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**DU NORD**

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# A Tale of Ten Cities: Comparing Key Costs for a Family of Four in Urban Areas of Northern and Southern Ontario

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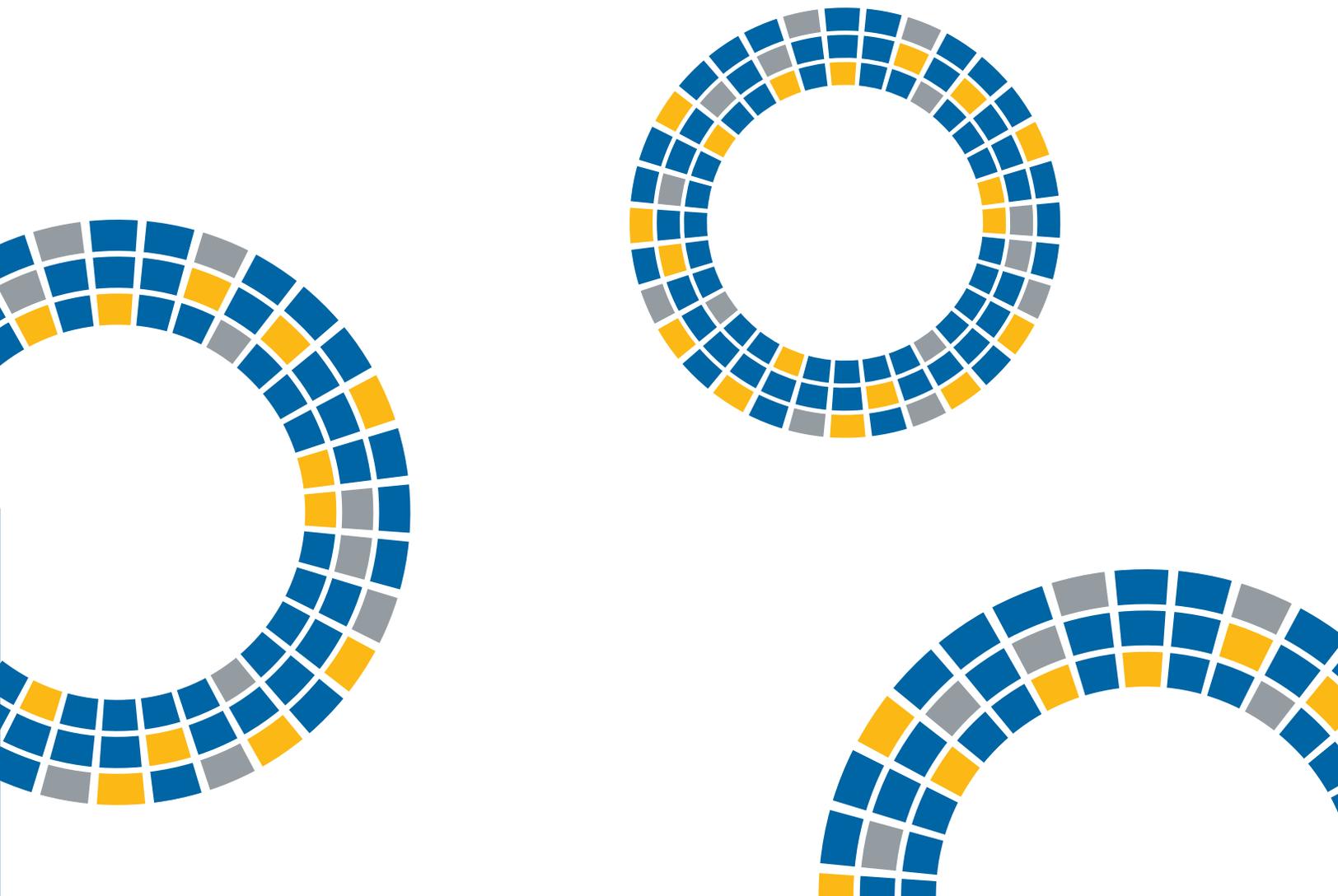
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## About the Author

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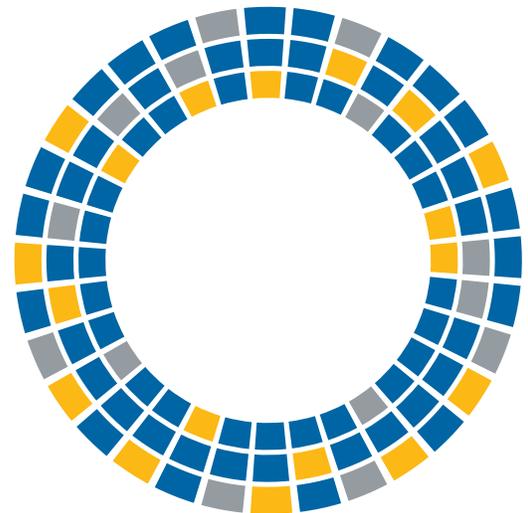


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# Executive Summary

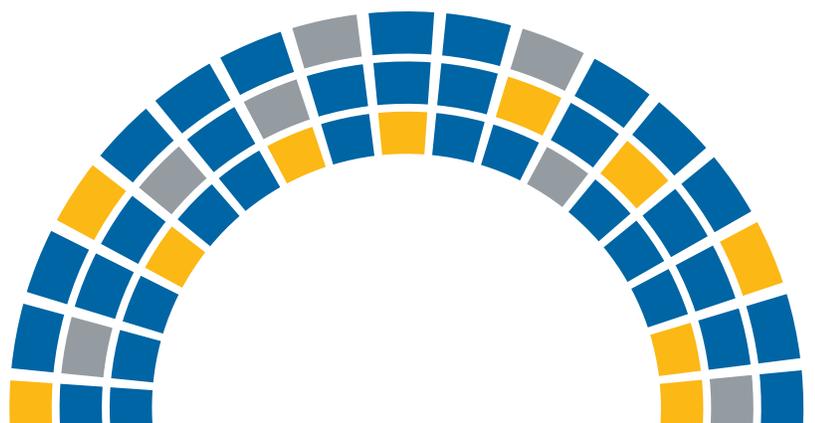
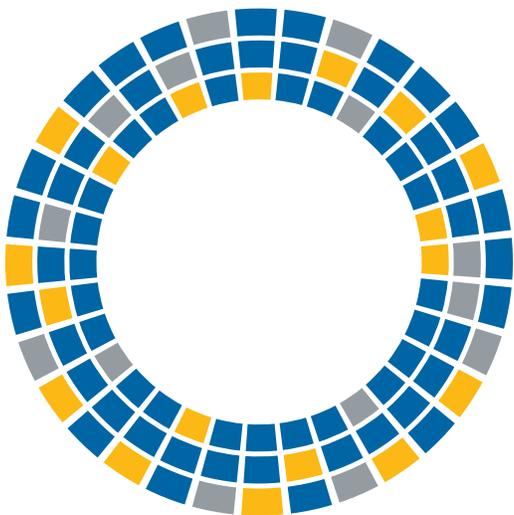
Urban living appears to be more affordable in Northern Ontario than the south.

This commentary examines the costs of some key goods and services for a family of four in 10 Ontario cities – five in the south and the 'Big Five' in the north – in order to provide a preliminary comparison of costs. The Big Five communities include Thunder Bay, Greater Sudbury, Timmins, North Bay, and Sault Ste. Marie. The southern comparators are Toronto, Barrie, London, Niagara Falls and Ottawa.

These goods and services include: shelter, utilities, cell phone, internet, gasoline, vehicle insurance, transit, food, recreation, and children's activities. Expenses that were not examined in this study include: vehicle payments, home and vehicle maintenance, tax, vices, personal care products, clothing, and travel. Data limitations prevented a more comprehensive examination – a commonly noted barrier especially when it comes to Northern Ontario.

While some goods and services – namely food, and especially phone and internet – tended to be higher in Ontario's north, these additional costs were offset by substantially lower shelter costs. Among the most surprising finding was that incomes in the Big Five tended to be on par, sometimes higher, than the Southern Ontario comparators. The result is that residents in the northern communities tended to spend a much smaller percentage of their income on these key goods and services, and had more money left over to put towards other expenses.

A Tale of 10 Cities concludes with recommendations on how the Big Five can use these findings to their advantage. Further research could expand to smaller communities and include more expenses to produce a more robust picture of the living-related costs in Northern Ontario.



# Introduction

Is urban living more expensive in Ontario's southern or northern regions? The elevated costs of food, electricity, and gasoline are routinely pointed to as factors that make Ontario's northern regions less affordable than elsewhere, and as we will see, with some justification. On the other hand, the relatively low cost of housing is held up as evidence that the North is less expensive. The debate continues, long on anecdote and speculation but short on evidence.

This commentary tests the assertion that it costs more to live in Northern Ontario by comparing some expenses for a family of four in the southern cities of Toronto, London, Niagara Falls, Ottawa, and Barrie to the expenses the same family would face in the "Big Five" Northern Ontario cities: Greater Sudbury, North Bay, Sault Ste. Marie, Thunder Bay, and Timmins. The southern selections were chosen to represent the different geographies of Southern Ontario, but two main reasons drove the decision to use the Big Five as the comparator group. For one, they offer similar amenities to the southern cities. One key consideration regarding amenities was that each city should have a postsecondary institution. Although Timmins and Barrie both lack a standalone university, they offer university courses through colleges or satellite campuses. Niagara Falls does not have its own university, but there is one nearby in St. Catharines. The Big Five of course do not represent all of Northern Ontario; however, this demonstrates the limited data available for comparison to other jurisdictions, which is

the second reason they were selected. Anyone who has done research on Northern Ontario knows that there is a paucity of high-quality, accurate data, especially at the local level. Often, data are compiled at the regional (i.e., Northern Ontario), sub regional (i.e., Northwest and Northeast Ontario), or census division (CD) level. The Kenora CD alone has a larger landmass than Germany (McGrath 2018) and contains cities; towns; villages; First Nations communities; and unincorporated communities with wildly different socioeconomic circumstances. Thus, calculating living costs for the entire area would do a disservice to the diversity inherent within each CD. Doing the same across the subregions or the entire region would be even worse. Therefore, it made more sense to compare like with like as a starting point to add some empiricism to the debate about the differing costs of some typical household goods and services in Ontario's diverse regions. Further study could expand the scope to include more expenses, as well as smaller communities and/or rural regions.

How do the Big Five compare to the chosen Southern Ontario cities based on selected costs? Looking at the data gathered and analyzed, five of the seven least expensive cities were in Ontario's northern regions. While some costs, such as food, communications services, and gasoline, are higher in the Big Five, these are more than offset by much lower shelter costs. All told, the median family of four can expect to save a considerable sum of money by living in a northern city.



# Methodology

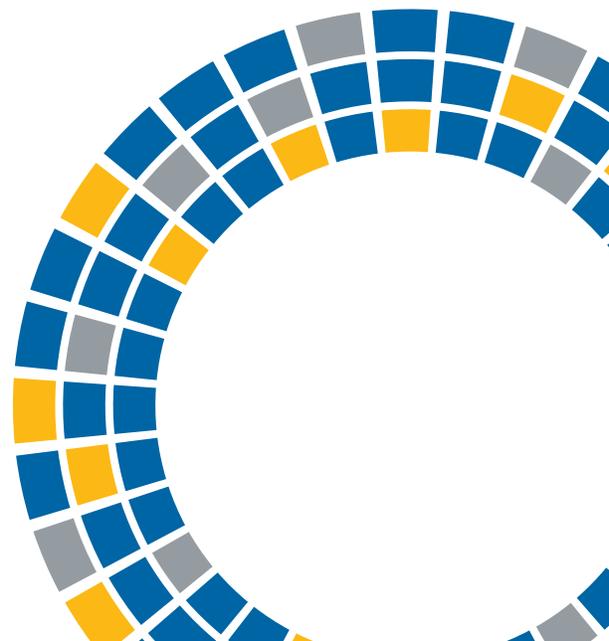
The cost of the selected goods is estimated, as closely as possible, for a hypothetical family of four that purchases the same basket of goods and services in each city. This family has two parents, an adolescent enrolled in under 18 hockey who is contemplating a postsecondary education in their home city, and a youth who plays soccer, and takes swimming and ballet lessons. The family owns their home, has one vehicle, and one adult buys transit passes for use throughout the year. According to 2016 census data, roughly 69 per cent of couple families with children in Toronto own their home, and that number climbs to more than 83 per cent for every other city in the study (Statistics Canada 2019). The income data are for all families of four (not just homeowners), however when looking at the proportion of owners to renters, it's clear that most of the data focuses on families of four who own their home. The family of four model not only aligns to the nutritious food basket guideline (Ontario Legislative Assembly 2010, 7) but also allows a broad range of expenses to be included.

The data collected are a combination of official sources, primary research, and crowdsourcing. Official sources such as Statistics Canada, Natural Resources Canada, Ontario Open Data Catalogue, and public-health units were the preferred sources where possible. When the required data were beyond the limits of these sources, the research turned to primary collection through online and catalogue searches, as well as direct outreach via email and telephone. This method was used to collect a sampling of data on fees for things such as sports and activities or postsecondary education. It is important to note that the data shown in these cases are a sample, and not comprehensive. Some expenses are likely to fluctuate if another provider is chosen. Lastly, the crowdsourcing site numbeo.com was used to fill in some lacunas and reinforce some elements of the study. Nevertheless, while the comparison may not be perfect, it still holds value as it helps to provide a better understanding of costs in the North.

There were several data gaps that hindered a more exhaustive examination. For example, it is straightforward to compare the unit prices of vehicle fuel in the different cities, but more difficult to determine the variation in how much residents use. Do Big Five residents typically drive as much as Torontonians? If not, how much variation is there? Do they have equally efficient vehicles, and if not, how does that affect their annual bills? Data to conclusively answer these questions were lacking. More detailed methodological explanations are included in the relevant sections below.

The data are laid out in several charts. The further to the right a city appears on a chart, the worse it performs. The northern cities are coloured blue and the southern representatives are yellow. Where a stacked cluster chart is used, the southern cities have a yellow outline. In most cases, Toronto is set as a horizontal line, which can show how much more or less expensive each city is in that metric.

The analysis, of course, has its limits. First, the family of four model that owns their home is only a subsection of the total population, and so statistics cannot be extrapolated to other groups. This demographic is almost certainly more affluent than others, so the results should not be taken as a blanket statement on how affordable it is to live in a certain city. Second, data on household expenditures are not available below the provincial level, so it was not possible to determine how frequently families in different cities purchase certain goods or services. This inhibited a full living cost analysis. Lastly, there are many costs not included in this analysis including: personal care; clothing; vehicle payments; home or vehicle maintenance; home television or online streaming services; travelling; snack foods; and vices such as alcohol or gambling. Notably, it also does not include sales tax paid on eligible goods or services. As such, the data should not be construed as a precise representation of how much it would cost to live in a certain city. Rather, it is meant to compare the costs of a similar standard of living across urban environments in Ontario.



# Income

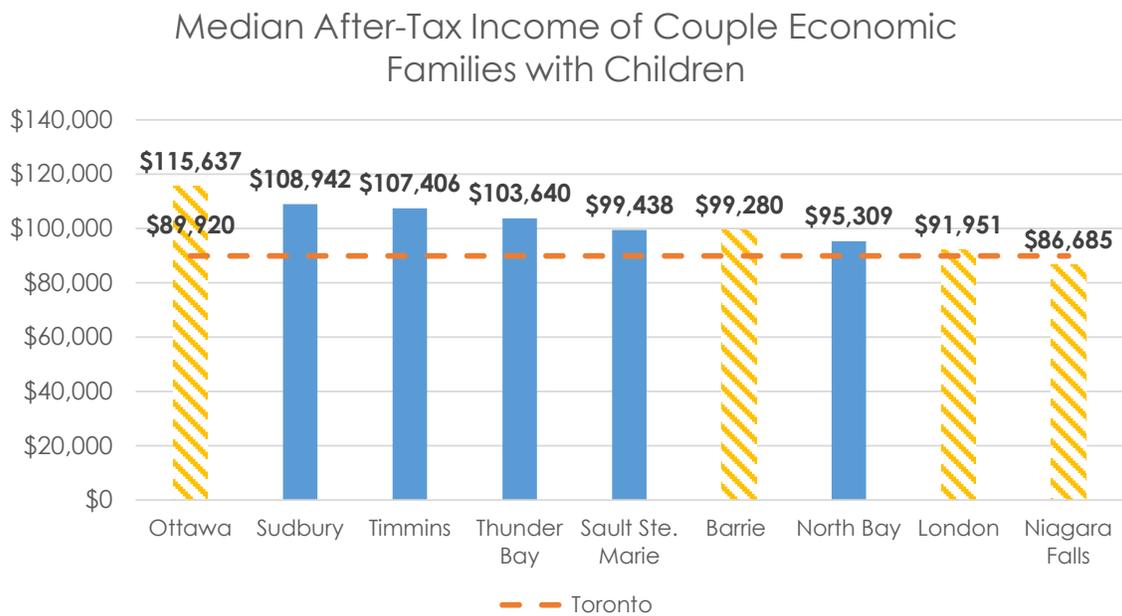
Of course, a common belief is that Southern Ontarians earn higher incomes than those in the North. Thus, any savings from the lower living costs in the North will be mitigated. Or will they?

Data from the 2016 census show that the perception that Northerners earn less may not be true after all. The category of couple economic families with children offers the best proxy for a family of four. <sup>1</sup> The average family size

of this cohort was between 3.8 and 4.0 among the entire group. Of note, all northern cities had values of either 3.8 or 3.9, while four of the five southern cities were 4.0 (Statistics Canada 2016). Families are, on average, slightly smaller in the northern cities, possibly a byproduct of outmigration.

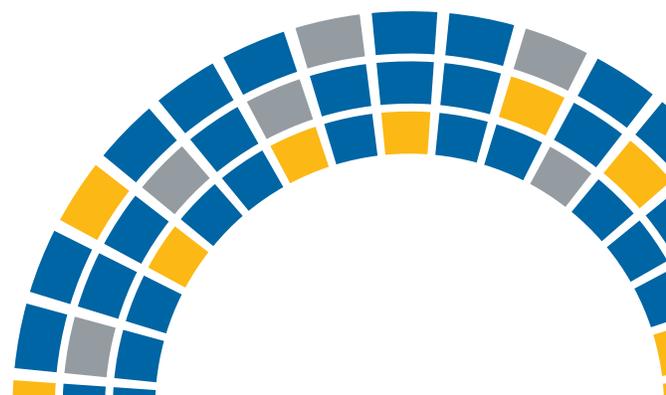
Figures 1 and 2 demonstrate that northern families of four fare very well when compared to their counterparts in the South for median and average after-tax income.

**Figure 1: Median After-Tax Income**

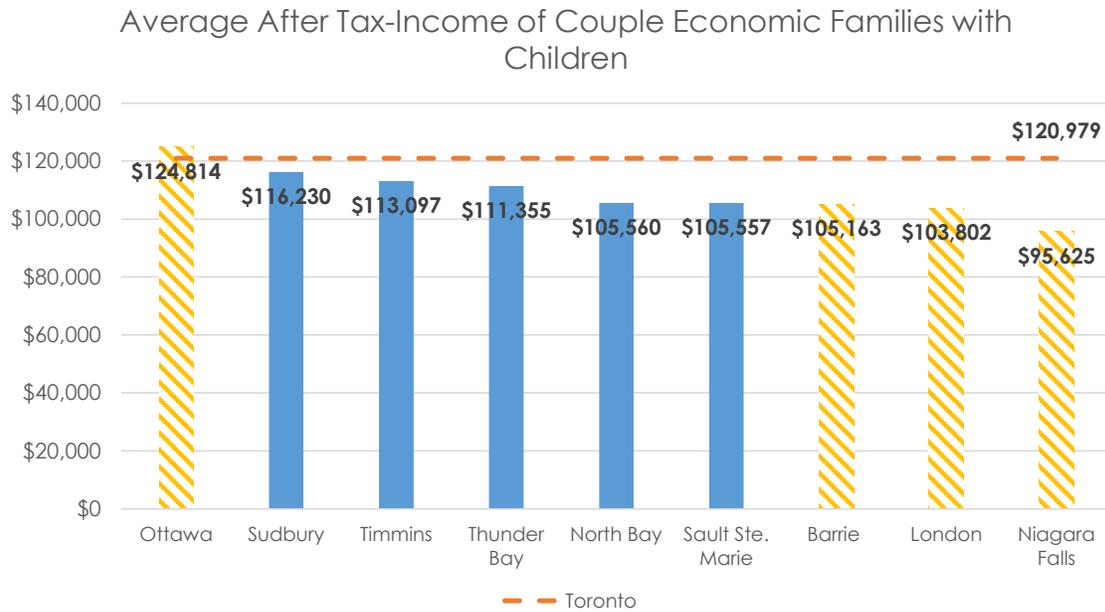


Source: Statistics Canada 2016 Census Profiles.

<sup>1</sup> Median after-tax income of individuals is shown in Appendix A



**Figure 2: Average After-Tax Income**

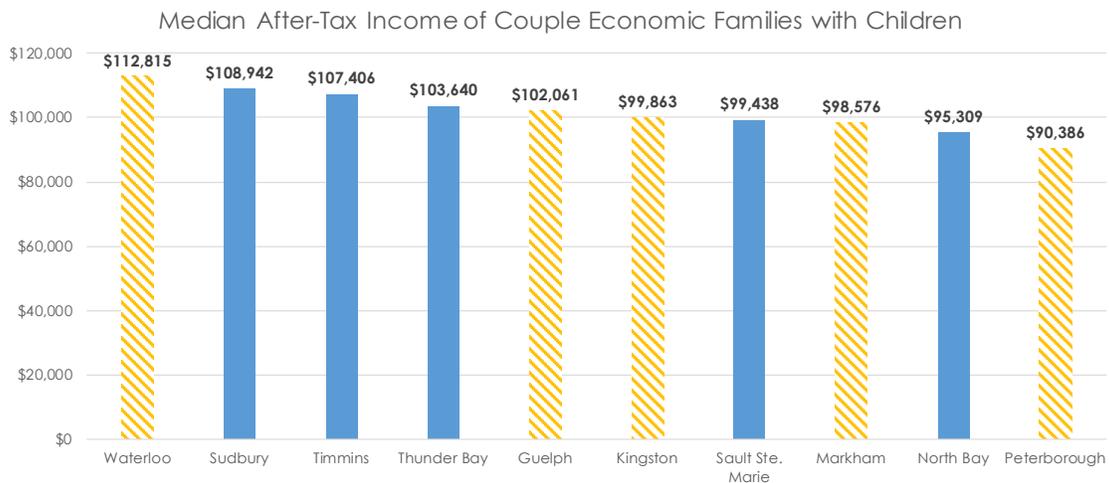


Source: Statistics Canada 2016 Census Profiles.

Overall, a family of four in the Big Five earns an income comparable to the selected cities in the South. It appears that several high earners are skewing the mean in Toronto upwards to a much greater extent than elsewhere,

otherwise, the cities are in roughly the same spot as they were in Figure 1. Five other southern cities were examined to determine if the others were mere outliers.

**Figure 3: Median After-Tax Income, Expanded Comparator Group**



Source: Statistics Canada 2016 Census Profiles.

Figure 3 shows that the trend largely held against the expanded comparator group. There is nothing to suggest that a family of four will earn less income in the North than they will in the South. Further research could determine whether other income statistics reflect or dispute this finding. For example, what of single-parent households?

It would also be interesting to compare the percentage of income that comes from market activity and that which comes from government transfers. Nevertheless, it is clear that families of four in the Big Five do not, in fact, have a smaller pie when it comes to meeting expenses.

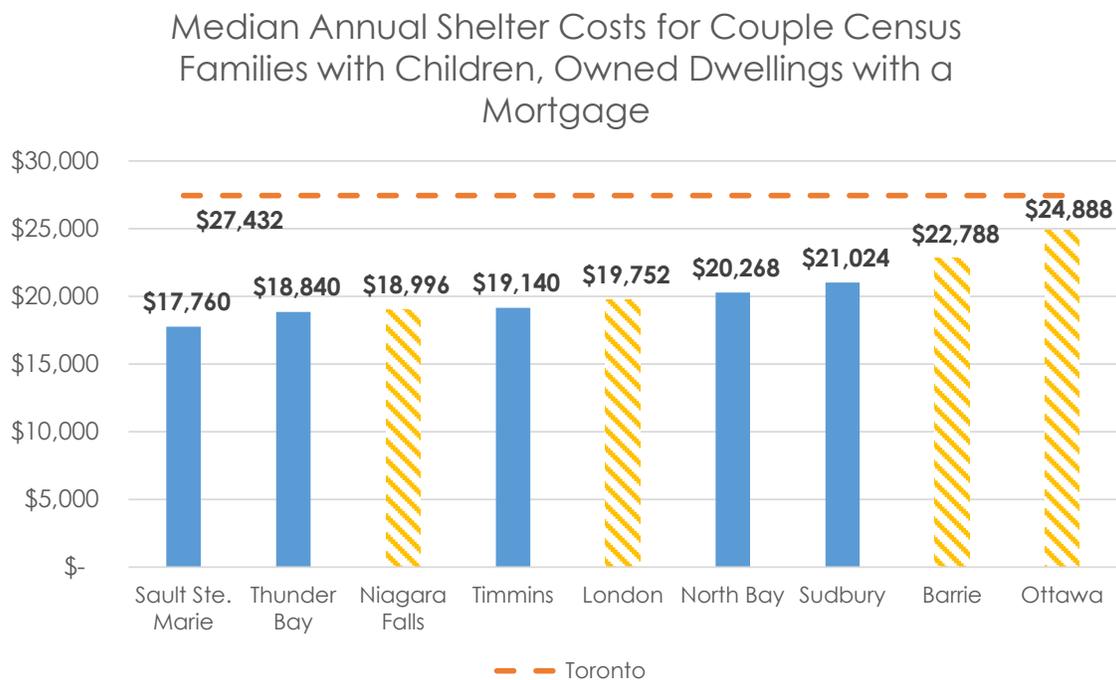
# Shelter Costs

According to the 2016 Survey of Household Spending, shelter is the largest expenditure for Canadian households, amounting to 29 per cent of consumption costs<sup>2</sup> (Statistics Canada 2017a).<sup>3</sup> Although mortgages are an investment, and higher mortgage payments will ultimately yield higher personal worth, they still represent a cost to the pocketbook. The generally lower home prices in Northern Ontario mean residents will both pay less for their

mortgage, but also have a less valuable asset.

The term shelter costs refers to all mortgage payments, property taxes, utilities, and other municipal services (Statistics Canada 2017b). Figure 4 shows the median shelter costs for couple census families, and once again, the North tends to fare well.<sup>4</sup>

**Figure 4: Shelter Costs**



*Source: Author's calculations from Statistics Canada 2016 Shelter cost groups (18), Household type (9), Age groups of primary household maintainer (9), Housing tenure including presence of mortgage and subsidized housing (7) for Owner and Tenant Households in Non-farm, Non-reserve Private Dwellings, of Canada, Provinces, Census Divisions and Aggregate Dissemination Areas, 2016 Census.*

Unfortunately, it is difficult to draw firm conclusions from the data alone. The five middle cities are close in costs but

expanding the scope once again may lend some clarity.

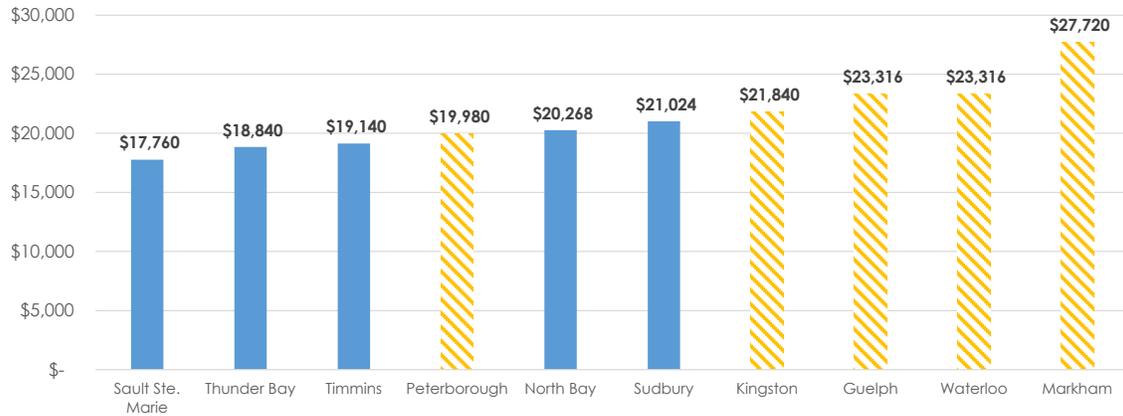
<sup>2</sup> Consumption costs refer to all expenses aside from taxes, personal insurance payments, pension contributions, gifts of money, support payments, and charitable contributions.

<sup>3</sup> The survey includes hotels and other temporary accommodations in the category of shelter costs.

<sup>4</sup> Census families and economic families are very similar, but not identical. An economic family refers to all related people living in a household together. A census family refers to couples cohabitating with or without children as well as parents living with their children. An economic family can contain multiple census families. The average couple census family with children was typically one-tenth smaller in size than an economic family in the examined cities.

**Figure 5: Shelter Costs (Expanded Comparator Group)**

Median Annual Shelter Costs for Couple Census Families with Children, Owned Dwellings with a Mortgage



Source: Author's calculations from Statistics Canada 2016 Census Profiles.

Figure 5 suggests London and Niagara Falls are outliers at the low end of the spectrum, and the seven most expensive cities examined are all situated in Southern Ontario. Thunder Bay and Sault Ste. Marie in particular have a very marketable asset in their low shelter costs. The median family of four's costs were about two-thirds of their Torontonion equivalent, which meant more than \$8,500 in savings in 2015.

'Shelter costs' compiles a number of expenses, but how do each of the component parts compare across urban areas? Figures 6, 7, and 8 show the property taxes, electricity, and home fuel costs that the median family of four pays in each city.

M O R T G A G E

## What About Renters?

The analysis in this paper focuses on comparing a family of four with two children. In nine of the ten communities compared (Toronto being the exception) more than 60 per cent of these families own as opposed to rent (Toronto's figure is 53 per cent). So the main analysis focuses on these home owners. But what about renters? As the table here shows, renters in the "Big Five" communities in Northern Ontario have a decided cost advantage over their compatriots down south. London and St. Catharines-Niagara are close to Northern Ontario, but we've established they're inexpensive relative to other cities in Southern Ontario. The Big Five offer average savings of \$150+

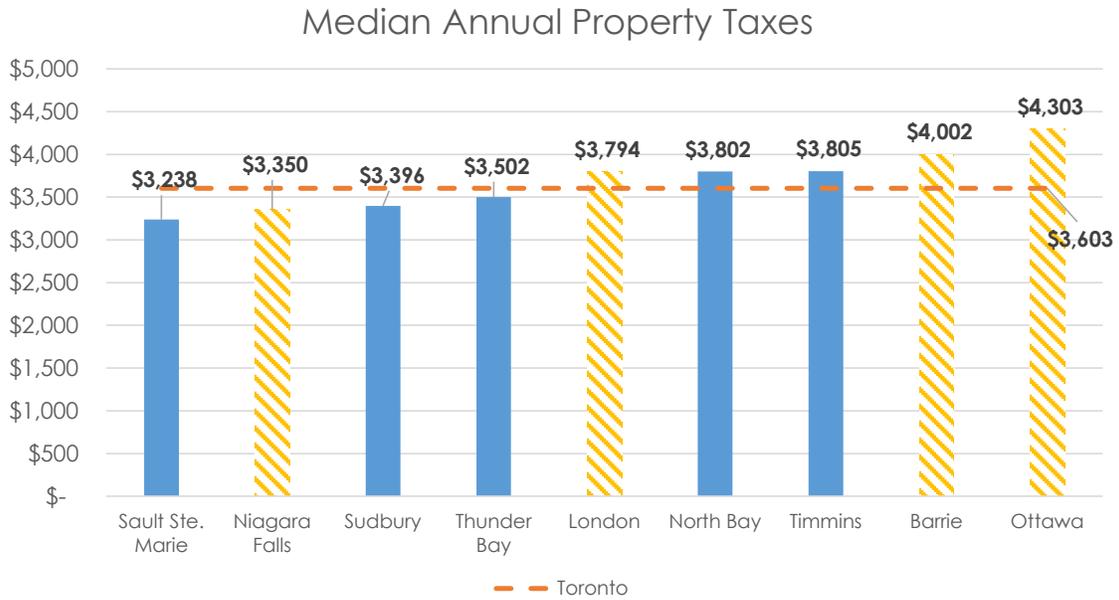
per month on rental units in the remaining cities, with yearly savings of \$1,800 or more. Although we note that both the Thunder Bay and Greater Sudbury rental markets are far more costly than the other selected northern communities. This is disappointing given that, again with Toronto as the exception, northern vacancy rates are comparable to or better than the southern cities and turnover rates are lower as well. There is more rental stock available and people stay longer in our five northern communities versus the five southern ones included in this analysis. (CMHC Rental Market Indicators, 2019)

**Canada Mortgage and Housing Corporation, average monthly rents for areas with a population of 10,000 and over Row and apartment structures of three units and over. 2019.**

Geography	Bachelor units	One bedroom units	Two bedroom units	Three bedroom units
Barrie, Ontario	\$871	\$1,161	\$1,337	\$1,615
London, Ontario	\$697	\$915	\$1,106	\$1,294
Ottawa-Gatineau, Ontario part, Ontario/Quebec	\$933	\$1,178	\$1,409	\$1,624
St. Catharines-Niagara, Ontario	\$689	\$914	\$1,091	\$1,206
Toronto, Ontario	\$1,142	\$1,361	\$1,563	\$1,730
North Bay, Ontario	\$647	\$804	\$993	\$1,122
Greater Sudbury, Ontario	\$676	\$906	\$1,128	\$1,193
Sault Ste. Marie, Ontario	\$591	\$744	\$921	\$922
Thunder Bay, Ontario	\$712	\$855	\$1,073	\$1,268
Timmins, Ontario	\$620	\$846	\$999	\$1,098

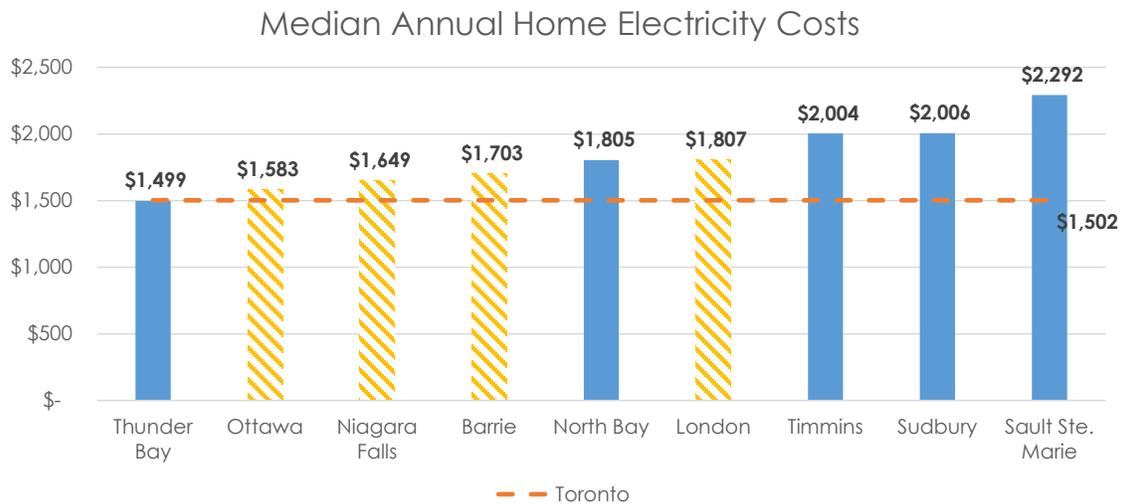
Source: Statistics Canada Table 34-10-0133-01.

Figure 6: Property Taxes



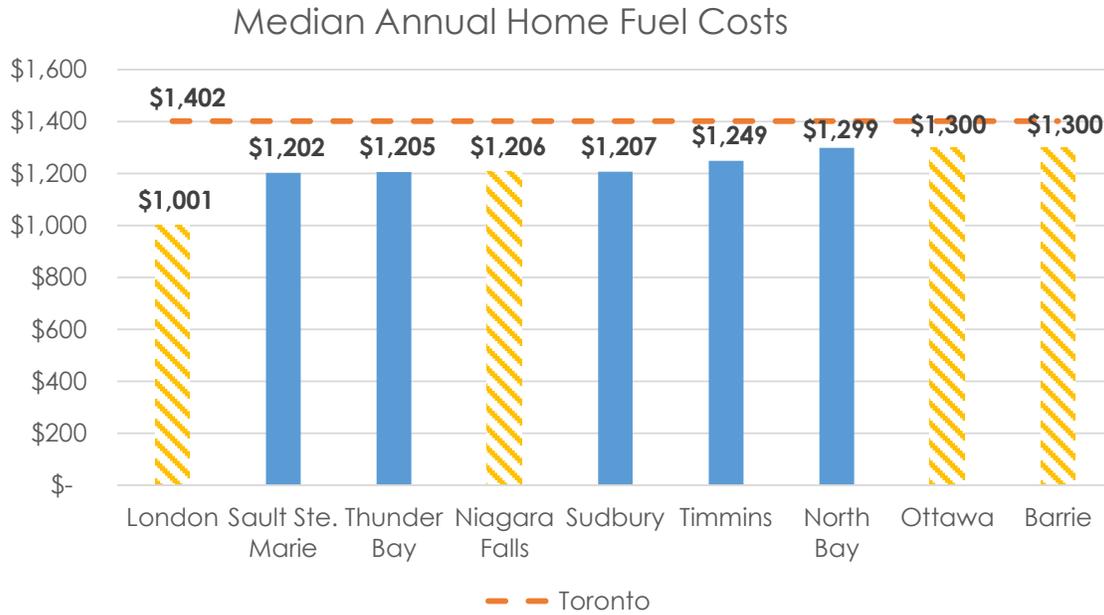
Source: Author's calculations from Statistics Canada 2016 Shelter cost groups (18), Household type (9), Age groups of primary household maintainer (9), Housing tenure including presence of mortgage and subsidized housing (7) for Owner and Tenant Households in Non-farm, Non-reserve Private Dwellings, of Canada, Provinces, Census Divisions and Aggregate Dissemination Areas, 2016 Census

Figure 7: Home Electricity Costs



Source: Author's calculations from Statistics Canada 2016 Shelter cost groups (18), Household type (9), Age groups of primary household maintainer (9), Housing tenure including presence of mortgage and subsidized housing (7) for Owner and Tenant Households in Non-farm, Non-reserve Private Dwellings, of Canada, Provinces, Census Divisions and Aggregate Dissemination Areas, 2016 Census.

Figure 8: Home Fuel Costs



Source: Author's calculations from Statistics Canada 2016 Shelter cost groups (18), Household type (9), Age groups of primary household maintainer (9), Housing tenure including presence of mortgage and subsidized housing (7) for Owner and Tenant Households in Non-farm, Non-reserve Private Dwellings, of Canada, Provinces, Census Divisions and Aggregate Dissemination Areas, 2016 Census.

Property taxes and home fuel costs are generally close across urban areas, but the Big Five, save for Thunder Bay's strong performance, tend to spend significantly more on electricity. Sault Ste. Marie residents paid \$485 more for electricity than London, the most expensive Southern Ontario city. Despite the higher taxes and utilities costs, Big Five families of four still generally paid less to be in their homes, likely a reflection of the lower house prices.

Toronto's costs are surprisingly close to the North, especially given the discrepancy in home values. For example, the median value of dwellings in Toronto in 2016 was \$601,922 compared to \$259,097 in Sudbury (Statistics Canada 2016). While it does appear that those in the Big Five often spend more on utilities, further research could delve into why high home prices do not

appear to impact shelter costs as much as expected.

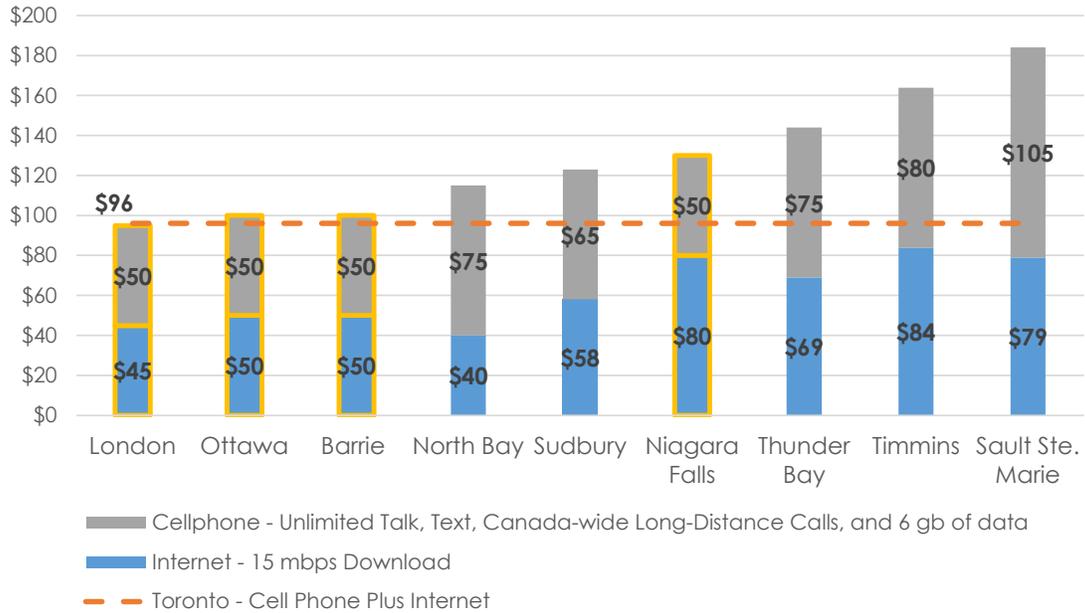
By definition, 'shelter costs' does not include other important services, such as cellphone or internet. How do these compare? Figure 9 shows a sample of the combined costs offered in each jurisdiction. Again, this is not comprehensive, and the goal was to find the cheapest service option in each jurisdiction.

Here is the first instance of the Big Five underperforming. Cellphone plans in particular are much higher in the North and the difference can be massive. Sault Ste. Marie residents pay \$89 more a month, or \$1,068 annually, for telecommunications than those in London before tax. Lowering these costs would help the Big Five further capitalize on their lower shelter costs.



Figure 9: Internet & Phone Costs

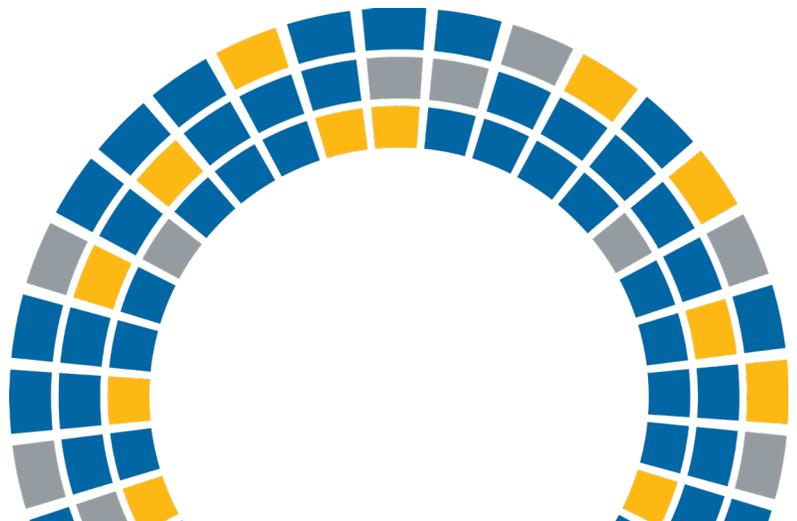
High-Speed Internet and Cell Phone Plans, Monthly Rates of Selected Providers



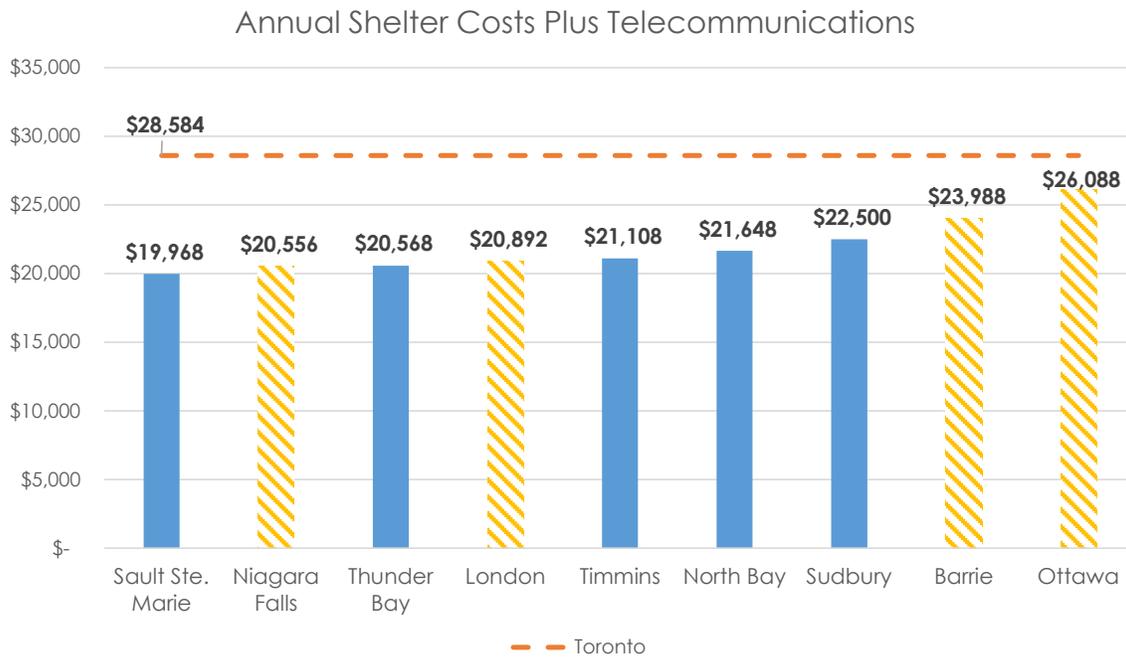
Source: Service provider websites. Note that, for some locations, the desired criteria were unavailable. The prices shown for Timmins are for 12 megabits per second (Mbps) internet, and 5 gigabytes (GB) of cellphone data. Sudbury and North Bay's numbers reflect 5 GB of cellphone data. Niagara Falls' numbers are for 10 Mbps internet speed.

Despite the higher prices for telecommunications services, Big Five residents still have lower shelter costs and tend to save money on their homes. Figure 10 shows the annual shelter costs, combined with the annual price for a home internet package and a single cellphone plan extrapolated from Figure 9. Even adding two more identical phone plans to each household would not

drastically alter the distribution. Sault Ste. Marie would slide three spots to the right, but Sudbury, the most expensive location in the North, would still be \$936 less than Barrie. Recalling that Niagara Falls and London had significantly lower shelter costs than the other Southern Ontario cities, it is clear the Big Five offer substantial savings.



**Figure 10: Shelter & Telecommunications Costs**



Source: Author's calculations.

Canadians spend more money on their homes than anything else, but Northern Ontarians spend less on their homes than their counterparts in the province's south. This is an advantage that the Big Five could use as a marketing tool, as there is potential to save

thousands of dollars annually.

The one area where they lag is in telecommunications, so lowering these costs should be a priority for the Big Five in order to extend their advantage over Southern Ontario.

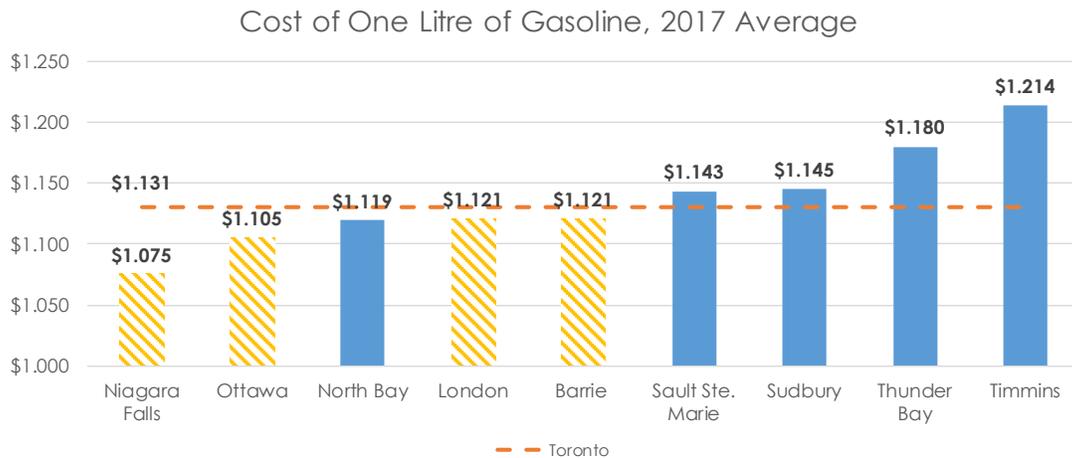


# Transportation Costs

The survey of household spending shows that the second largest expense for Canadian households is transportation, accounting for 19.2 per cent of consumption costs

(Statistics Canada 2017).<sup>5</sup> One of the first criticisms lobbed against living in the North is the high price of gasoline. As Figure 11 shows, that is indeed an accurate observation.

**Figure 11: Gasoline Costs**

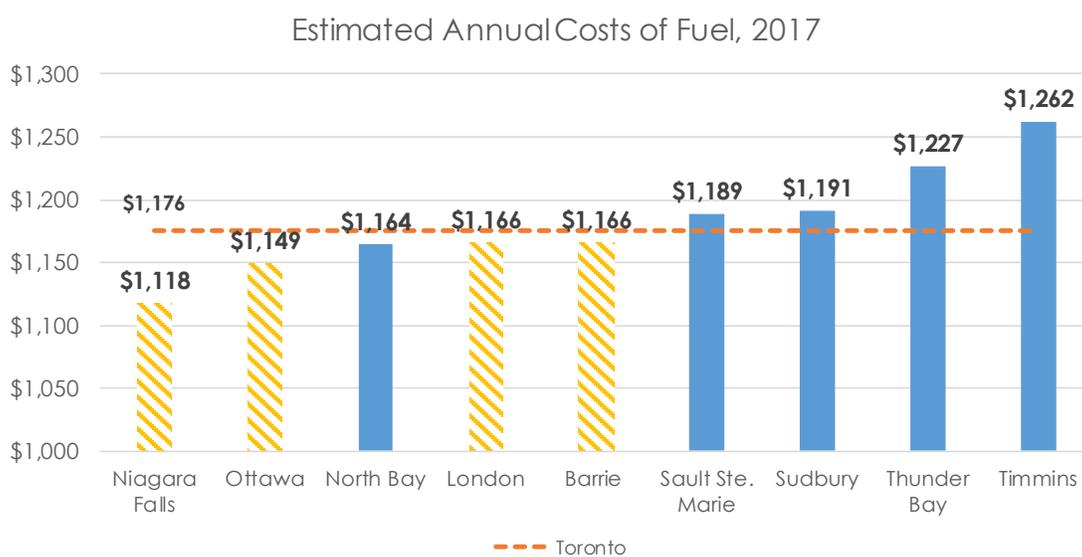


Source: Ontario Open Data Catalogue; Natural Resources Canada.

Gassing up is clearly more expensive in the North, but what is the actual impact on the pocketbook? Figure 12 looks at the annual costs of fueling up, based on purchasing 40 litres

every two weeks (1,040 litres annually) at 2017's average price in each city.

**Figure 12: Annual Gasoline Costs**



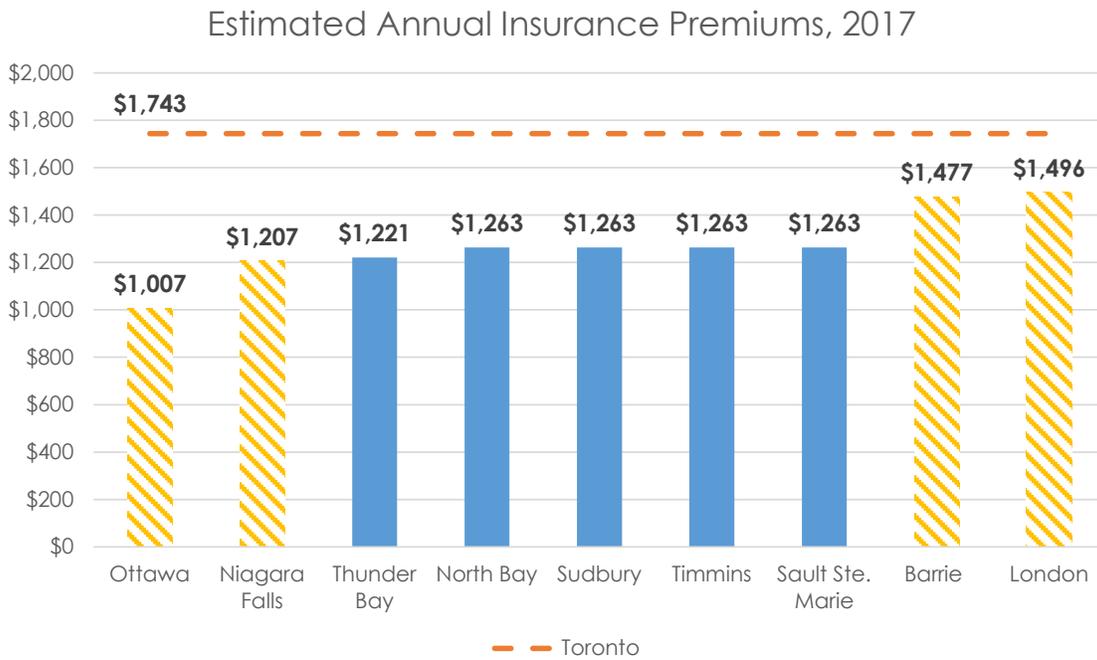
Source: Author's calculations from Ontario Open Data Catalogue; Natural Resources Canada.

<sup>5</sup> The survey includes public transit, taxis, buses, trains, and airfares in the category of transportation costs.

Assuming that our hypothetical family purchases the same amount of gas in each city, the difference in cost is, frankly, negligible. The largest difference, between Niagara Falls and Timmins, is \$144 annually. The underlying assumption could very well be flawed, however, given the unlikelihood that drivers in each city buy the same amount of gasoline. Further research into whether, and how much, these numbers diverge would greatly bolster the comparison. Regardless, Timmins and Thunder Bay especially could look at ways to lower personal gasoline usage in order to cut costs for residents.

Although gasoline costs more in the North, there are opportunities for transportation-related savings as well. First, renewing a personal license plate sticker costs \$60 in Northern Ontario compared to \$120 in the South (Service Ontario 2018). Second, auto insurance rates tend to be lower as Figure 13 shows. These numbers are derived from Kanetix's InsuraMap, a tool that compares premiums across the province.<sup>6</sup>

Figure 13: Insurance Premiums



Source: Kanetix InsuraMap. Retrieved October 10, 2018.

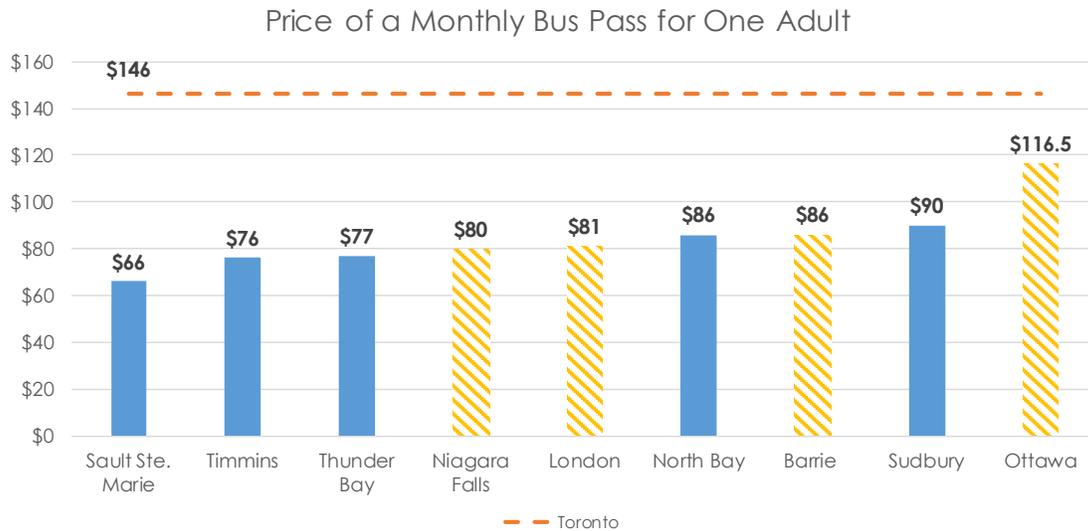
Overall, driving a vehicle is a mixed bag, cost-wise. Some things (e.g., auto insurance rates) are cheaper in Ontario's north; others (e.g., gasoline) cost more. As Figure 14 shows, transit prices are also a mixed bag. Although the Big Five

offer notable savings relative to Ottawa and Toronto, the price difference is mostly small when looking at other southern cities.

<sup>6</sup> Based on a 35-year-old driver of a 2014 Honda Civic with a clean driving record.



**Figure 14: Public Transportation Costs**

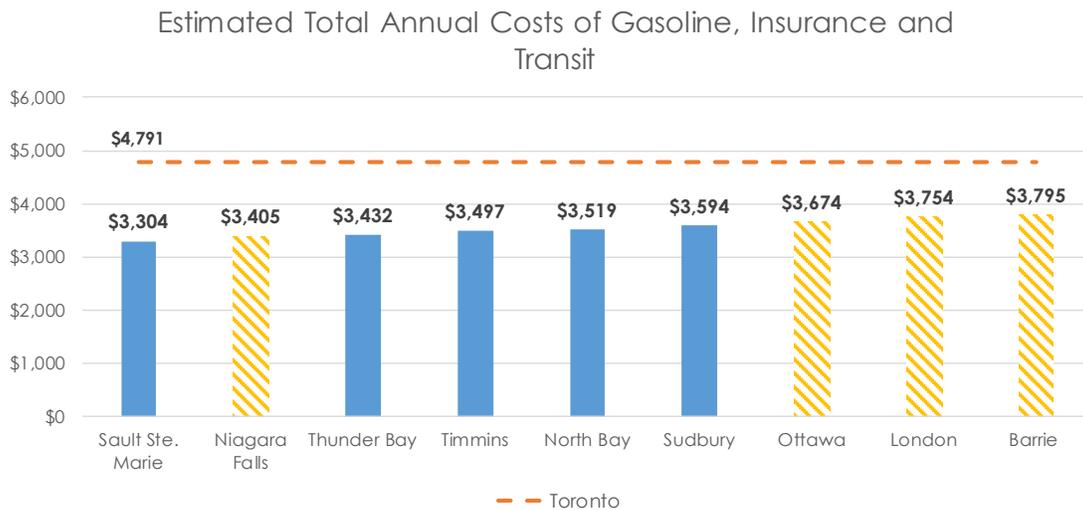


Source: City websites. Retrieved October 10, 2018.

That said, based on the combined total of these data points, transportation costs are, in fact, lower in Northern Ontario, as Figure 15 shows. This total does not include

car payments or maintenance, which could influence the results.

**Figure 15: Total Transportation Costs**



Source: Author's calculations based on Ontario Open Data Catalogue; Natural Resources Canada; city websites; Kanetix InsuraMap; and Service Ontario.

The available data indicate that residents of Ontario's northern cities do not necessarily spend more on transportation than their southern counterparts. Based on these numbers, a Sudbury resident would have to buy approximately 13.5 per cent more gasoline (140 litres) than

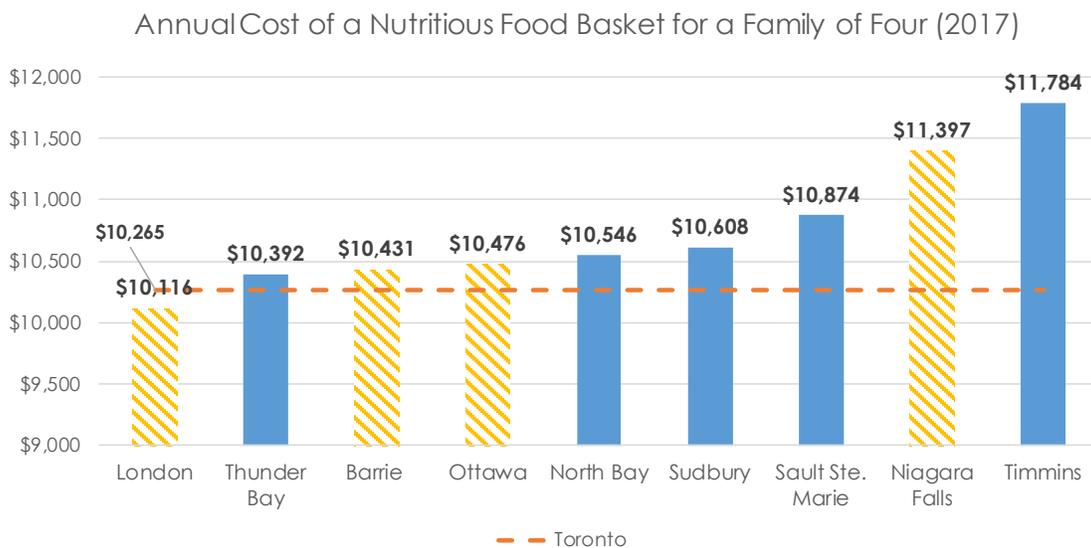
someone in London in order to reach the same estimated annual total transportation costs. Overall, it appears the lower insurance and license renewal fees cushion the blow from higher fuel prices, allowing Northerners to purchase more gasoline, if need be.

# Food Cost

The third highest expense for Canadian households is food, which accounts for 14.1 per cent of consumption (Statistics Canada 2017a), and is more expensive in the North than in the South (Melillo 2018; Martin et al. 2016).<sup>7</sup> As Figure 16 shows, the Big Five really do spend more on nutritious food than their southern counterparts. It is worth

noting that these prices are for the entire public-health unit, which can include some remote locations. For example, Martin et al. (2016), found that a Revised Northern Food Basket in Timmins cost 55 to 67 per cent of what it did in some remote First Nations communities served by the same public-health unit.

**Figure 16: Food Costs**



Source: Author's calculations from public-health unit data.

Niagara Falls is abnormally expensive among southern cities, which are generally lower than the Big Five. The difference between North Bay and Ottawa shows that most Northerners can expect to spend an extra \$70 or

more annually than they would in Southern Ontario. On the other hand, dining out is generally more affordable in the North compared to the examined southern cities.

<sup>7</sup> The survey includes groceries and food purchased from restaurants under the category of food costs.

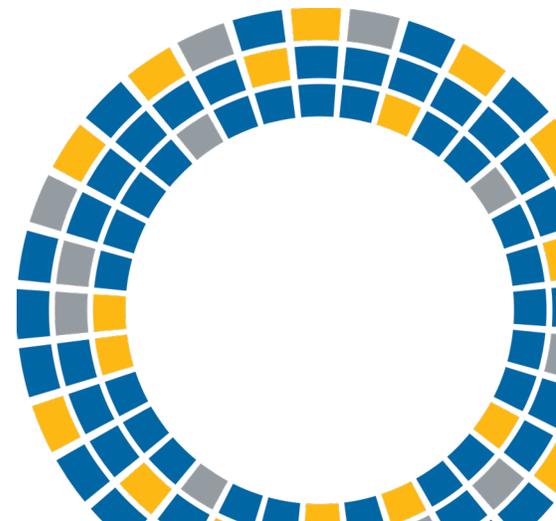


Figure 17: Restaurants

Cost of Dining Out



Source: Numbeo.com. Retrieved October 10, 2018.

All in all, Northerners can expect to spend quite a bit more for the food in their home, and even more if they reside outside the Big Five. Less expensive nights out may be a poor consolation for many Northerners struggling to afford

nutritious food. Finding ways to lower the cost of food in the North is not a novel suggestion but doing so would enhance the advantage the Big Five have built up in shelter and transportation costs.

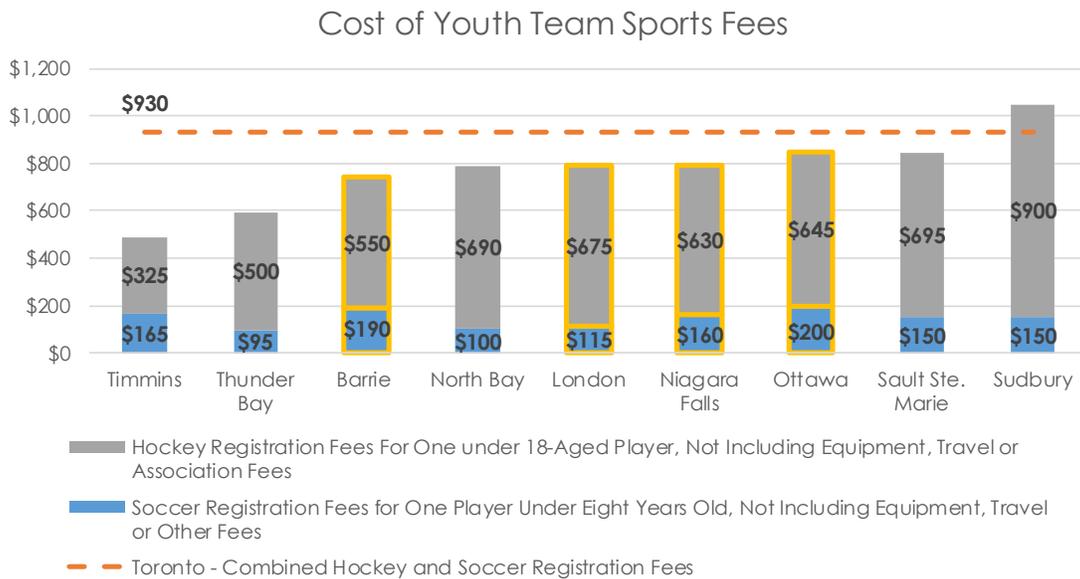


# Recreation Costs

All told, shelter, transportation, and food account for more than 62 per cent of consumption costs in Canadian households. Northerners save money on shelter and transport, and tend to lose some ground paying for food,

but what about other costs? Our family of four has children involved in hockey, soccer, ballet, and swimming—the four most common activities among Canadian youth (Solutions Research Group Consultants 2014).

Figure 18: Sports



Source: Local sports leagues websites and direct correspondence.

Sault Ste. Marie and Sudbury are among the most expensive places for a child to play Canada's most popular team sports, while Timmins and Thunder Bay are by far the cheapest. Individual activities were a little bit trickier to compare due to differences in course length. For example, ballet lessons in one city may cost \$778 for eight months but \$115 for four weeks elsewhere. Add the

fact that some lessons are half an hour yet others are 45, 60, or 90 minutes, and direct price comparisons are largely meaningless. Figure 19 calculates the cost per hour of activity to navigate these discrepancies. These are samples, and not a comprehensive representation of all classes available.

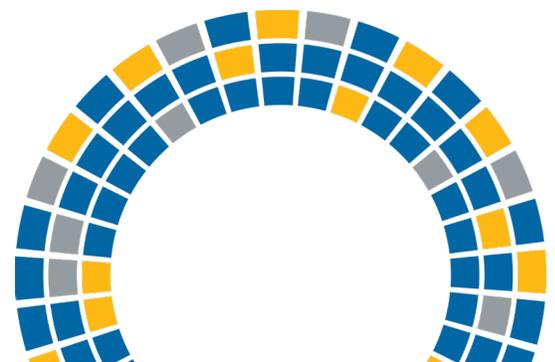
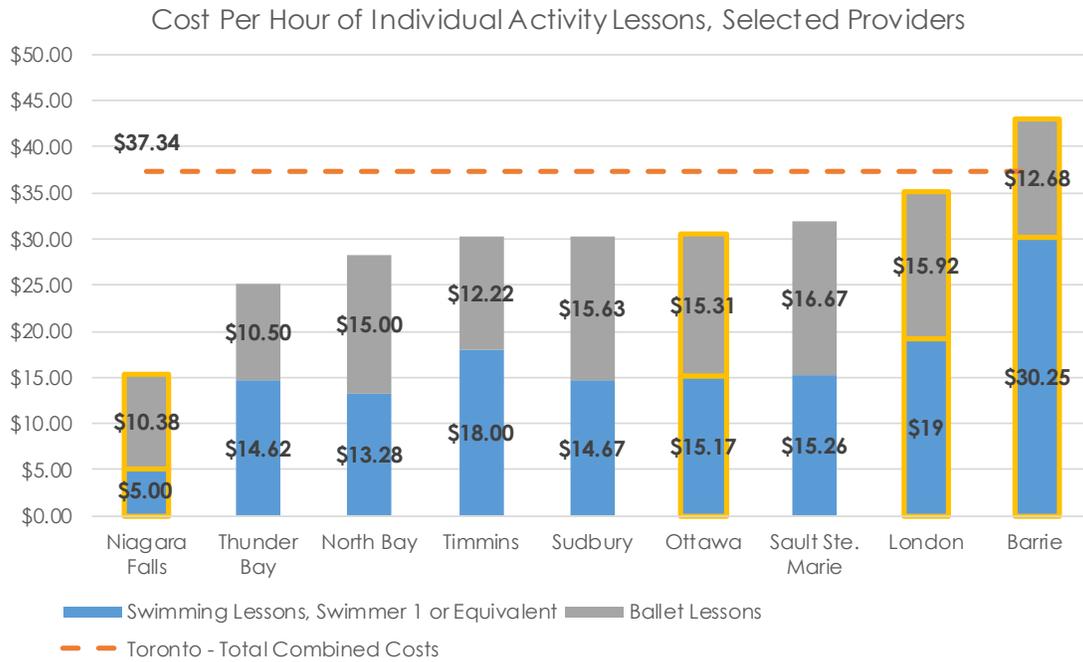
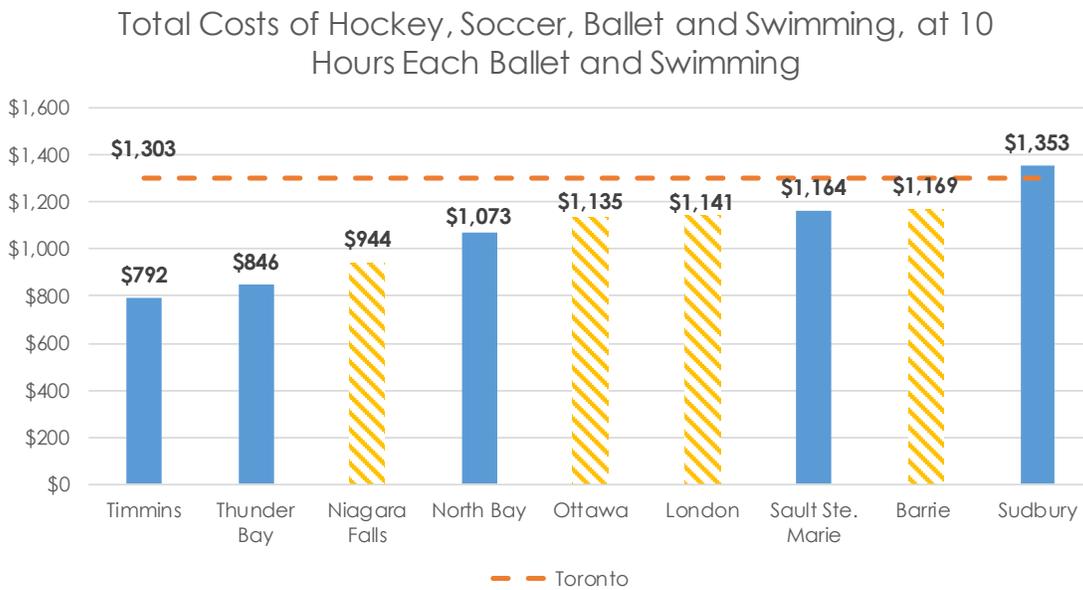


Figure 19: Lessons



Source: Author's calculations based on provider websites and direct correspondence.

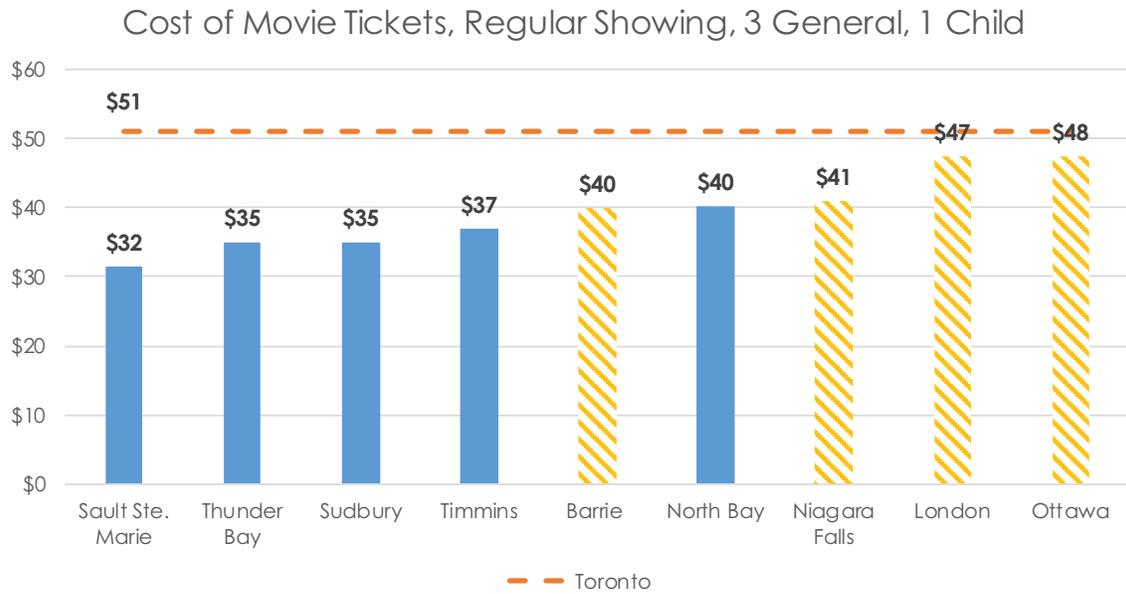
Figure 20: Lessons and Sports



Source: Author's calculations based on provider websites and direct correspondence.

Overall, Sudbury has the highest fees, driven largely by the high costs of hockey registration. Otherwise, the Big Five fare similarly compared to, and in many cases better than, the southern cities for physical activities.

Figure 21: Entertainment Costs



Source: Cineplex.com; imaginecinemas.com, retrieved October 2018

A family in the Big Five can also save on leisurely nights out. Figure 21 shows the cost for a family to go to the movie theatre. Once again, the Big Five perform better than most of the other cities. Based on the data examined, recreation in the Big Five tends to be slightly

less expensive. However, the fees to enroll in minor hockey drive recreation prices in the Big Five up the most. Overall, the recreation fees could be prime targets to address among communities that want to position themselves as more attractive places to live.



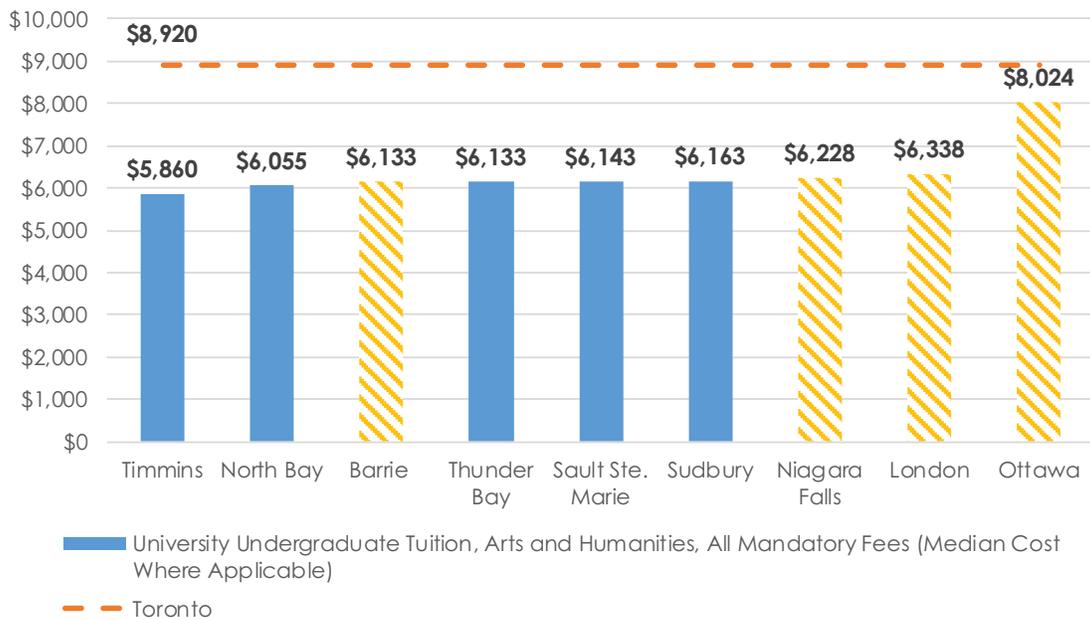
# Postsecondary Education Costs

The eldest child in our family of four is looking to enroll in post-secondary in their hometown and wants to compare tuition fees. How competitive are these fees in the various

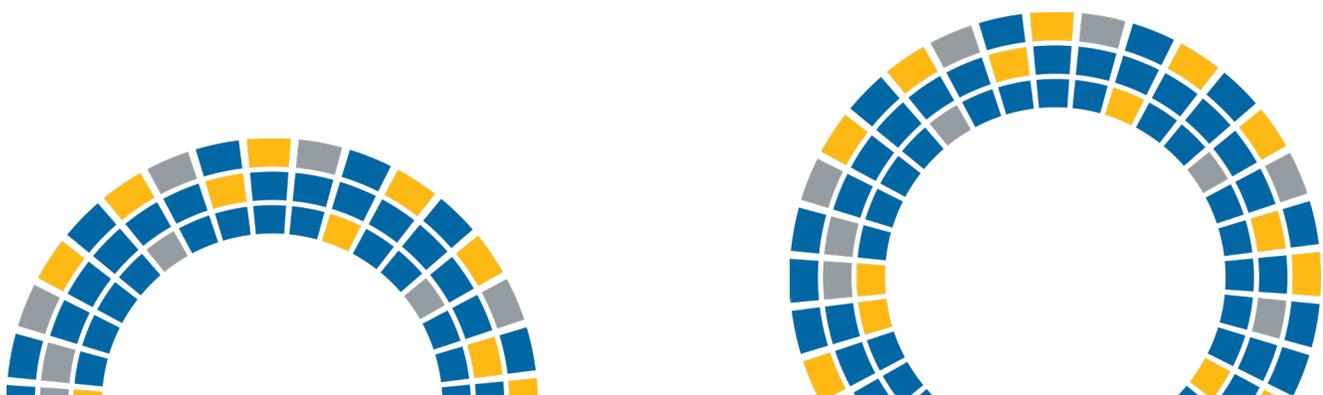
communities? Figures 22 and 23 show the university and college rates in these cities.

**Figure 22: University Tuition Costs**

Costs for a Full-Time University Undergraduate Enrolled in Arts and Science, 2018

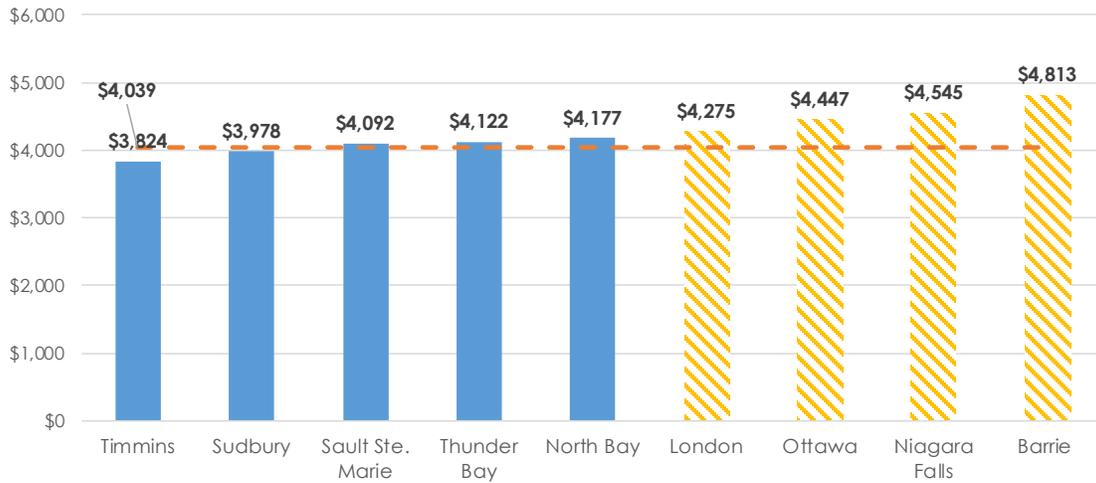


Source: Universities Canada. Note that Toronto and Ottawa are a median figure. Barrie is derived from Lakehead University courses available at Georgian College. Timmins is derived from Université de Hearst's satellite campus.



**Figure 23: College Tuition Costs**

Costs for a Full-Time College Student Enrolled in General Arts and Science, 2018



Source: college websites. Toronto is a median figure.

There are, yet again, savings to be had in the Big Five, with even more likely to stem from the lower shelter costs outlined above. The costs for university tuition in Toronto

can be as high as \$11,520 per year (Universities Canada n.d.)—more than double the price in Timmins—but the difference between most cities is under \$300.

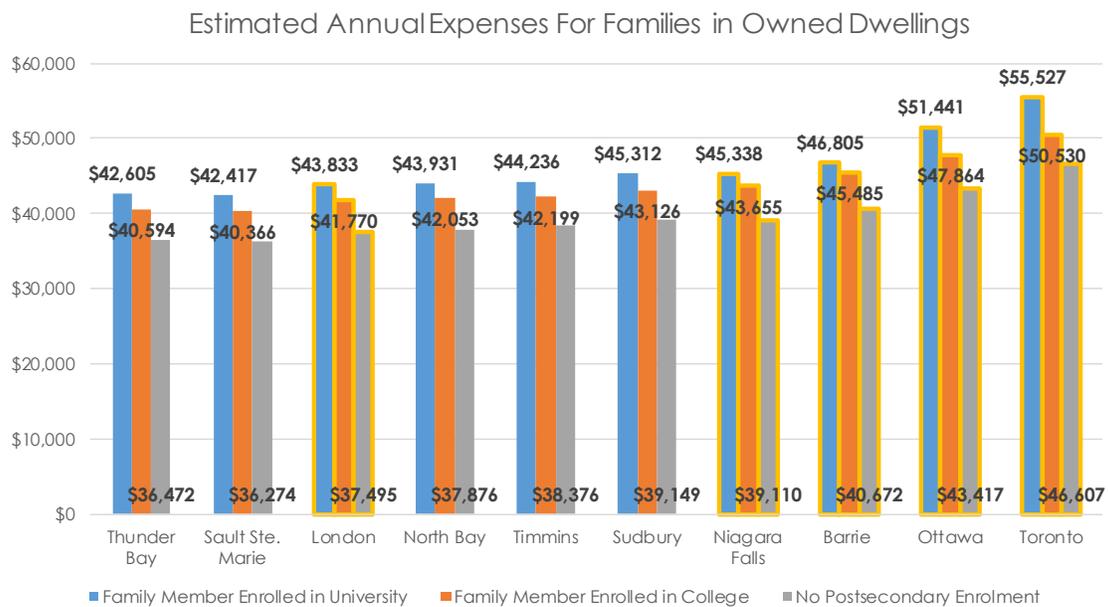


# Annual Costs

So overall, is it more expensive to live in the Big Five than in Toronto or other Southern Ontario cities? Figure 24 shows that, based on the data points examined, the Big Five tend to be less expensive for a family of four that owns their home. Recalling again that Niagara Falls and London are on the low end for shelter costs in Southern Ontario,

it is apparent that the Big Five offer thousands of dollars in annual savings. These numbers assume that an equal amount of gasoline is purchased, that each family saw four movies together, and that they purchased six mid-range meals for two, 12 fast food combo meals, and 18 meals at an inexpensive restaurant.

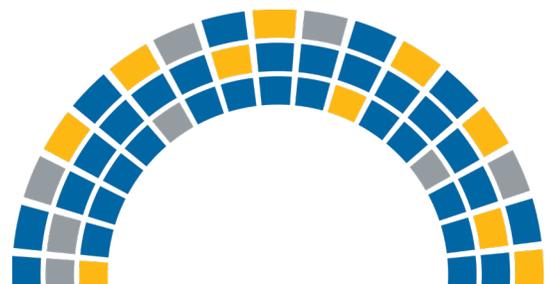
**Figure 24: Total Expenses**



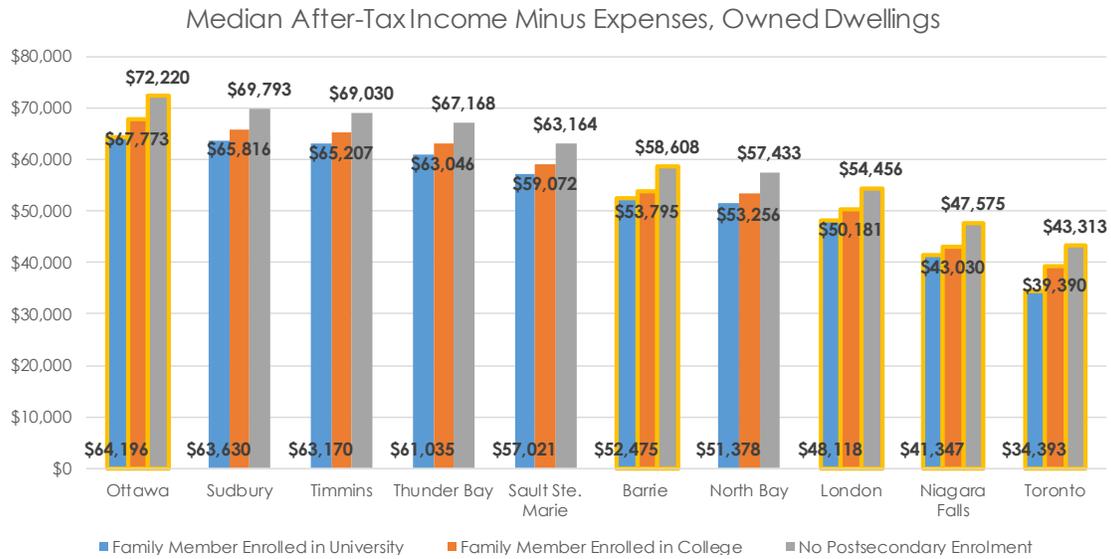
Source: Author's calculations.

The situation is even more promising when these expenses are excluded from the median annual income. These figures are not precise, as the income statistics are for all families, not just those in owned dwellings; however, they are the extent of available data. As stated above, 69 to

89 per cent of all couple families with children in these cities are homeowners, so the total income statistics for all families of four likely align closely with the income statistics for the subset of this group that owns their home.



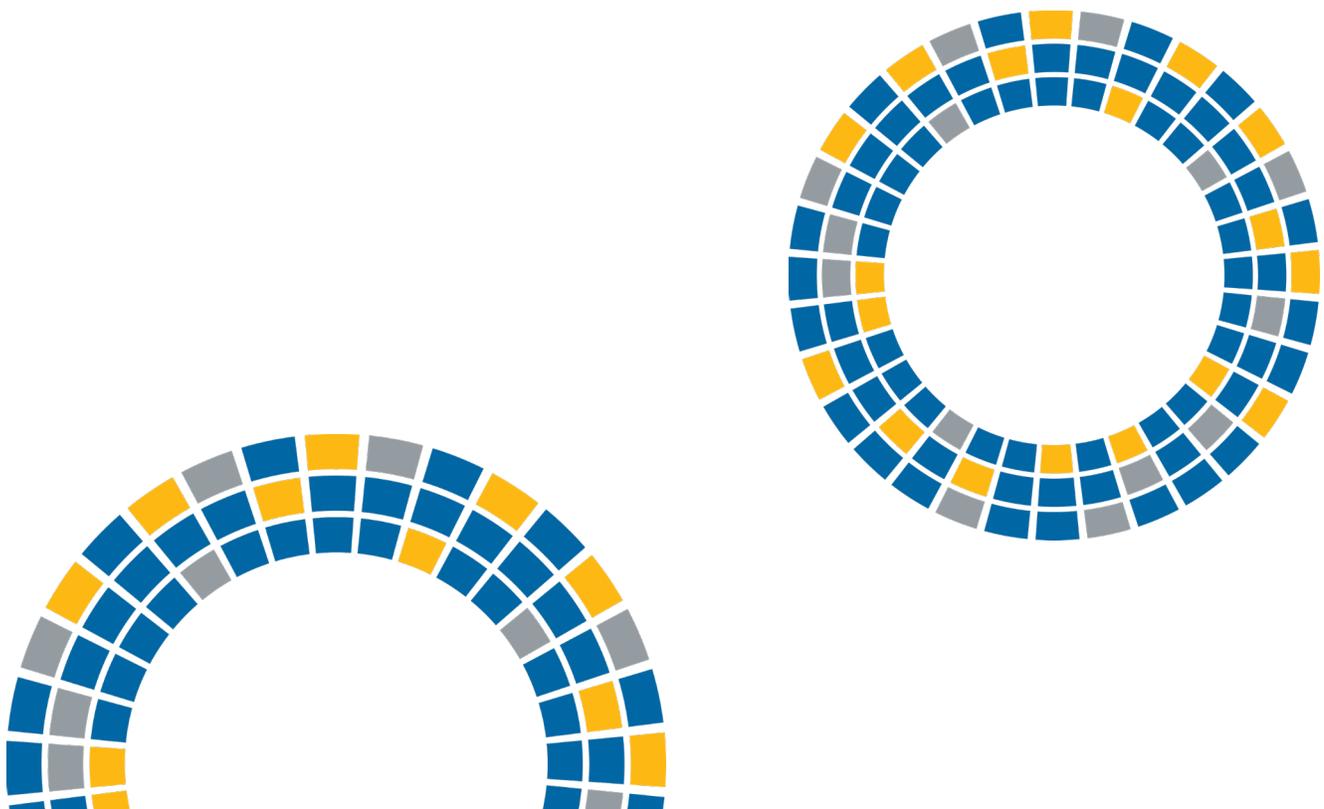
**Figure 25: Income, Less Expenses**



Source: Author's calculations.

These numbers represent how much the median family of four could expect to have left over to cover other expenses. Note that sales taxes were not included in the calculation, which would cut significantly into the remaining funds. In this scenario, the family in Sudbury with a child enrolled in university had an additional \$29,237 remaining compared to their counterpart in Toronto. There are, of course, a slew of expenses not included in this analysis, but those would have to be massively higher in the

Big Five to close the gap. Although the family in Ottawa ends up with the most money remaining, the families in Sudbury, Timmins, Thunder Bay, and Sault Ste. Marie had an additional \$4,546 or more in their pockets than the second-best performing Southern Ontario equivalent. North Bay is much closer to southern comparators, but bear in mind that London and Niagara Falls were both on the low end for shelter costs in the South.



## Conclusion and Policy Implications

All told, it appears that living in a Northern Ontario city is a healthy decision for the family pocketbook. Not only do the median and average families of four earn a similar income to their Southern Ontario counterparts but also many key household items cost significantly less as well. The result is that the family of four finishes a year with a lot more money in hand than if they were to purchase the same goods and services in one of the other cities examined.

Further research could expand to more criteria as well as more locations. A comparison of rural living in different areas of the province would be especially interesting. Likewise, it would be fascinating to see how income and costs compare for smaller towns offering fewer services. For now, however, the evidence indicates that it is generally less expensive to live in a Northern Ontario city than one in Southern Ontario.

To that end, there are several things the Big Five can do to capitalize on this advantage.

1. Aggressively market the earning potential and the low shelter costs to Southern Ontario residents and potential newcomers. A northern homeowner can save upwards of tens of thousands of dollars on their home over a five-year period, and those savings are not offset by a lower income.
2. Explore bringing discount telecommunications providers to the North's regions, whether public, private, or partnerships between sectors. Cheaper alternatives and more competition could save northern families hundreds of dollars annually.
3. Continue efforts to make groceries more affordable through programs such as Community Food Services Canada, or cooperative business models (Dillabough 2016, 11).
4. Encourage residents to save money by using less gasoline. Fuel prices are higher in the North, and local policymakers have little control over that, but they can encourage greater use of fuel-efficient vehicles, carpooling, public transit, and more walking and biking. A Timmins resident using 936 litres of gasoline rather than 1,040 (10 per cent less) would save roughly \$125 at 2017's average price.



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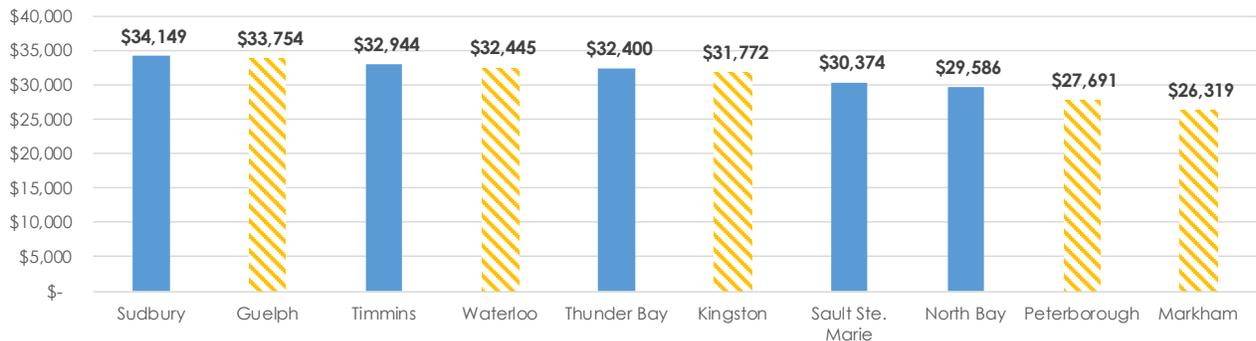
# Appendix A: Individual Incomes

Median After-Tax Income of Individuals



Source: Statistics Canada 2016 Census

Median After-Tax Income of Individuals (expanded comparator group)



Source: Statistics Canada 2016 Census

## About Northern Policy Institute

*Northern Policy Institute is Northern Ontario's independent think tank. We perform research, collect and disseminate evidence, and identify policy opportunities to support the growth of sustainable Northern Communities. Our operations are located in Thunder Bay and Sudbury. We seek to enhance Northern Ontario's capacity to take the lead position on socio-economic policy that impacts Northern Ontario, Ontario, and Canada as a whole.*

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