

Tackling Living Costs in the NWT

Dennis Bevington, MP Western Arctic

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A Message from Dennis Bevington, MP Western Arctic

The more equal everyone is the better off we all are. The evidence of this is well documented in *The Spirit Level: Why More Equal Societies Almost Always Do Better*.¹ With our history of sharing and working cooperatively in the NWT, we know that this is true. We know that equality helps us all to be more secure, safer, healthier, and able to fully participate in our families and communities. We also know that equality builds resilience so we can cope with, and manage change – changes in our climate, our environment, and our social and economic circumstances.

Throughout Canada including the NWT, our communities are becoming less equal. The gap between ‘haves’ and ‘have nots’ is growing. Inequalities put us all at risk.

A main factor contributing to inequalities in the NWT is living costs. As Member of Parliament for the Western Arctic, I am committed to addressing inequalities and improving quality of life in ways that are sustainable and make sense for everyone. With this report, I want to stimulate changes that will eliminate inequalities in our communities, throughout the north, and between northern and southern Canada.

I have prepared this report to highlight cost of living issues in the Western Arctic but these circumstances are generally mirrored throughout remote regions in Canada. As such, I trust that both residents of the NWT and my colleagues in the House of Commons will find this report both informative and useful.

This report is organized to:

- Identify the inequalities created by income and cost of living,
- Examine current responses to cost of living issues in the NWT, and
- Propose actions to deal with cost of living issues.

The GNWT Bureau of Statistics was a main data source. Information produced by the NWT No Place for Poverty Coalition² was also referenced. This report also draws on information from northerners who made time to voice their concerns and share their research.

¹Richard G. Wilkinson and Kate Pickett, published in 2009 by Allen Lane <http://canadiandimension.com/articles/3806/>

² About 30 social justice, municipal, women’s, church, union, environmental, and indigenous organizations are part of the Coalition.

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Appendix A:

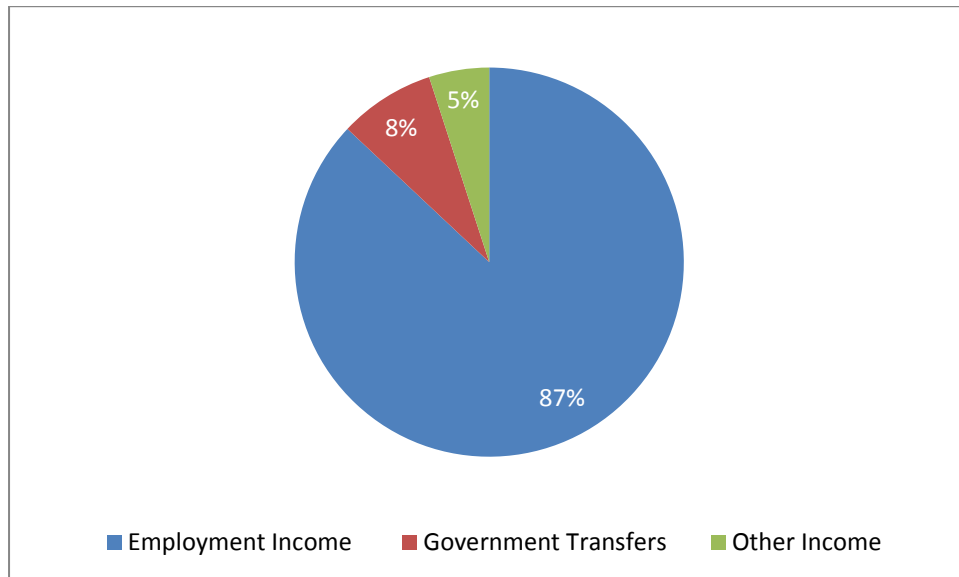
Income and Cost of Living

Income and Cost of Living

Personal Income

Personal income in the NWT is derived from employment (87%), government transfers³ (8%), and other sources (5%).

NWT Personal Income by Source, 2010



Employment is the main source of income for people in larger, market oriented communities. Government transfers account for up to 21% of personal income in small and off-road communities.

NWT personal income increased by an average annual of 3.9% or a total of 39% between 2001-2010. In Yellowknife, the 4% average annual increase in personal income:

- exceeded the City's average annual inflation rate (2.1%),⁴ but
- was less than the 4.7% change in food prices.⁵

In 2010, average personal income was:

- \$53,630 in the NWT.

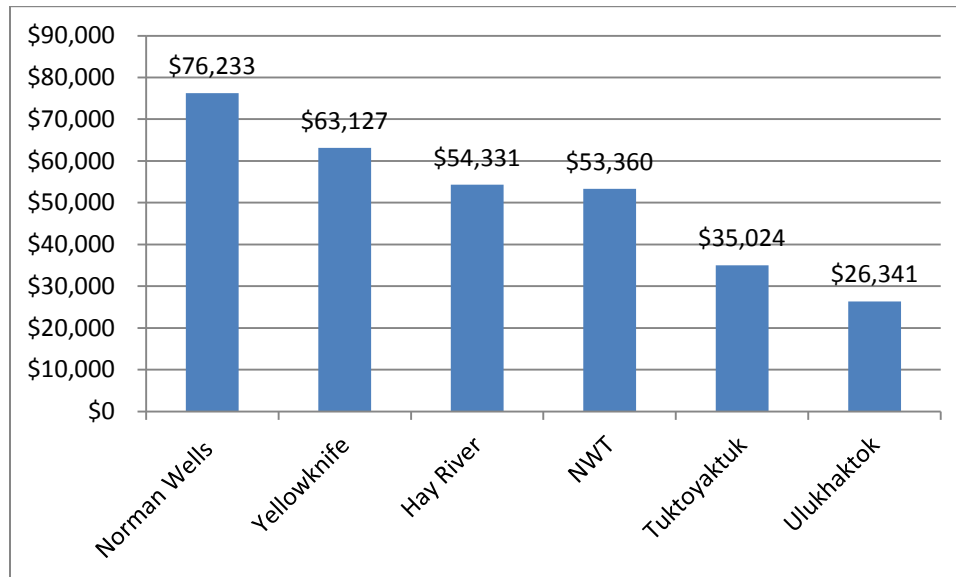
³ Government transfers include Employment Insurance (EI), Social Assistance, Old Age Security, Canada Pension Plan, Child Tax Benefit, and Territorial Tax Credit.

⁴ NWT Bureau of Statistics, Historical Inflation Rates

⁵ NWT Bureau of Statistics, 2011 and 2012 Community Price Survey

- well below the NWT average in off-road and smaller communities, ranging from \$26,341 in Ulukhaktok to \$35,024 in Tuktoyaktuk.
- above the NWT average in the wealthiest communities (e.g., \$76,233 in Norman Wells), \$63,127 in Yellowknife, and \$54,331 in Hay River).

Average Personal Income in NWT and Selected Communities, 2010



Between 2001 and 2010, the distribution of personal income shifted throughout the NWT. For example,

- annual personal income of less than \$15,000 declined by 6%.⁶
- personal income greater than \$50,000 increased by 13%.
- in this period, Lutsel k'e, Paulatuk, and Tuktoyaktuk were the only NWT communities to have more people with personal income of less than \$15,000.

In 2010:

- almost one quarter (23%) of NWT tax-filers had personal income of less than \$15,000.
- almost half (44%) of NWT tax-filers had personal income greater than \$50,000.
- fewer people with personal income greater than \$50,000 lived in smaller and off-road communities (e.g., Paulatuk (19%), Aklavik (21%), Tuktoyaktuk (21%), and Tulita (22%).

⁶Given that inflation is calculated for Yellowknife only, and assuming an annual NWT inflation rate comparable to Yellowknife (i.e. 2.3%), \$15,000 would have the same purchasing power as \$12,223.92 in 2010 dollars.

Family Income

Between 2001 and 2010:

- NWT family income increased by an annual average of 4.2% or 42% over this period.
- the distribution of family income shifted, with 25% more NWT families earning in excess of \$75,000 and 5% fewer families earning less than \$30,000.
- Ulukhaktok was the only NWT community with fewer families earning more than \$75,000 and having no change in the number of families earning less than \$30,000.
- while NWT families earning less than \$30,000 declined in most communities, the number of families earning less than \$30,000 actually increased in Behchoko, Paulatuk, and Lutsel k'e.

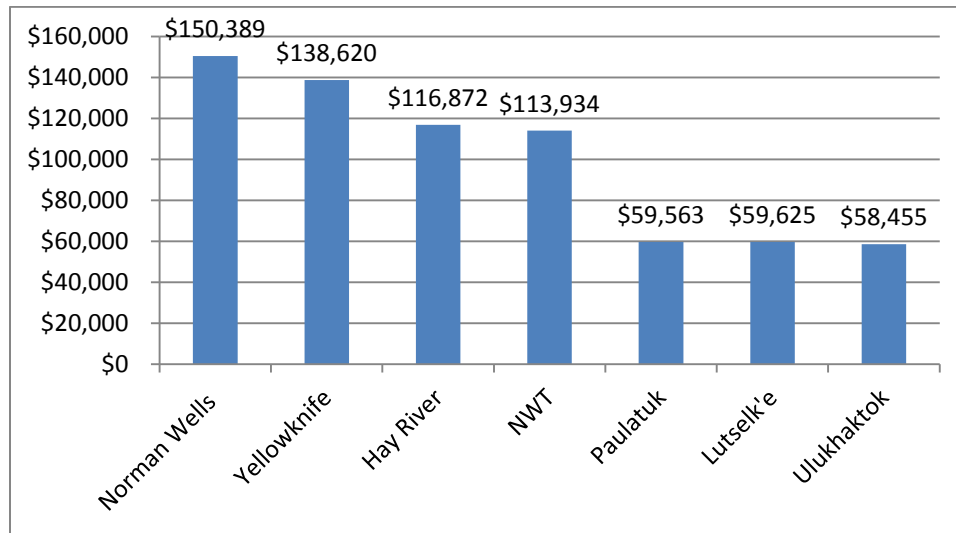
In 2010:

- NWT families earned an average of \$113,934.
- in off-road and smaller communities family income was as much as 50% below the NWT average (e.g., \$58,455 in Ulukhaktok, \$59,563 in Paulatuk, and \$59,625 in Lutsel k'e).
- family income was above the NWT average in the wealthiest communities (e.g., \$150,389 in Norman Wells, \$138,620 in Yellowknife, and \$116,872 in Hay River).
- as many as 75% of families in larger, market oriented communities had incomes of over \$75,000.
- families earning more than \$75,000 were sparse in small and off-road communities (e.g., Aklavik (28%), Fort Resolution (31%), Lutsel k'e (25%), Tuktoyaktuk (30%), and Whati (29%).
- 16% of families in the NWT earned less than \$30,000 but in Paulatuk and Lutsel k'e as many as 50% of families earned less than \$30,000.

Between 2001 and 2010:

- Paulatuk was the only NWT community with fewer families earning \$75,000 and no change in families earning less than \$30,000.

Average Family Income in NWT and Selected Communities, 2010



Lone Parent Families

Almost one-quarter (24%) of NWT families are lone parent families. Between 2001 and 2010:

- lone parent family income increased by 32% but this was 10% less than the increase recorded for all NWT families.

In 2010:

- lone parent families earned an average of \$50,930 or 45% of the family average income in the NWT.

Families in Low Income

Families in low income have to struggle more than other families. In 2010, 15% of NWT families were in low income.

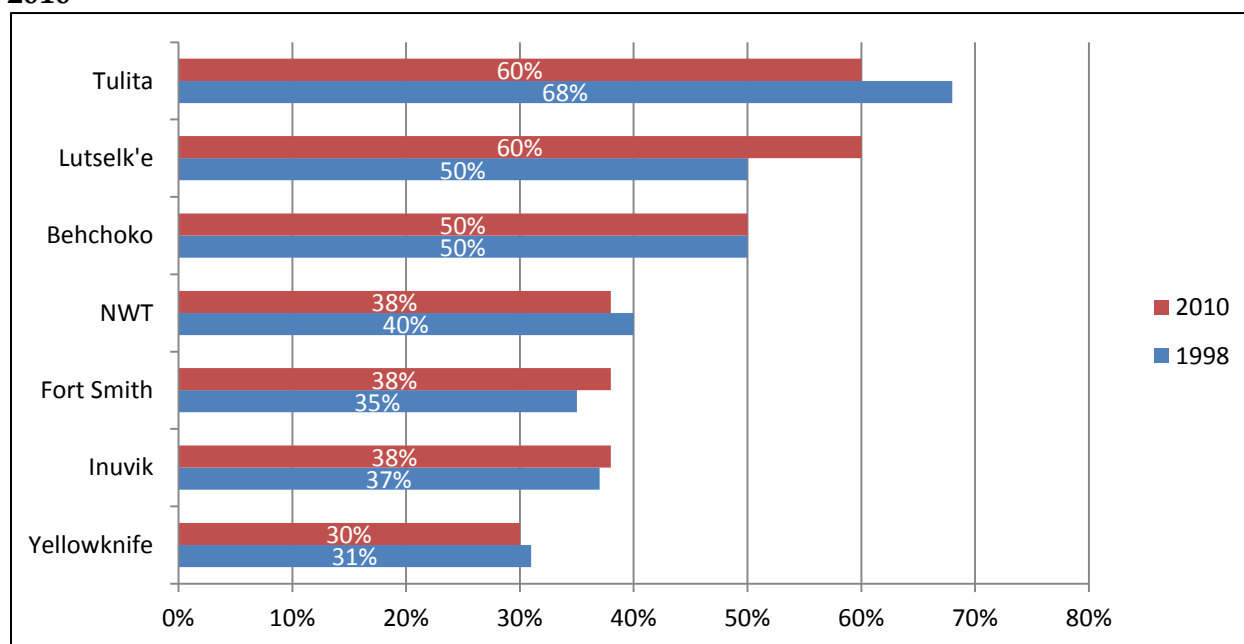
Between 1998 and 2010:

- there was a modest decline (2%) in the number of low income families in the NWT.
- there was a small decline in the number of families in low income in most NWT communities but an increased number in Fort McPherson and Lutsel k'e.

Lone parent families are vulnerable and more likely to be in low income than two parent families. In 2010:

- 38% of NWT lone parent families were in low income.
- 60% of lone parent families in Tulita and Lutsel k'e, and 50% in Behchoko were in low income.

Lone Parent Families in Low Income in NWT and Selected Communities, 1998 and 2010



Government Transfers/Income Assistance and Income Tax

Income Assistance

Income Assistance (IS) is a means tested government program designed to reduce the gap between 'have' and 'have not' populations in NWT communities.

In 2012:

- 5% of the NWT population were IS beneficiaries.
- 21% of the Tuktoyaktuk and Aklavik populations were IS beneficiaries.

Between 2001 and 2012:

- annual IS payments increased by 81% but only 1% more of the NWT population (beneficiary rate) benefited. Annual IS payments in 2001 were \$8.836 million and \$15.984 million in 2012.
- beneficiary rates increased in smaller and off-road communities.
- Tuktoyaktuk and Aklavik had sizeable increases in beneficiary rates, 6% and 13% respectively.

Income Tax and Disposable (After Tax) Income

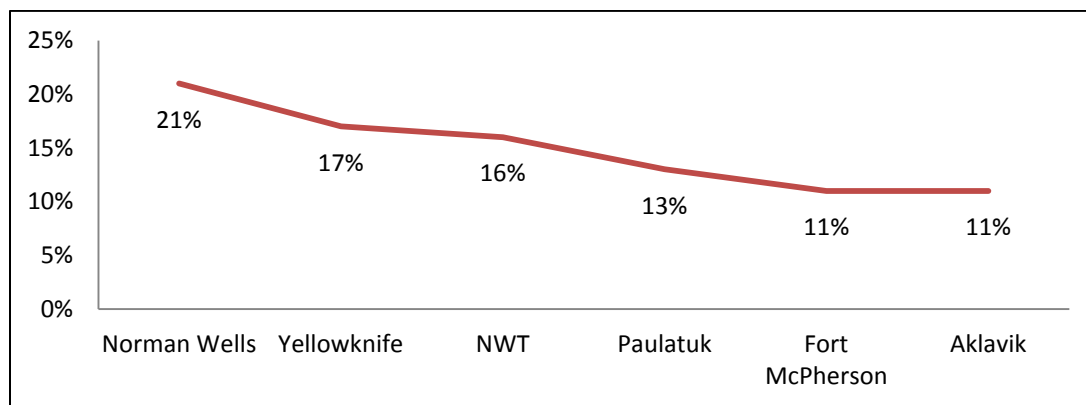
The tax system in the NWT has helped to redistribute income to families and move some out of low income. The effectiveness of the tax system has diminished in recent years.

Tax system redistribution of income helped:

- 2% of NWT families moved from low income in 2010, compared to 3% in 1998; and
- 4% of NWT lone parent families moved from low income in 2010, compared to 6% in 1998.

The rate of tax affects an individual's disposable (after tax) income available to pay for living costs.

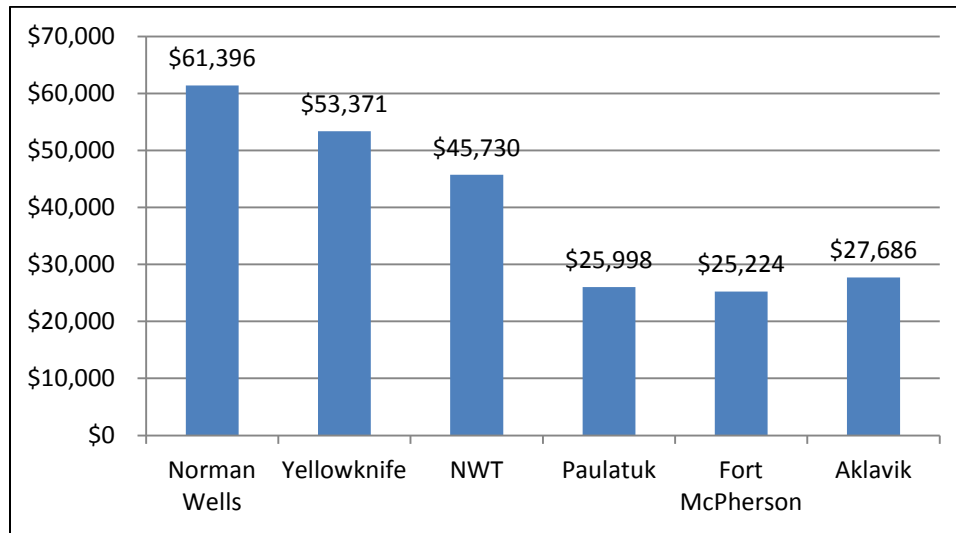
Average Tax Rate in NWT and Selected Communities, 2010



In 2010:

- average disposable income of \$45,730 was available to pay for basic costs of living (after an average 16% tax rate).
- tax rates below the NWT average and lower disposable income were evident in smaller and off-road communities. For example, average disposable income of \$25,998 was available in Paulatuk after an average 13% tax rate.
- higher tax rates and levels of disposable income were concentrated in primarily market oriented communities (e.g., average disposable income of \$61,396 was available after average 21% tax in Norman Wells).

Average Disposable (After Tax) Income, NWT and Selected Communities, 2010



Cost of Living

The amount of money required to maintain a certain standard of living is often referred to as the 'cost of living'. Both the elements of, and notions about standard of living are subjective concepts. However, costs for some of the basic elements such as food, housing, and heat may be compared across Canadian cities and communities in the NWT.⁷

Living costs vary depending on where we live. For example, costs are higher in Paulatuk than in Hay River. Costs are also influenced by how we heat our homes, whether we walk or drive, and whether we make our own meals or buy processed foods. The size of our households and access to the goods and services needed to live safely and with dignity also affect our living costs.

Inflation affects the purchasing power of families and individuals. Inflation is the rate of change in items included in the consumer price index (CPI).⁸ The NWT Bureau of Statistics calculates and publishes inflation rates for Yellowknife only. Between 2002 and 2012, the Yellowknife inflation was on average 2.4%, slightly higher annually than

⁷NWT Bureau of Statistics

⁸ The consumer price index is a basket of goods and services including basics such as food, shelter, household operations, clothing and footwear, transportation, health and personal care, recreation, education, and alcohol and tobacco products.

the 2.2% national inflation rate. A Yellowknife household spending \$101,966 on basic living costs in 2009 would need to spend about 7% (\$109,266) more in 2012.

Between 2001 and 2010, the cases of personal and family income of less than \$15,000 and \$30,000 declined in Yellowknife and in the NWT. However, over the same period inflation reduced the purchasing power of these individuals/families by 23% annually. In 2010, this translated into a reduction in purchasing power for those with income of:

- \$15,000 to \$12,223.90, and
- \$30,000 to \$24,447.84.

At the same time, it is noted that the average annual increase in personal and family incomes between 2001 and 2010 exceeded the 2.3% annual inflation rate.



Gas prices in Tuktoyaktuk, NWT

Shelter and Affordability

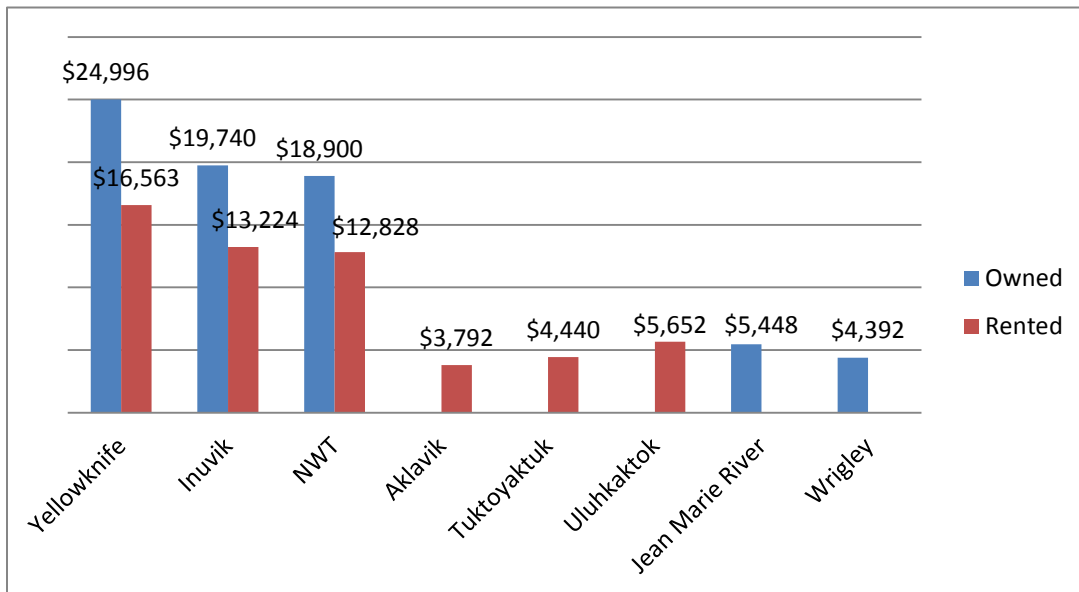
In many NWT communities, families have shelter options. This is often not the case in small and off-road communities. Main shelter options include private rental, homeownership, and public housing. Subsidized housing is available in all communities as a way to reduce the gap between 'have' and 'have not' families.

In 2010:

- NWT households paid average shelter costs of \$18,900 (\$1,575 per month) for owned housing and \$12,828 (\$1,069 per month) for rented shelter.
- the highest shelter costs (above the territorial average) were in Yellowknife (\$24,996 owned and \$16,563 rented) and Inuvik (\$19,740 owned and \$13,224 rented).
- the lowest shelter costs were in small communities (e.g., rents averaged \$3,792 in Aklavik, \$4,440 in Tuktoyaktuk, \$4,470 in Fort McPherson, and \$5,652 in Ulukhaktok and owned dwelling costs averaged \$5,448 in Jean Marie River, \$5,268 in Colville Lake, and \$4,392 in Wrigley).

Costs for rented and owned dwellings in smaller centres on and off the road system are lower due to more subsidized housing.

NWT and Selected Community Owned and Rented Shelter Costs, 2010



The high rate of subsidized housing (43%) has helped to reduce but not eliminated, the number of NWT households paying shelter costs above the income affordability threshold of 30%. In 2010, 14% of NWT households paid shelter costs above the income affordability threshold. In Canada, one-quarter of households paid 30% or more of their total household income towards shelter costs.

In the NWT, the fewest households residing in subsidized housing were in market oriented communities (e.g., Yellowknife and Inuvik). The greatest number of households residing in subsidized housing were in smaller off-road communities (e.g., Aklavik (91%), Ulukhaktok(86%), Tuktoyaktuk(85%), and Sachs Harbour (83%). In Canada, 13.7% of tenant households lived in subsidized housing.

Households in the NWT pay high utility costs. High utility costs are a barrier to home ownership and pose a heavy burden in the management of public housing. A comparison of these costs is shown below.

Household Heating Cost Comparison⁹

Yellowknife- Heating residence with fuel oil - \$1.20/litre \$6,500/year

Paulatuk- Heating residence with fuel oil - \$1.50/litre \$11,000/year

Edmonton- Heating residence with natural gas -\$3.00/gig \$700/year

Household Electrical Cost Comparison (based on consumption of 12,000 kWh per year)¹⁰

Yellowknife - \$3,600 (market rate no GNWT subsidy)

Edmonton- \$1,626

Montreal- \$824

Paulatuk- \$4,000 (subsidized rate)

*Paulatuk- \$12,000 (estimated full market cost)*¹¹

Comparison of Residential water charges (based on 300 cubic meters/year)¹²

Edmonton- \$782.02

Winnipeg- \$507

Yellowknife- \$1,504.80 (piped)

Yellowknife- \$4,200.00 (trucked)

Paulatuk- \$900 (estimated subsidized rate)

Paulatuk- \$24,900 (estimated full market cost based on rate changed to government)

Food

Food like shelter is a living essential. Food costs vary significantly between large and small communities. Between 2002 and 2012, food costs in Yellowknife increased by 23% (an annual average of 2.3%). These increases were slightly above the average annual inflation rate.

The NWT Temporal Food Price Index¹³ for 2012 measured the annual change in food prices.

- Food prices increased by 4.7% in Yellowknife and 4.4% in the NWT.
- The largest increases in food costs were in Inuvik (6%), Fort Smith (8.5%), and Hay River (10.2%).

⁹ NEB Energy Facts 2011

¹⁰ Energy Markets Fact Book 2013-2014 Natural Resources Canada

¹¹ The rates for Paulatuk are considerably higher than those noted in Appendix A. The reason for this is that rates noted in Appendix A refer to affordable housing rates rather than the full market rate.

¹² www.crd.bc.ca/water/waterbilling

¹³ NWT Bureau of Statistics

- High but stable food prices were most evident in smaller communities (e.g., in some Sahtu Region communities (.6%)¹⁴ and 1.5% in Tlicho Region communities).

In 2011, the cost of food for a family of four in Yellowknife was \$10,969, about 10% higher than in Edmonton.



Food prices in Tuktoyaktuk, NWT

If a family of four in Yellowknife spent an average of \$11,000 annually for food, the Community Food Price Index tells us that:

- all other families living in NWT communities will pay between 13% to 210% more for the same basket of food.
- a family of four in Colville Lake, Paulatuk, Ulukhaktok, and Sachs Harbour can expect to spend between \$21,340 and \$23,056 annually for the same basket of food.

Income and Cost of Living Inequalities

The above analysis points to significant and growing income and cost of living inequalities in the NWT. There is significant inequality between large, market oriented and small and off-road communities, and within market oriented communities where there is:

- higher than average employment income, and
- higher than average personal and family income.

Government has played an important role in reducing inequalities mainly through transfer payments, subsidized (public) housing, Income Assistance, and food subsidies. There are however, downward trends or a mismatch in need and response in terms of social spending and services at all levels of government.¹⁵

¹⁴ Other Sahtu communities include Colville Lake, Fort Good Hope, Tulita, and Deline.

¹⁵ <http://www.oecd.org/canada/49177689.pdf>

Current Responses to Cost of Living Issues in the NWT

The statistical analysis of the income and living costs tells a very persuasive story of the inequalities that exist in NWT communities and among northerners. This mirrors national trends. But inequality in the north is very much exacerbated by higher inflation rates and fewer options to mitigate against the factors widening the gaps between 'have' and 'have not' northerners.

Over the past decade, the NWT experienced a very high rate of growth in its GDP that was much higher than the national average. The development and expansion of three diamond mines was a major part of this increase. The rapid expansion of extractive industries is expected to continue across the north in the coming decade. While local communities get some jobs and business opportunities and territorial and Aboriginal governments may receive increased taxes and royalties, most of the benefits of extractive industries flow out of the north through profits to non-northern corporations, transient workers, and royalties and corporate income taxes to the federal government. As a result, extractive industries do little to address cost of living issues or the inequalities among northerners or between northern and southern Canadians. In fact, there is an argument that extractive industries drive up living costs and increase income gaps.¹⁶

In the NWT, there are **five typical responses** to cost of living and equality issues. Each has had varying levels of success.

1. **Loans, subsidies, and incentives** to businesses to encourage job creation and increase income earning potential, are practices of various federal and territorial government agencies. For example:

- Discovery Air received a \$34-million loan from the GNWT's Northwest Territories Opportunities Fund to retire its debt. Unfortunately in 2013, Discovery Air moved its operations out of the NWT.¹⁷
- GNWT Industry, Tourism and Investment (ITI) invests in industry associations such as the NWT Film and Media Arts Association to build the sector and expand capacity, which in this case is a professional film and media industry that can work with such TV productions as *Arctic Air* and *Ice Pilots*.¹⁸

¹⁶ http://www.naho.ca/documents/naho/english/resourceExtraction/Social_EN.pdf

¹⁷ <http://norj.ca/2013/08/discovery-air-joins-other-airlines-in-southward-migration/>

¹⁸ <http://www.iti.gov.nt.ca/publications/2011/artsandcrafts/FINALNWTFilmIndustryBriefingMay13%2711.pdf>

- In partnership with the federal government, the GNWT invests in community and individual agricultural and harvesting enterprises.¹⁹ An example is public investment to enhance the equipment of Kakisa fishers so they have a steady income.²⁰
- Both the federal and territorial governments have invested in business ventures of Aboriginal-owned development corporations such as Denendeh Investments Inc., which has ownership in utility, communications, energy, real estate, construction, and environmental ventures.²¹
- Direct GNWT investment in secondary diamond industries such as cutting and polishing helped to establish three plants, of which two were shut down and the last one sold in 2013.²²
- Tax incentives such as the mineral exploration tax credit recommended in the GNWT's 2013 background report toward the development of a mineral strategy.²³

2. Educating and training people for a place in the labour force, for example through:

- The NWT Mine Training Society, a mine training partnership funded half by the Government of Canada's Aboriginal Skills and Employment Partnership (ASEP) and half by Diavik Diamond Mine Inc., BHP Billiton, De Beers Canada, and others.²⁴ The federal government committed to \$5.8 million to support training in the NWT mining sector in 2013.²⁵ It is debated whether northerners trained for mining thrive in these occupations, whether jobs are sustainable, and if mine employment addresses the issues of income or living cost inequalities.²⁶
- Territorial government investment in regional training partnerships such as the Sahtu Regional Training Partnership Committee and the South Slave Regional Labour Market Planning Partnership that work with employers, governments, and trainers to ready the labour force for employment mainly in hydrocarbon industries.²⁷

¹⁹<http://www.iti.gov.nt.ca/fursagriculturefisheries/agriculture.shtml>

²⁰http://www.nnsi.com/frames/newspapers/2012-07/jul19_12FIS.html

²¹<http://www.denendeh.ca/welcome/index.shtml>

²²<http://www.iti.gov.nt.ca/publications/2008/Diamonds/diamond07.pdf> and

http://www.nnsi.com/frames/newspapers/2012-03/mar21_12d.html

²³http://www.iti.gov.nt.ca/publications/2013/mineralsoilgas/FINAL_MDS_PanelReport_29May13.pdf

²⁴http://minetraining.ca/sites/default/files/prospects_annual_report_2012.pdf

²⁵ <http://norj.ca/2013/08/harper-re-announces-funding-for-nwt-mine-training-on-first-hay-river-visit/>

²⁶ <http://norj.ca/2013/04/mining-holds-empty-promises-for-northerners/>

²⁷ <http://news.exec.gov.nt.ca/jackson-lafferty-addressing-workforce-hurdles-training-recruitment-and-retention/>

- Direct government investment in job specific education and training mainly through Aurora College such as in the Teacher Education Program (TEP), Northern Registered Nursing Program, and Aboriginal Language and Cultural Instruction Program (ALCIP).
- Mentorships,²⁸ internships,²⁹ and student employment³⁰ to expose and develop skills among potential workers.

3. Government sponsored programs designed to **offset living costs** is a third response to cost of living issues. Examples include:

- the Food Mail Program, now the Nutrition North Program, which moved from a freight subsidy to the purchaser to a subsidy to registered retailers/suppliers, and from a subsidy on a broad range of nutritious perishable food and other essential items to individuals in isolated northern communities to a subsidy on perishable, nutritious foods.³¹ The abandonment of the one strong element of the Food Mail Program, that being the freight subsidy of individual food orders, has had the net effect of limiting shopping options for those with limited personal resources or credit. On the other hand, consumers with good credit and resources can make the Nutrition North Program work to their advantage. For example, an individual in Sachs Harbour, who through personal resources, coordination, and planning, was able to bring food products to Sachs at a considerably lower price than the same products could have been purchased at a retail store in Inuvik. While there are some isolated success stories, there is also widespread discontent with the Nutrition North Program. At the call of several MPs, the Auditor General of Canada agreed to conduct an operational audit of the Nutrition North. The report is due in the Fall of 2014.
- the GNWT Community Harvesters Assistance Program (CHAP) which defrays a portion of capital and operating costs of traditional harvesting activities.³²



The price of milk in Tuktoyaktuk, NWT

²⁸<http://www.practicenorth.ca/index.php?page=advanced-nurse-mentorship-program>

²⁹<http://www.hr.gov.nt.ca/employment/interns/gi/>

³⁰<http://www.nwtconstruction.ca/?s=employment>

³¹<http://www.nutritionnorthcanada.ca/eng/1367932314461/1367932387670>

³²<http://www.iti.gov.nt.ca/fursagriculturefisheries/communityharvestersassistance.shtml>

4. **Rights-based advocacy and program initiatives** are another response. Examples include:

- the Yellowknife Homelessness Coalition which is a collective of social and local government agencies that advocates and facilitates housing and services to assert the right to safe, secure, and affordable housing. The Coalition instigated the Bailey House, a transitional facility for men, and is currently involved in the Betty House, a transitional facility for women.
- the NWT No Place for Poverty Anti-Poverty Coalition which is a collective of groups that assert the right of all northerners to live with dignity, free from poverty. The GNWT NWT Anti-Poverty Strategy Framework (2013) is a result of the Coalition's efforts. The Anti-Poverty Framework commits to actions in five priority areas: children and families, healthy living, safe and affordable housing, sustainable communities, and better integration of services.³³ At the time of this report, no implementation strategy had yet been developed.

5. A fifth response is **charitable efforts** mainly of non-profit organizations that assist people most negatively impacted by income and living cost issues. Charitable efforts are evident in such activities as food banks, soup kitchens, clothing exchanges, and homeless shelters.

- Food banks in Inuvik, Tuktoyaktuk, Fort Smith, Yellowknife, and some other NWT communities have difficulty sustaining operations and meeting demand. The Food Banks Canada (FBC) 2012 survey found that northerners across the three territories are not getting enough to eat, and not eating enough healthy food. Too many northerners don't have access to a food bank or any other source of emergency food. The survey pointed to important focal points for improvement, including Inuvik and Paulatuk in the NWT and Cambridge Bay, Arctic Bay, and Pangnirtung in Nunavut. FBC said that local food systems are needed to build and sustain community-led food initiatives. A food security innovation fund is also needed to support these initiatives. Comprehensive school breakfast programs and investing in infrastructure, like community centres and community freezers, are also needed. Similar recommendations were made in a 2010 plan in Yellowknife, Dettah, and Ndilo.³⁴
- Non-profit and volunteer run homeless shelters exist in many different forms and serve various client groups. Shelters exist in Fort Smith, Yellowknife, Inuvik,

³³http://www.gov.nt.ca/research/publications/pdfs/Anti-poverty_Strategic_Framework.pdf

³⁴*Yellowknife, Ndilo and Dettah Food System Assessment and Community Food Action Plan*. 2010. [/www.yhssa.org/ContentPages/2486530663.pdf](http://www.yhssa.org/ContentPages/2486530663.pdf)

and several other communities. Like food banks and other charitable endeavours, sustained resources and community support are challenges.

While these five main responses to living costs and inequality in the NWT continue, the data above show the gaps among northerners are growing wider. Other solutions must be found if we are to have a society where everyone is safe and secure and can live with dignity.



Inuvik Community Greenhouse

What Can be Done to Deal with Cost of Living Issues in the NWT?

While earning adequate income to cover living costs is an obvious response high living costs, job creation through industry investment hasn't had the overall effect that governments have hoped for. Not all northerners are benefiting from focused government investment in extractive industries. Investments in diverse and sustainable economic activities are needed to generate income for a broader range of northerners so they are in a position to manage living costs. These investment opportunities are identified in the broad array of strategies in play within northern governments and communities. For example, the GNWT has its *NWT Arts Strategy*, *NWT Mineral Development Strategy*, *NWT Water Stewardship Strategy*, *GNWT Land Use and Sustainability Framework*, and the *Building on the Strengths of Northerners* anti-poverty framework. Communities also have their plans, for example, *A Framework for Economic Development*

in *Fort Good Hope* (2013). A more coordinated approach and linkages among these strategies would strengthen these initiatives as well as provide a stronger rationale for investment.

Similarly, training partnerships to address a broader spectrum of human resource development rather than just extractive industries are required. More specifically, territorial, Aboriginal, and community governments need to broaden existing training partnerships so that federal government funding is not directed only at extractive industries.³⁵

Lowering living costs is an action that northerners can take to address living costs. But some of us have more opportunity and power than others to do this. Taking control over basic needs and a strong interdependence among family and community members are known to lower living costs and strengthen equality among people and communities. Community-based partnerships and collaborations, and focused and sustained effort also contribute to greater equality. In 2012 Alternatives North documented examples of this for the No Place for Poverty Coalition and GNWT.³⁶

Other examples of efforts to lower living costs are everywhere in the NWT.

- The NWT Food Network, a collaboration of the NWT Farmers' Association and Ecology North, had its inaugural meeting in March 2013.³⁷ Inspired by the UN Special Rapporteur on the right to food and food network advocates from northern Manitoba, the NWT Network committed to developing a sustainable food system and culture throughout the NWT. Unfortunately, in recent months sufficient resources to 'kick start' the Network have not been available.
- The Yellowknife Garden Collective facilitates the participation of an estimated 165 gardeners sharing 88 garden plots at three garden sites. The Collective is actively working with neighbourhoods and the City to develop more sites. Gardeners reduce their own food costs and contribute 25% of their yield to

³⁵<http://www.theasianconnectionsnewspaper.com/new-mining-sector-skills-training-program/>

³⁶*Addressing Poverty in the NWT – An Appreciative Inquiry of Program Success.* <http://alternativenorth-ca.web33.winsvr.net/Portals/0/Documents/Poverty/Alt%20North%20Anti-Poverty%20Appreciative%20Inquiry.pdf>

³⁷<https://dl.dropboxusercontent.com/u/78305835/NWT%20Food%20Network%20Gathering%20Report.pdf>

organizations feeding others.³⁸ The Collective donated 545 kg of garden produce and 175 bags of greens to local charities in 2012.³⁹

- Volunteers with Food Rescue in Yellowknife 'rescue' food from grocery stores and wholesalers for redistribution to organizations needing food (e.g., Yellowknife Food Bank, Centre for Northern Families, Salvation Arm). In 2009, Food Rescue redistributed over \$250,000 in food into the community.⁴⁰
- Food producers sell their products at farmers' markets in Hay River, Yellowknife, and Inuvik. The markets help food producers generate income and offset their own and others food costs.
- The Tuktoyaktuk Hamlet Council recently purchased 75 fish nets to distribute to people to increase the harvest in this area. The Council sees increasing the harvest of this food source as vital in a region where access to caribou and other species is dwindling.
- The owners of Kuptana Bed and Breakfast in Sachs Harbour with the help of GNWT incentives, installed a 4.5 kw solar system. Since its inception 30 months ago, the system has produced 12,900 kWh, saving the Kuptanas approximately \$7,800. To the GNWT who subsidizes their power, the saving is almost double that amount.
- The Down to Earth Artist Gallery in Yellowknife operates as an artist collective, run on consignment by volunteers. It cuts the costs of buyers and sellers, and increases artists earning opportunities.
- A group of women in Fort Good Hope hold weekly spa nights, volunteering their time to care for others. This reduces the costs of personal care, emotional and physical support, and health care.
- Cooking programs are part of literacy, school, elder day programs and many other community endeavours throughout the NWT. They feed people and teach food preparation skills.
- Public transportation through for example, the Ulukhaktok community van, the Yellowknife handi-van and public bus system, and the Rae-Edzo Friendship Express all help to reduce transportation costs.



Kuptana B&B solar bank

³⁸Yellowknife, Ndilo and Dettah Food System Assessment and Community Food Action Plan. 2010.

/www.yhssa.org/ContentPages/2486530663.pdf

³⁹<http://www.yellowknife.ca/Assets/City+Clerks/MSA+Agendas+and+Report+2013/MSAReportMay27%2c2013.pdf>

⁴⁰ ibid

Other Things that Can be Done

Other actions can be taken to reduce the inequalities among, and the costs of living of northerners. As MP of the Western Arctic, I am prepared to advocate for these actions.

Direct Federal Action

The federal tax system can be changed so that it does truly redistribute wealth. Specifically, three changes need to be made:

1. Increase the basic Northern Residents Tax Deduction (NRTD) by 50%.⁴¹ First established in 1989, a 50% increase in the NRTD would account for inflation and result in the same effect that it had when it was first introduced. Further, an increase in the NRTD would ensure the viability of the workforce, particularly in the larger market oriented communities that are the backbone of the northern economy.
2. Introduce a new NRTD category to recognize communities where most earnings are well below the territorial average. Preferably, the new category would be a refundable credit rather than a deduction and would be 200% - 300% greater than the present level, given that the cost of basic living in these communities is in many cases, 200% greater than in southern Canada.
3. As a factor of changes to the NRTD, ensure that northerners accrue increases in the basic personal exemption, the NWT basic credit for self (\$942), and the variable NWT non-refundable tax credit rate (5.9%).

Choosing a Different Path

Improving the taxation regime is just one action to deal with the northern inequalities and living costs. Other significant actions are needed but they require choosing a sustainability path rather than continuing along the standard consumer path.

Standard Consumer Path

The standard consumer path is that most of Canada is on is where we continue to think of costs in relation to a consumer lifestyle. To tackle high living costs and growing inequality, going forward on this path entails raising subsidies and increasing support programs for those on low and fixed income. It also requires much larger wage increases for the average worker, higher fees for northern located services, and a

⁴¹ This was recently recommended by the GNWT Economic Opportunities Strategy Governance Committee. <http://www.cbc.ca/news/canada/north/northern-living-tax-break-needs-50-hike-committee-says-1.2287515>

continued focus on convenience packaging and products. This path as we have seen, results in increased inflation, loss of northern-based services, reduced government finances for long term service improvements, and more fly-in workers for resource extraction industries.



The price of cheese in Tuktoyaktuk

The standard consumer path in practice is evident in northern housing that emphasizes standard southern lifestyles and ignores the highest standards for energy efficiency and alternative heating sources. This path is also evidenced in the Nutrition North Program. Unlike the previous Food Mail Program, Nutrition North accepts the standard consumer premise that the existing southern based marketing model, represented by CO-OP and Northern retail stores, should remain the model for food delivery. Further, it assumes that the costs of retailers should be the primary focus of the subsidy. The move away from the individual focused Food Mail Program to the retail focused Nutrition North Program assumes that everyone in the community should share the costs and inefficiencies of the local retailer. The net effects of the shift from the Food Mail to the Nutrition North have been:

- government support for convenience packaging, brand name promotion, and other elements of conventional retailing as the preferred way of doing business in remote communities.
- intensification of a system of dependency on market rather than individual driven food choices.
- perpetuation of a food system that threatens the health of northerners. For instance, a recent study found that 25% of nutrition for Nunavut children comes from soda pop and sugar laden fruit juice,⁴² a finding that likely can be duplicated to some degree across the north. This is a crisis of epic proportions in health and well being that threatens our communities. Even cancer rates, according to the Aboriginal and Global Health Research Group from the University of Alberta, presenting in Fort Good Hope this fall, have as one of the key contributing factors, the poor nutrition common in northern communities.

Moving northerners toward a dependency on foods imported by local retailers is supported by the federal government through policy but with declining investment. The actual dollar amount spent on the Nutrition North Program has been reduced. In the last year of the Food Mail Program, the expenditures had exceeded the budgeted

⁴² http://digitool.library.mcgill.ca/webclient/StreamGate?folder_id=0&dvs=138

amounts and were close to \$60 million Canada-wide. Three years later after significant inflation in the northern communities, the budget was set at \$52 million.

The Sustainability Path

The other path is sustainability. Sustainability is a term used to cover a variety of situations from large industrial projects that support local employment and business to the allowable yield of wild animals for human consumption. But as a lifelong northerner, I see sustainability as the ability to maintain a modest lifestyle, heavily focused on local production and utilization. It is a lifestyle enhanced and made prosperous with the participation of northerners in smaller scale and carefully paced extractive industry projects. Within this definition, sustainability has a temporal aspect in that it gives confidence to the people engaged in a sustainable economy that their grandchildren will continue to enjoy a prosperous and secure lifestyle in the future, regardless of the resource development cycle.

In practical terms regarding northern living costs and inequalities, sustainability can apply to supply systems, attitudes, materials, local economics, and consumption practices. Tools available to influence and make the sustainable path more attractive include full market pricing (based on a complete understanding of all costs), education and training in alternative economies, advertisement and promotion of lifestyle choices, incentives for local production, regulation, and public policy. Taking the sustainable path on food and energy issues are real options for northerners.

Food

As discussed elsewhere in this paper, healthy food options, even with the Nutrition North retailer subsidy, are out of reach for too many northerners, particularly those living in isolated communities. The high cost of food is compounded by rising costs of doing business resulting from energy, transportation, and salaries. While traditional hunting, trapping, and fishing play a significant role in the modern northern economy, the high cost of harvesting equipment and fuel, lack of suitable processing facilities, loss of traditional skills, effects of climate disruption, and changing availability of species are limiting local harvesting efforts. The decline in local harvesting is negatively impacting community cohesion. For example, those who pay so much for food have very little to share with others or give to food banks. Community sharing of country foods also took a major step backward with the abandonment of the community freezer program.

As discussed elsewhere in this paper, several communities are taking steps to develop a local food system. For example, in Fort Good Hope efforts are being made to acquire

community supervised processing and storage units for traditional foods (e.g., a multifunctional community processing facility, one side for fish and the other for meat with packaging and freezing capacity). Similar ideas are being discussed in Tuktoyaktuk and Ulukhaktok. The model for this is a facility created by a Hay River fisherman, who in a 200 sq. ft. shed has his processing, flash freezing, vacuum sealing, and storage area. He can market his product effectively, with a higher return than selling it unprocessed or to the Fresh Fish Marketing Corp.



Fishing processing facility in Hay River

To improve the success of community food production efforts, harvester training programs are needed.

Energy

Energy is one of the more pervasive elements contributing to living cost increases throughout the north. Diesel fuel is the main energy source for at least one-third of the population. It also runs the industrial resource extraction economy. Over the last decade, there has been at least a three fold increase in diesel prices. In Yellowknife, the NWT's most cost competitive location, the price for a litre of home heating oil has risen from the .30 - .40 cents in 2002 to \$1.20 - \$1.40 today. But in southern Canada, the price of natural gas for heating homes is now at a similar cost (or less) in dollar terms as ten years ago. Rising energy costs have a spill-over effect into all areas of northern life.

With the pressures of global increases in crude oil continuing as they have for the past two decades at a rate of 6% per year, a primary key to sustainability will be the development of local renewable energy sources. Small scale hydro, wind, solar, and biomass (including energy storage) are all practical solutions for the north. Investment in some innovation is required, but to a great degree, many of the technologies are already available. The most significant factor going ahead will be retraining the energy workforce, encouraging business development, and opening up individual investment opportunities.

Progress on alternative energies has been painfully slow. The federal government announced in its 2011 budget, an investment of \$6 million over two years for clean energy in northern and Aboriginal communities. This is a paltry sum compared to the

level of federal subsidy for fossil fuel production. It is also a very weak commitment to alternative energies given the high level of need among the 250 remote communities across Canada where hundreds of millions are required to make real change and where that change can demonstrate real payback.



Solar panels in Fort Simpson, NWT

As discussed previously, some movement is taking place with respect to developing alternate energies in the NWT. Northern energy efficiency, biomass, wind, and solar innovations are making a difference in living costs. This progress is being driven mainly by the GNWT and private initiatives.

Energy efficiency

Throughout the NWT, the need to upgrade residential and commercial building stock is urgent. This should be given the highest priority, especially in communities such as Norman Wells and Inuvik where there have been major disruptions in energy supply. Initiatives that are seeking to address these issues should be widely supported. Two examples of local businesses investing in energy efficiency are:

1. Energy Wall & Building Products in Yellowknife that has patented a design for use in new and retrofit construction that offers a continuous thermo-break exterior insulation panel system.
2. The Heritage Hotel in Norman Wells that upgraded lighting throughout the facility to LED and realized a payback within one year.



Energy Wall and Building Products in Yellowknife, NWT

Biomass

In the past six years, more and more industry, government, and individuals in the NWT have embraced biomass energy for heating homes, businesses, and institutions. But more can be done, especially to develop more cost effective local supplies of various forms of biomass.

Throughout many isolated communities, the costs of firewood have escalated to levels that are very high (in some cases over \$500/cord). Community fire hazard abatement planning together with creating viable community firewood supply opportunities require investment. Government supported wood marshalling yards may be one solution in the medium term to promoting more harvesting at appropriate times of the

year. An example of a business attempting to do this is SAND Environmental of Fort Smith, who through investment in technology, has ensured that the firewood market in this community is very competitive.

The very positive program that the GNWT has established for wood pellet utilization in large public buildings can be expanded as the evidence is clear that converted facilities can operate at a lower cost.

Expanding the program would enable more individuals and businesses to take advantage of biomass technologies. Further, since no federal government and very few municipal buildings have been converted, an opportunity exists for federal investment in conversion.



Peter Guenther, Yamori Inn in Norman Wells, NWT showing the new pellet heating system

A good example of conversion to biomass is in Norman Wells where investment has been made by local entrepreneurs in large scale storage facilities to compensate for seasonal freight access. This type of basic infrastructure should be supported, just as fuel oil storage facilities have been part of government capital programs for many years. With the security of storage, businesses like the Yamori Inn are more willing to invest in a new pellet heating system.

Wind

Wind technology continues to grow and improve throughout the circumpolar world. In the NWT, the large scale (8 megawatts) wind farm at the remote Diavik Diamond Mine uses large cost effective wind turbines and integrates wind power into its energy system. This example is hopeful for small communities whose efforts to develop wind technology have been stymied by storage issues. For a community like Ulukhaktok, replacing \$3,000,000 worth of fuel oil by a large wind farm that would both heat and light the community may be a very good investment for the future. Storage could take the form of heat, batteries, pumped water, or compressed air.

Despite wind generating opportunities, the federal government has resisted wind energy solutions. For instance, the previous Health Minister Leona Aglukkaq last year announced a major study into the impacts of wind turbine noise on human health. At the same time, the US EPA has just conclusively shown that diesel exhaust fumes are extreme carcinogens, something that has been common knowledge for decades. The Health Minister had shown no interest in this issue, although every community that she represents in Nunavut is completely tied to diesel generation and heating oil.

Solar

Riding a global surge of innovation and investment, solar energy is now a less expensive way to generate electricity than the cost of the fuel used in almost all diesel generating communities. A simple comparison figure is based on the cost per kWh. The best diesel generating equipment operating at high capacity can produce 4 kWh per litre of fuel. At \$1.20/litre this figure equates to \$.30/ kWh for fuel alone. Solar energy in the north is equated to the capital cost. For every \$1.00 per watt of installed capacity a figure of \$.05/kWh can be applied. Thus, a 10 kW solar system installed for \$40,000 will provide power at \$.20/kWh over its 25 year life.

Unfortunately, solar energy is a 'bad word' to the current federal government. It has failed to invest in this rapidly expanding energy form across Canada, and in the north where it has strong economic case. However, the GNWT's Solar Strategy could make a significant difference in northern communities. This strategy will see that as a bottom line, solar will provide 20% of all NWT communities' electricity from photovoltaics. As well, the GNWT has a modestly funded program that has provided substantial incentives for solar installations. A companion piece to the GNWT's Solar Strategy is the new Net Metering Policy, scheduled to be approved by the Public Utility Board this fiscal year. This will open up opportunities for all to participate in this new energy system, earning credits for surplus solar energy that is returned to the power grid.

In Conclusion

It is clear that much can be done to address living costs and inequalities in the NWT and elsewhere in northern Canada. As MP of the Western Arctic, I will be recommending to the Government of Canada to:

1. Update the federal taxation system for northern Canadians as outlined in this paper.
2. Increase the federal investment in renewable energy for the north by an exponential factor.
3. Direct CanNor to dedicate a large percentage of its northern development budget to micro enterprises that will reduce imports to northern communities and reduce the cost of living.

I will be recommending to the Government of the NWT to:

1. Convene a Northern Sustainability Forum to begin to lay out the best opportunities for moving forward on the sustainability path.
2. Initiate a major retrofit program for commercial and residential facilities.
3. Fine tune shelter options, adjusting rents as needed.

4. Invest more in harvesting support programs (e.g., community freezers, mobile kitchens, equipment) and in supporting cooperatives and credit union that encourage joint effort and less individual resources.

I will also be:

1. Monitoring the Auditor General's audit of the Northern Nutrition Program and keeping northerners apprised to ensure recommendations are actioned.
2. Working with other members of the NDP to continue to advocate for national food, anti-poverty, housing, and energy strategies and policies.
3. Supporting and advocating both for those community efforts mentioned in this report but all the others that are working to reduce inequalities.
4. Monitoring the GNWT's implementation of its anti-poverty and housing strategies.

APPENDIX A: Income and Cost of Living

All northerners have some form of income. Earnings may come from a job, harvesting, selling things, or some form of support such as a pension or income assistance. In the NWT, data are mainly collected for earnings from jobs, pensions, and income assistance but income data are unavailable for communities with less than 100 tax filers. Limited data are available about earnings that come from harvesting or sale of handmade products. What we know about income is summarized here.

Personal Income

Personal income in the NWT is primarily derived from employment, however it can also come from government transfers and other income. Government transfers include Employment Insurance, Social Assistance, Old Age Security, Canada Pension Plan, Child Tax Benefit and Territorial Tax Credit. Government transfers are more evident in small and off-road communities, accounting for up to 20% of personal income.

Personal Income by Source, 2010

Geography	% Employment Income	% Government Transfers	% Other Income
NWT	87	8	5
Gov't transfers < NWT Average			
Yellowknife	89	5	5
Norman Wells	93	4	3
Inuvik	88	8	4
Gov't transfers 200+ > NWT Average			
Aklavik	75	21	4
Fort McPherson	75	21	4
Tsiigehtchic	78	21	1
Tuktoyaktuk	75	21	3
Ulukhaktok	79	20	1
Fort Providence	74	20	6
Fort Good Hope	76	19	5
Fort Resolution	77	19	4
Whatì	80	18	2
Łutsel k'e	78	18	4
Tulita	82	17	1
Fort Liard	81	17	2
Paulatuk	83	16	0
Gamètì	83	16	1

Notes: No data are available for Wrigley. Other income includes investment and retirement income, which is important to senior and high income tax filers.

Source: Statistics Canada prepared by GNWT Bureau of Statistics

The ratio of employment income to government transfers varies significantly between large and small communities in the NWT.

The 2011 National Household Survey community profiles suggest slightly different government transfer rates for smaller and off-road NWT communities. In particular Fort McPherson (27%) and Aklavik (24%) were over three times the NWT average.

2010 Rate of Government Transfer Payments in NWT Communities

Geography	Government transfer payments (%)	Geography	Government transfer payments (%)
NWT	8		
< than the NWT Average			
Norman Wells	4		
Yellowknife	5	Hay River	8
>double the NWT Average			
Fort McPherson	28		
Aklavik	24	Fort Liard	18
Tuktoyaktuk	21	Gameti	18
Hay River Reserve	20	Uluhkaktok	18
Fort Providence	19	Paulatuk	17
Fort Good Hope	19	Dełı̨ne	17
Łutsel k'e	18	Fort Resolution	17
Whati	18	Behchokq̃	16

Note: Data were suppressed for Dettah, Enterprise, Ndilo, Wrigley, Trout Lake, Nahanni Butte, Jean Marie River, Kakisa, Tsiigehtchic, Wekweeti, Sachs Harbour, and Colville Lake to meet the confidentiality requirements of the *Statistics Act*

Source: Statistics Canada 2011 National Housing Survey Community Profiles

NWT personal income annually increased an average of 3.9% or a total of 39% between 2001 and 2010. Ten communities kept pace with or exceeded the increase in average NWT personal income, while more than half of the 22 reporting communities were below the average annual increase between 2001 and 2010.

In 2010, the average NWT personal income was \$53,630. Norman Wells (\$76,233), Yellowknife (\$63,127), and Hay River (\$54,331) were the wealthiest communities where average personal income exceeded the average NWT personal income. The average personal income in off-road and smaller communities paled in comparison ranging

from \$26,341 in Ulukhaktok (49% of the average NWT personal income) to \$35,024 in Tuktoyaktuk (65% of the average NWT personal income).

Personal Income Distribution - Less than \$15,000

The percentage of NWT tax filers reporting less than \$15,000 declined by 6% between 2001 and 2010. For eight mostly off road communities, the decline in the percentage of tax filers reporting less than \$15,000 was less and was in the 40+% range. The percentage of Paulatuk, Tuktoyaktuk, and Lutsel k'e tax filers reporting less than \$15,000 actually increased in that period. In 2010, 23% of NWT tax filers reported less than \$15,000.

Personal Income Distribution - Less than \$15,000

Communities	2001%	2010 %	Trend
NWT	29	23	↓
< than Territorial average			
Yellowknife	21	16	↓
Norman Wells	21	17	↓
Hay River	28	20	↓
Aklavik	46.3	41.9	↓
much > than Territorial average			
Behchoko	43.4	38.7	↓
Fort McPherson	43.8	39.3	↓
Lutsel k'e	38.1	40	↑
Paulatuk	50	52.4	↑
Tuktoyaktuk	41.1	41.4	↑
Tulita	45.8	40.6	↓
Ulukhaktok	45.5	41.4	↓

Source: Statistics Canada, prepared by GNWT Bureau of Statistics

\$50,000 or More

The percentage of NWT tax filers reporting \$50,000 or more increased by 13% between 2001- 2010. The increase was:

- larger and more concentrated in private market and large communities such as Yellowknife (15.3%), Norman Wells (13.7%), Fort Simpson (14.4%), and Hay River (13.8%).
- much less for small and off-road communities such as Tuktoyaktuk (2.8%), Ulukhaktok (2.4%), Paulatuk(4.8%), Tulita (5.2%) and Lutsel k'e (5.7).

In 2010, 44% of tax filers in the NWT reported income of \$50,000 or more. Much lower concentrations of tax filers reporting income of \$50,000 or more were located in small and off-road communities (e.g., Paulatuk (19%), Aklavik (21%), Tuktoyaktuk (21%), and

Tulita (22%) compared to higher concentrations in private market and large communities (e.g., Norman Wells (58%), Yellowknife (55%), and Hay River (46%).

Family Income

Average Family Income

NWT family income increased an average annual 4.2% (or a total of 42%) between 2001-2010. Increases in this period were spread over NWT communities with:

- higher than average increases in family income which was primarily in larger communities (e.g., Norman Wells (49%), Hay River (45%), Fort Smith (43%), Yellowknife (42%), Fort Resolution (62%), Fort Simpson (51%); and
- lower than average increases in family income which were primarily in off-road communities such as Aklavik (22%), Ulukhaktok (26%), Paulatuk (23%), Tulita (27%), and Lutsel k'e (34%).

In 2010, NWT families earned an average \$113, 934.⁴³ Family incomes were:

- highest in Norman Wells (\$150,389), Yellowknife (\$138,620), and Hay River (\$116,872); and
- lowest for many of the smaller and off-road communities⁴⁴ for example, Ulukhaktok \$58,455 (51% below the territorial average), Paulatuk \$59,563, Lutsel k'e \$59,625, and Tulita \$63,250.

Families Earning More than \$75,000

Between 2001 and 2010, 25% more NWT families earned in excess of \$75,000. With the exception of Ulukhaktok, the percentage of families with higher income increased in each community. In 2010, higher family income was:

- highly concentrated (above the NWT average) in private market and larger centres such as Yellowknife (75%), Hay River (68%), and Norman Wells (67%); and
- sparsely concentrated (half or less of the NWT average) in small and off-road communities such as Aklavik (28%), Fort Resolution (31%), Lutsel k'e (25%), Tuktoyaktuk (30%), and Whati (29%).

⁴³ The 2011 National Household Survey Community Profiles reported higher NWT average family income of \$127,512 and higher incomes in each community.

⁴⁴ Paulatuk, Tuktoyaktuk, Ulukhaktok, Sachs Harbour, Coville Lake, Fort Good Hope, Deline, Tulita, Norman Wells, Trout Lake, Nahanni Butte, Gameti, Whati, Lutsel k'e, and Aklavik.

Families Earning More or Less than the NWT Average of \$75,000

Geography	2001 %	2010 %	Trend
NWT	47	62	↑
>than Territorial average			↑
Yellowknife	61	75	
Hay River	49	68	↑
Norman Wells	58	67	↑
< than double the Territorial average			
Aklavik	25	28	↑
Fort Resolution	14	31	↑
Tuktoyaktuk	21	30	↑
Lutsel k'e	20	25	↑
Whati	18	29	↑
Ulukhaktok	18	18	=

Source: Statistics Canada, prepared by GNWT Bureau of Statistics

*No data were reported for Paulatuk

Lone Parent Family Income

Of the 11,230 NWT families reporting income in 2010, 24% (2,700) were lone parent families. In 2010, lone parent families earned an average of 45% (\$50,930) of the average income earned by all families in the NWT. Between 2001 and 2010, the 32% increase in NWT lone parent family income was 10% less than the overall increase for all NWT families. The increase was smaller for lone parent families in off-road and small communities. In fact, lone parent families in Fort Good Hope (-4.49%) and Paulatuk (-33.86%) lost income and Tulita had a nominal gain (.48%) between 2001 and 2010. In 2010, lone parent family income in:

- off-road and small communities tended to be below the NWT lone parent average income (e.g., \$21,000 in Paulatuk- 41% of the NWT lone parent average income, \$31,100, \$32,300, and \$33,500 in Tulita (61%), Lutsel k'e (63%) and Fort Good Hope (66%); and
- larger communities on the road system was equivalent to or above the NWT lone parent average income, for example \$64,181 in Yellowknife (126% of the NWT lone parent average income), \$56,333 and \$50,875 in Inuvik (110%) and Hay River (99.9%).

NWT Families in Low Income

Statistics Canada produces three statistical measures of low income and clearly states that these measures are not 'poverty lines.' However, some use them to measure poverty. The Low Income Measure (LIM) is calculated for the NWT and defines low income as:

- 50% or more below the median income.⁴⁵
- being much worse off than similar households.

NWT Families in Low Income (after tax)

Two percent fewer NWT families were in low income after tax between 1998 and 2010. A slight reduction in low income families occurred for most communities, however at least three communities (Fort McPherson, Lutsel k'e, and Fort Providence) had an increase in low income families. In 2010, there were two times or more the territorial average families in low income in Behchoko, Fort McPherson, and Lutsel k'e.

Families in Low Income (After Tax), 1998 and 2010

Communities	1998 %	2010 %	Trend
NWT	17	15	↓
<NWT Average			
Norman Wells	0	0	=
Yellowknife	9	8	↓
Hay River	18	12	↓
Fort Liard	15	13	↓
Fort Good Hope	31	14	↓
Deline	15	14	↓
Fort Smith	19	15	↓
>Double the NWT Average			
Lutsel k'e	22	38	↑
Behchoko	36	32	↓
Fort McPherson	30	32	↑

Source: Statistics Canada, prepared by GNWT Bureau of Statistics

Another measure of low income in the NWT is the number of families living on income below \$30,000. Five percent fewer families earned less than \$30,000 between 2001 and 2010. During this period, the percentage of families in Behchoko, Paulatuk, and Lutsel k'e earning less than \$30,000 actually increased. While 16% of families in the NWT earned less than \$30,000 in 2010, seven communities (Paulatuk, Lutsel k'e, Whati, Fort McPherson, Aklavik, Tulita, and Behchoko) had double or more the territorial average families earning less than \$30,000.

⁴⁵ In 2010, the NWT median family income was \$101,010.

Families Earning Less than \$30,000

Geography	2001 %	2010 %	Trend
Canada	24	16	↓
NWT	21	16	↓
<NWT Average			
Yellowknife	13	9	↓
Norman Wells	16	11	↓
Hay River	19	14	↓
> double or more the NWT Average			
Paulatuk	50	50	=
Lutsel k'e	40	50	↑
Whati	55	36	↓
Fort McPherson	38	36	↓
Aklavik	38	33	↓
Tulita	50	33	↓
Behchoko	31	32	↑

Notes: Full data not available for Tsiigehtchic, Wrigley, and Gameti

Source(s): Statistics Canada, SAADD

Lone Parent Families in Low Income

Lone parent families are vulnerable and more likely to be in low income than two parent families.

- The percentage of NWT lone parent families in low income marginally declined from 40% in 1998 to 38% in 2010.
- Between 1991-2010 some communities (listed below) had fewer lone parent families in low income. At least five communities had an increase or no change.

Lone Parent Families in Low Income, 1998 and 2010

Communities	Percentage of Lone Parents 1998 %	Percentage of Lone Parents 2010 %	Trend
NWT	40	38	↓
< NWT Avg.			
Yellowknife	31	30	↓
Aklavik	40	33	↓
Inuvik	37	37	=
Fort Simpson	44	36	↓
Fort Smith	35	38	↑
Hay River	41	35	↓
>Well Above NWT Avg.			
Behchoko	60	60	=
Fort McPherson	50	50	=
Lutselk'e	50	60	↑
Tulita	68	60	↓
Fort Resolution	50	50	=

Source: Statistics Canada, prepared by GNWT Bureau of Statistics

Government Transfers/ Income Assistance and Income Tax

Progressive income taxes and means tested transfers are two methods of redistributing income from people with high incomes to people with low income. Government transfers provided about 8% and Income Assistance about 1% of the average NWT personal income in 2010.

- A 21% increase in Income Assistance cases and a 50% increase in case payments fuelled the 81% increase in annual Income Assistance payments from \$8.836 million in 2001 to \$15.984 in 2012.
- About 5% of the NWT population benefited from income assistance in 2012, down from 6% in 2001. In this period, an increase in beneficiaries occurred in smaller and off-road community populations. Tuktoyaktuk and Aklavik had sizeable increases.
- In 2012, Income Assistance benefited more people in Yellowknife, however a much higher percentage (two to three times the territorial average) of community populations were beneficiaries in off-road or smaller communities (Aklavik (21%), Paulatuk (20%), Ulukhahtok (16%), and Tuktoyaktuk (21%).

Income Assistance Beneficiaries as Percent of Population, 2001 and 2012

Geography	2001 #	2001 %	2012 #	2012 %	Trend
Northwest Territories	2412	6%	2240	5%	↓
<NWT Average					
Dettah	0	0%		0%	=
Sachs Harbour	7	6%	1	1%	↓
Jean Marie River	1	1%	1	1%	=
Norman Wells	10	1%	12	1%	=
Colville Lake	6	5%	2	1%	↓
Yellowknife	471	3%	478	2%	↓
Enterprise	1	1%	3	3%	↑
Hay River	222	6%	112	3%	↓
Trout Lake	0	0%	3	3%	↑
Wekweeti	19	14%	6	4%	↓
Wrigley	5	3%	5	4%	↑
Well Above NWT Average					
Aklavik	101	15%	131	21%	↑
Tuktoyaktuk	76	8%	202	21%	↑
Paulatuk	76	24%	66	20%	↓
Ulukhahtok	76	18%	78	16%	↓
Fort Resolution	58	10%	54	11%	↑
Behchoko	264	15%	243	11%	↓

Geography	2001 #	2001 %	2012 #	2012 %	Trend
Deline	64	11%	63	11%	↑
Whati	100	20%	57	11%	↓
Fort Providence	94	11%	81	10%	↓
Lutselk'e	71	20%	29	10%	↓

Source: Education Culture and Employment, Bureau of Statistics

Note: As a result of changes to the Income Assistance Program, data for 2007 and beyond is not strictly comparable with previous years.

Number of Average Monthly Income Assistance Cases and Payments (\$000), 2001 and 2012

Geography	2001 Payments (\$000)	2001 Cases	2001 Payments/ Case	2012 Payments (\$000)	2012 Cases	2012 Payments/ Case
Northwest Territories	\$8,836	1202	\$7,351	\$15,984	1453	\$11,001
Aklavik	\$292	54	\$5,415	\$766	82	\$9,339
Behchoko	\$767	122	\$6,289	\$1,451	152	\$9,547
Colville Lake	\$22	2	\$11,150	\$17	1	\$16,700
Deline	\$171	36	\$4,758	\$407	46	\$8,837
Dettah	\$0			\$0		
Enterprise	\$3	1	\$3,400	\$25	2	\$12,600
Fort Good Hope	\$121	23	\$5,257	\$303	29	\$10,441
Fort Liard	\$87	13	\$6,700	\$120	17	\$7,076
Fort McPherson	\$187	39	\$4,790	\$345	39	\$8,838
Fort Providence	\$217	49	\$4,437	\$394	55	\$7,162
Fort Resolution	\$158	28	\$5,654	\$396	39	\$10,146
Fort Simpson	\$87	17	\$5,094	\$460	50	\$9,202
Fort Smith	\$624	91	\$6,855	\$867	91	\$9,530
Gameti	\$77	12	\$6,425	\$94	9	\$10,478
Hay River	\$835	106	\$7,880	\$1,072	83	\$12,917
Hay River Reserve	\$157	23	\$6,839	\$122	14	\$8,686
Inuvik	\$878	105	\$8,360	\$1,373	125	\$10,983
Jean Marie River	\$1			\$5	1	\$5,200
Kakisa	\$15	3	\$4,867	\$2		
Lutsel k'e	\$230	30	\$7,680	\$141	17	\$8,312
Nahanni Butte	\$2	0		\$43	4	\$10,725
Norman Wells	\$25	3	\$8,200	\$74	8	\$9,300
Paulatuk	\$223	23	\$9,683	\$435	43	\$10,107
Sachs Harbour	\$23	3	\$7,700	\$8	1	\$8,400
Trout Lake	\$1	0		\$25	2	\$12,650
Tsiigehtchic	\$42	6	\$7,033	\$35	4	\$8,725
Tuktoyaktuk	\$231	40	\$5,778	\$1,305	122	\$10,699

Geography	2001 Payments (\$000)	2001 Cases	2001 Payments/ Case	2012 Payments (\$000)	2012 Cases	2012 Payments/ Case
Tulita	\$93	15	\$6,213	\$227	25	\$9,068
Ulukhaktok (Holman)	\$213	32	\$6,666	\$387	43	\$9,007
Wekweeti	\$66	9	\$7,367	\$59	5	\$11,740
Whati	\$329	47	\$7,004	\$319	30	\$10,640
Wrigley	\$21	4	\$5,250	\$47	4	\$11,750
Yellowknife	\$2,636	263	\$10,023	\$4,660	310	\$15,032

Source: Education Culture and Employment, Bureau of Statistics

NB: As a result of changes to the income assistance program, data for 2007 and beyond is not strictly comparable with previous years.

Income Tax and Disposable (After Tax) Income

In 2009, personal tax of \$17,668 and \$23,845 was paid by tax filers on average in the NWT and Yellowknife. Households spent 21% and 23% of their household expenditures on personal tax in the NWT and Yellowknife.

Household Spending Personal Taxes, Northwest Territories and Yellowknife, 2009

	Avg. NWT Expenditure \$	Avg. Yellowknife Expenditure \$
Personal Taxes	17,668	23,845

Source: Statistics Canada's Survey of Household Spending Prepared by: NWT Bureau of Statistics

The income tax system works to redistribute income,⁴⁶ taxing those with more income at a higher rate than those with less income. To some degree, these tax rates reduce variations in income distribution. Some families in low income before taking taxes into account are relatively better off and not in low income on an after-tax basis.

In the NWT, the tax system has helped to redistribute income to families and move some out of low income. The number of people in low income has been consistently lower on an after-tax basis than on a before-tax basis. However, the tax system in 2010 may have had less effect on moving families out of low income than it did in 1998. Tax system redistribution of income helped:

⁴⁶Statistics Canada, Income Research Paper Series – Research Paper, 75FOOO2MLow Income Lines, 2010-2011 <http://www.statcan.gc.ca/pub/75f0002m/2012002/lico-sfr-eng.htm>

- 2% of NWT families moved from low income in 2010, compared to 3% in 1998; and
- 4% of NWT lone parent families moved from low income in 2010, compared to 6% in 1998.

In 2010, there was no change in low income status for lone parent families in many smaller and off-road communities, however the change was significant in Fort Good Hope (20%), Fort Liard (50%), and Whati (20%). These large changes may be due to lone parent family concentrations just below the Low Income Measure.

Before and After Tax Percentages of Families in Low Income, 1999 and 2010

	All Families		Lone Parent Families	
	% Change		% Change	
	Before/After Tax	Before/After Tax	Before/After Tax	Before/After Tax
	1998	2010	1998	2010
Northwest Territories	3	2	6	4
Aklavik	0	6	0	0
Fort McPherson	10	0	13	0
Inuvik	2	2	0	3
Paulatuk	0	0	0	0
Tuktoyaktuk	5	4	0	0
Ulukhaktok	0	18	0	0
Déljine	8	0	25	0
Fort Good Hope	7	22	0	20
Norman Wells	0	0	0	0
Tulita	0	0	0	0
Fort Liard	0	14	0	50
Fort Providence	10	4	25	0
Fort Simpson	0	8	0	9
Fort Resolution	0	0	0	0
Fort Smith	3	3	6	5
Hay River	4	1	9	4
Lutsel k'e	0	0	0	0
Behchokq'	2	4	0	5
Gamètì	0	0	0	0
Whatì	30	22	25	20
Yellowknife	2	1	8	4

Source: Statistics Canada, Prepared by NWT Bureau of Statistics

Note: Data only available for communities with 100 taxfilers or more. Tsiigehtchic, Wrigley

The 2011 National Household Survey⁴⁷ sheds light on the rate of tax paid by tax filers in NWT communities and confirms that, on average, higher incomes attract higher tax rates and conversely lower incomes attract lower tax rates. The rate of tax affects an individual's disposable (after tax) income available to pay for basic costs of living.

- average 16% of net income NWT individual tax rate.
- disposable (average after tax) income of \$45,730 available to pay for basic costs of living.
- lower tax rates below the NWT average and lower disposable income in smaller and off-road communities. For example, disposable income of \$25,998 was available after average 13% tax in Paulatuk.

2010 Average Tax and After Tax Income in NWT Communities

Geography	Average Individual tax (%)	Average after-tax individual income (\$)
NWT	16	45,730
> than the NWT Average		
Norman Wells	21	61,396
Yellowknife	17	53,371
Inuvik	17	44,926
Hay River	16	48,416
< than the NWT Average		
Hay River Reserve	3	25,137
Fort McPherson	11	25,224
Aklavik	11	27,686
Fort Providence	12	27,225
Fort Good Hope	12	27,572
Fort Liard	12	30,285
Gameti	12	30,749
Ulukhaktok	12	27,844
Whati	13	27,721
Tulita	13	28,305
Paulatuk	13	25,998
Tuktoyaktuk	13	28,438
Fort Resolution	13	33,010
Dełı̨ne	13	28,894
Łutselk'e	14	31,370
Behchokq̃	15	32,431

⁴⁷Statistics Canada 2011 National Household Survey Community Profiles

Geography	Average Individual tax (%)	Average after-tax individual income (\$)
Fort Smith	15	42,245
Fort Simpson	15	43,055

Note: Data were suppressed for Dettah, Enterprise, Ndilo, Wrigley, Trout Lake, Nahanni Butte, Jean Marie River, Kakisa, Tsiigehtchic, Wekweeti, Sachs Harbour, and Colville Lake to meet the confidentiality requirements of the *Statistics Act*

Source: Statistics Canada 2011 National Household Survey Community Profiles

Cost of Living

Day to day living costs money. Living costs vary depending on where and how we live. For example, costs are higher in Paulatuk than in Hay River. Costs are also influenced by how we heat our homes, whether we walk or drive, and whether we make our own meals or buy processed foods. The size of our households and access to the things needed to live safely and with dignity also affect our living costs.

The high cost of food in Northern communities is a big part of the problem. A 2008 price survey by Aboriginal Affairs and Northern Development found groceries to feed a family of four for a week cost \$476 in Paulatuk. In the case of one individual in the community on income support who received only \$38 for a two-month period, no money was available to purchase food.⁴⁸

The amount of money required to maintain a certain standard of living is often referred to as the 'cost of living'. The elements and definitions of a set standard of living are subjective. Still, costs for some of the basic elements such as food, housing, and heating may be compared across Canadian cities and across communities in the NWT.⁴⁹

Cost of living basics are shelter and food costs.⁵⁰ In 2009,

- the average NWT household spent \$82,966 on basic and other costs of living of which \$27,357 was spent on basic food and shelter needs.
- Yellowknife households spent 23% more (almost \$102,000) of which \$32,675 was spent on basic food and shelter needs.

⁴⁸<http://www.cbc.ca/news/canada/north/story/2012/08/24/north-paulatuk-food-bank.html>

⁴⁹NWT Bureau of Statistics

⁵⁰ Shelter includes total monthly power, heating, water and sewer, insurance and maintenance costs.

Household Spending on Basics, Northwest Territories and Yellowknife, 2009

	Avg. NWT Expenditure \$	Avg. Yellowknife Expenditure \$
Total expenditure	82,966	101,966
Total current consumption	58,498	69,642
Food	9,509	9,440
Food purchased from stores	8,060	7,415
Food purchased restaurants	1,435	2,002
Shelter	17,848	23,235
Principal accommodation	16,624	21,814
Rented living quarters	4,903	5,203
Owned living quarters	7,900	12,192
Water, fuel and electricity	3,821	4,419
Water and sewage	583	708
Electricity	1,630	1,991
Other fuel	1,514	1,662
Other accommodation	1,224	1,421

Source: Statistics Canada's Survey of Household Spending Prepared by: NWT Bureau of Statistics

Note: '..' means data are unavailable.

Living cost differentials (LCDs) compare the cost of a basket of goods and services, excluding shelter, between Edmonton and communities in the NWT. Yellowknife has the lowest LCD while smaller and off-road communities have the highest. LCDs tell us that families in Paulatuk, Ulukhaktok, and Colville Lake are likely to pay over \$150 for the same basket of goods and services that families in Yellowknife would pay \$100 for.

2009 Living Cost Differentials (LCD) for NWT Communities (Edmonton = 100)

Community	LCD	Community	LCD
Aklavik	167.5	Fort Liard	132.5
Fort McPherson	157.5	Fort Providence	132.5
Inuvik	147.5	Fort Simpson	137.5
Paulatuk	177.5	Nahanni Butte	142.5
Sachs Harbour	177.5	Trout Lake	152.5
Tsiigehtchic	162.5	Wrigley	152.5
Tuktoyaktuk	172.5	Jean Marie River	142.5
Ulukhaktok	177.5	Behchokq'	127.5
Colville Lake	177.5	Gameti	147.5
Dełjıne	172.5	Whati	147.5
Fort Good Hope	172.5	Enterprise	127.5
Norman Wells	152.5	Kakisa	132.5
Tulita	162.5	Hay River	127.5
Fort Resolution	142.5	Lutselk'e	162.5
Fort Smith	132.5	Yellowknife	117.5

Notes:

1. Source: Statistics Canada.
2. Data are unavailable for Wekweeti and Hay River Reserve

Inflation affects the purchasing power of families and individuals. Inflation is the rate of change in the all item consumer price index.⁵¹ The NWT Bureau of Statistics calculates and publishes inflation rates only for Yellowknife (no Territorial rate is calculated). Between 2002 and 2012, Yellowknife inflation averaged 2.2% annually, slightly higher than the 2% inflation rate for Canada.

Inflation Rate, Canada and Yellowknife

	Canada CPI	Inflation Rate	Yellowknife CPI	Inflation Rate
2012	121.7	1.5	124.3	2.2
2011	119.9	2.9	121.6	3.1
2010	116.5	1.8	117.9	1.7
2009	114.4	0.3	115.9	0.6
2008	114.1	2.3	112.2	4
2007	111.5	2.2	110.8	2.9
2006	109.1	2	107.7	1.4
2005	107	2.2	106.2	2.3
2004	104.7	1.8	103.8	1.5
2003	102.8	2.8	102.3	2.3
2002	100	2.2	100	3
2001	97.8	2.5	97.1	1.6
Avg. 2002-2012		2.0		2.2
Avg. 2001-2010		1.9		2.08

Source: Historical Inflation Rates, NWT Bureau of Statistics

In 2009, a Yellowknife household spending \$101,966 on basic costs of living would need to spend about 7% (\$109,266) more in 2012. Between 2001 and 2010 personal and family income less than \$15,000 and \$30,000 declined in Yellowknife and the NWT. However, over the same period of time inflation effectively reduced the purchasing power by 22.9% of

- \$15,000 to \$11,571 in 2010.
- \$30,000 to \$23,142 in 2010.

To compensate for the decrease of purchasing power between 2001 and 2010, the increase in personal and family incomes exceeded the 22.9% inflation rate.

⁵¹ The consumer price index is a basket of goods and services including basics such as food, shelter, household operations, clothing and footwear, transportation, health and personal care, recreation, education, and alcohol and tobacco products.

Housing

In 2009, NWT and Yellowknife households spent:

- an average of \$17, 848 and \$23,235 (e.g.22% and 23% of household expenditures) on shelter, of which,
- an average of \$3,821 and \$4,419 (5% of household expenditures) was spent on shelter water, fuel and electricity costs.⁵²

The 2011 National Household Survey profiles homeowner and tenant shelter costs and affordability. Shelter cost subsidies and shelter costs exceeding 30% of income⁵³ (affordability threshold) are factors in NWT communities. In the NWT, the decision to rent or own may be based on availability, housing subsidies. and affordability. In 2010,

- the average \$18,900 cost of homeownership in the NWT was 47% more than average \$12,828 shelter costs of tenancy.
- average tenancy costs were lower than the average costs of homeownership in all communities except for Gameti, Tsiigehtchic, and Fort Liard.
- average annual homeownership and shelter costs of tenancy were:
 - highest (above the territorial average) in the active private market communities of:
 - Yellowknife (\$24,996 owned and \$16,563 rented), and
 - Inuvik (\$19,740 owned and \$13,224 rented).
 - lowest in small communities e.g.:
 - rents averaged \$3,792 in Aklavik, \$4,440 in Tuktoyaktuk, \$4,470 in Fort McPherson, and \$5,652 in Ulukhaktok.
 - shelter costs for owned dwellings averaged \$5,448 in Jean Marie River \$5,268 in Colville Lake and \$4,392 in Wrigley.

⁵²Statistics Canada's Survey of Household Spending Prepared by: NWT Bureau of Statistics

⁵³threshold defined by the Canada Mortgage and Housing Corporation (CMHC) to measure housing affordability.

2010 Average Annual Shelter Cost for Owned and Rented Dwellings

Geography	Shelter Costs for Owned Dwellings	Shelter Costs for Rented Dwellings	Geography	Shelter Costs for Owned Dwellings	Shelter Costs for Rented Dwellings
NWT	18900	12828	Whati	9780	7704
Yellowknife	24996	16536	Dełı̨ne	9648	8424
Inuvik	19740	13224	Fort McPherson	9528	4740
Norman Wells	17556	10728	Fort Good Hope	9192	8760
Hay River	16752	10728	Ulukhaktok	8652	5652
Fort Simpson	12744	9024	Gameti	8580	9948
Behchokq̃	12192	10812	Fort Liard	8208	10800
Fort Smith	12060	8112	Fort Providence	7956	7488
Wekweeti	13584	8964	Fort Resolution	7668	6768
Aklavik	11952	3792	Trout Lake	6804	0
Tulita	11448	7332	Kakisa	6648	0
Łutsel k'e	10680	7716	Tsiigehtchic	6600	12468
Sachs Harbour	10392	9180	Nahanni Butte	6276	0
Tuktoyaktuk	10152	4440	Jean Marie River	5448	0
Detah	10176	8640	Colville Lake	5268	0
Paulatuk	10056	7296	Wrigley	4392	0

Source: Statistics Canada 2011 National Household Survey Community Profiles

Lower rents in smaller communities may be due to high rates of subsidized housing. In 2010, 43% of NWT households lived in subsidized housing. In Canada, 13.7% of tenant households lived in subsidized housing. In the NWT, the highest rates of household in subsidized housing were in smaller off-road communities (e.g. Aklavik 91%, Ulukhaktok 86%, Tuktoyaktuk 85%). Consequently fewer households (14%) paying shelter costs above the 30% of income affordability threshold resided in NWT communities compared to an average of 25% in Canada.⁵⁴ Communities with lower than NWT average households in subsidized housing (e.g., Yellowknife and Inuvik) were likely to have higher rates of households paying shelter costs above the affordability threshold.

⁵⁴Statistics Canada, 2011 National Household Survey Homeownership and Shelter Costs in Canada
<http://www12.statcan.gc.ca/nhs-enm/2011/as-sa/99-014-x/99-014-x2011002-eng.cfm#a3>

2010 Tenants Households in Subsidized Housing and Households Spending > 30% of Income on Shelter Costs

Geography	% of tenant households in subsidized housing	> than 30% of income on shelter costs	Geography	% of tenant households in subsidized housing	> than 30% of income on shelter costs
NWT	43	14	Fort Smith	51	11
Yellowknife	29	16	Hay River	42	12
Inuvik	41	19	Fort Liard	40	13
Norman Wells	49	6	Fort Providence	61	13
Aklavik	91	7	Fort Simpson	60	12
Fort McPherson	83	x	Jean Marie River	0	x
Paulatuk	71	17	Nahanni Butte	0	x
Sachs Harbour	83	x	Trout Lake	0	x
Tsiigehtchic	60	x	Wrigley	0	x
Tuktoyaktuk	85	10	Behchokq'	56	x
Ulukhaktok	86	7	Gameti	50	0
Colville Lake	0	x	Wekweeti	0	x
Dełı̨ne	81	13	Whati	58	8
Fort Good Hope	60	15	Dettah	75	x
Tulita	82	14	Fort Resolution	47	11
Lutsel k'e	77	19	Kakisa	0	x

Source: Statistics Canada 2011 National Household Survey Community Profiles

Northerners have three main shelter options: homeownership, private rental, and public housing.

Homeownership

The core need income threshold (CNIT) is an income limit for each community that represents the amount of income a household must have to afford the cost of owning and operating a home or renting in the private market without government assistance. The CNIT formula⁵⁵ ensures that mortgage and shelter cost do not exceed 30% of income.⁵⁶ CNITS are also calculated for one person, two, four, and five bedroom houses and range from around \$50,000 for one person on K'atlodeeche First Nation to \$180,000 for a five bedroom in Ulukhaktok. Annual shelter costs (e.g. power, heat, taxes, water,

⁵⁵ Mortgage cost (total construction and land cost) amortized over 25 years at 5.69% interest compounded semi-annually + shelter costs

⁵⁶ NWT Housing Corporation http://nwthc.gov.nt.ca/_live/pages/wpPages/HCNIT.aspx

sewer, insurance, and maintenance) may range from \$5,028 for a one person dwelling in Jean Marie River to \$16,488 for a five bedroom in Ulukhaktok.⁵⁷

Affordable Housing Core Need Income Thresholds and Annual Shelter Costs by Community, 2009-2010

Geography	3 BDR CNITS (\$)	3 BDR Shelter Costs (\$)	Geography	3 BDR CNITS (\$)	3 BDR Shelter Costs (\$)
Aklavik	102,800	9,132	Fort Liard	100,400	9,216
Ft. McPherson	103,200	9,804	Fort Providence	81,800	8,568
Inuvik	110,600	10,656	Fort Simpson	100,600	9,264
Paulatuk	133,000	10,800	K'atlodeeche 1st Nation	66,200	6,216
Sachs Harbour	131,900	11,508	Jean Marie River	92,400	6,840
Tsiigehtchic	102,000	8,616	Nahanni Butte	96,300	7,644
Tuktoyaktuk	122,700	10,368	Trout Lake	96,000	7,536
Ulukhaktok	139,000	11,604	Wrigley	95,900	7,884
Colville Lake	94,300	7,764	Behchokq'	102,000	8,772
Deline	96,600	8,460	Gameti	101,000	10,548
Ft. Good Hope	95,500	8,136	Wekweeti	100,600	10,428
Norman Wells	103,400	9,708	Whati	99,100	9,984
Tulita	98,500	9,264	Dettah	91,600	8,136
Lutsel k'e	92,400	8,736	N'dilo	90,100	7,668
Ft. Smith	90,300	8,424	Enterprise	75,800	8,664
Hay River	93,600	10,248	Fort Resolution	93,600	8,124
Yellowknife	103,200	9,912	Kakisa	76,600	7,800

Source: NWT Housing Corporation, 2009-2010 Core Needs Income Threshold

If home ownership is not an option for families with limited income they may turn to affordable housing, private rental market or public housing for their shelter needs.

Affordable Housing

A limited number of affordable housing units are available for essential service providers employed by Federal, Territorial, and Aboriginal governments. The NWT Housing Corporation Market Housing Program sets rents for units based on the costs to operate and maintain each unit in relation to the northern community in which they are located. Heating fuel is typically included in the rent, but tenants are expected to pay for power and water. Affordable housing annual rents range from \$15,000 in the

⁵⁷Power rates are based on 833kW hours (average consumption) multiplied by the domestic rate under the Territorial Power Subsidy Program applied when consumption is average or less consumption. Heating cost is the average 4,000 litres consumption of heating fuel per year by the 2010 price.

southern NWT to \$16,920 in the north, to over \$20,000 in Yellowknife. Tenants may expect to pay annual power and water costs from \$1,700 to \$2,700.

Annual Rent, Power and Water for 2-Bedroom Dwelling in NWT Communities, 2013

Geography	Rent (\$)	Power & Water (\$)	Geography	Annual Rent (\$)	Power & Water (\$)
Aklavik	16,920	2,256	Fort Liard	15,000	2,460
Fort McPherson	16,920	2,484	Fort Providence	15,000	2,064
Inuvik	..	2,136	Fort Simpson	..	2,256
Paulatuk	16,920	2,100	Hay River Reserve	15,000	2,004
Sachs Harbour	16,920	2,196	Jean Marie River	15,000	1,764
Tsiigehtchic	16,920	2,256	Nahanni Butte	15,000	1,764
Tuktoyaktuk	16,920	2,148	Trout Lake	15,000	1,764
Ulukhaktok	16,920	2,136	Wrigley	15,000	1,764
Colville Lake	16,920	1,764	Behchokq'	15,000	2,148
Del'ne	16,920	2,184	Gameti	15,000	1,956
Fort Good Hope	16,920	2,100	Wekweeti	15,000	1,860
Norman Wells	..	2,256	Whati	15,000	2,136
Tulita	16,920	2,760	Dettah	15,000	2,304
Lutsel k'e	16,920	2,004	Ndilo	..	2,256
Yellowknife	20,016	2,712	Enterprise	15,000	2,352
Fort Smith	..	1,872	Fort Resolution	15,000	1,848
Hay River	..	2,388	Kakisa	15,000	1,764

Source: NWT Housing Corporation --- Market Housing Program, except Yellowknife which is from Canadian Mortgage Housing Corporation.

Note: '..' means data are unavailable.

Private Housing Market

Active private housing markets exist in Yellowknife, Hay River, Inuvik, Norman Wells, Fort Simpson, and Fort Smith. In 2013, the average rent in Yellowknife was \$1,568 and ranged from \$1,138 for a bachelor apartment to \$1,818 for a three bedroom. Low to moderate income residents living in private market rental housing paying more than 30 percent of their income towards shelter are eligible for a \$500/month subsidy from the Transitional Rent Supplement Program (TRSP).⁵⁸

⁵⁸ Northwest Territories Housing Corporation http://nwthc.gov.nt.ca/_live/pages/wpPages/TRSP.aspx
30% of income is the threshold defined by the Canada Mortgage and Housing Corporation (CMHC) to measure housing affordability.

Yellowknife Private Apartment Average Rents by Bedroom Type, April 2013

	Bachelor	1-Bedroom	2-Bedroom	3-Bedroom	Total
Annual Rent	\$13,656	\$17,172	\$20,016	\$21,816	\$18,816
Monthly Rent	\$1,138	\$1,431	\$1,668	\$1,818	\$1,568

Source Central Mortgage and Housing Corporation, 2013, *Rental Market Report, Yellowknife Highlights*

Public Housing

The **new public housing rent scale** is income and market based and designed to increase consistency between communities. Rents are the same at various income levels in communities with similar costs of living. Communities are grouped in three zones with similar costs of living. Consequently, rents are highest in the private market communities, and lowest in the small off-road communities. No household pays monthly rent less than \$70 or more than \$1,625. Seniors receiving up to a \$1,000 per month deduction from their income may benefit from reduced rent.

The New Public Housing Rent Scale by Gross Income

Annual Rent			
Income	Zone A	Zone B	Zone C
\$20,005	\$960	\$900	\$840
\$20,005-\$29,388	\$1,920	\$1,800	\$1,680
\$30,000-\$44,988	\$4,380	\$4,140	\$3,900
\$45,000-\$59,988	\$7,320	\$6,960	\$6,660
\$60,000-\$80,088	\$10,704	\$10,140	\$9,480
\$80,100-\$99,996	\$15,540	\$14,760	\$13,860
\$100,008 or more	\$19,500	\$18,540	\$17,340

Zone A Communities: Yellowknife, Hay River, Fort Smith, Inuvik, Norman Wells, and Fort Simpson.

Zone B Communities: Dettah/Ndilo, Hay River Reserve, Enterprise, Behchoko, Fort Liard, Fort Providence, Kakisa, Jean Marie River, Nahanni Butte, Fort Resolution, Gameti, Whati, Trout Lake, Wekweeti, and Wrigley.

Zone C Communities: Fort McPherson, Tsiigehtchic, Tulita, Lutselk'e, Aklavik, Tuktoyaktuk, Deline, Fort Good Hope, Paulatuk, Sachs Harbour, Ulukhaktok, and Colville Lake.

Source: NWT Housing Corporation based on monthly income and rental rates

Families with income below the core need income threshold for their particular community are eligible for and accessing public housing. Income thresholds are like the cost of living zones, highest in the off-road smaller communities and lowest in private market and road accessible communities. Families may be eligible for public housing with as much as \$103,000 in annual income in Sachs Harbour, or as little as \$48,500 in annual income in Hay River.

Public Housing Rental Core Need Income Thresholds

Geography	CNITS (\$)	Geography	CNITS (\$)
Aklavik	80,000	Fort Liard	\$78,000
Fort McPherson	82,000	Fort Providence	\$64,500
Inuvik (2 bedrm)	62,000	Fort Simpson	\$84,500
Paulatuk	102,000	K'atlodeeche 1st Nation	\$51,500
Sachs Harbour	103,000	Jean Marie River	\$70,000
Tsiigehtchic	79,500	Nahanni Butte	\$73,500
Tuktoyaktuk	95,500	Trout Lake	\$73,000
Ulukhaktok	107,500	Wrigley	\$73,500
Colville Lake	\$72,000	Behchokq'	\$74,500
Deline	\$75,000	Gameti	\$84,000
Ft. Good Hope	\$74,000	Wekweeti	\$82,000
Norman Wells	\$83,000	Whati	\$84,000
Tulita	\$77,000	Dettah	\$75,500
Lutsel k'e	\$72,000	N'dilo	\$74,000
Ft. Smith	\$72,000	Enterprise	\$60,500
Hay River (2 bedrm)	\$48,500	Fort Resolution	\$74,000
Yellowknife (2 bedrm)	\$60,000	Kakisa	\$60,000

Source: NWT Housing Corporation Public Housing Rental CNITS

http://nwthc.gov.nt.ca/_live/pages/wpPages/PHCNIT.aspx

Notes: Public Housing Rental CNITS are by unit type in private market communities

Food

Food, like shelter and taxes are living essentials. Food costs vary significantly between active private market and small off-road communities. NWT and Yellowknife households spent an average 12% and 9% (\$9,509 and \$9,440) of household expenditures on food in 2009. In 2011, the Yellowknife cost of food for a family of four was \$10,969 about 10% higher than Edmonton. In period between 2002-2012, food costs steadily increased by over 2% per year (23%).

Cost of Food for a Family of 4 Yellowknife and Edmonton, 2011

Location	Weekly (\$)	Annual (\$)
Yellowknife	210.94	10,969
Edmonton	191.35	9,950
% difference from Edmonton	10.2	10.2

Source: Data for Yellowknife are from the July 2011 NWT Community Price Survey and data for Edmonton are from Statistics Canada: CANSIM Table 202-0809.

Note: Food for a family of 4 is based on the National Nutritious Food Basket.

Consumer Price Index, Food Purchased from Stores Yellowknife, Whitehorse, and Alberta, 2002 to 2012

	Yellowknife		Whitehorse		Alberta	
	2002=100	% Change	2002=100	% Change	2002=100	% Change
2002	100	2.1	100	-1.2	100	2.9
2012	122.7	1.1	123.8	3.3	127.9	2.2
% change 2002 & 2012		22.7		23.8		27.9

Source: Statistics Canada CANSIM Table 326-0021

Note: Annual data are based on the 12 month average over the calendar year.

If a family of four in Yellowknife spends on average \$11,000 annually for food, the Community Food Price Index tells us that:

- all other families living in NWT communities will pay between 13% and 210% more for the same basket of food.
- a family of four in Colville Lake, Paulatuk, Ulukhaktok, and Sachs Harbour can expect to spend between \$21,340 and \$23,056 annually for the same food basket of food.

2012 NWT Community Food Price Indexes (Yellowknife = 100)

Community	Food Price Index	Community	Food Price Index
Aklavik	173.7	Fort Liard	148.7
Fort McPherson	159.6	Fort Providence	130.7
Inuvik	148.5	Fort Simpson	139.4
Paulatuk	198.1	Hay River Reserve	112.8
Sachs Harbour	189.4	Nahanni Butte	150.1
Tsiigehtchic	178.3	Trout Lake	147.8
Tuktoyaktuk	168.4	Wrigley	149.5
Ulukhaktok	195.4	Behchokq'	146.7
Colville Lake	209.6	Gameti	124.6
Dełı̨ne	186.2	Wekweeti	172.8
Fort Good Hope	194.0	Whati	150.2
Norman Wells	185.4	Fort Resolution	140.7
Tulita	183.9	Fort Smith	116.5
Yellowknife	100.0	Hay River	123.3
		Lutselk'e	183.8

Source: NWT Bureau of Statistics, 2012 NWT Community Price Survey.

Note: Data are unavailable for Jean Marie River, Dettah Enterprise, and Kakisa. These communities do not have a store.

In 2011, the NWT Bureau of Statistics established an annual food price survey and the NWT Temporal Food Price Index to measure change in food prices over time. The 2011-12 change in food price averaged 4.4% in the NWT. Inuvik (6%), Fort Smith (8.5%), and

Hay River (10.2%) endured the largest change. Food price stability was more evident in the smaller communities (e.g., .6% in other Sahtu communities of Colville Lake, Deline, Fort Good Hope and Tulita, and 1.5% in the Tlicho communities).

Northwest Territories Temporal Food Price Index, by Region (January 2011 = 100)

	2012	2011	% Change
NWT	104.4	100	4.4
Beaufort Delta			
Inuvik	106	100	6
Other Beaufort Delta	104.2	100	4.2
Sahtu			
Norman Wells	99.6	100	-0.4
Other Sahtu	100.6	100	0.6
Dehcho			
Fort Simpson	104.2	100	4.2
Other Dehcho	103.6	100	3.6
South Slave			
Fort Smith	108.5	100	8.5
Hay River	110.2	100	10.2
Other South Slave	105	100	5
Tlicho	101.5	100	1.5
Yellowknife	104.7	100	4.7

Source: NWT Bureau of Statistic,, 2011 and 2012 Community Price Survey

Regional and sub-regional aggregations are comprised of the following communities:

Other Beaufort Delta: Aklavik, Fort McPherson, Ulukhaktok, Paulatuk, Sachs Harbour, Tsiigehtchic, and Tuktoyaktuk.

Other Sahtu: Colville Lake, Deline, Fort Good Hope, and Tulita.

Other Dehcho: Fort Liard, Fort Providence, Hay River Reserve, Nahanni Butte, Trout Lake, and Wrigley.

Other South Slave: Fort Resolution and Lutsel k'e

Tlicho: Gameti, Behcho ko, Wekweeti, and Whati.