

Northwest Territories

2022

LIVING WAGE

**Yellowknife
Fort Smith
Hay River
Inuvik**



Alternatives North

February 2022



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 or contact us at info@alternativesnorth.ca.

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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. In 2019, support provided by the PSAC Social Justice fund, the PSAC NWT Area Council and the RC Diocese of Mackenzie-Fort Smith enabled another report to be released which compared Living Wage across Yellowknife, Hay River and Inuvik.

This report updates the Living Wage rate for Yellowknife, Hay River, and Inuvik and extends the calculations to include Fort Smith.

As was the case for the 2015, 2017, and 2019 Living Wage calculations for NWT communities, the calculations presented in this report were guided by the Canadian Living Wage Framework (described later in this report)¹. 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. As was the case for the 2019 Living Wage calculation, a 37.5 hour work week is used 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 \$15.20 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 children²– the 2022 Living Wage rates for each parent were determined to be:

- Yellowknife - \$23.28
- Fort Smith – \$17.81
- Hay River - \$21.32
- Inuvik - \$22.59

¹ 2015 and 2017 NWT Living Wage reports used a 40-hour work week. The work week was revised to 37.5 hours in 2019.

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

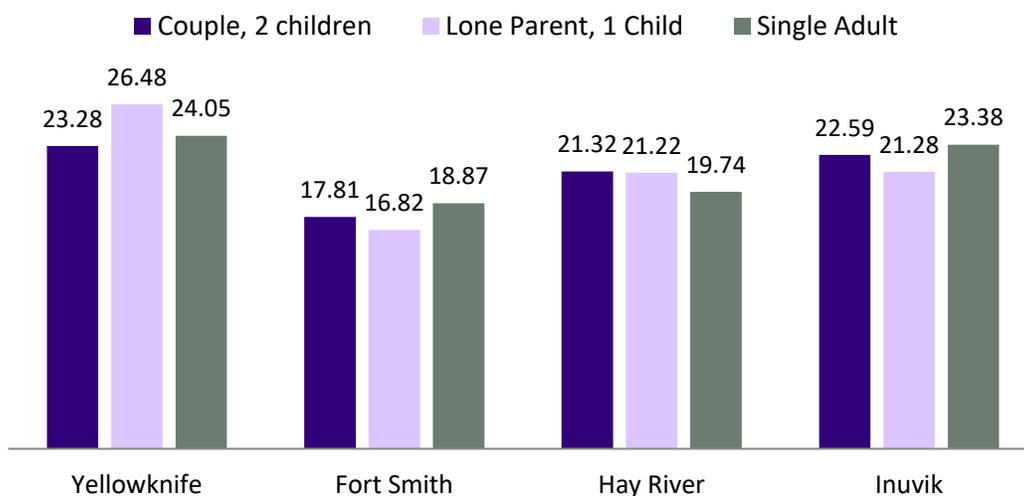
The majority of the population within Inuvik and Fort Smith are Indigenous, therefore, for these communities Living Wage rates were calculated assuming Indigenous households, who have access to programs that non-indigenous families cannot access.

In all communities, Living Wage rates can translate into benefits for workers, families, employers, governments, businesses and society at large. For lower-income families, earning a 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. Payment of Living Wage can mean higher incomes amongst low wage workers leading to less reliance on social supports and greater tax revenue which, in turn, puts less fiscal strain on governments. For businesses, consumers with more money to spend can increase sales.

Overview

The 2022 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.

2022 NWT Living Wage Estimates



Across household types within all four communities, Living Wage ranges between just under \$17 and about \$26.50. When comparing the typical reference household — Couple Family with two children — the spread between the Living Wage rates in the four communities is about \$5.50 with the highest rate for the Couple Family household in Yellowknife.

For the Lone Parent household type, Living Wage is found to be highest in Yellowknife at just about \$26.50. For Single Adults, the Living Wage estimate is also highest in Yellowknife at just over \$24.

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.

As with previous calculations, the CLWF guided the 2022 calculations described in this report. As was the case for the 2019 calculations, a 37.5-hour work week is used.

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.³

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

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 2019 population statistics, the proportion of total population that is Indigenous is:

- 65% in Inuvik;
- 59% in Fort Smith;
- 46% in Hay River; and

⁴.

To represent the most common household demographic, it is assumed that Indigenous people make up the Fort Smith and Inuvik households. The Indigenous composition of the Fort Smith and 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

³ 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.

⁴ Ndilo and Dettah are not included as part of Yellowknife.

through Non-Insured Health Benefits (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 Program⁵

Indigenous Services Canada⁶ 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 Benefits⁷

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 Benefits⁸

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 balance⁹.

⁵ This description is taken from the NWT Aboriginal Head Start website: <http://nwtheadstart.org/>

⁶ 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.

⁷ See <https://www.hss.gov.nt.ca/en/services/supplementary-health-benefits/metis-health-benefits> for further details.

⁸ 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>

⁹ 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	Budget Exclusions
<ul style="list-style-type: none"> ✓ Food ✓ Shelter (rental housing) ✓ Clothing & footwear ✓ Transportation ✓ Other household costs ✓ Child care ✓ Health care ✓ Social inclusion <ul style="list-style-type: none"> - Including: adult education; minimal spending on recreation, & entertainment, & holidays ✓ Contingency funds 	<ul style="list-style-type: none"> × 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. Programs incorporated include: Canada Child Benefit (CCB); Goods and Services (GST) Credit; Child Support; NWT Child Benefit (NWT CB); and NWT Cost of Living Offset (NWT COLO). The CCB 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 and COLO are 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 November 2021.

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 work¹⁰.

¹⁰ Again, note that the 2015 and 2017 NWT Living Wage reports used a 40-hour work week. The work week was revised to 37.5 hours in 2019.

What is the Living Wage in the NWT?

Applying the above approach results in the following 2021 Living Wage estimates¹¹.

	Living Wage	Annual Expenses*	=	Before-Tax Employment Income	+	Government Transfers	-	Taxes
Yellowknife								
	\$23.28 (each parent)	\$87,754		\$90,792		\$8,036		\$11,056
	\$26.48	\$60,465		\$51,636		\$12,030		\$3,199
	\$24.05	\$40,312		\$46,898		\$253		\$6,833
Fort Smith								
	\$17.81 (each parent)	\$73,621		\$69,459		\$10,920		\$6,751
	\$16.82	\$45,534		\$32,799		\$13,065		\$319
	\$18.87	\$32,757		\$36,797		\$664		\$4,702
Hay River								
	\$21.32 (each parent)	\$82,737		\$83,148		\$8,696		\$9,100
	\$21.22	\$52,798		\$41,379		\$12,915		\$1,489
	\$19.74	\$34,494		\$38,493		\$664		\$4,656
Inuvik								
	\$22.59 (each parent)	\$83,581		\$88,101		\$7,859		\$12,379
	\$21.28	\$52,328		\$41,496		\$12,764		\$1,932
	\$22.38	\$39,014		\$45,591		\$319		\$6,885

¹¹ Due to rounding up to the nearest cent when determining Living Wage rates, each equation may not balance exactly.

When comparing the CLWF recommended reference household of a couple family with two children, Living Wage is significantly higher in Yellowknife compared to the other three communities. (It is important to keep in mind that the Inuvik and Fort Smith 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 higher Living Wage rates).

Within each of the four communities, the household type with the highest Living Wage varies. In Yellowknife, Living Wage is highest for the Lone Parent Family at \$26.48. For Fort Smith and Inuvik, the Single Adult has the highest Living Wage at \$19.07 and \$22.59, respectively. For Hay River, the Couple Family has the highest Living Wage with the Lone Parent family less than twenty cents lower.

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.

		FOOD	CLOTHING & FOOTWEAR	SHELTER	TRANSPORTATION	OTHER HOUSEHOLD COSTS	CHILD CARE	HEALTH CARE	SOCIAL INCLUSION	CONTINGENCY	TOTAL
Yellowknife		\$12,860	\$3,400	\$24,869	\$5,596	\$5,551	\$17,740	\$5,781	\$8,465	\$3,492	\$87,754
		\$6,093	\$2,404	\$21,463	1,900	3,583	\$12,000	\$3,186	\$7,849	\$1,986	\$60,465
		\$4,816	\$1,700	\$18,595	\$1,900	\$2,752	\$-	\$2,345	\$6,401	\$1,804	\$40,312
Fort Smith		\$15,277	\$3,678	\$18,360	\$5,547	\$6,004	\$13,045	\$556	\$8,483	\$2,672	\$73,621
		\$7,238	\$2,601	\$14,966	\$1,500	\$3,876	\$6,500	\$393	\$7,199	\$1,262	\$45,534
		\$5,721	\$1,839	\$13,025	\$1,500	\$2,976	\$-	\$278	\$6,003	\$1,415	\$32,757
Hay River		\$16,203	\$3,539	\$18,360	\$5,547	\$5,778	\$16,500	\$5,802	\$7,811	\$3,198	\$82,737
		\$7,677	\$2,502	\$14,966	\$1,500	\$3,729	\$11,400	\$3,201	\$6,231	\$1,592	\$52,798
		\$6,068	\$1,769	\$13,025	\$1,500	\$2,864	\$-	\$2,355	\$5,432	\$1,481	\$34,494
Inuvik		\$20,396	\$4,094	\$24,221	\$6,378	\$6,684	\$8,260	\$619	\$9,541	\$3,389	\$83,581
		\$9,663	\$2,895	\$18,583	\$1,500	\$4,314	\$6,360	\$437	\$6,979	\$1,596	\$52,328
		\$7,638	\$2,047	\$16,255	\$1,500	\$3,313	\$-	\$309	\$6,198	\$1,754	\$39,014

Shelter is the largest component of annual expenses for each household. Across communities, shelter costs are highest in Yellowknife. Food and, where relevant, child care are amongst the top three expenses for all households. Lower child care costs in Inuvik and Fort Smith 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 and Fort Smith 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.

		CANADA CHILD BENEFIT	GST CREDIT	CHILD SUPPORT	NWT CHILD BENEFIT	NWT COLO	TOTAL
Yellowknife		\$ 7,075	\$-	\$-	\$65	\$896	\$8,036
		\$ 6,020	\$ 613	\$4,356	\$ 593	\$448	\$12,030
		\$-	\$ 45	\$-	\$-	\$208	\$253
FoRt Smith		\$9,300	\$34	\$-	\$691	\$896	\$10,920
		\$6,833	\$613	\$4,356	\$815	\$448	\$13,065
		\$-	\$456	\$-	\$-	\$208	\$664
Hay River		\$7,511	\$-	\$-	\$289	\$896	\$8,696
		\$6,738	\$613	\$4,356	\$760	\$448	\$12,915
		\$-	\$456	\$-	\$-	\$208	\$664
Inuvik		\$6,958	\$-	\$-	\$5	\$896	\$7,859
		\$6,615	\$613	\$4,356	\$731	\$448	\$12,764
		\$-	\$111	\$-	\$-	\$208	\$319

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, NWT Child Benefit (NWT CB), NWT Cost of Living Offset (NWT COLO).

The Couple Family in each community also receives a substantial benefit through the CCB as well as smaller amounts from the NWT CB and NWT COLO. To counteract annual expense levels within the Living Wage calculation, employment income levels are also high. Because the

NWT CB declines as employment income levels rise, the NWT CB is actually lowest where it appears to be needed most (i.e., Inuvik).

Taxes

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

		EI PREMIUMS	CPP	FEDERAL INCOME TAX	NWT INCOME TAX	NET TAX
Yellowknife		\$1,435	\$4,567	\$4,274	\$781	\$11,056
		\$816	\$2,623	\$104	\$(344)	\$3,199
		\$741	\$2,365	\$2,888	\$839	\$6,833
Fort Smith		\$1,097	\$3,404	\$2,083	\$167	\$6,751
		\$518	\$1,597	\$(1,305)	\$(491)	\$319
		\$581	\$1,815	\$1,838	\$468	\$4,702
Hay River		\$1,314	\$4,150	\$3,187	\$449	\$9,100
		\$654	\$2,064	\$(650)	\$(579)	\$1,489
		\$608	\$1,907	\$1,720	\$420	\$4,656
Inuvik		\$1,392	\$4,420	\$5,378	\$1,189	\$12,379
		\$656	\$2,071	\$(244)	\$(550)	\$1,932
		\$720	\$2,294	\$3,005	\$866	\$6,885

*A negative value denotes a refund.

In each community, the Couple Family has the greatest tax burden, followed by the Single Adult. For the Couple Family and Lone Parent households, CPP represents the greatest tax burden in all communities except Inuvik where Federal Income Tax is the highest tax component. For all the Single Adult households, federal income tax represents the greatest proportion of the tax burden.

With the exception of Yellowknife, the Lone Parent Family households receive a federal income tax refund and all community Lone Parent Family households receive a territorial tax refund.

Before-Tax Employment Income

The chart below compares before-tax employment income and total disposable income for the reference households earning a Living Wage. Total disposable income is the total of after-tax income and government transfers that is available to be spent by the household. 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.

		BEFORE-TAX EMPLOYMENT INCOME	TOTAL DISPOSABLE INCOME
Yellowknife		\$90,792	\$87,771
		\$51,636	\$60,467
		\$46,898	\$40,318
Fort Smith		\$69,459	\$73,628
		\$32,799	\$45,545
		\$36,797	\$32,758
Hay River		\$83,148	\$82,743
		\$41,379	\$52,806
		\$38,493	\$34,501
Inuvik		\$88,101	\$83,581
		\$41,496	\$52,328
		\$45,591	\$39,025

Total disposable income levels at the Living Wage before-tax employment income vary by several thousand dollars when comparing the same household type in each community.

Conclusion

By estimating Living Wage rates for three household types in four NWT communities, 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, commonalities observed in the 2019 Living Wage rates persist. Shelter continues to represent the top expense for all households. For the households with children, the CCB continues to offer 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	\$12,860	\$6,093	\$4,816
Fort Smith	\$15,277	\$7,238	\$5,721
Hay River	\$16,203	\$7,677	\$6,068
Inuvik	\$20,396	\$9,663	\$7,638

The food cost estimates are determined from the 2019 Market Basket Measure (MBM) data¹² for Yellowknife and food cost differentials for the other communities. Food component Consumer Price Index (CPI) values are used to adjust all data to more current estimates¹³.

Data for different household compositions was not available; however, published weekly food basket costs for different ages and genders are available for Edmonton for the end of 2019¹⁴. For the same composition of a four-person family in 2019, Yellowknife costs were 6.9% higher than Edmonton. Assuming costs for the other household compositions vary by the same percentage as for Edmonton, couple family costs are scaled upwards to determine food costs for the lone parent family and single adult.



CLOTHING AND FOOTWEAR

	 Couple, 2 children	 Lone Parent, 1 child	 Single Adult
Yellowknife	\$3,400	\$2,404	\$1,700
Fort Smith	\$3,678	\$2,601	\$1,839
Hay River	\$3,539	\$2,502	\$1,769
Inuvik	\$4,094	\$2,895	\$2,047

For Yellowknife, the 2019 MBM estimate for Clothing and Footwear is used for the Couple Family household. 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.

¹² See [Construction of a Northern Market Basket Measure of poverty for Yukon and the Northwest Territories \(statcan.gc.ca\)](https://www150.statcan.gc.ca/n1/pub/99-011-x/2019001/article/00001-eng.htm).

¹³ 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.

¹⁴ Most recent Edmonton weekly food basket costing found online at [af-edmonton-nutritious-food-basket-prices-2019-12.pdf \(alberta.ca\)](https://www.alberta.ca/af-edmonton-nutritious-food-basket-prices-2019-12.pdf)

Community cost differentials are used to arrive at estimates for the other communities and clothing and footwear component CPI values are used to adjust all data to more current estimates.



SHELTER



Couple, 2 children



Lone Parent, 1 child



Single Adult

Yellowknife	\$24,869	\$21,463	\$18,595
Fort Smith	\$18,360	\$14,966	\$13,025
Hay River	\$18,360	\$14,966	\$13,025
Inuvik	\$24,221	\$18,583	\$16,255

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.

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 \$40,000¹⁵ in contents, respectively, for each community.

Yellowknife: Based on CMHC's Rental Market Survey data¹⁶, the average rent¹⁷ charged for apartment units in Yellowknife in October 2020 was: \$2,050/month for a 3-bedroom unit, \$1,769/month for a 2-bedroom unit; and \$1,530/month for a 1-bedroom unit. Review of major property managers in Yellowknife for previous Living Wage reports 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.

Inuvik: CMHC rental cost data is not available. Informal surveys (online searches and phoning some landlords) were used to attain estimates of typical rental costs. Sufficient data was obtained for Inuvik to obtain estimates (\$1996/month for a 3-bedroom unit; \$1529/month for a 2-bedroom unit; and \$1335 for a 1-bedroom unit).

Fort Smith and Hay River: Limited rental cost data was attained for Hay River and Fort Smith. For this reason, a proxy approach is used. The South Slave MBM shelter threshold (\$18,360) is used for the Couple Family household. The differential between the South Slave MBM housing

¹⁵ \$40,000 in contents coverage was the minimum available.

¹⁶ Available at <https://www.cmhc-schl.gc.ca/en/professionals/housing-markets-data-and-research/housing-data/data-tables/rental-market/rental-market-report-data-tables>

¹⁷ Median rents presented in the Northern Housing Report reflect rents charged by surveyed landlords who may or may not include utility costs.

cost and the Yellowknife shelter estimates is applied to Yellowknife CMHC rental rates (2 bedroom and 1 bedroom) to determine estimates for lone parent and single adult households.

				
		Couple, 2 children	Lone Parent, 1 child	Single Adult
 TRANSPORTATION	Yellowknife	\$5,141	\$1,900	\$1,900
	Fort Smith	\$5,096	\$1,500	\$1,500
	Hay River	\$5,096	\$1,500	\$1,500
	Inuvik	\$5,860	\$1,500	\$1,500

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

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

The couple family in each community is assumed to own a private vehicle. It is assumed that MBM-N estimates are reasonable estimates (South Slave for Fort Smith and Hay River and Beaufort Delta for Inuvik).

				
		Couple, 2 children	Lone Parent, 1 child	Single Adult
 OTHER HOUSEHOLD COSTS	Yellowknife	\$5,551	\$3,583	\$2,752
	Fort Smith	\$6,004	\$3,876	\$2,976
	Hay River	\$5,778	\$3,729	\$2,864
	Inuvik	\$6,684	\$4,314	\$3,313

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

Allowance – Consistent with previous NWT Living Wage calculations, a \$40 monthly allowance for the school age child is assumed.

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 transactions¹⁸.

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 most recent Survey of Household Spending (2019 SHS) is used and inflation adjusted using the component CPI. Community specific living cost differentials are applied to the Yellowknife values to estimate costs for the other communities.

Personal Care Items - Average 2019 SHS Yellowknife expenditure data is used and inflation adjusted using the component CPI. Community specific living cost differentials are applied to the Yellowknife values to estimate costs for the other communities.

		 Couple, 2 children	 Lone Parent, 1 child	 Single Adult
 CHILD CARE	Yellowknife	\$17,740	\$12,000	\$-
	Fort Smith	\$13,045	\$6,500	\$-
	Hay River	\$16,500	\$11,400	\$-
	Inuvik	\$8,260	\$6,360	\$-

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 ¹⁹	\$990-1200/month for 3-year olds \$325-440/month for after school care; \$45-50/day for out of school days
YWCA Out-of-School Care	\$280 first child/\$255 second child for school days \$50/day for non-school days & \$380 for March Break (2 weeks)
Yellowknife Daycare ²⁰	\$995/month for 3-year olds; \$100 annual membership fee
City Summer Day Camp	\$260/week for 5 years and older (\$208 for short week) ²¹

¹⁸ See www.ratehub.ca/chequing-accounts/accounts/personal

¹⁹ A random sample of licensed family day homes currently included on Education, Culture and Employment’s list were contacted.

²⁰ Retrieved from the Parent Handbook at [Parent+Handbook+-20210401.pdf \(squarespace.com\)](#)

²¹ Based on 2021 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.

	Couple, 2 Children	Lone Parent, 1 Child
Child age 3	Day Care/Home (12 mths at \$1000/month): \$12,000	Day Care/Home (12 months at \$1000/month): \$12,000
Child age 7	After School: \$2,800 March Break: \$380 Other Non-school Days ²² (20): \$1000 City Day camps (6 wks): \$1,560	

Fort Smith

Program	Rates
Fort Smith Day Care ²³	Preschool - \$65/day; \$32.50/half-day School age after school - \$20/day; \$80/week School age full day - \$80/day
Aboriginal Head Start (half-day attendance)	Free for eligible children
Summer Camps	Sport Camps - \$150/week for 2 weeks Town Summer Camp - \$242.50/week for 2 weeks

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

	Couple, 2 Children	Lone Parent, 1 Child
Child age 3	Preschool (Half time for 200 days): \$6500	Preschool (Half time for 200 days): \$6500
Child age 7	After School: \$3,360 March Break: \$800 Other Non-school Days (20): \$1600 Summer camps: \$785	

Hay River:

Program	Rates
Licensed Family Day Homes and Day Care ²⁴	\$900/month for 3-year olds \$20/day for after school care
Summer Camp	\$600 for 5 years and older ²⁵

²² Based on 2021 calendar information: [Calendar | Yellowknife Education District \(yk1.nt.ca\)](https://www.yk1.nt.ca/)

²³ 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. All rates obtained from the August 2020 Family Handbook.

²⁴ A random sample of licensed family day homes currently included on Education, Culture and Employment's list were contacted.

²⁵ See <https://hayriver.com/wp-content/uploads/2021/05/Camp-Information-Summer-Heat-Sport-2021.pdf>

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

	Couple, 2 Children	Lone Parent, 1 Child
Children under 4 years old	Day Home (12 mths at \$950/month): \$11,400	Day Home (12 months at \$950/month): \$11,400
Child age 7	After School (day home): \$3,300 March Break: \$400 Other Non-school Days (20): \$800 Summer camp: \$600	

Inuvik:

Program	Rates
Licensed Family Day Home	\$900/month for 3-year olds
Children First Centre ²⁶	Preschool full day - \$1,170/month; half-day - \$530/month School age: school out - \$40/day; summer - \$250/week
Aboriginal Head Start (half-day)	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

As was the case for the 2019 calculation, it is assumed that there are 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.

	Couple, 2 Children	Lone Parent, 1 Child
Child age 3	Aboriginal Head Start (half day) Preschool (half day): \$6,360	Aboriginal Head Start (half day) Preschool (half day): \$6,360
Child age 7	March Break: \$400 Other Non-school Days (20): \$800 Summer camp (4 wks): \$700	

		 Couple, 2 children	 Lone Parent, 1 child	 Single Adult
 HEALTH CARE	Yellowknife	\$5,781	\$3,186	\$2,345
	Fort Smith	\$556	\$393	\$278
	Hay River	\$5,802	\$3,201	\$2,355
	Inuvik	\$619	\$363	\$309

²⁶ 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. All rates obtained from the August 2020 Family Handbook.

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 2019 SHS inflation adjusted to 2021 is \$515. Statistics Canada's standard household scaling formula is used to estimate these costs for the Lone Parent family and the Single Adult (\$363 and \$257, respectively). For Fort Smith, Hay River and Inuvik, the Yellowknife costs are scaled upwards based on community cost differentials.

Based on the population statistics presented in the introduction, it assumed that the majority of households in Inuvik and Fort Smith 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 with dental coverage²⁷. Coverage limitations are such that some out-of-pocket expenses are likely²⁸. Assumptions respecting out-of-pocket expenses are outlined below.

Expense	Assumptions	Coverage	Couple, 2 Children	Lone Parent, 1 Child	Single Person
Premiums			\$4,716	\$2,557	\$1,988
Prescriptions	\$220/person/yr	80%	\$176	\$88	\$44
Dental	Do not spend beyond maximum coverage/yr	80% to a max of \$750/person	\$600	\$300	\$150
Subtotal			\$5,267	\$2,823	\$2,088

		 Couple, 2 children	 Lone Parent, 1 child	 Single Adult
SOCIAL INCLUSION	Yellowknife	\$8,465	\$7,849	\$6,401
	Fort Smith	\$8,483	\$7,199	\$6,003
	Hay River	\$7,811	\$6,231	\$5,432
	Inuvik	\$9,541	\$6,979	\$6,198

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

²⁷ SunLife quotes were also used in 2015, 2017 and 2019 calculations. However, each year plan options and coverage has been slightly different.

²⁸ 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.

service, adult education, recreation, entertainment, a modest vacation, and conservative spending on gifts have been included.

Cell Phone(s) and Internet – Prices were researched in November 2021 and found to be similar across communities. The most affordable calling, texting and data plan was advertised at \$59/month (plus GST). In order to eliminate cable fees, an intermediate monthly internet package that supports streaming is selected at a cost of \$80 plus GST per month.

Adult Education - The CLWF suggests assuming that one adult household member enrolls in evening classes at a local college. For 2021/22, Aurora College fees include: tuition - \$365/course; student technology fee - \$100 per term technology fee; part-time student fees- \$10/term; and books and materials – estimated at \$300 per course assuming that some materials are accessed online²⁹. 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 2019 SHS value which was adjusted for inflation³⁰. The cost of children’s toys is taken from the 2019 SHS and adjusted for inflation and split in half for the lone parent family.

	Couple, 2 children	Lone Parent, 1 Child	Single Adult
Children’s Toys	\$308	\$154	
Computer equipment, software, & supplies	\$699	\$699	\$699
Netflix account	\$180	\$180	\$180

Yellowknife: Annual flexi-passes to access City recreation facilities³¹ and 12 restaurant meals as valued below.

	Couple, 2 children	Lone Parent, 1 Child	Single Adult
Flexi Passes (1 year)	Family: \$1,430	Adult: \$658 Preschool: \$315	Adult: \$658
Restaurant Meals (12) (\$25/adult; \$15/child)	\$960	\$480	\$300

Fort Smith: All-in-one Community Recreation Centre/Pool passes are purchased and the food cost differential (relative to Yellowknife) is applied to the cost of restaurant meals.

²⁹ See <https://www.auroracollege.nt.ca/future-students/admissions/fees/>

³⁰ This is the latest SHS data available.

³¹ 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.

	Couple, 2 children	Lone Parent, 1 Child	Single Adult
CRA/Pool (4 3-month passes) ³²	Family: \$1,268	Adult: \$1,034 Child: \$264	Adult: \$770
Restaurant Meals (12)	\$1,140	\$570	\$356

Hay River: Food cost differential is applied to restaurant meal costs with resulting values of: \$1,210; \$605; and \$378. For recreation, the following is assumed:

- Each adult participates in one fitness program offered by the town (\$92 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: \$1,523; \$762; and \$476. For recreation, the following is assumed:

- Each adult attains a community fitness centre membership³³ (\$500/year paid quarterly)
- 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 \$0; youth \$30; adult \$60; Family \$115)

Vacation

In order to estimate vacation costs, it is assumed that households in each community take a destination holiday. However, it is recognized that for some households this element of social inclusion expenses may include equivalent spending on cultural and/or on-the-land activities.

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 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 (\$479/person).³⁴

Costs within Edmonton are summarized below.

³² See <https://fortsmith.ca/sites/default/files/2021%20Fall%20Winter%20Rec%20Guide.pdf>

³³ See <https://www.inuvik.ca/en/getting-active/Fitness-Centre.asp>

³⁴ Based on the lowest prices including tax available on November 7, 2021.

	Couple, 2 children	Lone Parent, 1 Child	Single Adult
Sky Shuttle ³⁵		\$36	\$36
Hotel	\$600	\$600	\$480
Public Transit (5 day passes/person at \$10.25/day) ³⁶		\$51.25	\$51.25
Restaurant Meals (6) (Assume \$25/adult & \$15/child)	\$480	\$240	\$150
Telus World of Science ³⁷	\$120	\$60	
Hockey/Football Game			\$60

Fort Smith/Hay River: A car trip to Edmonton serves as a 6-night vacation. Travel costs are assumed to be accounted for within the transportation expense estimate³⁸. The Lone Parent family and single adult travel with friends who have a vehicle in order to share costs. Costs within Edmonton are shown below. It is assumed that the timing of the trip allows for participation in a variety of a free local activities as well.

	Couple, 2 children	Lone Parent, 1 Child	Single Adult
Hotel	\$600	\$600	\$480
Restaurant Meals (6) (Assume \$25/adult & \$15/child)	\$480	\$240	\$150
Telus World of Science	\$120	\$60	
Hockey/Football Game			\$60

Inuvik: A car trip to Whitehorse (Inuvik households) serves as a 6-night vacation. Travel costs are assumed to be accounted for within the transportation expense estimate. The Lone Parent family and single adult travel with friends who have a vehicle in order to share costs. Costs within Yellowknife or Whitehorse 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.

	Couple, 2 children	Lone Parent, 1 Child	Single Adult
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

³⁵ Rates attained from <http://edmontonskyshuttle.com/>

³⁶ Children under age 4 ride for free. Rates attained from <http://www.edmonton.ca/transportation/ets/fares-ets.aspx>

³⁷ Rates attained from: <https://telusworldofscienceedmonton.ca/tickets/>

³⁸ In 2019, the assumptions and calculation were different due to the availability of MBM data specific to each community where the food cost component incorporated travel to either Yellowknife or Whitehorse.

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
Budget Estimate	\$580	\$310	\$200



CONTINGENCY

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). Resulting amounts are as reported in the annual expenses table.