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2024 Living Wage Rates for Newfoundland and Labrador

Understanding Costs in Labrador

By Christine Saulnier and Russell Williams

Highlights:

- Based on a methodical comparative assessment of real household budgets across the province, **a household in Labrador must earn close to \$12,000 extra each year to cover the same basic package of household expenses.**
- Labrador is one of the most expensive regions in Canada, and it has one of the highest living wage calculations **due to its unusually high food and transportation costs.**

Explanation:

The Living Wage calculation is an annual assessment of the wage required for a benchmark household to meet the minimum costs of living across regions in Atlantic Canada.

Both the [2024 Atlantic Canada Report](#) and the [2023 Newfoundland and Labrador Report](#) have highlighted the unusually high cost of living in the Labrador region. In the 2024 calculation, the required living wage in Labrador was 11-13% higher than the rest of the province.

Table 1: Living Wages NL 2024

Region	Rates 2024	Difference to Labrador
Central	24.10	13%
Eastern	24.70	11%
Western	24.10	13%
Labrador-Northern Peninsula	27.30	Highest

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The living wage is based on a complex set of calculations, which begin with a careful investigation of actual living costs within each region across ten household budget items. The household budget is based on a reference family that includes two working parents and two children. The monthly budget amounts reflect fixed monthly expenses (such as rent), while others are based on an annual total split over 12 months. Some of these expenses are one-time yearly payments, and some fluctuate depending on the season and expense (such as utilities during the winter).

This monthly budget is a useful benchmark for calculating the real impact of the cost of living changes – it is far more accurate than simple measures of inflation - and is a useful way to look at the real differences in costs of living across regions – the kind of measure that would be crucial in calculating a “Labrador Allowance” to compensate for the higher cost of living.

Based on the unusually high cost of living in Labrador, the reference household requires close to \$1000 a month more, or \$12,000 a year, in income *just to make ends meet* than a similar household elsewhere in the province (see Table 2).

Table 2. NL, 2024, Monthly Expenses, Regions

Item	Central	Eastern	Western	Labrador-Northern Peninsula
Food	\$1,609.98	\$1,601.06	\$1,667.96	\$2,270.03
Clothing and Footwear	\$167.06	\$167.06	\$167.06	\$167.06
Shelter	\$1,716.74	\$1,881.59	\$1,653.59	\$1,774.60
Transportation	\$572.86	\$570.82	\$572.86	\$769.30
Child Care	\$1,024.96	\$1,009.33	\$1,032.25	\$1,024.96
Health Care	\$211.43	\$211.43	\$211.43	\$211.43
Contingency/Emergency	\$281.17	\$288.17	\$281.17	\$318.50
Parent Education	\$100.25	\$100.25	\$100.25	\$100.25
Household Expenses	\$721.22	\$693.82	\$721.22	\$721.22
Social Inclusion	\$480.82	\$462.55	\$480.82	\$480.82
Total	\$6,886.48	\$6,986.08	\$6,888.60	\$7,838.16

Methodology:

The 2024 Living wage calculation costs are current as of June of that year.

Many of these costs, including food, transportation, clothing, and household expenses, are drawn from the Market Basket Measure, Canada's official poverty line. These costs are essential and are conservative estimates.

Food: Costs are drawn from the Newfoundland Labrador Market Basket Measure (NLMBM) using the food component's weighted average for regions for 2023, the most recent data. The 2023 Newfoundland and Labrador's Nutritious Food Basket (NLNFB) comprises 61 foods from the 2019 Canada's Food Guide. The prices of specific amounts of these foods, combined with the nutrient needs of individuals and families, determine the basket's cost. The NLMBM does not cover additional costs for special dietary needs, cultural or other food preferences, or eating out. To arrive at 2024 costs, the 2023 NLMBM highest food costs for each living wage region are adjusted for inflation using the average Consumer Price Index (CPI) index for "food" for Newfoundland and Labrador for the first half of 2024 (January to June). The costs for the Labrador region are based on the Labrador North Coast amount which is the highest in this living wage region.

Shelter: The shelter amount is based on the average cost of renting a 3-bedroom accommodation, the cost of basic tenant contents insurance, utilities, and the internet.

The four regions' rental rates represent the community's costs within the geographic region with the highest calculated median rent. Most living wage calculations in Canada use the Canada Mortgage and Housing Corporation's annual rental survey data. The smaller the community, the less likely CMHC data will be available. In the case of NL, the only available CMHC data are for Gander, Grand Falls-Windsor, and St. John's. The rental rates for all regions except Eastern (St. John's CMHC data is used) are drawn from the Canadian Rental Housing Index data based on 2021 census data. The rental amounts are then adjusted for inflation using the overall average rental accommodation for the Newfoundland and Labrador CPI for the first half of 2024 (January to June) to arrive at 2024 rental cost amounts.

These average rental rates do not reflect availability in the rental market nor the quality or suitability of the rental, for example, whether the housing has sufficient rooms, is over-crowded, or is in disrepair.

Transportation: This budget item is intended to cover transportation for daily needs, including shopping, work, getting kids to child care, and



attending college. The included costs are drawn from the NLMBM, which captures the significant differences between those living in the Eastern region and those living in Labrador and those in communities that may be coastal, rural, or remote. The regional transportation costs use the weighted averages for the (old) health regions within the geographic boundaries drawn for the four living wage rates (Eastern; Western, Central and Northern). The budget may include maintaining a second-hand car or monthly bus passes (only for St. John's). Based on the 2016 Census work on commuting habits, some communities also have coverage for ferry trips.

Northern Labrador communities include costs to cover air travel plus cab fees to service centres. Mud Lake residents are assumed to use snowmobiles and boats for transportation. The NLMBM 2020 transportation costs for these regions are adjusted for inflation using the Newfoundland and Labrador average CPI index for “transportation” for January to June 2024.

Table 3 below illustrates which costs make up what portion of the monthly budget. Food accounts for almost 30% of the living wage budget, and shelter costs (rent, electricity, internet) make up 23% of the budget (for many households, those costs make up more than 30% and for many, 50% of their budget). This underlines that simply tying an escalator to the overall change in provincial CPI may mask the impact of inflation on actual household budgets.

Table 3. Living Wage 2024, NL Regions, Budget Items as Portion of Entire Budget

Item	Labrador-North Peninsula
Food	29%
Clothing and Footwear	2%
Shelter	23%
Transportation	10%
Child Care	13%
Health Care	3%
Contingency/Emergency	4%
Parent Education	1%
Household Expenses	9%
Social Inclusion	6%

For more details on the costs and formula for calculating the living wage, see the [2024 living wage report](#).

About the Authors:

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