



Future Launch

Young people can no longer afford to live in Canadian cities big or small

According to the Youthful Cities Real Affordability Index young people in Canada run an average deficit of \$750 a month living in cities and the ripple effects should raise concerns

TORONTO, May 12, 2022 — Today, Youthful Cities released the results of its [Youthful Cities Real Affordability Index](#) providing insights into how cities across Canada stack up for young people in terms of affordability. Simply put, Canadian cities aren't affordable for young people.

Presented by [RBC Future Launch](#), the Real Affordability Index explores the affordability of 27 Canadian cities. According to the findings, as the group hardest hit by the pandemic and also the group most likely to work in the service industry, young people in Canada 15 to 29 years of age can no longer afford any of the cities they live in – big or small.

Young people in Canada run an average deficit of \$750 a month living in cities.

Regionally, Canadian cities in the East are the least affordable overall, primarily due to the east coast salary discount, while cities in Alberta and Quebec offer more opportunities for young people to save money.

Lethbridge is the most affordable city with a monthly deficit of \$32.92 but it also has one of the largest gender gaps related to affordability at 20 per cent. Helping contribute to its higher affordability ranking, renting a single bedroom apartment in Lethbridge is well below \$1,000 a month, compared to Toronto where average rents are nearly \$2,000 a month.

"Affordability shouldn't only be about the basic necessities for survival," says Claire Patterson, Youthful Cities. "Affordability should also include the ability to pay for those things that contribute to the vibrancy of a person's life when they are able to move forward and meet those key milestones we view as signs of success. In today's Canadian cities opportunities to thrive simply aren't equally accessible to all young people."

Key Barriers to Affordability:

- **Salaries and wages** are not keeping pace with the cost of living in Canadian cities. In all the cities indexed, the minimum wage is not a liveable wage and gaps range between \$2 to \$10. Incomes across the indexed cities indicate a disparity of 30 per cent between the highest incomes in Yellowknife and the lowest incomes in Halifax.
- **Full-time employment** increases a young person's ability to afford a city but it's not a guarantee. Two-thirds of Canadian cities are still unaffordable even when young people are employed full-time.
- **Gender pay equity** isn't a reality. After decades of effort to create gender pay equity, young men continue to earn more than young women in every city indexed. Wage disparity can often be attributed to the reality that men hold a higher percentage of trade jobs which earn higher wages in comparison to women who hold a higher percentage of sales jobs earning lower wages.

- **Skills Development** is paramount. Some hope can be found in helping young people build the skills needed to enter into new, better-paying careers.

“Young peoples’ inability to afford to live in urban areas can have many compounding negative effects including increased mental health concerns as they face fears of missing out on life ahead and attaining their goals and aspirations,” says Mark Beckles, Vice-President, Social Innovation and Impact, RBC. “Through Indexes like this one, RBC Future Launch is raising awareness of the barriers facing young people and helping provide a platform for young people to voice their concerns so that we can listen. For our part, we are working with young people, educational institutions and partners in the private and public sectors to co-create long-term solutions to address these barriers.”

Canada could see a massive drain on critical youthful talent now and into the future if barriers including the ability to earn a living wage, access to full-time employment, the wage gap among young men and young women and the failure to provide opportunities to build needed and necessary skills aren’t addressed.

“Today’s young people are still working to afford the toast,” says Patterson. “Avocados seem a long way off.”

[RBC Future Launch](#) is a decade-long, \$500 million commitment to empowering Canadian youth for the jobs of tomorrow. RBC is committed to acting as a catalyst for change, bringing government, educators, public sector and not-for-profits together to co-create solutions to help young people better prepare for the future of the work through practical work experience, skills development, networking and access to mental well-being supports and services. In 2020, we committed to investing \$50 million from now to 2025 through RBC Future Launch to create meaningful and transformative pathways to prosperity for up to 25,000 BIPOC youth with investments in areas such as skills development and mentoring.

Young people can use a web app to gain a customized view of which Canadian city could be the most affordable for them. Based on personalized inputs and preferences, mapped against income and cost data, the app will help users ‘find their city’ by providing a tailored recommendation. Young people can then post the result on social media to share insights and inform their peers.

Affordability Formula: Affordability is based on the formula: Average income of 15-29 year-olds by city from Stats Canada minus Cost of a youth-focused basket of goods/services by city per month.

About RBC

Royal Bank of Canada is a global financial institution with a purpose-driven, principles-led approach to delivering leading performance. Our success comes from the 88,000+ employees who leverage their imaginations and insights to bring our vision, values and strategy to life so we can help our clients thrive and communities prosper. As Canada’s biggest bank, and one of the largest in the world based on market capitalization, we have a diversified business model with a focus on innovation and providing exceptional experiences to our 17 million clients in Canada, the U.S. and 27 other countries. Learn more at [rbc.com](https://www.rbc.com).

We are proud to support a broad range of community initiatives through donations, community investments and employee volunteer activities. See how at [rbc.com/community-social-impact](https://www.rbc.com/community-social-impact).

About Youthful Cities

Youthful Cities is a thinktank that creates data-driven solutions enabling more youthful places to live work and play.

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Since 2013 Youthful Cities has developed indexes globally to help inform decision-makers about the needs of cities based on youth voices. Our urban Indexes ignite an important dialogue about the importance of youth to the future of cities.

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