b>\$440</b> City day camps (6 wks): <b>\$1,140</b>	
<b>Total</b>	<b>\$15,220</b>	<b>\$10,500</b>

<sup>27</sup> Licensed family day homes currently included on Education, Culture and Employment's list were contacted.

<sup>28</sup> YWCA childcare fees on the YWCA website: <http://www.ywcanwt.ca/children-and-youth/after-school-program> indicate \$275/month; however, program staff indicated that fees are anticipated to increase in September 2015.

<sup>29</sup> Rates attained from <http://www.childcarekc.org/daycare-rates>

<sup>30</sup> City's Recreation guide available at: <http://www.yellowknife.ca/en/getting-active/Recreation-Guide.asp>

<sup>31</sup> Based on the Yellowknife District 1 calendar for 2015/16: <http://www.yk1.nt.ca/documents/general/YK1%20Calendar%202015-2016%20-%20FINAL.pdf>

		 Couple, 2 children	 Lone Parent, 1 child	 Single Adult
 <b>HEALTH CARE</b>	Monthly	\$300	\$160	\$112
	Annually	\$3,604	\$1,916	\$1,346

Following the CLWF, health care expenses are included in annual expenses. However, it is important to be aware that these expenses will not be incurred by some low-income households. Through Health Canada's Non-insured Health Benefits program and the Government of the Northwest Territories' Metis Health Benefits program, qualifying Yellowknife residents will receive coverage for many extended health benefits.

For other Yellowknife residents who do not qualify for these programs and do not have an employer provided plan, out-of-pocket health care expenses for vision, dental, and prescriptions are likely. It is assumed these households choose to purchase private coverage to mitigate against potentially unexpected and expensive costs<sup>32</sup>.

The health care expense estimate includes the cost of health insurance premiums and assumed out-of-pocket expenses. The cost of health and dental insurance premiums is based on cost estimates received from SunLife for their standard plan<sup>33</sup>. Coverage limitations are such that an individual or family is likely to incur additional out-of-pocket expenses<sup>34</sup>. Assumptions respecting out-of-pocket expenses are outlined below.

Expense	Assumptions	Coverage	Couple, 2 Children	Lone Parent, 1 Child	Single Person
<b>Premiums</b>			\$2,771	\$1,500	\$1,138
<b>Eye Glasses</b>	0.5 pair per person/yr \$50/pair	\$150 in vision expenses /person/ 2 years	\$0	\$0	\$0
<b>Prescriptions</b>	\$200/person	70%	\$240	\$120	\$60
<b>Dental</b>	2 check-ups+4 xrays/yr/person at \$247/visit	70% to a max of \$750/person	\$593	\$296	\$148
	<b>Budget Estimate</b>		<b>\$3,604</b>	<b>\$1,916</b>	<b>\$1,346</b>

\*Typical cost of complete pair of glasses from Zenni Optical: [www.zennioptical.com](http://www.zennioptical.com)

<sup>32</sup> Research indicated that the cost of private health and dental coverage and out-of-pocket costs associated with coverage limitations could be in the range of \$3,600 for the couple family, \$1,900 for the lone parent family, and \$1,350 for the single adult.

<sup>33</sup> SunLife's quotes were lower than those received from other providers.

<sup>34</sup> The plan also includes coverage of \$300/person/year for services from other health care practitioners (chiropractors, physiotherapists, acupuncturists, naturopaths, psychologists, registered massage therapists, speech therapists and osteopaths). It is assumed that the household does not exceed coverage limits.

			
	Couple, 2 children	Lone Parent, 1 child	Single Adult
 <b>SOCIAL INCLUSION</b>			
Monthly	\$759	\$585	\$497
Annually	\$9,109	\$7,021	\$6,119

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 May 2015. Bell Mobility offered a promotional plan with limited nationwide calling and data for \$50/month. This was considerably cheaper than similar plans through Telus mobility. A mid-level internet package through NorthwesTel was \$79.95/month and a basic cable package with 2 channel packs was advertised at \$76.34/month.

**Adult Education** - The CLWF suggests assuming that one adult household member enrolls in evening classes at a local college. In this case, it is assumed that each adult takes one course through Aurora College. For 2014/15, tuition fees were \$245/course and student fees were \$25/term. For books and materials the college prices at cost recovery. A total annual cost of \$300 for one course has been assumed.

**Recreation and Entertainment** - The City of Yellowknife co-ordinates several no-admission, family-friendly activities throughout the year and participation by each household is assumed. The following purchases are also assumed: monthly flexi passes to access City recreation facilities in all months except the month of the vacation<sup>35</sup>; six movie theatre outings; and twelve restaurant meals.

Each household is assumed to have one computer that is used to access the internet for academic research, homework, reading materials, news, online games, etc. Computer costs are based on the median 2012 SHS value for Yellowknife (CANSIM Table 203-

<sup>35</sup> Rates available at <http://www.yellowknife.ca/en/getting-active/admission-fees.asp>. The flexi pass allows access to the following recreational activities: the indoor play area at the Fieldhouse; the walking/running track at the Fieldhouse; drop-in programs at the Fieldhouse (excluding Play Together); public skate, adult skate, and shinny hockey at the Multiplex; and noon swim & splash, public swim, family swim, adult swim, lane swim and aqua jog at the Ruth Inch Memorial Pool. Although 6 month and 1 year passes are available at lower cost, it is assumed that the financial limitations of low income households do not allow for purchasing these passes.

0022). An estimate of the cost of children's toys is taken from the same source and split in half for the lone parent family.

	<b>Couple, 2 children</b>	<b>Lone Parent, 1 Child</b>	<b>Single Adult</b>
Flexi Passes (11 months)	Family: <b>\$1,254</b>	Adult: <b>\$578</b> Preschool: <b>\$278</b>	Adult: <b>\$578</b>
Children's Toys	\$300	\$150	
Computer equipment, software, & supplies	\$1,260	\$1,260	\$1,260
Movie theater outings <sup>36</sup>	\$240	\$120	\$60
Restaurant Meals (126) (Assume avg cost/meal is \$25 for an adult & \$15 for a child)	\$960	\$480	\$300
<b>Budget Estimate</b>	<b>\$4,014</b>	<b>\$2,860</b>	<b>\$2,198</b>

**Vacation** - All households take one 6 night trip to Edmonton where they stay in a low cost hotel. The lone parent family and the single adult fly. The couple family uses their vehicle to travel to, from, and within Edmonton; the mileage associated with the travel has been included in the transportation expenses. Other assumptions include:

- Hotel costs are assumed at \$100/night for a room that accommodates the families and \$80/night for a room for the single person.
- One restaurant meal per person per day is purchased.
- Return airfare is \$370/person<sup>37</sup>.
- The single adult and lone parent use a taxi to travel to and from the Yellowknife airport, the Sky Shuttle Airport Service to travel to and from the Edmonton airport and hotel, and rely on walking and public transit within Edmonton.

	<b>Couple, 2 children</b>	<b>Lone Parent, 1 Child</b>	<b>Single Adult</b>
Taxi to Yk Airport		\$30	\$30
Airfare		\$740	\$370
Hotel	\$600	\$600	\$480
Sky Shuttle <sup>38</sup>		\$30	\$30
Public Transit (child is free; 4 adult day passes at \$9/day) <sup>39</sup>		\$36	\$36
Restaurant Meals (6) (Assume avg cost/meal is \$25 for an adult & \$15 for a child)	\$480	\$240	\$150
<b>Budget Estimate</b>	<b>\$1,080</b>	<b>\$1,676</b>	<b>\$1,096</b>

<sup>36</sup> Families: 3 evening, 3 matinee; Single Adult: 3 weekend evenings, 3 Tuesdays. Cost includes admission only based on Capital theatre pricing (<http://www.movies.yk.com/>) – adult) - \$13, child (13 & under) - \$9, matinees - all seats \$9, \$7 Tuesday evening

<sup>37</sup> Based on the lowest price including tax available on May 21, 2015.

<sup>38</sup> Rates attained from <http://edmontonskyshuttle.com/>

<sup>39</sup> Children under 4 ride free. Rates attained from <http://www.edmonton.ca/transportation/ets/fares-ets.aspx>

**Gifts** – Conservative spending on gifts is assumed (\$25 per child gift and \$40 per adult gift). For birthday parties, \$15 per gift is assumed.

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



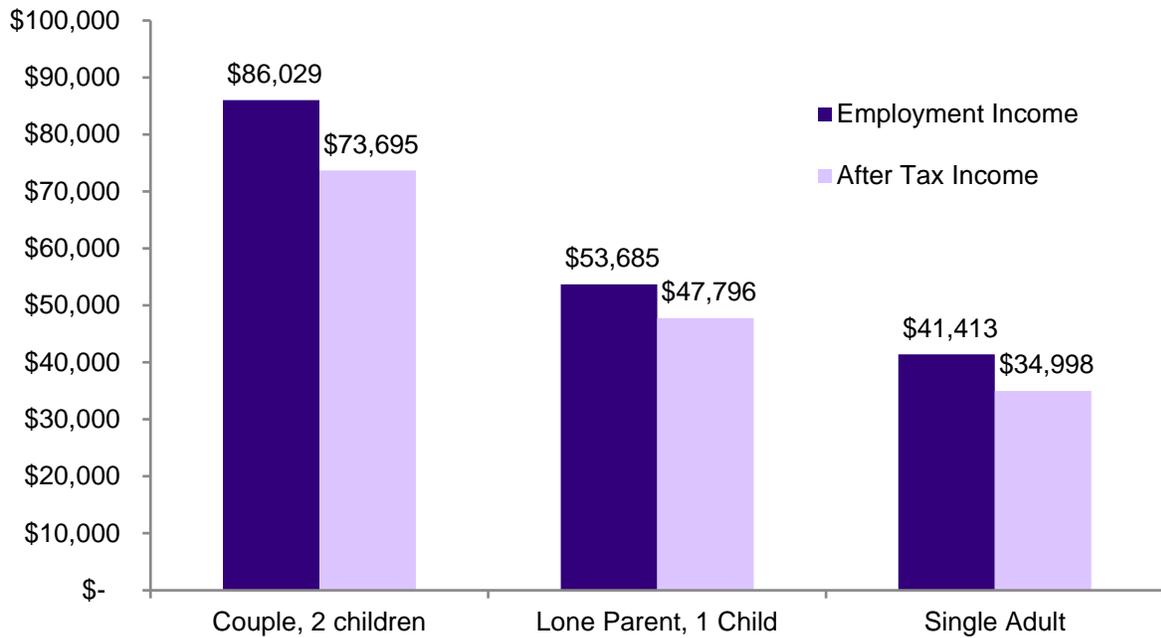
### CONTINGENCY

	 Couple, 2 children	 Lone Parent, 1 child	 Single Adult
Monthly	\$276	\$172	\$133
Annually	\$3,309	\$2,065	\$1,593

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).

## Employment Income

The chart below compares employment income and after-tax income for the reference households included in the Living Wage calculation.

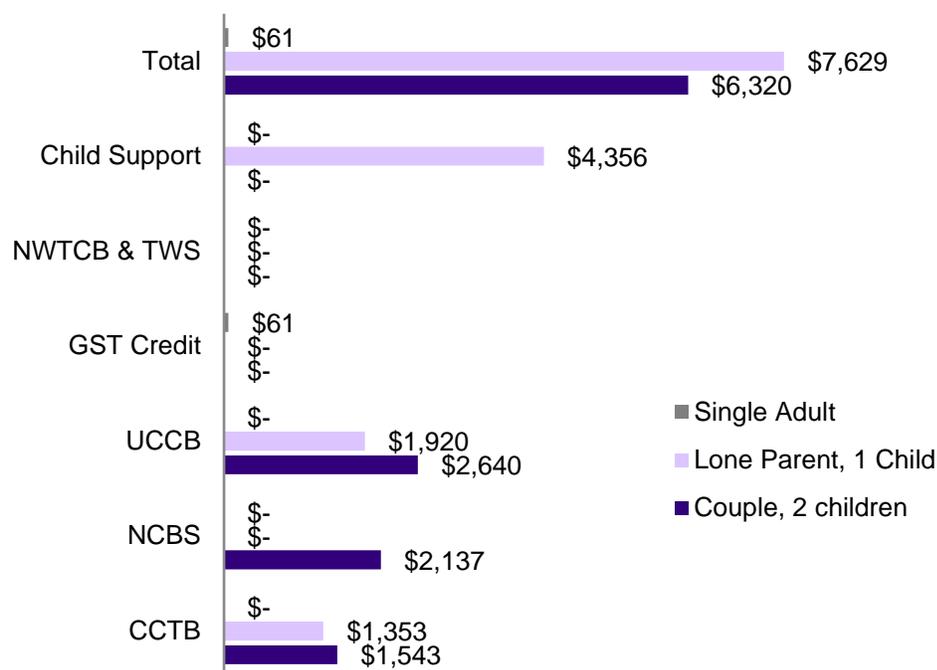


## Income from Government Transfers

Each household receives subsidies and payments that help offset costs. Below are the subsidies, benefits, and transfers that potentially apply to low income households in Yellowknife.

<b>Subsidy, Benefit, and Transfer Programs</b>	
<b>Federal:</b>	<b>Territorial:</b>
Canada Child Tax Benefit (CCTB)	NWT Child Benefit and Territorial Workers' Supplement (NWTCB & TWS)
National Child Benefit Supplement (NCBS)	
Goods and Services Tax (GST) Credit	
Universal Child Care Benefit (UCCB)	

The reference households do not receive several of the benefits or subsidies because their income levels are too high. The estimated benefit levels received by each household through the other programs are compared below.



## Taxes

Taxes are also a component of the Living Wage calculation equation. Published tax formulas and indexing values were used to determine the tax contributions and credits applicable to each reference household.

