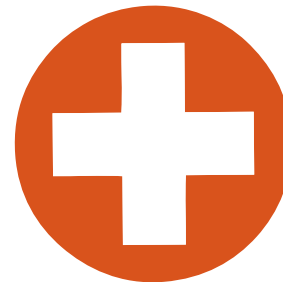


Living Wage in Whitehorse, Yukon: 2020-2022



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 currently has a network including community members and representatives from non-governmental organizations, elected officials, and representatives from the business and faith communities who have a shared commitment to address 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

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.

Acknowledgements

This report is dedicated to Bill Thomas. Bill was a passionate advocate for eliminating poverty and graciously shared his wisdom and humour on many occasions while supporting projects such as this.

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Background

The Yukon Anti-Poverty Coalition produces an annual calculation of the living wage for Whitehorse, Yukon to provide a timely and accurate measure of the cost of living in the community using available local data. 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.

This report presents the findings from living wage calculations for Whitehorse for 2020, 2021, and 2022. The COVID-19 pandemic and the rapid introduction of new emergency supports and programs had significant impact on the 2020 and 2021 calculations.

Considerations for Policy

The living wage calculation serves as an indicator for affordability and the cost of living in a community for a household made up of two adults and two children. Given that the living wage calculation integrates the role of social services and the design of the tax-and-transfer system, the living wage rate can serve as a lens for assessing public policy. All levels of government hold responsibility for particular areas that impact affordability. Good public policy should seek to improve affordability through one of the following approaches:

- (1) Reducing the cost of basic household needs such as housing, health care and child care; and
- (2) Increasing household incomes through means such as increasing government transfers to low- and modest-income households or increasing the minimum wage.

The living wage rate is one of many complementary indicators of affordability and the cost of living. Measuring the rate of poverty using the Market Basket Measure or Northern-Market Basket Measure is an important way to determine the number of people living in poverty and the impact of various policies. Further, measuring and publicly reporting the rate of poverty allows both the federal government and the territorial government to establish targets for poverty reduction as way to ensure accountability and promote progress.

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 Yukon Child Benefit help reduce the living wage by providing an additional source of household income while deductions from income such as Employment Insurance premiums 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

The reference family consists of two adults and two children, ages four and seven. Although the composition of the reference family does not reflect the diversity of living arrangements found in Whitehorse or throughout Canada, Statistics Canada reports that 81.4% of Whitehorse families are headed by couples (either through marriage or common-law), and 59.6% of Whitehorse families with children include two or more children.²

Researchers who have calculated the living wage for other household compositions in other communities in previous years typically found that the hourly wage that a single person requires to meet their basic needs is similar to the hourly wage that both workers in the reference family must earn to enjoy the same standard of living. However, changes to government transfers in recent years to benefit households with children as well as substantial increases in the cost of basic necessities have likely caused the living wage for a single person to be higher than that of the reference household.

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 as 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.³ 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 women⁴, Indigenous Peoples⁵, people of colour⁶, and people with disabilities⁷ 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.⁸

This calculation does not account for the cost of many items that are common to most Canadian families such as credit card debt, home ownership, savings for retirement or children’s future education, eating at restaurants, pet ownership, and anything beyond minimal recreation. As such, the calculation 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.⁹



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.

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

Measuring Poverty in the Yukon

In August 2018, the Government of Canada released *Opportunity for All: Canada's First Poverty Reduction Strategy*. The Strategy affirmed the Market Basket Measure as the official measure of poverty for Canada, set targets for poverty reduction (a 20% reduction by 2020 and a 50% reduction by 2030 compared to 2015 levels), and established a National Advisory Council on Poverty to inform government policy to address poverty going forward.¹⁰

The Market Basket Measure is based on the cost of a defined basket of goods and services (i.e. food, clothing, shelter, transportation, and other items) intended to represent a modest standard of living between subsistence living and full social inclusion. Any household with a level of disposable income lower than the cost of the basket for their region is considered low-income.¹¹

In November 2021, Statistics Canada released the discussion paper *Construction of a Northern Market Basket Measure of Poverty for Yukon and the Northwest Territories* that detailed a proposed methodology for measuring poverty in the Yukon and Northwest Territories. The proposed Northern Market Basket Measure is a modified version of the Market Basket Measure intended to reflect life in the North (e.g., need for additional winter clothing items) and the data sources available to the territories while also adhering to the framework and principles outlined in the national poverty reduction strategy.

The discussion paper also included a preliminary estimate of the prevalence of poverty in the Yukon and the Northwest Territories based on the proposed Northern Market Basket Measure. Statistics Canada estimated that 9.0% of Yukoners lived in poverty in 2019, a decrease from 11.1% in 2018. Those most likely to live in poverty included persons under 18 years of age, persons 65 years and older, and persons who lived alone. However, it is worth noting that these preliminary estimates do not include the community of Old Crow.

Statistics Canada has committed to reviewing the Northern Market Basket Measure including assessing the contents of the baskets of goods and services as well as the data sources included in the calculation on a regular basis. The Yukon Anti-Poverty Coalition participated in engagement sessions hosted by Statistics Canada throughout 2021 that helped inform the design of the Northern Market Basket Measure, and provided lengthy feedback including highlighting the need to accurately measure poverty in the territory in a manner that is inclusive of Indigenous Peoples and the community of Old Crow and to accurately reflect the reality and lived experience of Yukoners in the contents of the basket (e.g., inclusion of rubber boots in the clothing and footwear component, inclusion of internet services in the other items component, and utilizing a food basket such as the Revised Northern Food Basket or a new survey tool that more accurately reflects dietary preferences and nutritional requirements).

In response to feedback obtained through various engagement sessions, Statistics Canada is working with First Nations, Métis, and Inuit Peoples to co-develop indicators of poverty and well-being that are more culturally relevant to help supplement the Northern Market Basket Measure and has developed a forward facing research agenda that will assess the feasibility of adapting the food component through the use of a different survey tool and looking at ways to incorporate country food and harvesting.¹²

What is new for 2022?

The living wage for Whitehorse in 2022 is equal to \$18.28 per hour, a decrease of \$2.67 per hour from 2021. The decrease can largely be attributed to the significant reduction in child care expenses incurred by the reference family following the introduction of the Yukon Early Learning and Child Care Funding Program, which provides a subsidy of up to \$700 per month per child to licenced early learning and child care. The universal low-fee child care program resulted in the reference family spending \$10,304.46 less on child care services compared to 2021.

Since the release of the first annual living wage calculation for Whitehorse, the living wage rate has decreased from \$19.12 in 2016 to \$18.28 in 2022. The living wage for Whitehorse has decreased due to the adoption of good public policies that have helped to improve affordability challenges for Yukon families. Specifically, the introduction of the Canada Child Benefit in 2016 and the introduction of universal low-fee childcare in Yukon starting in 2021 helped offset and reduce the costs associated with raising children. Figure 1 details the annual changes in the living wage for Whitehorse since 2016.

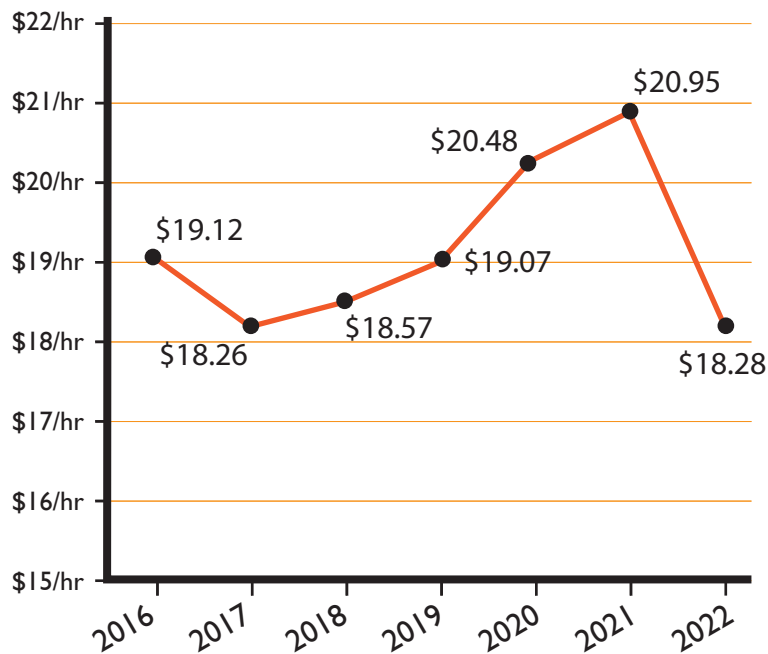


Figure 1: The annual living wage for Whitehorse since 2016.

However, the rising cost of basic household needs such as housing, food, and transportation continue to place upward pressure on the living wage rate. Most notably, the rising 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 \$25,450.91 in 2022. The shelter expense accounted for 36.8% of the reference family's pre-tax income in 2022, significantly higher than 30% affordability metric used by the Canadian Mortgage and Housing Corporation. Figure 2 details annual changes in the shelter expense incurred by the Whitehorse living wage reference family since 2016.

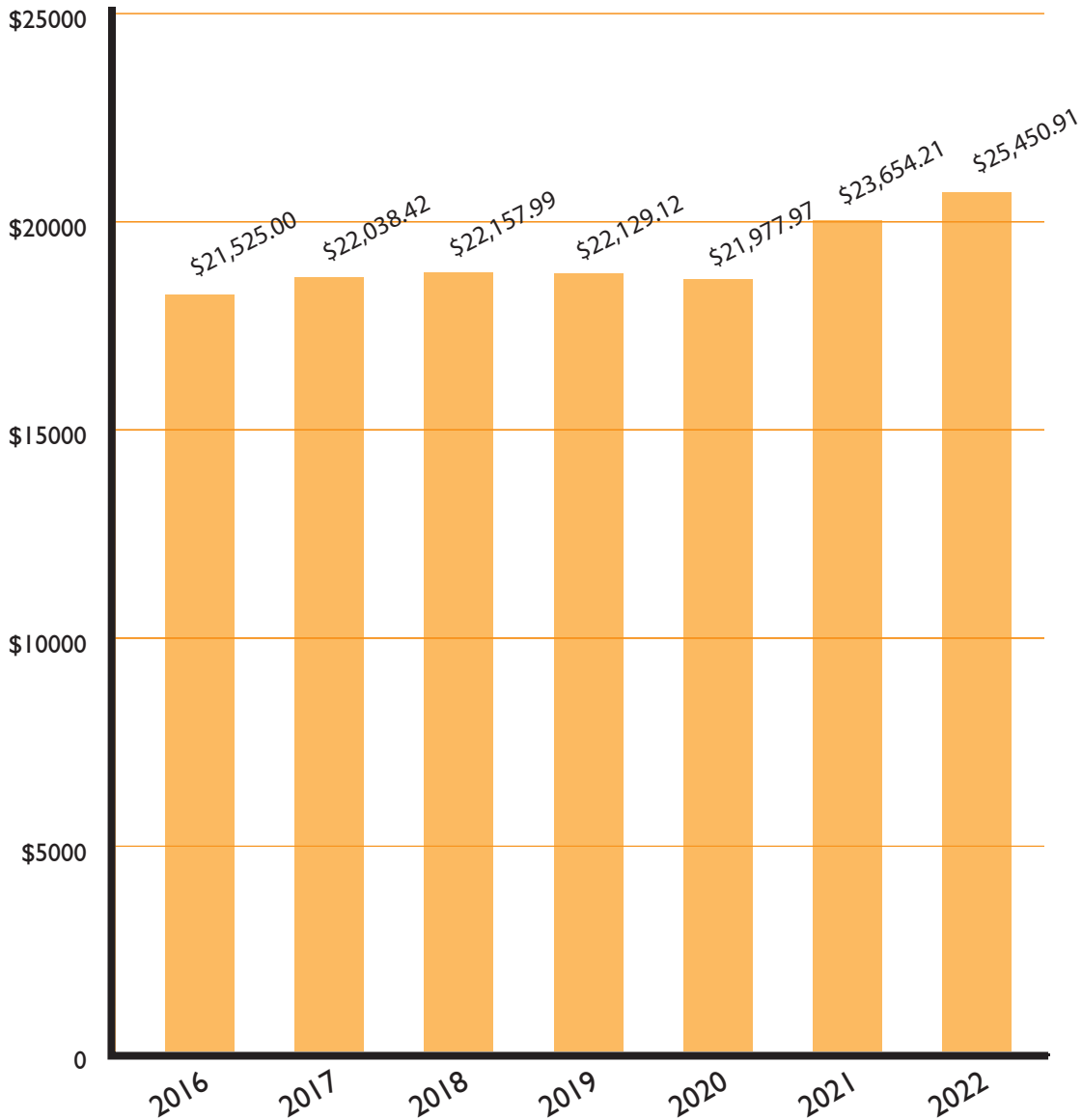


Figure 2: Annual shelter expense incurred by the Whitehorse living wage reference family since 2016.

The introduction of the Canada-Yukon Housing Benefit in April 2020 helped to partially offset the cost of rental housing for eligible low- and modest-income Yukoners by providing a subsidy of up to \$800 per month depending on household income and family size. However, the amount of money allocated by the federal and territorial governments did not meet the enormous demand for financial assistance in response to increasing shelter costs. As such, the Yukon Housing Corporation reports that there is a wait list for this benefit. Timely access to much needed income supports is essential to ensuring that low- and modest-income Yukoners can maintain access to secure housing. Further, enhanced income supports, particularly for people who receive income assistance and are at greatest risk of experiencing homelessness, are needed to reduce poverty and to help address the housing crisis.

In response to increasing shelter costs during the COVID-19 pandemic and in accordance with the commitments outlined in the 2021 Confidence and Supply Agreement between the Yukon Liberal Caucus and the Yukon NDP Caucus, the Yukon Government enacted the Regulation to Amend the Residential Tenancies Regulation under the *Residential Landlord and Tenant Act*, which introduced a cap on rental increases effective May 15, 2021. Under the regulation, landlords cannot increase rents in 2021 and 2022 at a rate higher than the percentage change in the Consumer Price Index for the previous calendar year.¹³ The regulation ensures that shelter costs for long-term tenants cannot increase greater than the rate of inflation. However, eviction without cause is still permitted.

Despite these efforts, significant action from federal, territorial, and municipal governments is still required to tackle the growing housing affordability crisis in Yukon. The Yukon Bureau of Statistics reports that the vacancy rate for units in all types of building with rental housing in Whitehorse equalled 2.3% in October 2021.¹⁴ Additionally, the Yukon Housing Corporation reported in April 2022 that there were 493 people on waiting lists for seniors and social housing¹⁵, up from 365 in July 2021.¹⁶ Substantial investment in social and affordable housing is needed to address low vacancy rates, lengthy wait lists for seniors and social housing, and recent growth in rental housing costs.

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 \$18.28 per hour working full-time or \$33,269.60 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: \$2,037.58

Annual Expense: \$24,450.91

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 2022 and accounts for 36.8% 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 \$23,654.21 in 2021 and \$21,977.97 in 2020.

Housing Need in Yukon

Statistics Canada most recently released data regarding the prevalence of core housing need in Yukon as part of the 2016 census. A household is considered in core housing need if its housing does not meet one or more of the adequacy, suitability, or affordability standards. Adequate housing does not require any major repairs while suitable housing has enough bedrooms for the size and makeup of resident households, based on National Occupancy Standard requirements. Housing is considered affordable when it costs less than 30% of pre-tax household income.¹⁷

Statistics Canada reported that 12.1% of Yukoners lived in core housing need as of 2016. Yukoners most likely to live in core housing need include:

- households with children aged 14 years and younger (14.1%)
- persons aged 65 years and above (14.8%)
- Indigenous Peoples (22.9%)
- persons in lone-parent households (31.4%)
- persons not living in an economic family (22.9%).¹⁸

Homelessness in Whitehorse

On April 13, 2021, the Community Advisory Board and the Safe at Home Society, with financial support from the federal Reaching Home funding stream, conducted the third Point-in-Time Count to enumerate the population of people experiencing homelessness in Whitehorse. The count, a snapshot in time, revealed that at least 151 people were without a fixed address and experiencing homelessness or considered at risk of homelessness. Among those experiencing homelessness or at risk of experiencing homelessness:

- 67% were between the ages of 24 and 55
- 26% were aged 56 and older
- 7% were between the ages of 16 and 24
- 85% identified as Indigenous (First Nations, Métis, or Inuit)
- 19% reported having attended an Indian Residential School
- 54% identified as male
- 10% identified as LGBTQ2IA+ ¹⁹

In 2017, Whitehorse began development of a **By-Name List**: a single, shared list of people experiencing homelessness. The goal of the By-Name List is to find the best match possible based on each person's needs and the available housing units. It is also a tool for understanding how many people are experiencing homelessness in Whitehorse and what the needs are for housing and services.

As of May 2022, the By-Name List indicated that at least 194 people are without a home in Whitehorse. Of these people, approximately 69% are Indigenous, 43% are women, 40% are children and youth, and 44% are seniors.



Food

Monthly Expense: \$1,061.99

Annual Expense: \$12,743.90

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. However, 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 \$13,496.47 in 2021 and \$13,813.67 in 2020. The decreases in 2021 and 2022 were largely the result of a methodological change to use the most recent data from the Northern Market Basket Measure for Whitehorse.

Food Insecurity in Yukon

According to Health Canada, food insecurity exists within a household when one or more members do not have access to the variety or quantity of food that they need due to a lack of money.²⁰ Experiences of food insecurity range in severity from worrying about running out of food, to children not eating for an entire day.²¹ Evidence shows that those who experience food insecurity are more likely to report poor physical or mental health; chronic conditions such as asthma, depression, and heart disease; and a perceived lack of social support.^{22,23} Food insecurity imposes significant costs on society as those who experience food insecurity are more likely to utilize health care services.²⁴

Statistics Canada reported that 16.9% of Yukoners experienced some degree of food insecurity in the previous 12 months in 2017-2018. Yukoners most likely to report some degree of food insecurity include:

- People who receive income assistance – 64.5%
- Children under 18 years of age – 18.3%²⁵



Clothing and Footwear Monthly Expense: \$279.08 Annual Expense: \$3,348.94

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 \$2,953.92 in 2021 and \$2,832.77 in 2020.



Transportation Monthly Expense: \$524.08 Annual Expense: \$6,289.02

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 \$6,240.75 in 2021 and \$6,864.62 in 2020. The decreases in 2021 and 2022 were primarily the result of a methodological change to use the most recent data from the Northern Market Basket Measure for Whitehorse.



Child Care

Monthly Expense: \$424.78 Annual Expense: \$5,097.30

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 licenced provider for both children. The reference family incurred a child care expense of \$15,401.76 in 2021 and \$15,778.56 in 2020. The significant decrease of \$10,304.46 in 2022 was the result of the introduction of the Yukon Early Learning and Child Care Funding Program that supported implementation of a universal low-fee child care program.

Universal Low-Fee Child Care in Yukon

The Yukon Government established the Yukon Early Learning and Child Care Funding Program that supported the implementation of a universal low-fee child care program effective April 1, 2021. Under the program, the Yukon Government provides licensed early learning and child care operators who choose to opt in to the funding program with up to \$700 for each child in full-time child care to reduce monthly payments for families.²⁶ Under the program, the average daily cost of child care is anticipated to decrease from roughly \$43 to \$11.²⁷ Evidence shows that the introduction of universal low-fee child care can greatly reduce the cost of child care services for families, significantly increase female labour force participation, increase tax revenues, decrease expenditures on transfers to individuals (i.e. reliance on income supports), and contribute to economic growth.²⁸



Health Care

Monthly Expense: \$245.26 Annual Expense: \$2,943.12

The health care expense is equal to the cost of extended health and dental insurance that covers the entire family. The plan purchased by the reference family does not include disability or life insurance, and the family would still incur any costs related to non-insured or partially-insured medical services. The reference family incurred an annual health care expense of \$2,804.16 in 2021 and \$2,804.16 in 2020.



Adult Education

Monthly Expense: \$91.33 Annual Expense: \$1,096.00

The adult education expense is equal to the cost of two full-credit evening courses at Yukon College 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.²⁹ The reference family incurred an annual adult education expense of \$1,084.00 in 2021 and \$1,052.00 in 2020.



Other Household Items and Social Inclusion

Monthly Expense: \$1,229.51 Annual Expense: \$14,754.17

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 basic mobile plans and internet services. The reference family incurred an annual expense of \$13,814.17 in 2021 and \$14,087.99 in 2020.



Contingency Fund

Monthly Expense: \$213.27 Annual Expense: \$2,559.20

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 set aside \$2,933.00 for contingencies in 2021 and \$2,867.20 in 2020.

Government Transfers

Government transfers provide households with an additional source of income outside of employment to help offset the cost of living. Increases in transfers to low- and modest-income families help lower the living wage by decreasing the amount of income that a family must earn through employment to meet their basic needs. Both the federal government and the territorial government provide a range of targeted income supports to assist low- and modest-income families as well as special populations such as seniors and people with disabilities. Income supports available to the Whitehorse reference family include the Canada Child Benefit, the Yukon Child Benefit, the Yukon Child Care Subsidy, and the Yukon Carbon Price Rebate.

Typically, the amount of a specific transfer that a household receives is calculated based on the household's net income from the previous year. All government transfers received by the Whitehorse reference family for 2022 are calculated based on the 2021 household net income with the exception of the Yukon Carbon Price Rebate, which is not an income-tested benefit.

Assistance with Income Tax Filing

All households must file an income tax return to be eligible to receive income supports such as the Canada Child Benefit, the Yukon Child Benefit, the Goods and Services Tax Credit, and the Canada Workers Benefit. Each year thousands of low- and modest-income households do not file a tax return and, thus, do not receive the income supports to which they are entitled. The report *Putting People First: The final report on the comprehensive review of Yukon's health and social programs and services* includes a recommendation that the Yukon Government provide funding to non-governmental organizations to formally implement free tax clinics for low-income Yukoners to maximize benefits tied to income tax filing and to serve as an opportunity to connect Yukoners to health and social services where appropriate.

Canada Child Benefit

Monthly Benefit: \$698.50 Annual Benefit: \$8,381.95

The Canada Child Benefit is a tax-free monthly payment made by the federal government to eligible families to help with the cost of raising children under 18 years of age. For the payment period from July 2021 to June 2022, eligible households can receive up to \$6,833 per year for each child under 6 years of age and up to \$5,765 per year for each child between 6 and 17 years of age. The reference family received an annual benefit of \$8,445.11 in 2021 and \$8,826.20 in 2020.

Yukon Child Benefit

Monthly Benefit: \$18.92 Annual Benefit: \$227.02

The Yukon Child Benefit provides tax-free financial support to eligible low- and modest-income families to help with the cost of raising children under 18 years of age. Eligible households can receive up to \$820 per year for each eligible child. The reference family received an annual benefit of \$312.56 in 2021 and \$569.18 in 2020.

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 that nearly 200 low- and modest-income households received the housing benefit, but that 40 households were on a wait list to receive the benefit as of July 2021 due to high demand.³¹ As such it is assumed that the reference family does not receive this benefit.

Yukon Child Care Subsidy

Monthly Benefit: \$413.81 Annual Benefit: \$4,965.68

The Yukon Child Care Subsidy provides financial support to assist families who need child care for their children and may not be able to afford the cost of child care. The amount that a family receives depends on the age of the child, the number of hours that the child spends in care, and whether the child has any special needs. Eligible households can receive up to \$578 per month for each pre-school-aged child and up to \$303 per month for each school-aged child while attending school and up to \$550 per month during the summer. The Yukon Government has stated that it is not considering reducing the Yukon Child Care Subsidy following the introduction of universal low-fee childcare in April 2021.³⁰ The reference family received an annual benefit of \$5,342.06 in 2021 and \$6,471.18 in 2020.

Yukon Carbon Price Rebate

Quarterly Benefit: \$248.00 Annual Benefit: \$992.00

The Yukon Carbon Price Rebate provides financial support to offset the cost of the carbon tax paid by Yukoners. Effective July 2022, all Yukon households receive a minimum of \$80 per quarter per person with individuals living in communities outside of Whitehorse receiving an additional 10% remote supplement to offset the disproportionate impact of the carbon tax on Yukoners living in remote communities. 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 \$808.00 in 2021 and \$484.00 in 2020.

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. Further, it is assumed that the reference household maintained employment throughout the COVID-19 pandemic and did not receive supports such as the Canadian Emergency Response Benefit.

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: \$200.09** **Annual Deduction: \$2,401.03**

Most individuals who work in Canada pay federal income tax. For the 2021 tax year, the federal income tax rate for individuals with a taxable income of less than \$49,020 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 \$2,800.32 in 2021 and \$2,914.98 in 2020.

Territorial Income Tax **Monthly Deduction: \$80.04** **Annual Deduction: \$960.44**

Most individuals who work in Yukon pay territorial income tax. For the 2021 tax year, the territorial income tax rate for individuals with a taxable income of less than \$49,020 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 \$1,130.80 in 2021 and \$1,179.72 in 2020.

Canada Pension Plan Premiums **Monthly Deduction: \$282.81** **Annual Deduction: \$3,393.73**

Almost all individuals who work in Canada, outside of Quebec, contribute 5.7% of their pay, up to a maximum annual amount of \$3,499.80, to the Canada Pension Plan. The reference family made annual contributions to the Canada Pension Plan totalling \$3,636.05 in 2021 and \$3,546.23 in 2020.

Employment Insurance Premiums **Monthly Deduction: \$87.61** **Annual Deduction: \$1,051.32**

Almost all individuals who work in Canada, outside of Quebec, contribute 1.58% of their pay, up to a maximum annual amount of \$952.74 to Employment Insurance. The reference family made annual contributions to Employment Insurance totalling \$1,204.88 in 2021 and \$1,177.85 in 2020.

Recommendations

In recent years, the Yukon Anti-Poverty Coalition and key partners have produced a series of reports highlighting challenges throughout the territory relating to poverty including child poverty, homelessness and housing, and affordability. Many of these reports include recommendations targeted to the Yukon Government that present opportunities to take meaningful action to address these key challenges facing vulnerable populations throughout the territory.

Previous living wage reports released by the Yukon Anti-Poverty Coalition highlighted the need for a comprehensive approach to addressing affordability challenges facing low- and modest-income Yukoners with a focus on actions that increase government transfers to individuals such as the introduction of a guaranteed annual income program as well as actions that reduce the cost of basic household needs including shelter, child care, and public transportation.

The report *A Home For Everyone: A Housing Action Plan For Whitehorse – A Ten Year Progress Report* highlights the urgency of the housing crisis in Yukon. It includes recommendations such as:

- Public funders immediately adopt a definition of affordability based on household income rather than on market rental rates
- A comprehensive list of actions intended to address unmet needs across the housing continuum (i.e. emergency housing, transitional housing, housing with long-term supports, rental housing, and home ownership).
- A housing information hub for tenants and landlords to help coordinate and support all those engaged in housing by providing clear, consistent, and current information as well as collecting real time data to ensure that unmet needs are identified.

The report *Safe at Home – Ending and Preventing Homelessness in Yukon: Our Progress 2017-2020* highlights the importance of coordination of services with housing and income regardless of who is delivering the service and recommends that all efforts be made to develop a fully functional Coordinated Access System that will ensure people are at the centre of the system using well designed tools such as the By Name List.

The report *Yukon Poverty Report Card: 2020* highlights challenges relating to poverty throughout the territory with a specific focus on poverty among children and youth. Key recommendations from that report include:

- Renew and update *A Better Yukon for All – Yukon Government’s Social Inclusion and Poverty Reduction Strategy* to include legislated targets and timelines for poverty reduction.
- Implement the recommendations from the Yukon Child and Youth Advocate’s *2020 Annual Report*.

The report *The Cost of Healthy Eating in Yukon: 2017* highlights affordability challenges across the territory that impede the ability of many low- and modest-income Yukoners to consistently procure healthy and nutritious foods. Key recommendations from that report include actions to address affordability challenges as well as actions to improve robust data collection and monitoring to help facilitate equity-based approaches to issues relating to poverty and food insecurity.

The Yukon Government commissioned an independent expert panel in 2018 to complete a comprehensive review on health and social services in Yukon. The resulting report *Putting People First: The final report on the comprehensive review of Yukon's health and social programs and services* includes 76 recommendations on health and social services in the territory. Several of these recommendations focus on actions to address issues relating to poverty throughout the territory including that the Yukon Government design and implement a guaranteed annual income pilot, in collaboration with the Yukon Anti-Poverty Coalition, and potential funding partners such as the federal government, health and social research programs and others.

Most recently, the *2022 Report of the Auditor General of Canada to the Yukon Legislative Assembly - Yukon Housing* found that the Yukon Housing Corporation (YHC) and the Department of Health and Social Services (DHSS) have not provided adequate and affordable housing for Yukoners with the greatest need.

Many of the issues that were identified had already been outlined in previous audits done in the 2010 audit on housing and in the 2011 audit on health services and programs. The report states “Without clear accountability and direction, effective coordination and cooperation with housing partners, and significant and immediate action, longstanding issues will persist.”

This report resulted in nine recommendations related to incomplete identification of housing needs, an increasingly long waiting list for housing, and problems in the management of the existing housing stock, as well as coordination between YHC, DHSS, and other housing partners to effectively manage housing for those in need.

Collectively, these reports highlight the profound challenges relating to poverty, homelessness, and affordability that persist throughout the territory. These reports also provide a roadmap, with consistent recommendations, to alleviate these challenges going forward.

In the context of the ongoing impacts of the COVID-19 pandemic and the forthcoming recovery, now is the opportune time to build upon our collective wisdom and take meaningful actions to improve the health and well-being of Yukoners through the reduction and prevention of poverty throughout the territory.

**We know what to do to prevent poverty in the Yukon.
Now we need to take action.**

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