

Northern Market Basket Measure Northwest Territories, 2020

Today Statistics Canada released 2020 poverty estimates for Yukon and Northwest Territories (NWT) using the Northern Market Basket Measure (MBM-N). As part of the *Poverty Reduction Act*, Canada adopted the Market Basket Measure (MBM) as their official measure of poverty. Conceptually, poverty estimates for the NWT and Yukon are similar to what is produced for the provinces, however adjustments were made to address various aspects of Northern living. The MBM is based on the cost of a basket of goods (threshold) that represents a modest, basic standard of living. Anyone with a disposable income below this threshold is considered to be in poverty. Both the MBM and the MBM-N use the Canadian Income Survey (CIS) to assess the income levels needed to calculate poverty estimates.

Figure 1 shows the NWT poverty estimates for 2018 to 2020. To demonstrate the variability of the CIS data, upper and lower bounds are also provided. Estimates for 2020 indicate 10.2% of the NWT population, or approximately 4,300 people, were in poverty. However, this estimate could be anywhere between 4.1% (lower bound) and 16.3% (upper bound).

Although the results show a general decline in the poverty estimates over the three years, the decrease was not statistically significant, meaning the upper and lower bounds overlap.

Comparable poverty estimates for the provinces based on the CIS were released earlier in the year. In 2020, provincial estimates ranged from 4.8% in Quebec to 7.7% in Nova Scotia. All provinces experienced a decline in rates during 2020, a result of higher after-tax income mainly driven by increased government transfers in response to COVID-19. Poverty estimates for Nunavut are not available at this time.

Figure 1. Percent of Population in Poverty
NWT, 2018 to 2020

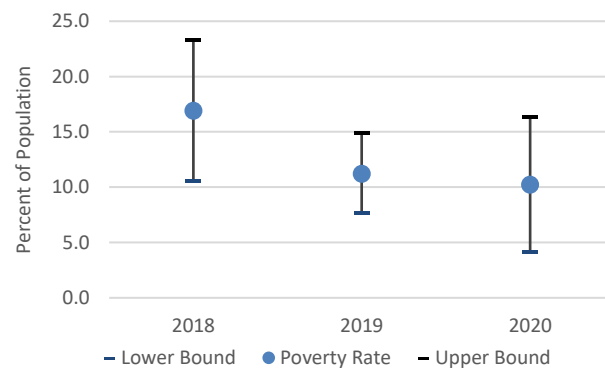
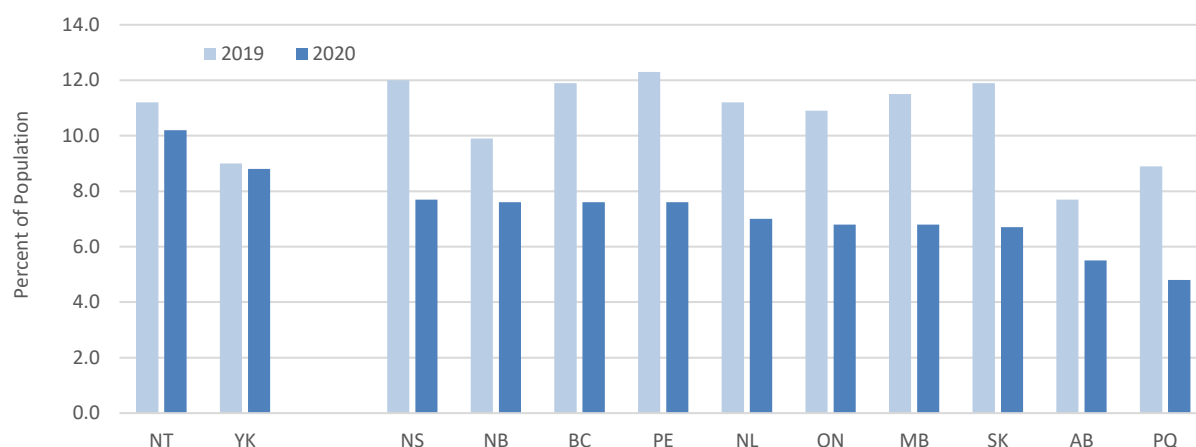


Figure 2. Percent of Population in Poverty
Provinces, NWT & Yukon 2019 to 2020



To determine the number of people in poverty, income levels are compared to the threshold value. Table 1 shows the threshold values for each of the NWT regions. These thresholds represent the cost to meet the basic needs of a family of 2 adults and 2 children, and include five broad categories: clothing, food, shelter, transportation and other. The thresholds were highest for the northern regions of Sahtu and Beaufort Delta and lowest in the Tłı̄chǫ. Yellowknife tended to have the lowest costs for many of the categories, however, it had the highest shelter cost among the regions. For comparison, the highest 2020 threshold among provincial cities was Vancouver with \$50,569.

Table 1
2020 Thresholds by NWT Region and Category

	Total	Clothing	Food	Shelter	Transportation	Other
	Dollars (\$)					
Beaufort Delta	72,754	4,192	20,565	21,571	5,998	20,428
Sahtu	73,693	3,952	22,524	19,177	6,321	21,720
Tłı̄chǫ	59,903	3,562	16,600	17,352	5,438	16,952
Dehcho	63,278	3,940	17,436	18,351	5,677	17,875
South Slave	59,941	3,694	16,032	18,373	5,216	16,626
Yellowknife	60,886	3,372	12,667	25,746	5,262	13,840

Note: data may not sum due to rounding

While thresholds are available at the sub-territorial level, poverty estimates are only available at the territorial level largely due to limitations of the CIS data.