

Living Wage

in Whitehorse, Yukon: 2024



Yukon Anti-Poverty
COALITION
anti-pauvreté du Yukon

Prepared by: Kendall Hammond

About the Yukon Anti-Poverty Coalition

The Yukon Anti-Poverty Coalition works to facilitate the elimination of poverty in the Yukon through awareness, education, advocacy, action, and community building. The Yukon Anti-Poverty Coalition unites community members and representatives from non-governmental organizations, elected officials, and representatives from the business and faith communities on issues involving food, shelter, income, and access to services.

The vision of the Yukon Anti-Poverty Coalition is that all people in the Yukon live in an inclusive community free from poverty where diversity is respected and human rights are upheld. The official mandate of the organization is to:

- Foster strategies, actions, and partnerships with organizations to reduce and prevent poverty in the Yukon.
- Identify gaps, support collaboration, and facilitate the development of solutions to deal with the effects of poverty.
- Provide specific programming to alleviate the impacts of poverty on individuals and families.
- Provide safe and welcoming spaces for new ideas and solutions to be incubated and supported.
- Increase awareness of the causes of poverty and its impacts on Yukon people.
- Provide factual information on poverty based on research and lived experience.
- Coordinate actions and information, within and outside the Yukon, regarding poverty.
- Advocate and support individuals and families to navigate current systems.
- Advocate for positive systemic change with partner organizations.

For more information, visit the Yukon Anti-Poverty Coalition website at www.yapc.ca or call (867) 334-9317.

About the author

Kendall Hammond is a public policy researcher. He holds a Master of Public Administration from the University of Victoria and a Bachelor of Arts from the University of British Columbia.

How to cite this document

Hammond, K. (2024). *Living Wage in Whitehorse, Yukon: 2024*. Whitehorse, Yukon: Yukon Anti-Poverty Coalition.

Design & Layout: Tanya Handley, www.bearbait.ca

Background

Each year, the Yukon Anti-Poverty Coalition calculates the living wage for Whitehorse, Yukon to maintain a current and accurate measurement of the cost of living in the community. The living wage is equal to the hourly rate of pay that a household must earn while working full-time to ensure that its basic needs including housing, food, and clothing are met.

Living wage calculations are an effective way to measure the cost of living in a community in a way that directly integrates the role of public policy, including the provision of social services and the tax-and-transfer system. This calculation facilitates the identification and quantification of affordability challenges facing low- and modest-income households as well as opportunities for policy changes to improve affordability and to reduce poverty. Calculating the living wage on an annual basis enables an assessment of the effect of policy changes on the ability of low- and modest-income families to meet their basic needs.

What's New in 2024?

This report presents the findings from the ninth annual living calculation for Whitehorse. The living wage for Whitehorse equalled \$22.72 per hour in 2024, the highest amount on record. The living wage increased by \$1.68 per hour from 2023 when the living wage equalled \$21.04 per hour. The significant increase in the living wage over the past two years highlights the rapidly worsening affordability crisis. Figure 1 below presents the annual living wage for Whitehorse, Yukon since 2016.



Figure 1: Whitehorse annual living wage since 2016

The increase to the living wage in 2024 compared to 2023 was the direct result of increases in the cost of basic needs including substantial increases in the cost of shelter, food, and transportation. The high cost of rental housing remains the most significant affordability challenge for low- and modest-income Yukoners.

The reference family incurred a record high shelter expense of \$29,399.74 in 2024, up from \$27,022.82 in 2023. The shelter expense accounted for 35.6% of the reference family’s pre-tax income in 2024, significantly higher than 30% affordability metric used by the Canadian Mortgage and Housing Corporation.

The rising cost of food also continued to present a significant affordability challenge for many Yukoners in 2024. The annual cost of food for the reference family increased by 4.7% in 2024 to \$15,205.84. This followed the 13.9% increase that occurred in 2023. The continued increase in food prices makes it considerably more difficult for low- and modest-income Yukoners to afford a nutritious diet and will likely contribute to higher rates of food insecurity and greater demand for services provided through organizations such as the Food Bank Society of the Yukon.

The reference family incurred a transportation expense of \$7,037.04 in 2024, a 4.3% increase from 2023. The increase occurred as a result of the increased costs associated with private vehicle ownership. High-quality and subsidized public transit, along with investments in active transportation, helps improve affordability by providing residents with a low-cost alternative to private vehicle ownership. Allocating the \$1.5 million in funding earmarked to improve access to affordable transportation in Whitehorse as committed in the 2023 Confidence and Supply Agreement between the Yukon Liberal Caucus and the Yukon NDP Caucus would help address affordability challenges faced by low- and modest-income residents.

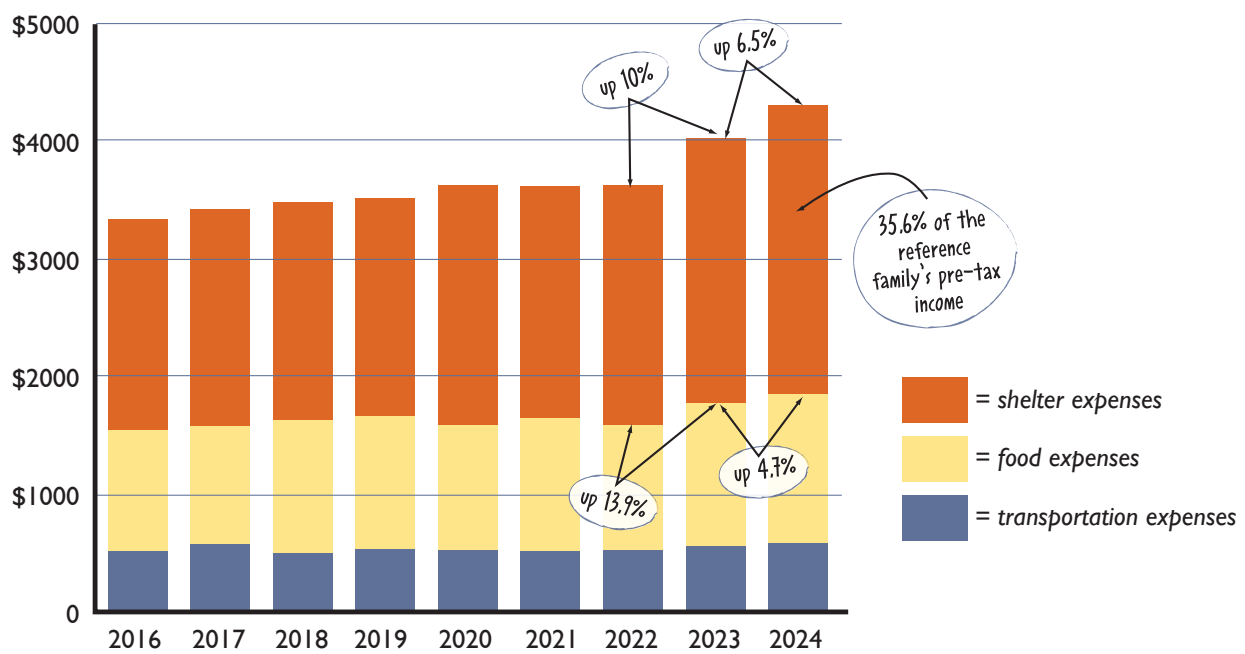



Figure 2: Monthly shelter, food and transportation expenses since 2016

How is the Living Wage Calculated?

The living wage is equal to the hourly rate of pay that a household requires to meet its basic needs after accounting for government transfers and deductions from income. Government transfers such as the Canada Child Benefit help reduce the living wage by providing an additional source of household income while deductions from income such as Employment Insurance premiums and income taxes increase the living wage much like a household expense.

The Canadian Living Wage Framework provides a methodology that guides all living wage calculations across the country. Adhering to a standardized methodology enhances the credibility of these calculations by ensuring consistency. It allows for a meaningful comparison of findings across communities since any differences in the living wage reflect real differences in the cost of living. The framework provides a definition of the reference family and the household expenses included in the calculation. It is intended to represent a modest standard of living.¹

A LIVING WAGE in 2024
Whitehorse is
\$22.72/hr
*(based on a 35 hr work week
for each parent, includes
government transfers and deductions)*



2 WORKING PARENTS
with **2 children**
(ages 4 and 7)

The reference family consists of two adults and two children, ages four and seven. A limitation of this methodology is that the composition of the reference family does not reflect the diversity of living arrangements found in Whitehorse or throughout Canada. Calculating the living wage for other household compositions could provide valuable insight into possible inequities in the tax-and-transfer system.

Researchers who have calculated the living wage for other household compositions in other communities have recently found that the hourly wage that a single person requires to meet their basic needs is considerably higher than the hourly wage that both workers in the reference family must earn to enjoy the same standard of living. This is due to profound increase in the cost of living in recent years coupled with changes to government transfers in recent years to benefit households with children (e.g., the Canada Child Benefit and the Canada Dental Benefit).

The amount that an adult in a lone-parent household requires to meet their basic needs is typically much higher than what both workers in the reference family must earn. Lone-parent households typically only have one wage earner and cannot achieve the same economies of scale as larger households.

Both adults in the reference family are assumed to work 35 hours per week and receive equal pay. Full-time employment for both parents is common for two-parent families with children in Whitehorse. Statistics Canada defines a full-time employee as anyone who works 30 or more hours per week at their primary or only job.² A work week consisting of 35 hours of paid time may be the equivalent of at least 37.5 hours after including unpaid breaks.

Since both adults are assumed to receive equal pay, the living wage calculation does not account for experiences of wage discrimination. Statistics Canada reports that women³, Indigenous Peoples⁴, people of colour⁵, and people with disabilities⁶ all experience wage discrimination.

The framework provides a list of household expenses intended to represent a modest standard of living. Expenses incurred by the reference family include shelter, food, clothing, child care, transportation, health care, other household items and social inclusion, and a small contingency fund. Earning a living wage enables families to meet their basic needs and to avoid the adverse outcomes associated with poverty such as food insecurity, social exclusion, unhealthy child development, poor physical and mental health, and concurrent chronic conditions.⁷

This calculation does not account for many items and expenses that are common to most Canadian families such as credit card debt, home ownership, eating at restaurants, pet ownership, anything beyond minimal education, and savings for retirement or children's future education. As such, the living wage provides a conservative estimate of the cost of living in Whitehorse.

Comparing the Cost of Living in Whitehorse to Other Yukon Communities

Available data such as the Community Spatial Index produced by the Yukon Bureau of Statistics and the Food Cost Monitoring Study conducted by the Yukon Anti-Poverty Coalition in 2017 suggest that the cost of most goods and services are higher in Yukon communities compared to Whitehorse. For example, the Yukon Anti-Poverty Coalition found that the cost of a nutritious diet in Yukon communities in 2017 ranged from \$274.78 in Whitehorse to \$500.24 in Old Crow. The cost of a nutritious diet in every Yukon community was at least 10% higher than in Whitehorse.⁸

Further, most government transfers to individuals, including all federal transfers, do not provide an enhanced benefit to individuals living in remote communities with higher costs. The Yukon Carbon Price Rebate and the Yukon Rent Supplement Enhancement are two examples of territorial transfers to individuals that provide a differentiated benefit to eligible recipients who live in Yukon communities other than Whitehorse.

As such, the higher cost of most goods and services means that the living wage in other Yukon communities is likely substantially higher than in Whitehorse.

Household Expenses

The Canadian Living Wage Framework outlines nine categories of household expense intended to reflect a modest standard of living. The categories of household expense include shelter, food, clothing and footwear, transportation, child care, health care, parent education, other household items and social inclusion, and a small contingency fund. Each adult in the Whitehorse reference family must earn at least \$22.72 per hour working full-time or \$41,350.40 per year to meet these basic needs and to avoid the adverse outcomes associated with poverty. This section provides a breakdown of each household expense incurred by the Whitehorse reference family.



Shelter Monthly Expense: \$2,449.98 Annual Expense: \$29,399.74

The shelter expense incurred by the reference family covers the cost of rental housing including utilities (i.e. electricity, heating, and water), and tenant insurance. This is the Whitehorse reference family’s largest household expense in 2024 and accounts for 35.6% of pre-tax household income, significantly higher than the 30% affordability metric used by the Canadian Mortgage and Housing Corporation. The reference family incurred an annual shelter expense of \$27,022.82 in 2023.



Food Monthly Expense: \$1,267.15 Annual Expense: \$15,205.84

The food expense incurred by the reference family covers the cost of a basic, nutritious diet such as that outlined in the National Nutritious Food Basket or the Revised Northern Food Basket. The food expense does not cover other food-related costs incurred by many Canadian families including dining at restaurants and individual dietary preferences or restrictions such as lactose intolerance, celiac disease, or veganism. The reference family incurred an annual food expense of \$14,521.24 in 2023.



Clothing & Footwear Monthly Expense: \$281.79 Annual Expense: \$3,381.53

The clothing and footwear expense covers the cost of clothing and footwear for most common work, school, and social occasions as outlined in the Northern Market Basket Measure. The Northern Market Basket Measure clothing basket is modified from the Market Basket Measure to reflect the clothing needs of Northerners (e.g., more winter clothing items). The reference family incurred an annual clothing and footwear expense of \$3,484.68 in 2023.



Transportation

Monthly Expense: \$586.42

Annual Expense: \$7,037.04

The transportation expense covers the cost of owning and maintaining a used vehicle plus the cost of a monthly transit pass. Although public transportation can be a viable option for many families, a family with two parents working full-time with one child in full-time day care and another in elementary school cannot rely on public transportation alone. Since both parents work full-time, the family may be unable to rely solely on one vehicle, particularly if the parents work different schedules or in different parts of town. The reference family incurred a transportation expense of \$6,747.13 in 2023.



Child Care

Monthly Expense: \$538.43

Annual Expense: \$6,461.17

The reference family includes two children, ages four and seven. The four-year-old requires full-time child care while the seven-year-old requires before- and after-school care and full-time care when not attending school. The child care expense is equal to the cost of obtaining child care services from a licensed provider for both children. The reference family incurred a child care expense of \$6,526.68 in 2023.



Health Care

Monthly Expense: \$293.42

Annual Expense: \$3,521.00

The health care expense is equal to the cost of extended health and dental insurance that covers the entire family. As of 2024, the methodology for calculating the health care expense was updated to also include the cost of critical illness insurance and basic life insurance to align with living wage calculations across the country. The reference family incurred an annual health care expense of \$3,010.56 in 2023.



Adult Education

Monthly Expense: \$111.83

Annual Expense: \$1,342.00

The adult education expense is equal to the cost of two full-credit evening courses at Yukon University including tuition, student fees, and an allowance for textbooks and school supplies. Attending night classes allows the parents to improve their skills and employment capacity. Participants in a focus group consisting of low-income earners identified access to post-secondary education opportunities as a pathway out of poverty.⁹ The reference family incurred an annual adult education expense of \$1,228.00 in 2023.



Other Household Items & Social Inclusion

Monthly Expense: \$1,467.05

Annual Expense: \$17,604.62

The other household items and social inclusion expense is intended to reflect the cost of items such as toiletries and personal care, furniture, household supplies, school supplies and fees, bank fees, some reading materials, minimal recreation and entertainment, family outings, small birthday gifts, a modest family vacation, and some sports or arts activities for the children. All items included in this category of household expense were purchased by a minimum of 70% of Canadian households as reported by Statistics Canada in its Survey of Household Spending. This expense also includes the cost of two mobile plans and internet services. The reference family incurred an annual expense of \$16,322.26 in 2023.



Contingency Fund

Monthly Expense: \$265.07

Annual Expense: \$3,180.80

The contingency fund provides some cushion for unexpected events such as job loss, the illness of a family member, legal fees, or medical expenses not covered by the health insurance plan. The fund is represented as a household expense equal to two weeks' pay for each worker in the reference family. The reference family had to set aside \$2,945.60 for contingencies in 2023.

Yukon Carbon Price Rebate

Quarterly Benefit: \$186.00 (January and April) \$155.00 (July and October)
Annual Benefit: \$1,364.00

The Yukon Carbon Price Rebate provides financial support to offset the cost of the carbon tax paid by Yukoners. Effective July 2024, all Yukon households receive a minimum of \$77.50 per quarter per person with individuals living in communities outside of Whitehorse receiving an additional 20% remote supplement. In future years, the benefit paid to individuals will increase as the carbon price continues to increase. The reference household received an annual rebate of \$1,384.00 in 2023.

Yukon Dental Program

Annual Benefit: \$1,300.00

The Yukon Dental Program is a publicly funded dental plan for Yukoners who do not have dental insurance. Under the program, eligible households with two adults and two children with an annual household income of less than \$90,000 can receive up to \$1,300.

Canada-Yukon Housing Benefit

In April 2020, the Yukon Government partnered with the Government of Canada to introduce the Canada-Yukon Housing Benefit to help low- to moderate-income Yukoners living in rental housing with their shelter costs. Eligible recipients can receive up to \$800 per month depending on household income and family size. The Yukon Housing Corporation reports there is a wait list to receive the benefit due to high demand.¹¹ As such it is assumed that the reference family does not receive this benefit.

Note that the Whitehorse reference family does not qualify for some income supports targeted to low-income households including the Goods and Services Tax Credit, the Canada Workers Benefit, and the Yukon Rent Supplement Enhancement as their net household income exceeds the threshold for these supports.

Deductions from Income

Almost all individuals who work in Canada pay federal income tax, provincial or territorial income tax, Canada Pension Plan premiums, and Employment Insurance premiums. Policies that reduce deductions from income paid by low- and modest-income families help make life more affordable for these families and lower the living wage. The calculation assumes that the other household items and social inclusion expense cover the cost of eligible child fitness and art expenses so that the family can take full advantage of available territorial tax credits. All tax credits are allocated in a manner that is most advantageous to the household to help ensure a conservative estimate of the living wage.

Federal Income Tax **Monthly Deduction: \$328.53** **Annual Deduction: \$3,942.34**

Most individuals who work in Canada pay federal income tax. For the 2023 tax year, the federal income tax rate for individuals with a taxable income of less than \$53,359 equalled 15%. Income deductions for eligible child care expenses and the Northern Living Allowance as well as income tax credits for eligible expenses reduce the amount of tax paid by the individual claiming the deduction or credit. The reference family paid federal income taxes totalling \$3,360.40 in 2023.

Territorial Income Tax **Monthly Deduction: \$134.84** **Annual Deduction: \$1,618.07**

Most individuals who work in Yukon pay territorial income tax. For the 2023 tax year, the territorial income tax rate for individuals with a taxable income of less than \$53,359 equalled 6.4%. Income deductions for eligible child care expenses and the Northern Living Allowance as well as income tax credits for eligible expenses reduce the amount of territorial income tax paid by the individual claiming the deduction or credit. The reference family paid territorial income taxes totalling \$1,369.77 in 2023.

Canada Pension Plan Premiums **Monthly Contribution: \$375.35**
Annual Contribution: \$4,504.20

Almost all individuals who work in Canada, outside of Quebec, contribute 5.95% of their pay, up to a maximum annual amount of \$3,867.50, to the Canada Pension Plan. The reference family made annual contributions to the Canada Pension Plan totalling \$4,140.34 in 2023.

Employment Insurance Premiums **Monthly Contribution: \$114.40**
Annual Contribution: \$1,372.83

Almost all individuals who work in Canada, outside of Quebec, contribute 1.66% of their pay, up to a maximum annual amount of \$1,049.12 to Employment Insurance. The reference family made annual contributions to Employment Insurance totalling \$1,248.35 in 2023.

References:

1. Canadian Centre for Policy Alternatives, First Call BC, and Vibrant Communities Canada. (2013). *Canadian Living Wage Framework: A national methodology for calculating the living wage in your community*. Retrieved from: https://d3n8a8pro7vhmx.cloudfront.net/ontariolivingwage/pages/110/attachments/original/1574970054/Canadian_Living_Wage_Framework.pdf?1574970054 (accessed May 7, 2024).
2. Statistics Canada. (2010). *Classification of Full-time and Part-Time Work Hours*. Ottawa, Canada. Retrieved from: <http://www23.statcan.gc.ca/imdb/p3VD.pl?Function=getVD&TVD=114437&CVD=114437&CLV=0&MLV=1&D=1> (accessed May 7, 2024).
3. Pelletier, R., Patterson, M., and Moyser, M. The gender wage gap in Canada: 1998 to 2018. Labour Statistics: Research Papers. *Statistics Canada Catalogue no. 75-004-M*. Ottawa, Canada. Released October 7, 2019. Retrieved from: <https://www150.statcan.gc.ca/n1/pub/75-004-m/75-004-m2019004-eng.htm> (accessed May 7, 2024).
4. Aboriginal Affairs and Northern Development Canada. (2013). *Aboriginal Income Disparity in Canada*. *Aboriginal Affairs and Northern Development Canada Catalogue no. R3-176/2013E-PDF*. Ottawa, Canada.
5. Hudon, T. (2016). *Visible Minority Women*. *Statistics Canada Catalogue no. 89-503-X*. Ottawa, Canada. Released March 3, 2016.
6. Galarneau, D. and Radulescu, M. (2015). *Employment among the disabled*. *Statistics Canada Catalogue no. 75-001-X*. Ottawa, Ontario.
7. Commission on the Social Determinants of Health. (2008). *Closing the gap in a generation: health equity through action on the social determinants of health*. Final Report of the Commission on Social Determinants of Health. Geneva, Switzerland: World Health Organization.
8. Hammond, K. (2017). *The cost of healthy eating in Yukon: 2017*. Whitehorse, Yukon: Yukon Anti-Poverty Coalition.
9. Richards, T., Cohen, M., Klein, S., and Littman, D. (2008). *Working for a Living Wage 2008 – Making Paid Work Meet Basic Family Needs in Vancouver and Victoria*. Vancouver, British Columbia: Canadian Centre for Policy Alternatives.
10. Yukon Government. *Learn about universal child care*. Retrieved from: <https://yukon.ca/en/learn-about-universal-child-care-program> (accessed May 7, 2024).
11. Yukon Housing Corporation. (2022). *Housing Action Plan Report: 2019-2021*. Whitehorse, Yukon.



Yukon Anti-Poverty
COALITION
anti-pauvreté du Yukon