

Recommendations based on Yellowknife Living Wage calculation – Nov. 2017

The purpose of the 2017 recalculation of the Yellowknife Living Wage is to demonstrate the income a family of four needs to pay for the necessities required to live with dignity and to participate in community life. The premise of the living wage is that no one who works full time (40 hours/week) should be living in poverty, yet many Yellowknife families do. According to 2014 data from the Canada Revenue Agency, 30 per cent of lone parent families and 12 per cent of two-parent families live on low income.ⁱ

The calculation uses the same methodology set out in the Canadian Living Wage Frameworks, with the same budget items, transfers and taxes. The sample family for the 2017 calculation is also the same as it was two years ago. Two parents each work full time. One child is at school and one is in licensed child care. The figures below relate to this calculation and the specific circumstances of this family.

The Yellowknife Living Wage for a family of four has gone up by \$1.56 per hour per parent since the original calculation in 2015. As a result, the family needs 6.5 per cent more income to keep up with the cost of their basic needs. The rising costs of food, shelter and child care are key drivers of this increase. The new Canada and NWT child benefits have increased income, mostly for lone parent families, but not enough to keep up with the cost of living.

Payment of a living wage provides a systemic response to poverty. We want to work with other non-governmental organizations, unions, business organizations, and all orders of government to create awareness of the benefits of paying a living wage. Therefore, we recommend the following actions to ensure low-income families have enough money to meet their needs.

1. Create buy-in from employers to pay a living wage to all staff. Various studies reveal that paying a living wage decreases staff turnover and thus decreases employer costs for hiring and training. Better wages have also been linked to improved job quality, productivity and service delivery. Higher wages also means more local spending. Paying a living wage is the right thing to do. For more information, go to livingwagecanada.ca and click on the “employers” tab.

2. Support the development of a local food strategy with government partners, individuals and organizations with the intent to address food security issues in Yellowknife. The cost of food has gone up for everyone, but has the greatest impact on households with the most members. The food budget for the family of four is up by \$1,184 per year or almost nine per



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cent since the 2015 calculation. As the cost of food increases, so does hunger. Food bank useⁱⁱ and the number of meals served at schoolⁱⁱⁱ have increased in recent years. Non-profit organizations such as Food Rescue Yellowknife have tried to fill the gap by delivering 170,000 kilograms of food to non-profits that provide food services for their clients.

3. Revamp the NWT Housing Corporation’s Transitional Rent Supplement program so that it is more widely accessible to low-income people living in private accommodation. The cost of shelter increased by \$1,068 in the last two years, or five per cent, for the family of four. As a result, they spend almost 30 per cent of their net income on shelter.^{iv} According to the GNWT’s 2014 Housing Survey, 1,059 households or 16 per cent of all Yellowknife households had an affordability problem, meaning they are spending more than 30 per cent on housing. Working families should be able to pay for shelter and not have to go without other necessities.

4. The Department of Education, Culture and Employment should improve the child care subsidy program so that the number of low-income families eligible for child care subsidies is increased. Child care is the second largest expense for the four-person family, after shelter. The cost of child care increased 4.5 per cent since 2015. The amount of child care required for school-age children also increased because of additional days with no school due to teacher professional development. A recent study on the feasibility of universal child care in the NWT noted that “38 percent of respondents still found it very difficult to access a fee subsidy.”^v

5. The Department of Education, Culture and Employment should increase the income cut off for the NWT Child Benefit to \$90,000 a year so that it helps more low-income families and the GNWT should follow the lead of the federal government and index the NWT Child Benefit to inflation beginning July 1, 2018. The revamped NWT Child Benefit has put only \$29 per year into the budget for the four-person family; and \$689 for the lone parent family. While this benefit is significant for the lone parent family, it needs to be increased for the low-income four person family.

6. The federal and NWT governments should work together to improve access to free tax-preparation services so that low-income people can qualify for benefits provided by all levels of government. Families may not be receiving the federal, territorial and municipal benefits they are entitled to because of barriers to filing their income taxes. The Living Wage calculation assumes that the family of four is accessing all the benefits they are entitled to.

ⁱ Low income refers to the Low Income Measure. The LIM is a fixed percentage (50%) of median adjusted household income, where "adjusted" indicates that household needs are taken into account.

<http://www.statcan.gc.ca/pub/75f0011x/2010001/notes/low-faible-eng.htm>

ⁱⁱ https://www.foodbankscanada.ca/getmedia/6173994f-8a25-40d9-acdf-660a28e40f37/HungerCount_2016_final_singlepage.pdf Results are territory-wide.

ⁱⁱⁱ <https://www.breakfastforlearning.ca/2015-annual-results/> Results are territory-wide

^{iv} The 30 per cent threshold was established by Canada Mortgage and Housing Corporation to measure housing affordability.

^v http://www.assembly.gov.nt.ca/sites/default/files/td_276-175.pdf



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